RED HERRING PROSPECTUS
Dated November 28, 2012
Please read section 60 B of the Companies Act, 1956
Book Built Issue

BHARTI INFRATEL LIMITED

The Company was incorporated as 'Bharti Infratel Limited' on November 30, 2006, at New Delhi, as a public limited company under the Companies Act, 1956, as amended (the "**Companies Act**"). The Company received a certificate of commencement of business on April 10, 2007 from the Registrar of Companies, National Capital Territory of Delhi and Haryana. For details of changes in the registered office of the Company, please see the section "History and Certain Corporate Matters" on page 168

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070; **Corporate office**: Park Centra, Sector-30, Village Silokhara, Gurgaon 122 001;
Contact Person: Anupam Garg, Company Secretary and Compliance Officer; **Tel:** (91 11) 4666 6100; **Fax:** (91 11) 4166 6137; **Email:** compliance.officer@bharti-infratel.in; **Website:** www.bharti-infratel.com

PROMOTER OF THE COMPANY: BHARTI AIRTEL LIMITED

PUBLIC ISSUE OF 188,900,000 EQUITY SHARES OF A FACE VALUE ₹ 10 EACH OF BHARTI INFRATEL LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ [●] MILLION CONSISTING OF A FRESH ISSUE OF 146,234,112 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 42,665,888 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AGGREGATING TO ₹ [●] MILLION (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). A DISCOUNT OF ₹ 10 TO THE ISSUE PRICE IS BEING OFFERED TO RETAIL INDIVIDUAL BIDDERS[1]. THE ISSUE WILL CONSTITUTE 10% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE COMPANY WILL CONSULT THE SELLING SHAREHOLDERS WITH RESPECT TO THE PRICE BAND. HOWEVER, THE FINAL DETERMINATION OF THE PRICE BAND AND THE MINIMUM BID LOT WILL BE MADE BY THE COMPANY IN CONSULTATION WITH THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS (THE "JGCBRLMS"), THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS") AND THE CO-BOOK RUNNING LEAD MANAGERS (THE "CBRLMS") AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH DAILY NATIONAL NEWSPAPER) AND ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI DAILY NATIONAL NEWSPAPER) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the JGCBRLMs, the BRLMs and the CBRLMs and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b) (ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), this is an Issue for at least 10% of the post-Issue capital where the post-Issue capital of the Company calculated at the Issue Price will be more than ₹ 40,000 million. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyer ("QIB") Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. QIBs (other than Anchor Investors) and Non-Institutional Bidders shall participate in the Issue through the Application Supported by Blocked Amount ("ASBA") process providing details of the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") to the extent of the Bid Amount for the same. Retail Individual Bidders may also participate in the Issue through the ASBA process. For details, please see the section "Issue Procedure" on page 573.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is ₹ 10 and the Issue Price is [●] times of the face value. The Issue Price (which has been determined and justified by the Company, the JGCBRLMs, the BRLMs and the CBRLMs as stated under the section "Basis for Issue Price" on page 107) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

The Issue has been graded by CRISIL as 4/5, indicating that the fundamentals of the Issue are above average relative to other listed equity securities in India. The IPO grade is assigned on a five point scale from 1 to 5 with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, please see the section "General Information" on page 80.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 17.

COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, having made all reasonable enquiries, accepts responsibility for and confirms that the information relating to such Selling Shareholder contained in this Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect.

LISTING

The Equity Shares offered and issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated September 25, 2012 and September 26, 2012, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be NSE.

JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

DSP Merrill Lynch Limited 8th Floor, Mafatlal Center, Nariman Point, Mumbai 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 Email: dg.bhartiinfratelipo@baml.com Investor grievance email: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact Person: Abhijit Kedia SEBI Registration No.: INM000011625	**J. P. Morgan India Private Limited** J. P. Morgan Tower, Kalina, Off C. S. T. Road, Santacruz (East), Mumbai 400 098 Tel: (91 22) 6157 3000 Fax: (91 22) 6157 3911 Email: bil_ipo@jpmorgan.com Investor grievance email:investorsmb.jpmipl@jpmorgan.com Website: www.jpmipl.com Contact Person: Varun Behl SEBI Registration No.: INM000002970	**Standard Chartered Securities (India) Limited #** 1st Floor, Standard Chartered Tower , 201B/1, Western Express Highway, Goregaon (East), Mumbai 400 063 Tel: (91 22) 4205 6117 Fax: (91 22) 4205 5999 Email: bhartiinfratel_ipo@sc.com Investor grievance email: investor@sc.com Website: www.standardcharteredsecurities.co.in Contact Person: Rohan Saraf SEBI Registration No.: INM000011542 **# RHP Lead and SEBI Coordinator**	**UBS Securities India Private Limited** 2 /F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 Tel: (91 22) 6155 6124 Fax: (91 22) 6155 6300 Email: OL-HarvestIPO@ubs.com Investor grievance email: customercare@ubs.com Website: www.ubs.com/indianoffers Contact Person: Ankur Aggarwal SEBI Registration No.: INM000010809

BOOK RUNNING LEAD MANAGERS

Barclays Securities (India) Private Limited 208 Ceejay House, Shivsagar Estate, Dr. A. Besant Road, Worli, Mumbai 400 018 Tel: (91 22) 6719 6001 Fax: (91 22) 6719 6187 Email: BILIPO@barclays.com Investor grievance email: xraBSIPLConcerns@barclays.com Website: http://www.barcap.in/bsiplofferingdocuments Contact Person: Raahi Kapadia SEBI Registration No.: INM000011195	**Deutsche Equities India Private Limited** Hazarimal Somani Marg, Fort Mumbai 400 001 Tel: (91 22) 7158 4773 Fax: (91 22) 2200 6765 Email: bil.ipo@db.com Investor grievance email: db.redressal@db.com Website: www.db.com/India Contact Person: Divyesh Chitalia SEBI Registration No.: INM000010833	**Enam Securities Private Limited [2]** 1st Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli Mumbai 400 025 Tel: (91 22) 4325 3101 Fax: (91 22) 4325 3000 Email: bharti.ipo@enam.com Investor grievance email: complaints@enam.com Website: www.enam.com Contact Person: Kanika Sarawgi SEBI Registration No.: INM000006856	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 Tel: (91 22) 2268 1285 Fax: (91 22) 2263 1984 Email: bhartiinfratelipo@hsbc.co.in Investor grievance email: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking Contact Person: Mayank Jain SEBI Registration No.: INM000010353	**Kotak Mahindra Capital Company Limited** 1st Floor, Bakhtawar, 229 , Nariman Point, Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 Email: bhartiinfratel.ipo@kotak.com Investor grievance email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704

REGISTRAR TO THE ISSUE	CO-BOOK RUNNING LEAD MANAGERS			
Karvy Computershare Private Limited Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081 Tel: (91 40) 4465 5000 Fax: (91 40) 2343 1551 Email: einward.ris@karvy.com Website: http:\\karisma.karvy.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221	**BNP Paribas** BNP Paribas House, 1 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 3370 4000 Fax: (91 22) 6196 5194 Email: indiaproject.harvest@asia.bnpparibas.com Investor grievance email: indiainvestors.care@asia.bnpparibas.com Website: www.bnpparibas.co.in Contact Person: Anubhav Behal SEBI Registration No.: INM000011534	**DBS Bank Ltd.** 3rd Floor, Fort House 221, Dr. D. N. Road Fort, Mumbai 400 001 Tel: (91 22) 6752 8331 Fax: (91 22) 6752 8399 Email: dbs_harvest@dbs.com Investor grievance email: ib-india@dbs.com Website: www.dbs.com/in Contact Person: Murugan Subramaniam SEBI Registration No.: INM000011088	**HDFC Bank Limited** Investment Banking Division, Trade World A Wing, 1st Floor, Kamala Mills Compound S. B. Marg, Lower Parel (West), Mumbai 400 013 Tel: (91 22) 3383 9198 Fax: (91 22) 4080 4114 Email: Projectharvest @hdfcbank.com Investor grievance email:investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Paresh Soni SEBI Registration No.:INM000011252	**ICICI Securities Limited** ICICI Centre, HT Parekh Marg, Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: project.harvest@icicisecurities.com Investor grievance email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Manvendra Tiwari / Sumit Agarwal SEBI Registration No.: INM000011179

BID/ISSUE PROGRAMME[3]

BID/ISSUE OPENS ON: TUESDAY, DECEMBER 11, 2012	**BID/ISSUE CLOSES (FOR QIB BIDDERS) ON: THURSDAY, DECEMBER 13, 2012**
	BID/ISSUE CLOSES (FOR NON INSTITUTIONAL BIDDERS AND RETAIL INDIVIDUAL BIDDERS) ON: FRIDAY, DECEMBER 14, 2012

1. *The Retail Discount will not exceed 5% of the Issue Price.*
2. *The merchant banking business of Enam Securities Private Limited, a BRLM, has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration.*
3. *The Company may, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

General Terms

Term	Description
"the Company", "the Issuer" or "Bharti Infratel" or "BIL"	Unless the context otherwise indicates or implies, refers to Bharti Infratel Limited, a company incorporated under the Companies Act and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070
"We", "our" or "us"	Refers to Bharti Infratel taken together with its wholly owned subsidiary, BIVL, and Bharti Infratel's 42% equity interest in Indus

Company Related Terms

Term	Description
Aditya Birla Telecom	Aditya Birla Telecom Limited, a subsidiary of Idea Cellular (as defined below)
Anadale	Anadale Limited
Articles/Articles of Association	Articles of Association of the Company, as amended
Auditor	The statutory auditor of the Company, S.R. Batliboi & Associates, Chartered Accountants
BEHPL	Bharti Enterprises Holding Private Limited
Bharti Airtel	Bharti Airtel Limited
Bharti Airtel Demerger Scheme	Scheme of arrangement between the Promoter and the Company and their respective shareholders which became effective on January 31, 2008 and was also operative on the same day
Bharti Hexacom	Bharti Hexacom Limited
Bharti Infratel Demerger Scheme	Scheme of arrangement between the Company, BIVL and their respective shareholders which became effective on May 5, 2011 and was operative from April 1, 2009
BIVL	Bharti Infratel Ventures Limited
BIVL IRU	Indefeasible Right to Use Agreement dated December 19, 2008 entered between the Company and Indus, as amended from time to time. Consequent to the Bharti Infratel Demerger Scheme, the IRU with the Company was also transferred to BIVL in respect of such towers
Board/Board of Directors	The board of directors of the Company or a duly constituted committee thereof
Compassvale	Compassvale Investments Pte. Ltd.
Director(s)	The director(s) of the Company, unless otherwise specified
Equity Shares	Equity shares of the Company of face value ₹ 10 each, fully paid-up, unless otherwise specified in the context thereof
Framework Agreement	Agreement dated December 8, 2007 entered into amongst Bharti Airtel, the Company and its joint venture partners, as amended from time to time, which sets out the terms on which (i) towers will be contributed to Indus; (ii) Indus will develop telecom sites during the interim period before the completion of the Indus Scheme for the transfer of towers to Indus; and (iii) the operation, maintenance and sharing of the towers between the parties and with third parties prior to the Indus Scheme becoming effective
Group Companies	Companies, firms and ventures promoted by the Promoter irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act or not and disclosed in the section "Group Companies" on page 212

Term	Description
GS Strategic	GS Strategic Investments Limited
Indus	Indus Towers Limited, a company incorporated under the Companies Act and having its registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070
Indus Auditor	B S R & Company, Chartered Accountants, the statutory auditor of Indus, who have examined the financial information of Indus included in this Red Herring Prospectus
Indus Scheme	Scheme of arrangement between BIVL, Vodafone Infrastructure Limited and Idea Cellular Towers Infrastructure Limited and Indus and their respective shareholders and creditors. For details, please see the section "History and Certain Corporate Matters – Schemes of Arrangement" on page 171
Indus SHA	Shareholders agreement dated December 8, 2007 entered into among Bharti Infratel and their joint venture partners, as amended from time to time.
Key Management Personnel/KMP	Key management personnel of the Company as per the SEBI Regulations
Listing Agreement	Listing agreement to be entered by the Company with the Stock Exchanges
Memorandum/Memorandum of Association	Memorandum of association of the Company, unless the context otherwise specifies
Merger Group	BIVL, Vodafone Infrastructure Limited and Idea Cellular Towers Infrastructure Limited
Nomura	Nomura Asia Investment (IB) Pte. Ltd.
Promoter	Bharti Airtel. For details, please see the section "Promoter and Promoter Group" on page 201
Promoter Group	Refers to such persons and entities constituting the promoter group of the Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and disclosed in the section "Promoter and Promoter Group" on page 201
Registered Office	The registered office of the Company, located at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070
Selling Shareholders	Compassvale, GS Strategic, Anadale and Nomura
Shareholder	A shareholder of the Company
Subsidiary	The subsidiary of the Company, BIVL. For details, please see the section "History and Certain Corporate Matters – Subsidiary" on page 177

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are/ have been Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion with a minimum Bid of ₹ 100 million
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price, decided by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company in

Term	Description
	consultation with the JGCBRLMs, the BRLMs and the CBRLMs to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising a SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Issue
ASBA Account	An account maintained with the SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Issue who intend to Bid/apply through the ASBA process
Banker(s) to the Issue /Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being Axis Bank Limited, State Bank of India, Kotak Mahindra Bank Limited, ICICI Bank Limited, HDFC Bank Limited and The Hongkong and Shanghai Banking Corporation Limited
Barclays	Barclays Securities (India) Private Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure – Basis of Allotment" on page 602
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form. For Retail Individual Bidders, the Bid shall be net of Retail Discount
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bid/Issue Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the Designated Branches of the SCSBs will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation
Bid/Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the Designated Branches of the SCSBs shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
BNPP	BNP Paribas
Book Building Process/Method	Book building process, as provided in Part A of Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/Book Running Lead	The book running lead managers to the Issue, being, Barclays, Deutsche, Enam,

Term	Description
Managers	HSBC and Kotak
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
CBRLMs/Co-Book Running Lead Managers	The co-book running lead managers to the Issue, being, BNPP, DBS, HDFC and I-Sec
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Issue with the JGCBRLMs, the BRLMs, the CBRLMs, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Cut-off Price	Issue Price, finalised by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 200,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
DBS	DBS Bank Ltd.
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders shall transfer the Equity Shares in the Offer for Sale
Designated Stock Exchange	NSE
Deutsche	Deutsche Equities India Private Limited
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated September 14, 2012, filed with SEBI, prepared and issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
DSPML	DSP Merrill Lynch Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Enam	Enam Securities Private Limited* ** The merchant banking business of Enam Securities Private Limited, a Book Runnung Lead Manager, has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration.*
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by the Company, the Selling Shareholders, the Registrar to the Issue, the JGCBRLMs, the BRLMs, the CBRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders) are made on the terms and conditions thereof
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of 146,234,112 Equity Shares aggregating up to ₹ [●] million by the Company
HDFC	HDFC Bank Limited

Term	Description
HSBC	HSBC Securities and Capital Markets (India) Private Limited
I-Sec	ICICI Securities Limited
IPO Grading Agency	CRISIL
Issue	The public issue of 188,900,000 Equity Shares for cash at a price of ₹ [●] each, aggregating to ₹ [●] million comprising of the Fresh Issue and the Offer for Sale
Issue Agreement	The agreement entered into on September 13, 2012 between the Company, the Selling Shareholders, the JGCBRLMs, the BRLMs and the CBRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that is available to the Company and the Selling Shareholders
JGCBRLMs/Joint Global Coordinators and Book Running Lead Managers	The joint global coordinators and book running lead managers to the Issue, being, DSPML, JPM, Standard Chartered and UBS
JPM	J.P. Morgan India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 3,305,750 Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Fresh Issue less the Company's share of Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, please see the section "Objects of the Issue" on page 101
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of 28,335,000 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI
Offer for Sale	The offer for sale 42,665,888 Equity Shares consisting of: (i) 30,046,400 Equity Shares by Compassvale; (ii) 6,009,280 Equity Shares by GS Strategic; (iii) 3,605,568 Equity Shares by Anadale; and (iv) 3,004,640 Equity Shares by Nomura at the Issue Price aggregating to ₹ [●] million pursuant to the terms of the Red Herring Prospectus
Price Band	Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof. The Company will consult the Selling Shareholders with respect to the Price Band. However, the final determination of the Price Band and the minimum Bid Lot will be made by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in all editions of English national daily Financial Express and all editions of Hindi national daily Jansatta (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation
Pricing Date	The date on which the Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the

Term	Description
	end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs on the Designated Date
QIB Bid/Issue Closing Date	One day prior to the Bid/Issue Closing Date after which the Syndicate and the designated branches of the SCSBs will not accept any Bids from the QIBs, being December 13, 2012, for the Issue
QIB Portion	The portion of the Issue being not more than 50% of the Issue consisting of 94,450,000 Equity Shares which shall be available for allocation to QIBs (including Anchor Investors)
Qualified Foreign Investors or QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to the ASBA Bidders) shall be made
Refund Bank	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registrar to the Issue /Registrar	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Restated Financial Statements or restated financial statements	Restated consolidated and unconsolidated summary statements of the Company and restated summary statements of Indus included in this Red Herring Prospectus in the section "Financial Information" on page 250
Retail Discount	Discount of ₹ 10 to the Issue Price given to Retail Individual Bidders. Retail Discount will not exceed 5% of the Issue Price.
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of 66,115,000 Equity Shares which shall be available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)

Term	Description
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the Issue registered with SEBI, which offers the facility of ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Cities	Cities specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat
Standard Chartered	Standard Chartered Securities (India) Limited
Syndicate Agreement	The Agreement to be entered into amongst the Syndicate, the Company, the Selling Shareholders and the Registrar to the Issue in relation to the collection of Bids in the Issue (excluding Bids from the Bidders applying through ASBA process)
Syndicate Members	HDFC Securities Limited, Kotak Securities Limited, Geojit BNP Paribas Financial Services Limited, Axis Capital Limited and Motilal Oswal Securities Limited
Syndicate/ members of the Syndicate	The JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
UBS	UBS Securities India Private Limited
Underwriters	The JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, the Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical/Industry Related Terms

Term	Description
2G	Second generation mobile telecommunication
3G	Third generation mobile telecommunication
4G	Fourth generation mobile telecommunication
Active infrastructure or active equipment	includes base transceiver station equipment, associated antennae, backhaul connectivity to an operator's network and other requisite equipment and associated electrical works required to provide telecommunications services by such operator at a tower site
Analysys Mason Report	Analysys Mason Report on Wireless Infrastructure Sharing – Indian Market Overview and Forecast dated September 2012
ARPU	Average revenue per user
Average Sharing Factor	Average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period
BSNL	Bharat Sanchar Nigam Limited
BSC	Base Station Controller
BTS	Base transceiver stations
A-category telecommunication Circles	Telecommunication circles in the State of Andhra Pradesh, State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli), State of Karnataka, State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area, State of Tamilnadu and Union Territory of Pondichery including Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone, Minzur and Mahabalipuram Exchanges

Term	Description
B-category telecommunication Circles	Telecommunication circles in the Union Territory of Andaman & Nicobar Islands, State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area, the State of Haryana except Pachkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges, State of Kerala and Union Territory of Lakshadeep and Minicoy, re-organised State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated August 25, 2000, State of Punjab and Union territory of Chandigarh and Punchkula Town of Haryana, State of Rajasthan, Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh: Pilibhit, Bareilly, Badaun, Etah, Mainpuri and Etawah. It excludes the local telephone area of Ghaziabad and Noida. However, it includes the newly created State of Uttaranchal pursuant to the Uttar Pradesh Reorganisation Act, 2000 (No.29 of 2000) dated 25th August, 2000 and Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh Shahjahanpur, Farrukhabad, Kanpur and Jalaun
C-category telecommunication Circles	Telecommunication circles in the State of Assam, re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated August 25, 2000, State of Himachal Pradesh, State of Jammu & Kashmir including the autonomous council of Ladakh, States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura and State of Orissa
CDMA	Code Division Multiple Access
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Co-location	Number of sharing operators at a tower, and where there is a single operator at a tower, "co-location" refers to that single operator
CRISIL Report	CRISIL Report on Telecom Towers and Allied Infrastructure dated December 2011
DG set	Diesel generator set
DoT	Department of Telecommunications, Ministry of Communications and Information Technology, Government of India
DTH	Direct to home
EVDO	Evolution – Data Optimized
GBT	Ground based tower
GoI	Government of India
GSM	Global System for Mobile Communication
ICNIRP	International Commission on Non-lionising Radiation Protection
ICT	Information and Communication Technology
Idea Cellular	Idea Cellular Limited
Idea Cellular Infrastructure	Idea Cellular Infrastructure Services Limited
IUC	Interconnection Usage Charges
IP	Internet protocol
IP-I Provider/IP-II Provider	Infrastructure Provider Category I/ Infrastructure Provider Category II
IRDA	Insurance Regulatory and Development Authority
IRR	Internal rate of return
IRU	Indefeasible right to use
Loading	Deployment of any additional active equipment, including but not limited to deployment of additional equipment on the same technology platform or on a different technology platform, by an existing sharing operator at a tower, over and above the standard configuration specified in the MSA
Metro telecommunication circles	Telecommunication circles in: (i) local areas served by Delhi, Ghaziabad, Faridabad, Noida and Gurgaon Telephone Exchanges; (ii) local areas served by Calcutta Telephones; and (iii) local areas served by Mumbai, New Mumbai and

Term	Description
	Kalyan Telephone Exchanges
MHz	Mega Hertz
MSC	Mobile Switching Centre
MTNL	Mahanagar Telephone Nigam Limited
MSA	Master Service Agreement
NTP	National Telecom Policy
RTT	Roof top tower
SACFA	Standing Advisory Committee on Radio Frequency Allocations
SIM	Subscriber Identity Module
SMPS	Switched-mode power supply
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
TDSAT	Telecom Disputes Settlement Appellate Tribunal
TOC	Tower operations centre
Tower or Tower and related infrastructure	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works
TRAI	Telecom Regulatory Authority of India, constituted under the Telecom Regulatory Authority of India Act, 1997
Uptime	Time during which a service provider's wireless telecommunications network is operational, as measured by the service provider's network operations centre and the tower infrastructure provider's tower operations centre
Uptime service level	Measure of uptime at a tower
USO	Universal service obligation
Vodafone India	Vodafone India Limited and its subsidiaries incorporated in India, as applicable
VSNL	Videsh Sanchar Nigam Limited, now known as "Tata Communications Limited"
WCDMA	Wideband Code Division Multiple Access
WPC	Wireless Planning Commission
WiMAX	Worldwide Interoperability for Microwave Access

Conventional Terms

Term	Description
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956
CRISIL	CRISIL Limited
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification

Term	Description
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EMF	Electro Magnetic Field
EPS	Earnings Per Share i.e., is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, and registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IST	Indian Standard Time
IT	Information Technology
KVA	Kilo Volt Ampere
LIBOR	London Interbank Offered Rate
Mn/mn/million	Million
NA/n.a.	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, being a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the FEMA Regulations. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
QP	Qualified purchasers as defined in Section 2(a)(51)(A) of the U.S. Investment

Term	Description
	Company Act
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana located at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019
RoNW	Return on Net Worth
₹/Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The U.S. Securities Act of 1933
SICA	Sick Industries Companies (Special Provisions) Act, 1985
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
U.S. /United States	The United States of America, together with its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Investment Company Act	U.S. Investment Company Act of 1940 and the related rules and regulations
U.S. QIBs	U.S. persons that are "qualified institutional buyers" as defined in Rule 144A
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996
W/sqm	Watt per square meter

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "Main Provisions of Articles of Association", "Statement of Tax Benefits", "Financial Statements of the Company" and "Financial Statements of Indus" on pages 611, 110, 250 and 387 respectively, shall have the meanings given to such terms in these respective sections.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, financial information in this Red Herring Prospectus is derived from the audited consolidated and unconsolidated financial statements of the Company, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. In addition, audited financial statements of Indus, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations have been included in this Red Herring Prospectus.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

The Company's fiscal year commences on April 1 and ends on March 31 of the next year, accordingly all references to particular fiscal year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. The Company does not provide reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. The Company has not attempted to explain those differences or quantify their impact on the financial data included herein to the investors and the investors should consult their own advisors regarding such differences and their impact on the financial data. For the details of significant differences between Indian GAAP and IFRS, please see the section "Statement of Qualitative Differences between Indian GAAP and International Financial Reporting Standards" on page 443.

Currency and Units of Presentation

All references to:

- "BDT" are to Bangladeshi Taka, the official currency of the People's Republic of Bangladesh;
- "CAD" are to Canadian Dollar, the official currency of Canada;
- "GBP" are to the official currency of United Kingdom of Great Britain and Northern Ireland, together with its territories and possessions;
- "GHC" are to Ghananian cedi, the official currency of Ghana;
- "KES" are to Kenyan Shilling Rates, the official currency of Republic of Kenya;
- "LKR" are to Sri Lankan Rupee, the official currency of the Democratic Socialist Republic of Sri Lanka;
- "MGA" or "Ariarys" or "As." are to Malagasy Ariary, the official currency of Madagascar;
- "NGN" or "Naira" are to Nigerian Naira, the official currency of the Federal Republic of Nigeria;
- "RWF" are to Rwandan Franc, the official currency of the Republic of Rwanda;
- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "SLL" are to Sierra Leonean Leone, the official currency of Sierra Leone;
- "TZS" are to Tanzanian Shilling, the official currency of the United Republic of Tanzania;
- "UGS" are to Uganda Shilling, the official currency of the Republic of Uganda;

- "USD" are to United States Dollar, the official currency of the United States;
- "XAF" are to Central African CFA Franc BEAC, the official currency in Tchad, Republic of Congo and Gabon);
- "XOF" are to West African CFA Franc BCEAO, the official currency in Burkina Faso and Niger; and
- "ZMK" are to Zambian Kwacha, the official currency of the Republic of Zambia.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates of the respective foreign currencies as on March 31, 2011, March 31, 2012 and September 30, 2012 are provided below:

Currency	Exchange rate into ₹ as on March 31, 2011	Exchange rate into ₹ as on March 31, 2012	Exchange rate into ₹ as on September 30, 2012
1 BDT	1.63	1.61	1.54
1 CAD	45.97	50.94	53.74
1 GBP	71.61	81.45	85.46
1 GHC	339.80	349.38	358.85
1 KES	1.86	1.63	1.61
1 LKR	2.48	2.52	2.45
1 MGA	44.82	41.50	41.79
1 NGN	3.48	3.10	2.97
1 RWF	13.47	11.93	11.78
1 SLL	97.29	85.50	82.01
1 TZS	33.65	31.27	29.81
1 UGS	53.83	49.27	48.24
1 USD	44.59	50.88	52.86
1 XAF	10.37	9.67	9.66
1 ZMK	105.64	103.78	96.48

Source: Bloomberg

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, such information should not be unduly relied upon. Although we believe that the industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Company or the JGCBRLMs, the BRLMs or the CBRLMs.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

All references to the number of towers owned and/or operated by the Company and Indus, co-locations thereat and data derived therefrom, in this Red Herring Prospectus are to billed (revenue generating) towers for the respective periods and as of the respective dates.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which the Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the following:

- decrease in demand for tower space in India;
- factors affecting the wireless telecommunications industry in India;
- increase in competition in the tower industry;
- regulatory developments in relation to the Telecommunication Infrastructure and Policy;
- loss of any major customer; and
- rise in global commodity and equipment prices as well as labour cost increase.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 17, 142 and 467, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of the Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. Neither the Company, its Directors, the Selling Shareholders, the Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company, the JGCBRLMs, the BRLMs and the CBRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. Each Selling Shareholder will ensure that investors are informed of material developments in relation to statements and undertakings made by such Selling Shareholder in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

Important note: All disclosures and forward-looking statements in this Red Herring Prospectus, including statements in relation to Indus, represent the views, expectations and beliefs solely of the management of Bharti Infratel in relation to itself and, in its capacity as a joint venture partner in Indus, the business and operations of Indus. No representation, warranty or undertaking is being made in this Red Herring Prospectus by or on behalf of Indus or any of the other joint venture partners in Indus, or any of their respective directors, officers, employees or agents, and no responsibility or liability is accepted by any of them, as to the contents of this Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, prospects, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Prospective investors in the Equity Shares should pay particular attention to the fact that we are governed, in India, by a statutory and regulatory environment which may be significantly different from that which prevails in the United States and other countries.

Unless the context indicates otherwise, financial information in this section is derived from the audited consolidated and unconsolidated financial statements of the Company or the audited financial statements of Indus, each prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations, and each of which has been included in this Red Herring Prospectus.

References in this section to "Bharti Infratel" are to Bharti Infratel Limited whereas references to "we", "us", "our" and similar terms are to Bharti Infratel taken together with its wholly owned subsidiary, BIVL and Bharti Infratel's 42% equity interest in Indus.

Risks Relating to our Business

Internal Risks

1. ***There are legal proceedings against Bharti Infratel. There can be no assurance to investors that Bharti Infratel will prevail in these actions.***

In addition to the criminal proceedings disclosed in "Risk Factors- There are certain proceedings initiated against Bharti Infratel under the provisions of the Indian Penal Code, 1860 and the Code of Criminal Procedure, 1973", there are outstanding legal proceedings against Bharti Infratel. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Brief details of these proceedings are set forth below:

Nature of the cases/ claims	No. of cases outstanding
Public Interest Litigation and Writ Petitions	80
Regulatory Proceedings	109
Tax	42
Property	106
Environment	35
Labour	34
Consumer	6
Stamp Duty*	716
Arbitration	3
Others	141
Total	**1,272**

* *A majority of these proceedings have been decided but the requisite stamp duty aggregating to ₹33.7 million is yet to be paid.*

In addition, there are several outstanding proceedings against the Promoter, Directors and Group Companies. For further details, please see the section "Outstanding Litigation and Material Developments" on page 492. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against Bharti Infratel by appellate courts or tribunals, Bharti Infratel may need to make provisions in its financial statements, which could adversely impact its business results. Furthermore, if significant claims are determined against Bharti Infratel and it is required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business, results of operations, financial condition, cash flows and prospects. Further, in accordance with the Bharti Infratel Demerger Scheme, no liabilities in relation to the Passive Infrastructure Assets were transferred to BIVL. Whilst, all existing legal proceedings that were pending with respect to Passive Infrastructure Assets prior to the effective date of the Bharti Infratel Demerger Scheme are being continued and enforced by or against BIVL in the same manner and to the same extent as would have been continued and enforced by or against Bharti Infratel, these legal proceedings are being managed by Indus.

2. ***There are certain proceedings initiated against Bharti Infratel under the provisions of the Indian Penal Code, 1860 and the Code of Criminal Procedure, 1973.***

There have been 68 criminal cases filed against Bharti Infratel including cases in relation to its employees under various provisions of the India Penal Code and the Code of Criminal Procedure, 1973 before different forums on grounds of inter alia nuisance, air and noise pollution and other health hazards caused due to operation of towers, electricity theft, dispute over ownership of land where towers are commissioned. For further details, please see the section "Outstanding Litigation and Material Developments" on page 492.

3. ***A decrease in demand for tower infrastructure in India could materially and adversely affect our operating results.***

The business of Bharti Infratel and Indus consists of building, acquiring, owning and operating tower and related infrastructure and providing access to these towers primarily to wireless telecommunications service providers. Factors adversely affecting the demand for tower space in India in general, and space on towers operated by providers such as Bharti Infratel and Indus in particular, would adversely affect their operating results. Such factors could include:

- a decrease in consumer demand for wireless telecommunications services due to adverse general economic conditions or other factors;
- a deterioration in the financial condition of wireless telecommunications service providers generally due to declining tariffs, media convergence or other factors or their access to capital;
- mergers or consolidations among wireless telecommunications, resulting in reduced capital expenditure and a reduction in demand for new towers or additional space at existing sites;
- the ability and willingness of wireless telecommunications service providers to maintain or increase capital expenditures;
- a decrease in the overall growth rate of wireless telecommunications or of a particular segment of the wireless telecommunications sector;
- the development and implementation of new technologies that enhance the efficiency of telecommunications networks, including those that enhance spectral capacity and encourage the sharing of active infrastructure;
- adverse developments with respect to governmental licensing of spectrum and changes in telecommunications regulations;
- unstable infrastructure, including frequent power failures, which may affect operations;
- increased use of network sharing, roaming or resale arrangements by wireless service providers amongst themselves;
- delays or changes in the deployment of 3G, 4G or other telecommunications technologies;
- delays in regulatory changes that would permit tower infrastructure providers to use towers for other revenue-generating purposes;
- changing strategies of wireless service providers with respect to owning or sharing towers;

- adverse developments with regard to increase in stamp duty rates on lease agreements, zoning, environmental, health and other government regulations; and

- technological changes including alternatives to wireless communication such as video conferencing.

Bharti Infratel's and Indus' business, proposed capital expenditure and strategic plans are based on the assumption that the subscriber base for wireless telecommunications services in India will grow at a rapid pace and that Indian wireless telecommunications service providers will adopt the tower sharing model on a widespread basis. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behaviour of market players does not meet our current expectations, the demand for Bharti Infratel's and Indus' services will be adversely affected, which would have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

4. ***Bharti Infratel and Indus are heavily dependent on factors affecting the wireless telecommunications industry in India, in particular the growth of their key customers.***

Bharti Infratel's and Indus' operations and performance are directly related to the performance of the Indian wireless telecommunications industry, and are therefore affected by factors that generally affect that industry. The wireless telecommunications industry is sensitive to factors such as consumer demand and wireless telecommunications service providers' debt levels, their ability to service their debt and other obligations and general economic conditions. In addition, the Indian telecommunications industry may face policy changes in response to recent industry developments, including the cancellation of 2G licences issued to certain wireless telecommunications service providers, and the highly leveraged financial condition of certain operators coupled with increasing competition and declining ARPU.

Such adverse industry conditions and increased cost pressure on customers may result in Bharti Infratel and Indus having to reduce rents or in co-location exits in excess of those permitted under the MSAs or as contemplated in their business plans, and any deterioration in the creditworthiness of Bharti Infratel's and Indus' customers could adversely affect their financial condition and growth prospects, which in turn could adversely affect Bharti Infratel's and Indus' revenues and financial condition. There can be no assurance that Bharti Infratel and Indus will be able to successfully collect payments due from their customers, including termination fees applicable in the event of co-location exits. In the event of a decrease or stagnation in demand for wireless telecommunications services in India, any developments that make the provision of tower infrastructure less economically beneficial, or Bharti Infratel's and Indus' inability to collect payments due to them from their customers, we may experience a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

There can be no assurance that 3G, 4G or other new wireless technologies in India will be deployed or adopted as rapidly as we expect, or that these new technologies will be implemented in the manner that we anticipate. For example, while wireless telecommunications service providers have rolled out their 3G services, this has not yet resulted in a significant increase in their demand for new towers as these service providers have upgraded their existing active infrastructure to provide 3G services instead of requesting the rollout of additional towers. Further, the deployment of 4G services has been limited to date. Additionally, the demand by consumers and the adoption rate for these new technologies, once deployed, could be slower than anticipated. These factors could have a material adverse effect on the growth of the operations of wireless telecommunications service providers in India and could therefore affect the demand for Bharti Infratel's and Indus' services.

5. ***We may be unable to collect some or all of the termination fees from the telecommunications service providers who have terminated their co-locations as a result of cancellation of their 2G licenses pursuant to an order of the Supreme Court of India, and may be affected by lower demand for new towers or co-locations at existing towers.***

Pursuant to an order of the Supreme Court of India in February 2012, 122 2G licences issued to various wireless telecommunications service providers were cancelled. The DoT has recently concluded the re-auction of the 2G spectrum and may conduct another auction. However, there can be no assurance that there would be any further auction of the spectrum. Further, the service providers holding valid 2G licences may be required to pay additional fees for the spectrum granted to them, leading to a potential impact on their financial condition and expansion and rollout plans.

As a result of the cancellation of these 2G licences and on the basis of the provisional results of the recent auctions for the 2G spectrum conducted by the DoT, out of 62,027 co-locations as of September 30, 2012, Bharti Infratel had lost 1,393 co-locations, which constituted approximately 2.25% of the total co-locations and 749 additional co-locations were at risk as of the date of this Red Herring Prospectus. Similarly, out of 219,687 co-locations as of September 30, 2012, Indus had lost 627 co-locations which constituted approximately 0.28% of the total co-locations and 4,056 additional co-locations were at risk as of the date of this Red Herring Prospectus. While we are currently pursuing collection of termination fees from those service providers who have terminated their co-locations, we may be unable to collect some or all of these termination fees. In addition, the cancellation of the 2G licences of the customers of Bharti Infratel and Indus may result in lower demand for new towers or co-locations at existing towers, which in turn could adversely affect Bharti Infratel's and Indus' revenues and financial condition.

6. ***Increasing competition in the tower industry and increasing tariff pressures on Bharti Infratel's and Indus' customers may create pricing pressures that may adversely affect our business, prospects, results of operations, cash flows and financial condition.***

The tower infrastructure business in India is highly competitive in nature. Bharti Infratel and Indus face competition in the market from the tower infrastructure provided by wireless telecommunications service providers, tower infrastructure companies backed by wireless telecommunications service providers and independent tower infrastructure companies. Certain established wireless telecommunications service providers such as BSNL and MTNL have their own telecommunications tower portfolios, and are contemplating transferring these to independent tower companies. Certain wireless telecommunications service providers including Reliance Communications Limited and Tata Teleservices Limited have demerged their towers into separate tower companies such as Reliance Infratel Limited and VIOM Networks Limited (formerly known as Wireless TT Infoservices Limited), respectively. In addition, Bharti Infratel and Indus face competition from independent tower infrastructure companies including service providers such as GTL Infrastructure Limited, American Tower Corporation, Aster Telecom Infrastructure Private Limited and Tower Vision India Private Limited, as well as competition from power transmission operators such as Power Grid Corporation of India Limited, who may let their existing infrastructure be utilised by wireless telecommunications service providers for installation of their active telecommunications equipment. There can be no assurance that Indian wireless telecommunications service providers will not increasingly share existing and new tower infrastructure constructed by other Indian telecommunications operators, other existing telecommunications infrastructure companies or their respective affiliates, or power transmission operators, which could adversely affect our business, prospects, results of operations, cash flows and financial condition.

Certain of Bharti Infratel's and Indus' competitors may have access to greater financial resources than Bharti Infratel or Indus do, or may act in unison with each other to Bharti Infratel's and Indus' disadvantage. Further, we believe there may be large international tower operators that are considering or have taken steps towards entry into the Indian market, which may lead to consolidation and investment by international companies and the emergence of stronger competitors. Bharti Infratel and Indus operate in a small market with a limited number of customers and in the event they lose any of their customers due to any such pressures or otherwise, or such customers choose to use the services of other tower providers in the expansion of their networks, Bharti Infratel or Indus may not be able to find new customers for their towers and may not benefit from the rollout plans of such customers, which may adversely affect our business, prospects, results of operations, cash flows and financial condition. Increasing competition could also make securing the rights to land for Bharti Infratel's and Indus' towers more costly. We cannot assure you that Bharti Infratel or Indus will be able to successfully compete within this increasingly competitive industry.

7. ***Following completion of the Indus Scheme, the impact on the financial statements of Indus and Bharti Infratel for periods after April 1, 2009 will have to be recorded in our financial statements in the fiscal year in which the Indus Scheme is completed in order to give effect to the accounting treatment under the Indus Scheme, and we cannot currently quantify the resulting adjustments that will be required.***

Under the Indus Scheme, all assets, liabilities and reserves of the transferor companies as of April 1, 2009, are to be transferred to or vested in Indus at the following values: assets at fair value and liabilities and reserves at book value. The excess of the value of assets over the liabilities and reserves will be transferred to a general reserve account arising out of the Indus Scheme. Accordingly, Indus will create a general reserve account as of April 1, 2009. This general reserve account is intended to be treated as a free reserve including, as may be decided by the board of directors of Indus, for amortization of any merger related expenses or losses; issuance of bonus shares; off-setting any additional or accelerated depreciation; lease equalization reserve; asset retirement obligations; deferred tax assets or liabilities, as the case may be; any other expenses, impairment, losses or write-offs; and any other permitted purposes, and will form part of the net worth of Indus.

The assets taken over by Indus from the transferor companies will be fair valued based on an independent fair valuation determined as of April 1, 2009 in accordance with the terms of the Indus Scheme. The difference between the book values in the respective transferor companies' financial statements and the fair values as determined by Indus will be credited to the general reserve. In accordance with the Indus Scheme, the excess of the depreciation charged on the above fixed assets for difference between their respective fair values and the original carrying values will be adjusted in the general reserve. The depreciation determined based on the original carrying values of such fixed assets taken over from the transferor companies will be charged to the statement of profit and loss. The term "original carrying value" refers to the original acquisition cost as reflected in the fixed assets register of each of the respective transferor companies or the companies which had transferred these assets to the transferor companies.

In addition, upon completion of the proposed merger, Indus will stop incurring IRU expenses (paid to the joint venture partners on account of each of the partners incurring depreciation and amortization expense with respect to the towers for which they have granted an indefeasible right to use, or IRU, to Indus) and instead will itself recognise depreciation and amortization expense with respect to such towers. Further, since BIVL will merge with Indus and cease to exist upon completion of the merger, Bharti Infratel will not recognise IRU income and IRU expense on a consolidated basis.

As a consequence of the above, it is expected that the impact of these adjustments or changes on the financial statements of Indus for periods after April 1, 2009 will have to be recorded in its financial statements in the fiscal year in which the Indus Scheme is completed. We are not currently able to quantify these changes; however, as of and for the fiscal year ended March 31, 2012 and the six months ended September 30, 2012, we expect that the contribution of towers to Indus by the joint venture parties and the fair valuation thereof will result in an increase in assets, liabilities, reserves and surplus with no material changes expected in revenue or expenses for those periods. These changes in the financial statements of Indus will be reflected in the financial statements of Bharti Infratel, in accordance with the consolidation principles outlined in Bharti Infratel's financial statements and discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 467. As required by these principles, Bharti Infratel will consolidate 42% of Indus' financial data while backing out 100% of BIVL's contribution to Bharti Infratel, in addition to certain inter-company eliminations. The nature and amount of such changes to Bharti Infratel's financial statements will depend upon various factors such as the differences arising out of the fair valuation exercise, accounting reconciliations and the inter-company eliminations referred to above. In accordance with Indian GAAP, the impact of these adjustments or changes on the financial statements of Bharti Infratel for periods after April 1, 2009 will be required to be recorded in Bharti Infratel's financial statements in the fiscal year in which the Indus Scheme is completed. We are not currently able to quantify these changes; however, we do not expect material changes to Bharti Infratel's balance sheets as of March 31, 2012 or September 30, 2012 because the 42% consolidation of Indus' assets is expected to be more or less offset by the backing out of BIVL, nor do we expect material changes in revenue or expenses for the periods then ended.

The expectations expressed above have not been reviewed or otherwise passed upon by our independent accountants. Furthermore, in addition to the factors referred to above, the nature and amount of the changes to Bharti Infratel's financial statements will depend upon the final form of the court order approving the Indus Scheme. Accordingly, there can be no assurance that the financial statements that reflect the impact of the Indus Scheme will not be materially different from the existing financial statements or that the actual changes will not be materially different from the expectations expressed above and further that such changes will not have a material effect on our business, prospects, results of operations, cash flows and financial condition for such periods.

8. ***Our business and the results of our operations may be affected if various regulatory measures with respect to tower sharing among wireless telecommunications service providers and certain other telecommunications related matters are implemented.***

The Indian government has been active in its regulation of the Indian telecommunications industry. The TRAI issued a paper titled "Recommendations on Telecommunications Infrastructure Policy" dated April 12, 2011, in which it recommended, among other things, that:

- standard designs be developed for all types of telecommunications towers, which would be mandatory for all service providers;
- IP-I licensees and wireless telecommunications service providers be mandated to share in-building solutions and distributed antenna systems deployed in buildings, complexes or streets;
- IP-I licence revenue-based fee be introduced;
- infrastructure providers be permitted to install and share certain active infrastructure;
- Universal Service Obligation funds be restricted to specific areas;
- camouflaging to be made mandatory in areas of heritage, environmental or architectural importance; and
- infrastructure sharing to be made mandatory in locations of heritage, security and environmental importance.

The standardisation of telecommunications tower designs could result in Bharti Infratel and Indus having to make modifications to their existing towers, which may be costly and could have an adverse effect on their cash flows and profitability. Mandatory sharing of in-building solutions and distributed antenna systems could result in increased competition and could reduce the demand for new towers. In addition, permitting the sharing of active infrastructure could incentivise operators to utilise each other's active infrastructure at existing towers and rationalise the towers they require rather than deploying their own active infrastructure or requesting new towers. This would adversely affect Bharti Infratel's or Indus' business by reducing co-locations of active infrastructure at their towers. Further, the changes recommended to the Universal Service Obligation rural development promotion scheme may limit the overall development of telecommunications towers and related assets within areas that are subject to the scheme. While beneficial to Bharti Infratel's and Indus' business in certain respects due to its promotion of tower sharing, the scheme could limit their opportunities to expand their business and may require their key customers to pursue their respective proposed network expansions principally through reliance on other operators' or companies' networks, as an alternative to commissioning Bharti Infratel or Indus to develop new sites, which would adversely affect Bharti Infratel's and Indus' growth prospects.

In addition to the "Recommendations on Telecommunications Infrastructure Policy", TRAI has also issued a paper titled "Recommendations on Guidelines for Unified Licence/Class Licence and Migration of Existing Licences" dated May 12, 2012, wherein TRAI has provided for the migration of the existing licences to a unified licensing regime. The Unified Licence Recommendations provides that IP-I Providers should also be brought under the unified licensing regime and that it should be mandated that the limit of foreign direct investment in such infrastructure providers should be brought down to 74% within a period of three years of a unified licensing regime coming into force. However, the DoT has clarified in its press release dated February 15, 2012 that a decision in this regard has been deferred for further examination.

While certain of these proposals are currently in the form of recommendations and are under consideration by DoT, the implementation of any of these or other similar recommendations could result in increased costs for Bharti Infratel and Indus or decreased demand from their customers, and could adversely affect our business, prospects, results of operations, cash flows and financial condition. For further details regarding any of the recommendations indicated above, please see the section "Regulations and Policies" on page 164.

9. ***Licences and permits required in the tower business are varied and may be difficult to obtain, and once obtained, may be amended or revoked or may not be renewed.***

The roll out of towers requires approvals or permits from various regulatory authorities, including no-objection certificates from the local or municipal authorities, environmental approvals from the pollution control boards for operating DG sets and approvals from the Airports Authority of India when towers are located near airports. These licences are subject to review, interpretation, modification or termination by the relevant authorities. Further, the absence of a uniform national policy for granting permission to deploy towers has resulted in local civic authorities/state governments often creating ad hoc and overlapping policies. As a result, these policies vary widely across civic authorities and from state to state, comprising different terms and conditions, policies, annual fees, tariff bases, local taxes, levies and differing environmental standards. Significant uncertainty resulting from a lack of any uniform state level policies may result in Bharti Infratel's and Indus' involvement in a number of litigation proceedings. For further detail, please see the section "Outstanding Litigation and Material Developments" on page 492.

Bharti Infratel and Indus apply for various permits, licences and approvals from various authorities as and when they are due for renewal. There can be no assurance that the relevant authorities will issue such permits, licences or approvals to Bharti Infratel and Indus or that they will be issued in a timely manner or as expected. Further, these permits, licences and approvals are subject to conditions and we cannot assure you that Bharti Infratel or Indus will be able to meet these conditions on an ongoing basis, which may lead to cancellation, revocation or suspension of the relevant permits, licences or approvals. Failure on Bharti Infratel's or Indus' part to renew, maintain or obtain the required permits, licences or approvals may result in the interruption of their operations and may have a material adverse impact on their business. We cannot assure you that the relevant authorities will not take any action or impose any conditions in relation to such licences that could materially and adversely affect Bharti Infratel's or Indus' operations. In addition, if Bharti Infratel or Indus are unable to obtain certain of these approvals and permits, they may be required to seek alternative sites and incur considerable effort and expense where a suitable alternative tower is not available.

Furthermore, Bharti Infratel's and Indus' towers require SACFA approval for the height of the towers as well as frequency allocation. While the terms of Bharti Infratel's and Indus' MSAs place the responsibility for procuring these approvals on wireless telecommunications service provider, in the event that this changes, Bharti Infratel and Indus will need to obtain these permits, which could increase their costs of operation.

In addition, concerns have recently been raised regarding the health and aesthetic effects of the installation of large numbers of towers, particularly in metro and urban areas of India, as well as rising pollution levels due to the use of diesel generators at towers. As a result, certain conditions have been imposed by various civic authorities for the deployment of towers, which could materially restrict Bharti Infratel's or Indus' ability to expand their business or force them to relocate their existing towers, which Bharti Infratel or Indus would only be able to do at considerable expense.

10. ***The business and activities of Bharti Infratel and Indus may be regulated by the Competition Act, 2002.***

The Competition Act, 2002 (the "Competition Act") seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market, or number of customers in the market is presumed to have a material adverse effect on competition. Provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The effect of the Competition Act on the business environment in India is unclear. If Bharti Infratel or Indus are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, it may have a material adverse effect on their respective business, prospects, results of operations, cash flows and financial condition.

11. ***Each of the schemes of arrangement undertaken by Bharti Infratel, BIVL and other members of the Merger Group in relation to transfer of their tower assets are subject to several risks in relation to the transfer of the relevant licences, approvals and permits.***

The schemes of arrangement undertaken by Bharti Infratel, BIVL and other members of the Merger Group in relation to transfer of their tower assets are subject to several risks arising in relation to the transfer of the relevant licences, approvals and permits from various regulatory authorities such as no-objection certificates from the local or municipal authorities, environmental approvals from the pollution control boards for operating DG sets and approvals from the Airports Authority of India when towers are located near airports. For example, under the schemes of arrangement pursuant to which Bharti Airtel transferred towers to Bharti Infratel, as at the date of this Red Herring Prospectus, Bharti Infratel has not yet completed the transfer of all relevant licenses, approvals and permits relating to its towers from Bharti Airtel to itself. Similarly, the process of transfer of the relevant licenses, approvals and permits, from Bharti Infratel to BIVL has not been completed. Further, the BIVL assets are proposed to be transferred to Indus as described in the section “History and Certain Corporate Matters—Schemes of Arrangement” on page 170 which may require consent under certain documents.

While Bharti Infratel and Indus will continue to operate their towers under the existing licences, approvals and permits, there can be no assurance that they will be able to continue to do so in the event that such transfers are not completed, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. Further, the relevant authority may levy penalties on the transferee for not having obtained or maintained permits, which may be applicable until such times as the transfers of these permits are completed. We cannot assure you that any difficulties that Bharti Infratel or Indus have in obtaining or maintaining the required approvals or permits will not materially and adversely affect our business, prospects, results of operations, cash flows and financial condition. For further details, please see the sections “History and Certain Corporate Matters” and “Government Approvals” on pages 170 and 537, respectively.

12. ***The various processes that have been undertaken and proposed to be completed prior to the transfer of towers into Indus may be delayed or may not be completed.***

Bharti Infratel proposes to merge its subsidiary, BIVL, into Indus as part of the process of consolidation of the towers that the Merger Group have agreed to contribute to Indus. In accordance with the scheme of arrangement described in the section “History and Certain Corporate Matters – Schemes of Arrangement” on page 170, the proposed merger is expected to result in the amalgamation of the relevant companies of the Merger Group into Indus, which will be the surviving entity following completion of the proposed merger. As of September 30, 2012 Indus operated, and derived its revenues from, the relevant towers of the Merger Group based on IRUs with each of BIVL, Vodafone Infrastructure Limited and Idea Cellular Tower Infrastructure Limited, in addition to its own towers.

Bharti Infratel has transferred a portion of its towers to BIVL under a scheme of arrangement which was approved by the High Court of Delhi on March 29, 2011. However, the Commissioner of Income Tax, Delhi-I has filed an appeal against the order of the High Court of Delhi sanctioning the Bharti Infratel

Demerger Scheme. Idea Cellular has successfully completed the transfer of its tower assets into Idea Cellular Tower Infrastructure Limited and Vodafone India has completed the transfer of a significant portion of its towers to Vodafone Infrastructure Limited, but one of the schemes of arrangement filed with the High Court of Gujarat is currently open to challenge. Whilst the High Court of Gujarat has sanctioned this scheme of arrangement the Department of Income Tax has preferred a special leave petition before the Supreme Court. If these appeals are decided against Vodafone India and BIVL, there is a possibility that fewer towers would be consolidated into Indus or such towers may need to be transferred to Indus by alternative means.

Further, regulatory authorities may raise objections to the proposed merger, or certain aspects thereof. The Department of Income Tax has filed an objection petition to the scheme of arrangement for consolidation of the towers that the Merger Group have agreed to contribute to Indus. Also, there can be no assurance that other government authorities will not raise any objections to the proposed merger or that the proposed merger will be approved by the High Court of Delhi and become effective under applicable laws without amendments to its principal terms, without substantial delays or at all. The proposed merger may be rejected by the court on several grounds including that it may be considered to be in avoidance of certain tax obligations, or it is against public interest and policy, or it is considered unfair and unreasonable, or it is not backed by the requisite majority, or that all material facts have not been stated. In the event that the proposed merger or any of the abovementioned schemes of arrangement are challenged, delayed or are not approved by the High Court of Delhi, or if the objections of the Department of Income Tax are upheld, the Merger Group may, as provided in the Framework Agreement, dissolve Indus, or vary their arrangements in relation to it, or may be required to operate their towers as separate entities and may not be able to benefit from the synergies contemplated under the proposed merger, nor from the economies of scale anticipated from the proposed merger, which may have a material adverse effect on our results of operations, cash flows and financial condition.

If the transfers of contracts, leases, licences, approvals and permits in relation to a scheme of arrangement are delayed, or the counterparty or any relevant authority raises an objection to such transfer, we may suffer a disruption in our operations, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

13. ***Indus is a joint venture which is not operated solely for Bharti Infratel's benefit, which exposes Bharti Infratel to certain risks.***

Indus is a joint venture in which Bharti Infratel, Vodafone India and Aditya Birla Telecom hold equity interests of 42%, 42% and 16%, respectively. For the six month period ended September 30, 2012, our share of Indus' revenue from operations (as provided in Annexure IV Note 5 to our restated consolidated summary statements, prior to inter-company eliminations) was ₹26,886.7 million. In a joint venture, ownership and management of a company is shared with other parties who may not have the same goals, strategies, priorities, or resources as Bharti Infratel. Operating a business as a joint venture often requires additional organisational formalities as well as time-consuming procedures for sharing information and making decisions. In joint ventures, a company is required to pay more attention to its relationship with its co-owners as well as with the joint venture. The success of any joint venture arrangement depends not only on the company's contributions and capabilities but also on the resources, efforts and skills contributed by its business associates. In addition, the benefits from a successful joint venture are shared among each co-owner and therefore Bharti Infratel does not and will not receive all the benefits from Indus' success. Bharti Infratel has made and may continue to make capital commitments to Indus and in the event the business of Indus deteriorates, the value of these investments may be adversely affected.

The success of Indus's business depends significantly on the satisfactory performance by Bharti Infratel's joint venture partners of their contractual and other obligations, as well as the policies of Bharti Airtel, Vodafone India and Idea Cellular that correspond to the operations of Indus. For example, the business of Indus is presently dependent on the IRUs it has entered into (which are currently valid until June 30, 2013). In the event of any non-performance, Bharti Infratel may be required to make additional investments, which could result in reduced profits or, in some cases, significant losses. There is also a risk of disagreement or deadlock with Bharti Infratel's joint venture partners and a mutually acceptable solution may not be available immediately, or at all. The failure of any party to perform its obligations under the relevant IRU, the alteration of the material terms of the IRUs, the continuity, expiry or termination of any IRU or the lack of enforceability of an IRU under applicable laws could result in Indus losing its right to operate a significant portion of the towers that it currently operates and derives revenue from. In addition, Bharti Infratel's joint venture partners are competitors of Bharti Infratel's Promoter, Bharti Airtel, and there can be no assurance that they will act in the best interests of Indus. These factors could affect Bharti Infratel's ability to derive any economic benefits from Indus and could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

As of September 30, 2012, Bharti Infratel owned and operated 34,220 towers in 11 telecommunications Circles in India while Indus operated 110,561 towers in 15 telecommunications Circles in India. We therefore have a presence in all 22 telecommunications Circles that currently exist in India, with Bharti Infratel's and Indus' operations overlapping in four telecommunications Circles, which are Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West). Pursuant to the Indus SHA, Bharti Infratel is restricted from rolling out new towers in the 15 telecommunications Circles in which Indus operates, including the four telecommunications Circles in which its operations overlap with those of Indus. Additionally, in these four telecommunications Circles, Bharti Infratel's existing tower operations are in competition with Indus' operations. For further details of the Indus SHA, please see the section "Our Business—Relationship with Indus" on page 150. While Bharti Infratel is likely to benefit from Indus rolling out towers in these Circles to the extent of its 42% interest in Indus, these restrictions limit Bharti Infratel's expansion and growth prospects in many key, high growth Circles served by Indus.

14. ***Bharti Infratel's and Indus' rights of first refusal in relation to the development of new towers and co-locations may not be implemented as contemplated***

Under the Indus SHA, Indus has a right of first refusal in relation to the development of new towers and co-locations for each of its shareholders in its Circles of operation, and we believe that any expansion of their respective networks will therefore lead to additional demand for Indus' towers. Further, pursuant to a letter agreement dated September 8, 2012, Bharti Airtel has granted Bharti Infratel a right of first refusal in relation to all of Bharti Airtel's new tower and co-location requirements and we believe that an expansion of Bharti Airtel's networks in Bharti Infratel's Circles of operations will therefore lead to an additional demand for Bharti Infratel's towers. However, Indus' right of first refusal will expire subsequent to December 2012 in the event that the shareholding of the relevant shareholder falls below 20% and there can be no assurance that the respective counterparties to these right of first refusal arrangements will fulfill their obligations or that the relevant right of first refusal will be implemented as contemplated. Further, there may be limited legal recourse in relation to any non-implementation of this right. The non-implementation of the right of first refusal in relation to new tower sites and co-locations may adversely affect our business, prospects and results of operations.

15. ***Bharti Infratel's audit report includes specific qualifications with regard to delayed statutory payments and fraud which have been appropriately addressed in the restated financial statements.***

Bharti Infratel's audit report includes specific qualifications in the annexure to the auditor's report on Companies (Auditor's Report) Order, 2003 (as amended) with regard to delayed statutory payments and fraud which have been appropriately addressed in the restated financial statements. Set out below are details of fraud by employees detected by the management of Bharti Infratel.

(i) During the fiscal year 2010, frauds amounting to ₹7.9 million as a result of collusion of certain employees with third parties in connection with certain procurements made by Bharti Infratel;

(ii) During the fiscal year 2011, frauds amounting to an aggregate of ₹41.6 million, which included frauds that related to certain employees:
  (a) forging documents to obtain duplicate payments issued manually;
  (b) forging signatures of authorised signatories;
  (c) en-cashing cheques using the cheque discounting method; and
  (d) issuing cheques to individuals not forming part of the list of vendors of Bharti Infratel.

(iii) During the fiscal year 2012, frauds amounting to ₹12 million on account of pilferage of assets at certain sites.

For further details, please see the section "Financial Statements of the Company" on page 250.

While Bharti Infratel's management has sought to implement certain processes set out below to prevent the recurrence of such incidents in the future, however, there can be no assurance that these measures will be effective and that such incidents will not recur.

- Segregation of duties in processing all payments;
- Payments to vendors through electronic mode;
- Defacing of invoices to avoid duplicate payments;
- Discontinuation of the "manual cheque system";
- Strengthening of system controls;
- Regular trainings for employees on code of conduct;
- Regular audits at the sites to prevent asset pilferages;
- Deployment of security guards at high risk sites;
- Setting up of appropriate systems to immediately bring back disconnected assets from sites; and
- Strengthening of controls through the network operating centre of Bharti Infratel to raise timely alarms to detect asset pilferage.

In the event Bharti Infratel is not able to successfully implement the measures or processes listed above, its business, results of operations and financial condition may be adversely affected.

16. ***The loss of any of Bharti Infratel's or Indus' major customers would have a material adverse effect on us.***

Historically, the telecommunications industry in India has had a limited number of wireless telecommunications service providers and this has led to a substantial percentage of Bharti Infratel's and Indus' revenues being attributable to a small number of customers. The loss of a major customer, if not replaced, could adversely affect Bharti Infratel and Indus. As of September 30, 2012, Bharti Infratel operates 15,553 towers where Bharti Airtel (together with Bharti Hexacom) is the sole operator, and Indus operates 41,855 towers where one of Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular is the sole operator.

The percentage of its unconsolidated rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250) that Bharti Infratel recognized from Bharti Airtel (together with Bharti Hexacom) in the fiscal year 2012 and the six month period ended September 30, 2012 was 62.9% and 62.1%, respectively. Indus recognized a majority of its revenue from operations from its top three customers in the aggregate in the fiscal year 2012 and the six month period ended September 30, 2012, respectively. The top five customers of Bharti Infratel contributed ₹22,007.0 million and ₹11,631.0 million, respectively, to its total billed rental amount[*] in the fiscal year 2012 and the six month period ended September 30, 2012, which represented 92.0% and 94.6%, respectively, of its total billed rental amount[*] during these periods. The top five customers of Indus contributed ₹72,397.0 million and ₹37,797.7 million, respectively, to its total billed rental amount[*] in the fiscal year 2012 and the six month period ended September 30, 2012, which represented 94.8% and 94.9%, respectively, of its total billed rental amount[*] during these periods.

** Billed rental amounts are different from rental revenues and cannot be derived directly from the restated financial statements. Difference between "billed rental amounts" and "rental revenues" is primarily on account of revenue equalization adjustments, which are accounted for in the financial statements in accordance with Indian GAAP. For further details in relation to revenue equalization, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting our Financial Condition and Results of Operations—Ability to maximise our revenues and cash flows" on page 468.*

Further, the provision of the Indus SHA that requires Bharti Airtel and its joint venture partners to request new towers or co-locations from Indus in the first instance will expire subsequent to December 2012 in the event that the shareholding of any of these joint venture partners falls below 20%, which could adversely affect the demand for new towers that Indus will receive from these customers. We expect to continue to depend on revenues from Bharti Infratel's and Indus' largest customers and the loss of any of these customers or a reduction in demand for new towers or additional co-locations from any of these customers may have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Additionally, a number of telecommunications licences, permits and spectrum allocation of Bharti Infratel's and Indus' key customers will begin coming up for renewal between the years 2014 and 2016. If any of Bharti Infratel's or Indus' key customers are unable to renew their licences, permits or spectrum allocation, it may have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

17. ***Bharti Infratel's and Indus' expansion plans may be subject to change for a variety of reasons and they may be unable to effectively manage their growth.***

Bharti Infratel's and Indus' ability to develop new towers is dependent upon a number of factors, including the availability of sufficient capital to fund development, their ability to assess customers' needs, their ability to locate, and lease or acquire, at commercially reasonable prices, suitable locations for these towers and related infrastructure and their ability to obtain the necessary licences and permits. Identifying a location to establish a site requires expertise in telecommunications infrastructure engineering, tower management and network consultancy. Before a tower can be constructed for a sharing operator, Bharti Infratel and Indus are required to take several steps, including identifying the sharing operator's needs, considering the proposed capital expenditure, site selection, network planning, designing, site engineering and documentation, site construction, equipment installation, testing, commissioning and integration, and training. There can be no assurance that Bharti Infratel and Indus will be successful in selecting the right site locations and acquiring such sites and managing new properties at the rate required to meet their expansion plans. A failure to do so could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

In addition to building new towers, Bharti Infratel and Indus may also grow by acquiring existing towers that meet their investment and operational requirements. As a result of consolidation in the tower industry, however, there are fewer of these transactions available and there is more competition to acquire existing towers. Increased competition for acquisitions may result in fewer acquisition opportunities for Bharti Infratel and Indus, higher acquisition prices and increased difficulty in negotiating and consummating agreements to acquire such towers. Further, to the extent that acquisition opportunities are for significant tower portfolios, some of Bharti Infratel's and Indus' competitors seeking to acquire the same portfolios may have greater financial resources than they do. A failure to acquire such tower portfolios, and the success of any of Bharti Infratel's and Indus' competitors in doing so, could have a material adverse effect on our business, prospects and results of operations.

The growth of Bharti Infratel's and Indus' respective businesses is expected to place significant demands on their management and operational resources. In order to manage growth effectively, Bharti Infratel and Indus must implement and improve operational systems, procedures and internal controls on a timely basis. If they fail to do so, or if there are any present or future weaknesses in their internal control and monitoring systems that would result in inconsistent internal standard operating procedures, Bharti Infratel and Indus may not be able to service their customers' needs, hire and retain new employees, pursue new business opportunities or operate their business effectively.

Failure to effectively manage new site construction, properly budget costs or accurately estimate operational costs associated with the development and operation of new towers, or disruptions in outsourced activities could result in delays in executing customer contracts, trigger service level credits, or cause profit margins not to meet expectations or historical profit margins. Further, as Bharti Infratel and Indus grow and diversify, they may not be able to implement, manage or execute their projects efficiently in a timely manner or at all, which could result in delays, increased costs and diminished quality and may adversely affect our results of operations and reputation. Bharti Infratel's or Indus' inability to execute their growth strategy, to ensure the continued adequacy of their current systems or to manage their planned business expansion effectively could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Bharti Infratel may also pursue acquisitions, mergers and strategic investments and alliances as a means of growing its business. However, these plans are subject to the availability of appropriate opportunities as well as competition from other companies seeking similar opportunities. Bharti Infratel's ability to achieve and manage future growth will depend upon a number of factors, including its ability to accurately assess and value potential business opportunities, maintain, expand and develop relationships with customers, suppliers, contractors, lenders and other third parties, reach agreements with potential joint venture partners on commercial and technical terms satisfactory to it and its ability to expand operating capacity on a timely and reasonable basis. Bharti Infratel's growth prospects will also depend on its ability to adjust and optimise the organisation of its management and operating structure. There can be no assurance that the integration of any future expansion or acquisitions will be successful or that the expected strategic benefits of any future expansion, acquisitions, mergers or alliances will be realised.

Further expansion and acquisitions may require Bharti Infratel to incur or assume new debt, or expose Bharti Infratel to future funding obligations or integration risks and we cannot assure you that such expansion or acquisitions will contribute to Bharti Infratel's profitability. In addition, there can be no assurance that Bharti Infratel will be able to consummate its expansions, acquisitions, mergers or alliances in the future on terms acceptable to it, or at all. Bharti Infratel's failure to successfully integrate an acquired business or its inability to realise the anticipated benefits of such expansion or acquisitions could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

18. ***Bharti Infratel and Indus require substantial amounts of capital for their business operations and the failure to obtain additional equity or debt financing on favourable commercial terms may hinder their growth.***

The business of Bharti Infratel and Indus is highly capital intensive, requiring substantial amounts of capital to build and maintain tower portfolios. They may also require significant amounts of capital to develop new services, develop and implement new technologies and expand their operations. If Bharti Infratel and Indus commit capital expenditures and experience a reduction in demand from customers, our business, prospects, results of operations, cash flows and financial condition could be materially and adversely affected. The actual amount and timing of future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in establishing, expanding or upgrading networks, unanticipated expenses, regulatory reform, delays in obtaining the required approvals, engineering issues, design changes and technological advances.

Bharti Infratel and Indus may also rely on borrowings in order to implement some of their expansion plans, including inorganic expansion, if any. Their ability to obtain financing on favourable commercial terms will depend on a number of factors, including their financial condition, results of operations and cash flows, general market conditions for companies within the telecommunications sector and economic, political and other conditions in India and elsewhere. Further, their future leverage may constrain their ability to raise incremental financing or the cost at which they may be able to raise such financing. Additional equity financing could dilute Bharti Infratel's earnings per share and investors' shareholding interests in Bharti Infratel and could adversely affect the price of the Equity Shares. Any inability to obtain sufficient financing could result in the delay or abandonment of development and expansion plans or an inability to continue to provide appropriate levels of service in all or a portion of Bharti Infratel or Indus' markets.

Agreements that Bharti Infratel or Indus may enter into to raise capital may contain certain covenants, which may limit their ability to borrow additional funds, make capital expenditures and investments, declare dividends, merge or incur additional liens, or may impose other restrictions. Bharti Infratel and Indus may similarly need to obtain the consent of some or all of their lenders to undertake some or all of these activities. In addition, Bharti Infratel and Indus are subject to a number of risks associated with debt financing, including the risk that cash flow from their operations will be insufficient to meet the required payments of principal and interest; the risk that the payment of interest on and the repayment of foreign currency loans may be adversely affected in the event the Rupee depreciates against such foreign currencies; the risk that, to the extent that they maintain floating rate indebtedness, interest rates will fluctuate to their detriment; and the risk that they may not be able to obtain refinancing on favourable terms when required.

Any inability by Bharti Infratel or Indus to procure adequate amounts and types of financing could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

19. ***The implementation of the EMF radiation norms or other similar recommendations on telecommunications service providers could affect our business, prospects, results of operations, cash flows and financial condition.***

TRAI has released its "Recommendations on Approach towards Green Telecommunications" dated April 12, 2011 pursuant to which TRAI has highlighted the challenges posed by telecommunications, to the environment and ways to address such challenges. In relation to EMF radiation, the Inter Ministerial Committee ("IMC") had examined and issued recommendations in relation to the effect of EMF radiation from the base stations and mobile phones. The recommendations made by IMC were accepted by the Government and consequently, directions in this regard were issued by DoT to the mobile service providers on April 10, 2012 making the new norms applicable to them from September 1, 2012. Currently, the EMF radiation norms are applicable only to telecommunications service providers and do not apply to tower and related infrastructure. Bharti Infratel will comply with these regulations as and when they become applicable and all applicable regulations will be followed by Bharti Infratel while erecting new towers. The implementation of the EMF radiation norms or other similar recommendations could result in increased costs for telecommunications service providers, and as a result, reduced demand for new towers or co-locations from our customers, which could in turn adversely affect our business, prospects, results of operations, cash flows and financial condition. For further details, see the section "Regulations and Policies" on page 166.

20. ***Bharti Infratel and Indus may be unable to attract and retain management and skilled personnel.***

We believe that the current management team of Bharti Infratel and Indus contribute significant experience and expertise to the management and growth of their respective businesses. The continued success of their businesses and their ability to execute their business strategies in the future will depend largely on their ability to attract, retain and motivate their key management and operational personnel. Bharti Infratel's management team has been involved in the telecommunications industry in India for a significant period and has overseen the roll out of Bharti Infratel's existing tower portfolio, as well as a significant portion of the tower portfolio of Indus. During this process, the management team has developed sector-specific project and operational management expertise and an understanding of the key opportunities and risks associated with the tower business. Any failure to retain key managers, or to replace them with equally qualified persons in the event of their departure, could have a material adverse effect on our business, prospects, results of operations and financial condition. Further, as Bharti Infratel's and Indus' business continues to grow, they will need to recruit and train additional qualified personnel. Although we believe Bharti Infratel's and Indus' employee compensation is generally competitive with that of their competitors, if the number of competitors in the Indian tower industry increases, they may face difficulty in retaining and recruiting skilled employees. If they fail to attract and retain qualified personnel, our business prospects, results of operations, cash flows and financial condition may also be adversely affected. Bharti Infratel and Indus generally do not maintain key-man life insurance in relation to their key managerial personnel. The loss of their services due to death or disability or a failure to recruit suitable or comparable replacements in a timely manner could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

21. ***The tower sharing model may not develop in India in the manner that we anticipate.***

Bharti Infratel's and Indus' business model is based on increased sharing of towers by wireless service providers, as the addition of sharing operators at existing towers facilitates better capacity utilisation at relatively low incremental capital expense, enhancing Bharti Infratel's and Indus' cost and operational efficiencies. For the six month period ended September 30, 2012, Bharti Infratel had an average sharing factor of 1.81 co-locations per tower, while Indus had an average sharing factor of 1.97 co-locations per tower. Our financial prospects are directly dependent upon the sharing factor of Bharti Infratel's and Indus' towers and increasing their co-location rates is a key element of their growth strategy.

Tower sharing in the wireless telecommunications sector and integrated telecommunications networks are relatively recent concepts in India. The success of the model depends on a number of factors including geography, population density in rural and urban areas, financial conditions affecting operators and customer behavioural patterns which are specific to telecommunications industries in different countries, including India.

There can be no assurance that growth in the wireless telecommunications sector in India will continue or that wireless service providers will seek to reduce costs by increasing their reliance on shared tower, either with other wireless telecommunications service providers or with third party stand-alone tower operators such as Bharti Infratel and Indus. In particular, wireless telecommunications service providers may be unwilling to outsource tower operations to third parties because they may not consider it to be economically beneficial or may be unwilling to surrender what they believe to be competitive advantages offered by ownership of proprietary networks, or for other reasons. Any failure of tower sharing to continue to develop within the Indian wireless telecommunications sector in the way that we anticipate may adversely affect our business, prospects, results of operations, cash flows and financial condition.

22. ***The Promoter will retain majority control of Bharti Infratel after the Issue, and may have interests that are adverse to, or conflict with, the interests of Bharti Infratel's other shareholders.***

After the completion of the Issue, the Promoter will own approximately 79.42% of Bharti Infratel's issued Equity Shares. So long as the Promoter owns a majority of Bharti Infratel's Equity Shares, it will be able to elect Bharti Infratel's entire Board of Directors and remove any Director, by way of a resolution approved by a simple majority of its shareholders in a general meeting. The Promoter will be able to control corporate decisions affecting Bharti Infratel, including the appointment and removal of its officers, its business strategy and policies, any determinations with respect to dispositions of assets, dividend payouts, and its capital structure. Further, the actions of the Promoter may result in the delay or prevention of a change of management or control of Bharti Infratel, even if such a transaction may be beneficial to its other shareholders. The Promoter is also Bharti Infratel's largest customer, and its interests may be different from those of Company, resulting in certain decisions of the Promoter which, while being advantageous to the Promoter, may not be beneficial to Bharti Infratel and its other shareholders.

Further, the Promoter will have to reduce its shareholding to 75% to comply with the minimum public shareholding requirements under the SCRR. For further details regarding risks associated with this, see "—*Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares*" on page 40.

23. ***Bharti Infratel does not own the Bharti trademark and Bharti logo. Consequently, Bharti Infratel's ability to use the trademark, name and logo may be impaired.***

Bharti Infratel does not own the Bharti trademark and Bharti logo, which is owned by BEHPL. However, pursuant to a license agreement dated April 4, 2008, as amended on March 31, 2011, BEHPL has granted Bharti Infratel a right to use the Bharti trademark as part of its corporate name, as well as the Bharti logo in connection with its business on a non-exclusive basis, within the territory of India. The license agreement is valid until March 31, 2014 and there is no guarantee that it will be renewed on terms acceptable to Bharti Infratel or at all. Currently, Bharti Infratel is not required to make any payments to BEHPL for the use of the Bharti trademark under the terms of the license agreement. Any renewal of the license agreement in the future will be on mutually agreed terms. Bharti Infratel may not be able to use the Bharti trademark and Bharti logo if this license agreement is not renewed.

24. ***Bharti Infratel has entered into, and may continue to enter into, certain related party transactions.***

Bharti Infratel has entered into certain related party transactions with its Promoter. Pursuant to an agreement entered into in September 2010, loans up to ₹24,000.0 million can be made to the Promoter, of which ₹13,790.0 million was outstanding as of September 30, 2012. The amount available under the loan facility agreement of September 2010 is not traceable directly to the restated financial statements. In addition, Bharti Infratel has entered into certain related party transactions, such as the sharing of business premises and personnel and the license agreement with BEHPL for the use of the Bharti logo.

Further, Bharti Infratel entered into an IRU agreement with Indus in December 2008. Pursuant to this agreement, Bharti Infratel granted Indus an IRU in relation to certain of its towers in certain specified telecommunications Circles, which it was to contribute to Indus in accordance with the terms of the Framework Agreement. Consequent to the transfer of towers by Bharti Infratel to BIVL, the IRU with Bharti Infratel was transferred to BIVL (the "BIVL IRU") in respect of these towers. In the fiscal year 2009, the revenue and expenses for all the towers were recognized by Bharti Infratel. However, subsequent to the de-merger and the BIVL IRU, the revenues and expenses pertaining to such towers were recorded by Indus. As a result, Bharti Infratel's unconsolidated revenue from operations, power and fuel expenses, rent expenses and other expenses decreased in the fiscal year 2010 as compared to the fiscal year 2009.

For further details of the related party transactions as defined under Accounting Standard-18, please see the section "Related Party Transactions" on page 248. While Bharti Infratel believes that all such transactions have been conducted on an arm's length basis, there can be no assurance that it could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

Further, while Bharti Infratel complies with Indian accounting and regulatory standards in entering into related party transactions, these standards may not be comparable with standards of other countries, such as the United Kingdom or the United States. For example, Indian regulatory standards do not require independent valuations or approvals from disinterested shareholders with respect to significant related party transactions. In particular, certain transactions which Bharti Infratel may have entered into, and which would be treated as related party transactions under other accounting standards, are not treated as related party transactions under Indian GAAP. There can be no assurance that Bharti Infratel has not entered into similar transactions that, individually or in aggregate, in the event that obligations owed to it are not met, would not adversely affect its financial condition and results of operations.

Bharti Infratel intends to continue to enter into significant levels of related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on its business, prospects, results of operations, cash flows and financial condition, resulting from potential conflicts of interest or otherwise.

25. ***Any inability to protect Bharti Infratel's or Indus' rights to the land on which their towers are located may adversely affect our business and operating results.***

Bharti Infratel and Indus lease substantially all of the land and property on which their towers are located. In general, these lease arrangements are for periods of between 10 and 15 years and grant Bharti Infratel and Indus the right to use the leased premises for the purpose of carrying on their business. Under their lease arrangements, Bharti Infratel and Indus may require the prior written consent of the lessor for any further assignment of the lease. The lessor may terminate the agreement pursuant to specified notice periods if the lessee is in arrears of lease rental payments. Further, certain leases and other commercial agreements entered into by Bharti Infratel may not be duly stamped or registered. In the event that Bharti Infratel requires to enforce its rights under such agreements in a court of law, the required stamp duty will need to be paid by Bharti Infratel in order for it to do so.

A loss of Bharti Infratel's or Indus' leasehold interests, including through actual or alleged non-compliance with the terms of these lease arrangements, the termination of leases by lessors, or an inability to secure renewal thereof on commercially reasonable terms when they expire, would interfere with Bharti Infratel's or Indus' ability to operate their tower portfolio and to generate revenues. The current owners of the land or rooftops on which Bharti Infratel's and Indus' towers are located could attempt to significantly increase the rental rates upon the addition of new sharing operators or on expiration of current leases, or on account of radiation related concerns. The cost of relocating a site is significant. Bharti Infratel and Indus may not be able to pass these costs on to their customers and any such relocation could cause disruption to their customers. In addition, Bharti Infratel and Indus may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to entering into lease arrangements in respect of their leased sites, and to the extent there is any defect in the titles of any of such leased sites, their ability to continue operating at such leased sites may be adversely affected.

Bharti Infratel has been named as a party to several litigation proceedings relating to the lease of private land by it for its towers. Most of these proceedings pertain to disputes regarding the ownership of the lessors of these parcels of lands or the ability to use such land for installing towers, as well as suits for permanent and mandatory injunctions and determination of leases. As of September 30, 2012, there are a number of such cases pending against Bharti Infratel, which may have a potential impact on its tower portfolio. For further details, please see the section "Outstanding Litigation and Material Developments" on page 492. Bharti Infratel's inability to protect its rights to the land on which its towers are located could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

26. ***A failure by Bharti Infratel or Indus to meet their service level obligations could have an adverse impact on their business and results of operations.***

As a part of the standard MSAs that Bharti Infratel and Indus enter into with customers, Bharti Infratel and Indus have committed to maintain certain service level standards, which impose stringent obligations upon Bharti Infratel and Indus and their operations, including in relation to tower deployment timelines, electro-magnetic field restrictions and required minimum availability levels. For further details, please see "Our Business—Towers Business" on page 154. We believe that Bharti Infratel's and Indus' services are critical to the operations of their customers' businesses and hence their service level agreements impose various service level credits on them in the event that they fail to meet their respective obligations.

Any failure by Bharti Infratel or Indus to comply with applicable service levels could damage their reputation or result in claims for substantial damages against them. Bharti Infratel accrued ₹1,016.0 million as service level credits for failure to meet its uptime service levels in the fiscal year 2012, while Indus accrued ₹1,274.0 million as service level credits for failure to meet its uptime service levels in the fiscal year 2012. Bharti Infratel and Indus record service level credits as deductions from rental revenues or revenue from operations, and accordingly, these amounts cannot be derived directly from the restated financial statements. We cannot assure you that any limitations of liability set forth in any of Bharti Infratel's or Indus' MSAs will be enforceable in all instances or will otherwise protect Bharti Infratel or Indus from liability for damages in the event of a claim for breach of their obligations. Bharti Infratel's or Indus' insurance coverage may not be sufficient for all such claims or damages and additional insurance coverage may not be available in the future on reasonable terms or in amounts sufficient to cover large claims. Successful assertions of one or more large claims against Bharti Infratel or Indus could have a significant adverse effect on our business, prospects, results of operations, cash flows and financial condition.

27. ***Any failure in the implementation or operation of Bharti Infratel's information systems could disrupt its business operations and cause an unanticipated increase in costs.***

Bharti Infratel has implemented various information systems to integrate all of its business functions through the automation of business processes. For further details, please see "Our Business—Towers Business" on page 154. Bharti Infratel entered into a strategic outsourcing agreement with IBM India Private Limited ("IBM") in early 2009 to provide, among other things, information technology services, processes, applications, software and hardware. Therefore, Bharti Infratel's business operations are heavily dependent on the performance of IBM as a third party service provider. Any failure by IBM to perform its obligations in accordance with the terms of the agreement, or any delay in implementation or failure in the operation of Bharti Infratel's information systems, could result in material adverse consequences, including disruption of Bharti Infratel's operations, loss of information and an unanticipated increase in costs, which could have a material adverse effect on Bharti Infratel's business, prospects, results of operations, cash flows and financial condition. It may also be difficult to identify and procure a reliable and qualified replacement service provider in the event of a breach of the agreement by IBM, which may lead to a disruption of Bharti Infratel's business and operations.

Further, Bharti Infratel's operations are coordinated through its TOC located in Gurgaon, Haryana. A large number of Bharti Infratel's technical personnel are also located at the TOC. Because of its importance to Bharti Infratel's continued operations and the concentration of employees at this facility, Bharti Infratel's results of operations could be materially adversely affected if the TOC is rendered inoperative for any reason, or is materially damaged as a result of a natural disaster or other event. Although Bharti Infratel has back-up facilities for some of its operations, it could be difficult for Bharti Infratel to maintain or resume operations upon the occurrence of such an event, and any such occurrence could have a material adverse effect on Bharti Infratel's business and results of operations. Further, Bharti Infratel's TOC is dependant on the systems of its customers for the information that flows into the TOC, and any disruption of these systems could have a material adverse effect on Bharti Infratel's business and operations. In addition, the lease deed entered into by Bharti Infratel in relation to the premises at which the TOC is located expires on September 30, 2013, on which date Bharti Infratel is required to restore vacant possession of the property to the landlord. The lease agreement does not contain a provision for automatic renewal or extension of the lease beyond this date, and includes an escalation in the rent payable in case possession is not surrendered upon expiry. Bharti Infratel's inability to renew the lease on commercially acceptable terms or at all or identify suitable alternative premises in time may lead to a disruption in Bharti Infratel's business and operations.

28. ***Bharti Infratel's and Indus' business depends on the delivery of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost.***

Bharti Infratel's and Indus' towers require an adequate and cost-effective supply of electrical power to function effectively. Bharti Infratel and Indus principally depend on power supplied by regional and local electricity transmission grids operated by the various state electricity providers. In the non-urban areas where power supply is erratic, in order to ensure that the power supply to their sites is constant and uninterrupted, Bharti Infratel and Indus also rely on batteries and DG sets, the latter of which require diesel fuel. A lack of adequate power supply and/or power outages could result in significant downtime at Bharti Infratel's and Indus' towers, resulting in service level credits becoming due to their customers.

Bharti Infratel's or Indus' operating costs will increase if the price at which they purchase electrical power from the state electricity providers or the price of fuel increases. There is no assurance that Bharti Infratel or Indus will have an adequate or cost effective supply of electrical power at their sites or fuel for DG sets, the lack of which could disrupt their, and their customers', businesses, adversely affecting our business and results of operations. Further, Bharti Infratel and Indus have recently entered into certain arrangements with respect to energy charges with a number of their customers, under which customers pay a fixed amount per month (determined on the basis of, among other things, the number of sharing operators and the equipment at the tower) in relation to energy costs at a tower. To the extent that Bharti Infratel's and Indus' estimates of fuel and electricity requirements are affected by external factors, and they incur additional expenses as a result of this which they are unable to pass through to their customers, they may suffer an adverse impact on their business, prospects, results of operations, cash flows and financial condition. In the event of a material price increase or significant interruption or limitation in the supply of fuel from Bharti Infratel's and Indus' current suppliers, they may need to procure fuel from other sources. However, there can be no assurance that Bharti Infratel or Indus will be able to do so at commercially acceptable costs or at all, which could have a material adverse effect on our business and results of operations.

29. ***Environmental regulations and associated litigation impose additional costs and may affect the results of our operations.***

Bharti Infratel and Indus are subject to various national, state-level and municipal environmental laws and regulations in India concerning issues such as damage caused by air emissions and noise emissions by our diesel generator sets, some of which may impose overlapping requirements and varying standards of compliance on us. These laws can impose liability for non-compliance with regulations and are increasingly becoming more stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. There could also be new regulations or policies imposed by the relevant authorities in relation to our business which may result in increased compliance costs.

While we believe that Bharti Infratel and Indus are currently in compliance in all material respects with all applicable and environmental laws and regulations, discharge of pollutants into the air or water may nevertheless cause them to be liable to the government where their towers are located. In addition to potential clean-up liability, they may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on their operations. Bharti Infratel and Indus may also, in the future, become involved in proceedings with various regulatory authorities that may require them to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition, third parties may sue them for damages and costs resulting from environmental contamination emanating from their properties.

As a result of any claims that their properties or towers are not in compliance with all applicable environmental laws, unidentified environmental liabilities could arise which may have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Various petitions have been filed against Bharti Infratel and its customers in relation to the installation of towers near residential areas owing to concerns relating to the adverse effects of electromagnetic radiation. However, no specific monetary demand has been raised under these petitions against Bharti Infratel.

If a scientific study or court decision results in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless telecommunications services, as well as Bharti Infratel's customers, which could adversely affect our business, prospects, results of operations, cash flows and financial condition.

30. ***Bharti Infratel's or Indus' towers and related infrastructure may be affected by natural disasters and other unforeseen damage for which their insurance may not provide adequate coverage.***

Bharti Infratel's or Indus' towers and related infrastructure are subject to risks associated with natural disasters, such as wind storms, floods, earthquakes, as well as other unforeseen damage. Any damage or destruction to their sites and assets as a result of these or other risks could adversely impact their ability to provide services to their customers and could impact our results of operations and financial condition. While Bharti Infratel maintains standard insurance cover in this regard, as well as terrorism cover, and Indus maintains insurance for its towers, they may not have adequate insurance to cover the associated costs of repair or reconstruction. Further, such insurance may not adequately cover all of their lost revenues, including service level credits under their contracts with wireless telecommunications service providers and potential revenues from new sharing operators that could have been added to their towers but for the damage. If Bharti Infratel or Indus are unable to provide services to their customers as a result of any damage to their towers and related infrastructure, it could lead to reputational harm and customer loss, resulting in a corresponding adverse effect on our business, prospects, results of operations, cash flows and financial condition.

31. ***Bharti Infratel will not receive any proceeds from the Offer for Sale portion and Bharti Infratel's management will have flexibility in utilising the Net Proceeds.***

This Issue includes an Offer for Sale of 42,665,888 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and Bharti Infratel will not receive any such proceeds. Compassvale, GS Strategic, Anadale and Nomura are the Selling Shareholders and will receive such proceeds from the Offer for Sale. For further details, please see the section "Objects of the Issue" on page 101.

Bharti Infratel intends to use the Net Proceeds of the Issue for the capital expenditures described in "Objects of the Issue" on page 101. Subject to this section, Bharti Infratel's management will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of Bharti Infratel's management regarding the application of the Net Proceeds. The funding plans are in accordance with Bharti Infratel's own estimates based on estimates by Quality Austria and have not been appraised by any bank/financial institution. Bharti Infratel may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay Bharti Infratel's efforts to use the Net Proceeds to achieve profitable growth in its business. For example, Bharti Infratel's expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, including increases in raw material costs, or for other unforeseen reasons, events or circumstances.

Further, although Bharti Infratel will appoint a monitoring agency, pending utilisation of the Net Proceeds of the Issue, it may temporarily invest Net Proceeds of the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board. Bharti Infratel's management will have significant flexibility in temporarily investing the Net Proceeds of the Issue. Accordingly, the use of the Net Proceeds for purposes identified by Bharti Infratel's management may not result in actual growth of its business, increased profitability or an increase in the value of your investment.

32. ***Bharti Infratel's and Indus' costs are affected by global commodity and equipment prices as well as labour costs.***

Bharti Infratel and Indus purchase or rely on the purchase of commodities such as steel and diesel to support the development and maintenance of their tower network. Volatility in global commodity prices and, in particular, metal prices will make it more difficult for them to accurately forecast and plan the cost of equipment required for network maintenance and expansion. In addition, supply shortages or delays in deliveries of raw materials or components can also result in increased costs. Increases in such global commodity prices will increase the amount of capital expenditure required to finance Bharti Infratel's or Indus' expansion plans, which will exert downward pressure on their profit margins if they are unable to pass these cost increases through to their customers, and could have a material adverse effect on our business, prospects, cashflows and results of operations.

Increasing labour costs, including for outsourced activities, in India may also erode Bharti Infratel's or Indus' profit margins and compromise their price competitiveness. If Bharti Infratel or Indus are unable to manage material increases in their labour and other overhead costs, this could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

33. ***Bharti Infratel's Promoter and certain Group Companies have unsecured loans that may be recalled by the lenders at any time.***

Bharti Infratel's Promoter and certain Group Companies have unsecured loans which may be recalled by their respective lenders at any time. In the event that any lender seeks the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

34. ***We have certain contingent liabilities which, if they materialise, may adversely affect our business, results of operations, financial condition and prospects.***

As of September 30, 2012, we had the following contingent liabilities that had not been provided for in our restated consolidated financial statements and included in the restated consolidated financial statements as per Accounting Standard – 29:

(in ₹million)

Particulars	Amount
Guarantees issued by banks and financial institutions on behalf of Bharti Infratel, BIVL and Bharti Infratel's 42% equity interest in Indus	87.0
Claims against Bharti Infratel, BIVL and Bharti Infratel's 42% equity interest in Indus not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote)	4,224.3

Further, as of September 30, 2012, Bharti Infratel had the following contingent liabilities that had not been provided for in its restated unconsolidated financial statements and included in the restated financial statements as per Accounting Standard – 29:

(in ₹million)

Particulars	Amount
Guarantees issued by banks and financial institutions on behalf of Bharti Infratel	87.0
Claims against Bharti Infratel not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote)	2,610.5

For further details, see the section “Financial Statements of the Company” on page 250.

Further, as of March 31, 2012, the Promoter has certain contingent liabilities not provided for. In the event that any of these contingent liabilities materialises, our business, results of operations, prospects, cash flows and financial condition may be adversely affected. For details of contingent liabilities of the Company, as per Accounting Standard 29 and as reported in the restated financial statements, please see the section “Financial Statements of the Company” on page 250.

35. ***Certain of Bharti Infratel’s Group Companies have incurred losses in the preceding three years.***

Certain of Bharti Infratel’s Group Companies have incurred losses during the financial year immediately preceding the date of filing of this Red Herring Prospectus. The details of profits (losses) after tax of these companies in the preceding three years are provided in the section “Group Companies – Loss making Group Companies” on page 246. There is no assurance that these or any other of the Group Companies will not incur losses in future periods or that there will not be an adverse effect on Bharti Infratel’s reputation or business as a result of such losses. There is no assurance that these or any other of the Group Companies will not incur losses in future periods or that there will not be an adverse effect on Bharti Infratel’s reputation or business as a result of such losses.

36. ***Bharti Infratel does not own its registered office and other premises from which it operates.***

Bharti Infratel’s registered office in Delhi is located on premises which are held by Bharti Enterprises Limited on a leasehold basis. Bharti Infratel has been given non-exclusive permission by Bharti Enterprises Limited to use these premises for its registered office but it does not enjoy leasehold or other rights on these premises. In the event Bharti Enterprises Limited decides to rent out or alienate the premises being used by Bharti Infratel to any third party or retains it for their own use or if Bharti Enterprises Limited’s lease is not renewed, Bharti Infratel may be required to shift its premises to a new location and there can be no assurance that the arrangement Bharti Infratel enters into in respect of the new premises would be on such terms and conditions as the present one.

Bharti Infratel’s corporate office and the plot on which its TOC are located are held on a leasehold basis. If any of the owners of these premises revokes the arrangements under which Bharti Infratel occupies the premises or imposes terms and conditions that are unfavourable to Bharti Infratel, it may suffer a disruption in its operations or have to pay increased charges, which could have a material adverse effect on our business, prospects, results of operations and financial condition. For further information, please see the section “Our Business” on page 142.

37. ***Some of our Group Companies and our joint venture may be engaged in a similar line of business and in case of conflict of interest, the Promoter may not act in our interest which may have a material adverse effect on our business, financial condition and results of operations.***

Some of our Group Companies such as Bharti Infratel Lanka (Private) Limited, Bangladesh Infratel Networks Limited and our joint venture, Indus, may be engaged in a similar line of business as us. Also, 17 African Group Companies may also be engaged in similar lines of business as us. For more details regarding our Group Companies, please see section “Group Companies” on page 212. We cannot assure you that the Promoter will not favour the interests of such Group Companies and joint ventures over our interests. Our Group Companies and joint venture, including those in a similar line of business, may dilute the Promoter’s attention to our business, which could adversely affect our business, financial condition and results of operations. Commercial transactions in the future between Bharti Infratel and related parties could result in conflicting interests. There can be no assurance that our Group Companies or joint venture will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. A conflict of interest may occur between our business and the business of our Group Companies or joint venture which could have an adverse effect on our operations.

External Risks

38. ***Political instability or changes in the Indian central government could adversely affect economic conditions in India and consequently, our business.***

Bharti Infratel is incorporated in India and currently derives substantially all of its revenues from operations in India and all of its assets are located in India. Indus is also incorporated in India, derives substantially all of its revenues from operations in India and all of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. The current government has announced that its general intention is to continue India's current economic and financial sector liberalisation and deregulation policies. However, there can be no assurance that such policies will be continued, and a significant change in the government's policies could affect business and economic conditions in India, and could also adversely affect our financial condition and results of operations.

Political instability or changes in the government could delay further liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

39. ***Hostilities, terrorist attacks, civil unrest, breaches of law and order and other acts of violence may adversely affect our business and the trading price of the Equity Shares.***

Terrorist attacks, civil unrest and other acts of violence or war within India and the surrounding region may adversely affect worldwide financial markets and may result in a loss of consumer confidence, which in turn may adversely affect our business, prospects, results of operations, cash flows and financial condition. There have been recent incidents of violence in certain telecommunications Circles in India, and, as of September 30, 2012, 71 of Bharti Infratel's towers have been destroyed as a result of such violence. Further, political tensions may create a perception that any investment into an Indian company involves a higher degree of risk and may have an adverse impact on Bharti Infratel's business operations and the price of the Equity Shares.

40. ***Significant differences exist between Indian GAAP used throughout Bharti Infratel's financial information and other accounting principles, such as U.S. GAAP and IFRS, with which investors may be more familiar.***

Bharti Infratel's financial statements are currently prepared in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and standards. Substantial differences exist between Bharti Infratel's results of operations, cash flows and financial position in its financial statements prepared under each of Indian GAAP.

In addition, if Bharti Infratel were to prepare its financial statements in accordance with any other accounting principles, such as U.S. GAAP, its results of operations, cash flows and financial position may be substantially different. The significant accounting policies applied in the preparation of Bharti Infratel's Indian GAAP financial statements are set forth in the notes to its restated financial statements included in this Red Herring Prospectus. Prospective investors should review the accounting policies applied in the preparation of Bharti Infratel's financial statements, and consult their own professional advisors for an understanding of the differences between these accounting principles and those with which they may be more familiar.

41. ***Public companies in India, including Bharti Infratel, may be required to prepare financial statements under IFRS or a variation thereof, IND AS. The transition to IND AS in India is still unclear and we may be negatively affected by such transition.***

Bharti Infratel currently prepares its annual and interim financial statements under Indian GAAP.

Public companies in India, including Bharti Infratel, may be required to prepare annual and interim financial statements under a variation of IFRS. Recently, the ICAI has released a near-final version of the Indian Accounting Standards (Ind AS) 101 "First-time Adoption of Indian Accounting Standards" ("Ind AS"). The Ministry of Corporate Affairs of the Government, on February 25, 2011, has notified that Ind AS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As at the date of this Red Herring Prospectus, the MCA has not yet notified the date of implementation of Ind AS. There is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application. Additionally, Ind AS has fundamental differences with IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our financial condition, results of operations, cash flow or changes in shareholders' equity will not appear materially different under Ind AS than under Indian GAAP or IFRS. As we adopt Ind AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. There can be no assurance that our adoption of Ind AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have a material adverse effect on our financial position and results of operations.

42. ***Investors may be adversely affected due to retrospective tax law changes by the Indian government affecting Bharti Infratel or the Group.***

Certain recent changes to the Income Tax Act provide that income arising directly or indirectly through the sale of a capital asset of an offshore company, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India. The term "substantially" has not been defined under the Income Tax Act and therefore, the applicability and implications of these changes are largely unclear. Due to these recent changes, investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of the Equity Shares. In the past, there have been instances where changes in the Income Tax Act have been made retrospectively and to that extent, there cannot be an assurance that such retrospective changes will not happen again.

43. ***Bharti Infratel's ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, Bharti Infratel is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit Bharti Infratel's financing sources for ongoing expansion plans or acquisitions and other strategic transactions, and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, Bharti Infratel cannot assure investors that the required approvals will be granted to it without onerous conditions, or at all. Limitations on foreign debt may have a material adverse effect on Bharti Infratel's business, prospects, results of operations, cash flows and financial condition.

44. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

The Articles of Association, regulations of its Board of Directors and Indian law govern the corporate affairs of Bharti Infratel. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders of Bharti Infratel than as shareholders of a corporation in another jurisdiction.

Risks Relating to the Issue

45. ***Bharti Infratel has made a bonus issue in the last one year***

During the last one year, Bharti Infratel has issued Equity Shares at a price which is lower than the Issue Price as detailed in the following table:

Name of Allottees	Date of allotment	No. of Equity Shares	Issue price (₹)	Reason
Shareholders of our Company including the Promoter	August 23, 2012	1,161,605,820	-	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date

For further details, please see the section "Capital Structure" on page 86.

46. ***Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by Bharti Infratel, including a primary offering, may lead to the dilution of investors' shareholdings in it. Any future equity issuances by Bharti Infratel or sales of the Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for Bharti Infratel, including difficulty in raising debt financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of the Equity Shares.

Pursuant to a recent amendment to the Securities Contract (Regulations) Rules, 1957, as amended, Indian companies, other than public sector companies, that are seeking to list on the Indian stock exchanges are required to achieve at least 25% public shareholding in the manner as specified under Clause 40A of the Listing Agreement, with the term "public" excluding, among other things, the shareholding of the promoter. Upon listing, Bharti Infratel will have an approximate 20.41% public shareholding. Under these regulations, Bharti Infratel is required to ensure that it reaches the 25% threshold within three years of the date of listing of the Equity Shares in the Issue by increasing its public shareholding. The Company and the Promoter will use one or more of the methods prescribed under Clause 40A of the Listing Agreement to achieve this 25% public shareholding. This may require Bharti Infratel to issue additional Equity Shares or require the Promoter to sell some of the Equity Shares that it holds, which may adversely affect Bharti Infratel's trading price.

47. ***Bharti Infratel cannot assure payment of dividends on the Equity Shares in the future.***

While Bharti Infratel's dividend policy is as set out in the section "Dividend Policy" on page 249, the amount of future dividend payments by Bharti Infratel, if any, will depend upon Bharti Infratel's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Bharti Infratel may decide to retain all of its earnings to finance the development and expansion of its business and therefore, Bharti Infratel may not declare dividends on the Equity Shares. Additionally, Bharti Infratel may in the future be restricted by the terms of its loan agreements, including loan agreements of its subsidiaries and joint ventures, to make any dividend payments unless otherwise agreed with the lenders.

48. ***There is no existing market for the Equity Shares, and we do not know if one will develop to provide investors with adequate liquidity.***

If the stock price of the Equity Shares fluctuates after the Issue, investors could lose a significant part of their investment. As at the date of this Red Herring Prospectus, there is no market for the Equity Shares. Following the Issue, the Equity Shares are expected to trade on the NSE and BSE. There can be no assurance that active trading in the Equity Shares will develop after the Issue or, if such trading develops, that it will continue. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares.

The initial public offering price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Issue. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Issue, or changes in the estimates of our performance by analysts;

- the activities of competitors and suppliers;
- future sales of the Equity Shares by Bharti Infratel or its shareholders;
- investor perception of us and the industry in which we operate;
- any initial public offering by Indus;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of Bharti Infratel's operating performance.

49. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months as a capital asset will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided for under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

50. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect investors' ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Subsequent to listing, the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of investors to sell Equity Shares or the price at which investors may be able to sell their Equity Shares.

51. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the Consolidated Foreign Direct Investment Policy notified under Circular No. 1 of 2012 effective from April 10, 2012 (the "FDI Policy") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign direct investment in Bharti Infratel is permitted up to 49% under the automatic route. Foreign direct investment above 49% and up to 100% would require the prior approval of the Foreign Investment Promotion Board.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. Bharti Infratel cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

52. ***Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our financial results.***

The Equity Shares will be quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

53. ***Investors may have difficulty enforcing foreign judgments against Bharti Infratel or its management.***

Bharti Infratel is a limited liability company incorporated under the laws of India. Nine of its ten Directors and certain executive officers are residents of India. A substantial portion of Bharti Infratel's assets and the assets of the directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against Bharti Infratel or such parties outside India.

Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered.

Prominent Notes:

- Public Issue of 188,900,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million consisting of a Fresh Issue of 146,234,112 Equity Shares aggregating to an amount not exceeding ₹ [●] million and an Offer for Sale of 42,665,888 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million. Issue related information are not derived from the financial statements.

- A discount of ₹ 10 to the Issue Price is being offered to Retail Individual Bidders. Retail Discount will not exceed 5% of the Issue Price.

- As of September 30, 2012, the net worth of the Company was ₹ 143,048.9 million in accordance with the restated consolidated financial statements and ₹ 148,656.7 million in accordance with the restated unconsolidated financial statements.

- As of September 30, 2012, the net asset value per Equity Share was ₹ 82.1 in accordance with the restated consolidated financial statements and ₹ 85.3 in accordance with the restated unconsolidated financial statements. As of September 30, 2012, the net asset value per Equity Share, after adjusting for the proportionate change in the number of Equity Shares on account of bonus issue, was ₹ 82.1 in accordance with the restated consolidated financial statements and ₹ 85.3 in accordance with the restated unconsolidated financial statements.

- The average cost of acquisition of Equity Shares of the Company by its Promoter is ₹ 0.0003 per Equity Share based on consideration paid by the Promoter. Since this information relates to the Promoter, it is not included in the restated financial statements. For details of acquisition of Equity Shares by the Promoter, please see the section “Capital Structure” on page 86.

- Except for Bharti Hexacom, Bharti Telemedia Limited and Bharti Airtel Services Limited, none of our Group Companies have any business or other interests in the Company. For details of transaction with these Group Companies please see the section “Related Party Transactions” on page 248.

- The details of the Company’s aggregate revenue from operations from related parties, included in the unconsolidated restated financial statements as per Accounting Standard – 18, during the last five years are provided below:

(₹ Million)

Particulars	Year ended				
	31-Mar-12	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Revenue from operations from related parties for the year*	28,165.9	25,566.2	22,421.7	38,106.5	6,594.4
Revenue from operations for the year (unconsolidated)	41,581.6	37,804.8	30,912.3	42,489.4	7,051.0
Revenue from operations from related parties as a % of total revenue from operations	**67.7%**	**67.6%**	**72.5%**	**89.7%**	**93.5%**

* *Revenue from operations from related party is inclusive of service tax and excludes revenue equalization whereas revenue from operations for the year is inclusive of revenue equalization and excludes service tax.*

- The aggregate short term loan and advances given to related parties, included in the unconsolidated restated financial statements, as per Accounting Standard – 18, during Fiscal 2012 was ₹ 12,874 million and short term loan and advances repaid by related party during Fiscal 2012 was ₹ 6,100 million. Short term loan and advances given to related parties (net of repayment) during Fiscal 2012 was ₹ 6,774 million. The details of aggregate short term loan and advances given to related party during Fiscal 2012 as a percentage of the net worth of the Company for the last five years are provided below:

(₹ Million)

Particulars	As at				
	31-Mar-12	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Net worth of the Company (unconsolidated)	147,431.7	143,513.7	140,361.5	104,589.8	102,624.9
Short term loan and advances given to related party during Fiscal 2012 as a % of net worth	8.7%	9.0%	9.2%	12.3%	12.5%
Short term loan and advances given to related party (net of repayment during year) during Fiscal 2012 as a % of networth	4.6%	4.7%	4.8%	6.5%	6.6%

- For further details of related party transactions entered into by the Company with its Subsidiary and Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section “Related Party Transactions” on page 248.

- There has been no financing arrangement whereby the Promoter Group, the directors of the Promoter, the Directors, and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of business of the financing entity during the period from six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

- Investors may contact any of the JGCBRLMs, the BRLMs and the CBRLMs who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section is derived from various publicly available sources, government publications and other industry sources, including reports dated September 2012 and December 2011 that have been prepared by Analysys Mason India Pvt. Ltd. ("Analysys Mason") and CRISIL Limited ("CRISIL"), respectively. This information has not been independently verified by us, the Book Running Lead Managers, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and accordingly, investment decisions should not be based on such information.

Indian Telecom and Towers Industry

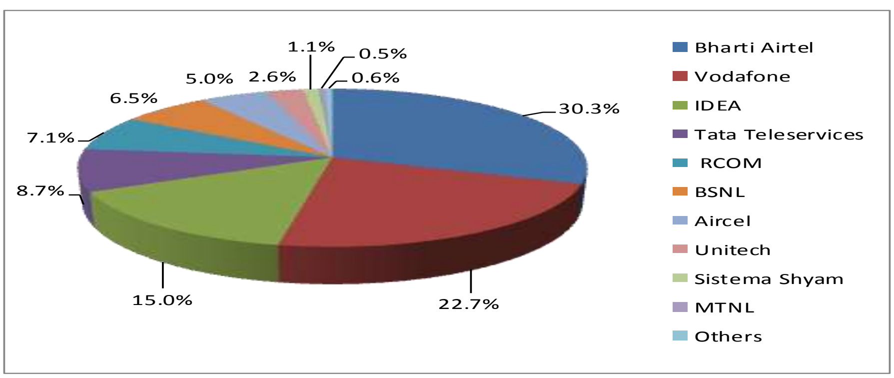
Indian wireless telecommunication services sector

Over the five-year period 2005-2010, the wireless telecommunications services sector has grown rapidly *(Source: CRISIL.)*. Industry revenue reached ₹ 1,361 billion at the end of March 2012 *(Source: Analysys Mason.)*, and the mobile subscriber base rose to around 919 million at the end of March 2012 from 99 million at the end of 2005-2006. Of that number, approximately 868 million are 2G subscribers and approximately 51 million are 3G subscribers. The recent surge in subscriber base can be attributed to a sharp decline in tariffs and expansion of services by existing players. Sector growth can also be seen to have followed the issue of a number of licences to new operators by DoT. The bulk of the growth has been in urban centres. *(Sources: Analysys Mason and CRISIL.)* As per TRAI data as on March 31, 2012, urban wireless penetration was 162.8% while rural wireless penetration was 38.3%.

The Indian telecommunications industry is one of the most competitive globally with over ten operators existing in the market. However, the bulk of the revenue market share is concentrated amongst the top three operators.

Revenue market share graph for all operators

Revenue Market Share (%) for the Quarter Ended June 30, 2012



Source: TRAI, as of June 30, 2012
Others includes Loop Mobile, Loop Telecom, Videocon, HFCL, Etisalat, S-Tel

Trend in mobile subscribers (historical) for 2G and 3G services

In the case of 2G subscribers, the availability and affordability of services has resulted in a significant increase in the wireless user base. This subscriber base has risen from 261 million in the fiscal year 2008 to 868 million in the fiscal year 2012. There are an estimated 640,000 2G installed base stations in India across operators and Circles, translating into around 1,360 2G subscribers per base station. *(Source: Analysys Mason.)*

Indian tower industry

Wireless telecommunications service providers have made considerable investment in building network infrastructure to address the high subscriber growth and consequent increase in traffic. The extent and spread of infrastructure and the number of subscribers supported by the infrastructure created by operators is dependent upon the subscriber base, usage per subscriber, stage of network rollout by the operator, technology platform, frequency band of operation and spectrum availability. Typically, for a GSM operator providing 2G services, the number of subscribers that are served by a base transceiver station ("BTS") is 850 to 1,200. This number could vary based on the technology, the spectrum and other factors. *(Source: CRISIL.)*

Background

Government policies and technological developments have a significant bearing on the tower business. Until April 2008, the regulatory framework in India allowed wireless operators to only share their tower infrastructure; service providers had to put up their own active infrastructure and establish backhaul connectivity to roll out services. The rationale for disallowing active infrastructure sharing was to encourage the establishment of robust infrastructure. In April 2008, the government allowed operators to share their active infrastructure such as antennae, feeder cable, radio access network, transmission system and backhaul network (optical fibre or radio). The guidelines were released in 2008, and to ensure consistency between regulations and policy, active infrastructure sharing was allowed in 2009. However, spectrum sharing, wherein two operators can pool their spectrum, is still not permitted.

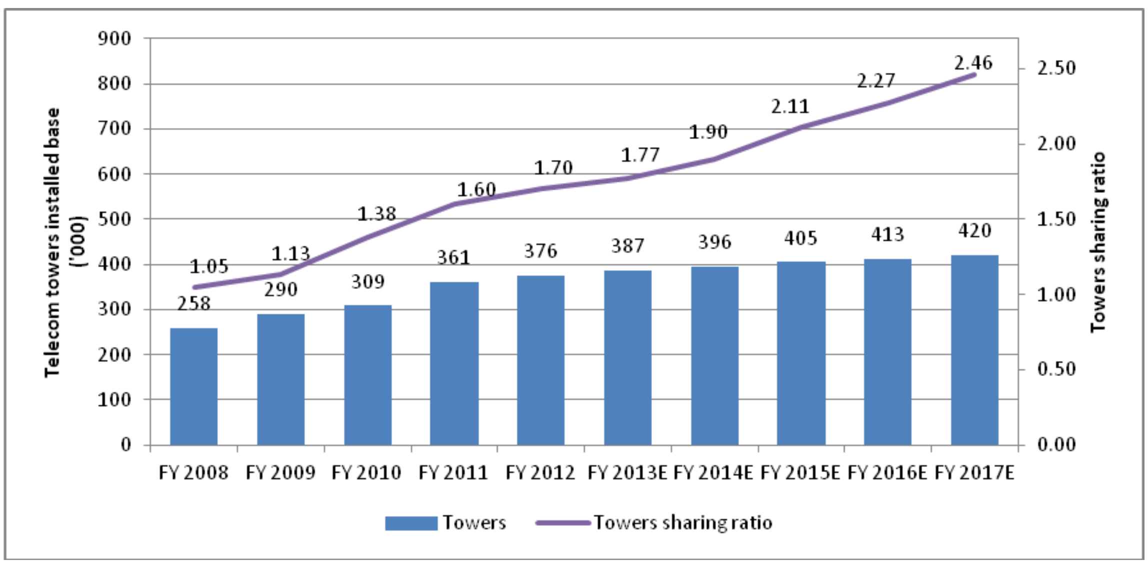
India is similar to Indonesia and the U.S. in that it remains one of the key markets where leasing from tower companies by service providers is the prevalent business model in relation to passive infrastructure. In a majority of the European, Latin American and Middle Eastern markets, bilateral sharing of passive infrastructure remains the prevalent model. Bilateral sharing optimises costs in these markets, where the population is concentrated in urban centres, there are no new entrants and the subscriber base is mature. The potential for tenancy increase therefore remains limited and hence there is a very limited number of tower company business models whereby service providers lease from tower companies.

Trend in number of towers (historical) for 2G and 3G

It is estimated that 2G base stations are currently installed on 376,000 towers. *(Source: Analysys Mason.)*.

The current coverage of 3G remains focused on select cities, but operators are expected to roll out 3G networks in tier II and tier III cities in the next two years, and Analysys Mason expects that 3G coverage will reach villages with a population of greater than 5,000 after a few years, amounting to about 19,000 villages in total.

Telecom towers installed base and tenancy in India, financial year 2008 – financial year 2017



(Source: Analysys Mason.)

As the number of sharing operators on a tower increases, it results in better economics for tower companies as they are able to generate incremental revenue while incurring insignificant incremental capital expenditure.

Trend in number of tenancies (historical) for 2G and 3G

Industry tenancy ratio, or the sharing factor has grown from 1.05 in 2007-2008 to 1.70 in 2011-2012. Tower tenancy, or co-location, currently stands at 1.70 times for 2G towers, of which tenancies for telco-owned tower companies are estimated at around 1.94 times and tenancies for independent telcos are estimated at around 1.46 times. There may be consolidation among tower companies in order to achieve scale, optimize portfolio mix, access to capital and right of first refusal co-location BTSs. *(Source: Analysys Mason.)*

The tenancy metrics vary by tower company and reflect the genesis of these tower companies. Large tower companies such as Indus were formed by a carve-out of the tower portfolio of multiple operators, and hence have a high captive tenancy.

Competitive Landscape

Competitors

As of March 31, 2012, the main tower companies in India are Indus (109,000 towers), Reliance Infratel (50,000 towers), Bharti Infratel (33,000 towers), Viom Networks (42,000 towers), GTL Infra (33,000 towers), ATC (10,000 towers), Tower Vision (8,000 towers) and other small independent tower companies such as Ascend Telecom. A majority of these tower companies were formed as a result of portfolio carve-outs by operators, with others (such as Viom and ATC) having grown over time through acquisitions.

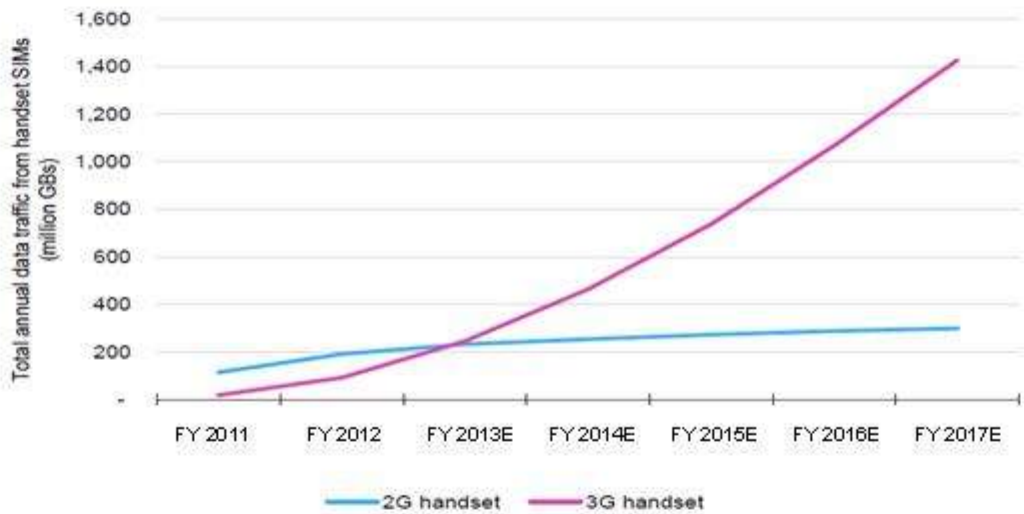
Industry Forecast and Drivers for Growth

Growth in data – advent of 3G and 4G

CRISIL Research expects that 3G and 4G services will add substantially to data traffic in India, thus necessitating more base stations due to additional capacity requirements. This, in turn, is expected to increase the demand for towers. Further, as 3G spectrum operates on a higher frequency band, its reach is limited. Hence, operators will have to set up additional towers to ensure seamless service.

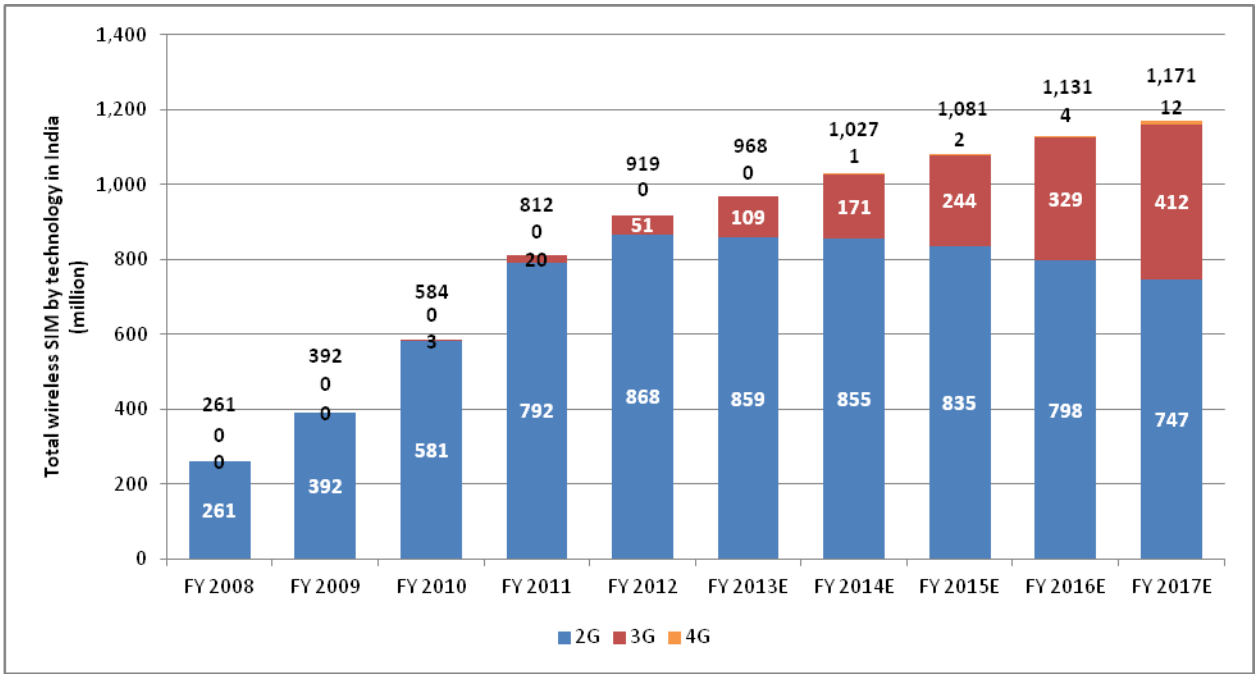
With declining prices of 3G services in India, its adoption and traffic has increased across circles and it is expected to grow with increasing service and device affordability and coverage expansion. The number of 3G subscribers is expected to grow to around 412 million by 2017. *(Source: Analysys Mason.)*

Total data traffic from 2G and 3G handset SIMs in India (million GB), financial year 2011 – financial year 2017



(Source: Analysys Mason.)

Total wireless SIMs in India, financial year 2008 – financial year 2017



(Source: Analysys Mason.)

Trend in towers (projected) for 2G, 3G and 4G

Analysys Mason expects that the future deployment of towers will be demand driven and not based on proactive deployment. As such, it is likely to be at a much slower pace as compared to the last few years. The tenancies are expected to be driven by 3G capacity and 4G coverage (with capacity in later years), and some 2G coverage in select areas. It is expected that catch up coverage and additional capacity in urban areas will result in an incremental tower deployment of 44,000 towers between the end of March 2012 and the end of March 2017. *(Source: Analysys Mason.)*

BTS multiples for migration among frequency bands in dense urban areas

		New frequency band				
		900 MHz	1800 MHz	2100 MHz	2300 MHz	2600 MHz
Base frequency band	900 MHz	1.0x	1.6x	1.9x	3.2x	3.7x
	1800 MHz		1.0x	1.2x	2.0x	2.3x
	2100 MHz			1.0x	1.7x	2.0x
	2300 MHz				1.0x	1.1x
	2600 MHz					1.0x

(Source: Analysys Mason.)

Trend in tenancies (projected) for 2G, 3G and 4G

Industry tenancy ratio is expected to increase from 1.70 at the end of March 2012 to 2.46 at the end of March 2017, due to a rise in the sharing of tower infrastructure.

Analysys Mason expects that the 3G capacity sites will result in full incremental colocation. 3G base stations which are co-located on existing towers do not get counted as an additional tenancy due to the way MSAs have been structured.

Trend in industry revenue (projected) for 2G, 3G and 4G

Industry revenue is projected to grow from ₹ 1,361.0 billion at the end of March 2012 to ₹ 1,609.0 billion at the end of March 2017. An expected increase in the number of towers and tenancies is expected to be the primary drivers of this growth.

Increasing penetration, particularly in rural areas

The Indian wireless industry experienced substantial growth over the five-year period 2005-2010, posting a CAGR of around 56%. The surge in subscriber base can be attributed to a sharp decline in tariffs and expansion of services by existing players. However, the bulk of this growth has been from urban centres.

As per TRAI data as on March 31, 2012, urban wireless penetration was 162.8% while rural wireless penetration was 38.3%. Hence, incremental growth is expected to be primarily concentrated in the semi-urban and rural areas. The expansion of services in these relatively underpenetrated markets by wireless telecommunications service providers operators provides a significant opportunity to tower companies.

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Analysys Mason has exercised due care and caution in preparing its report. Information stated or used for formulating the report has been obtained by Analysys Mason from sources which it considers reliable. However, Analysys Mason does not guarantee the accuracy, adequacy or completeness of any information and would not be *responsible for any errors or omissions or for the results obtained from the use of such information. No part of the report may be published/reproduced in any form without Analysys Mason's prior written approval. Analysys Mason would not be liable for investment decisions which may be based on the views expressed in its report.*

SUMMARY OF BUSINESS

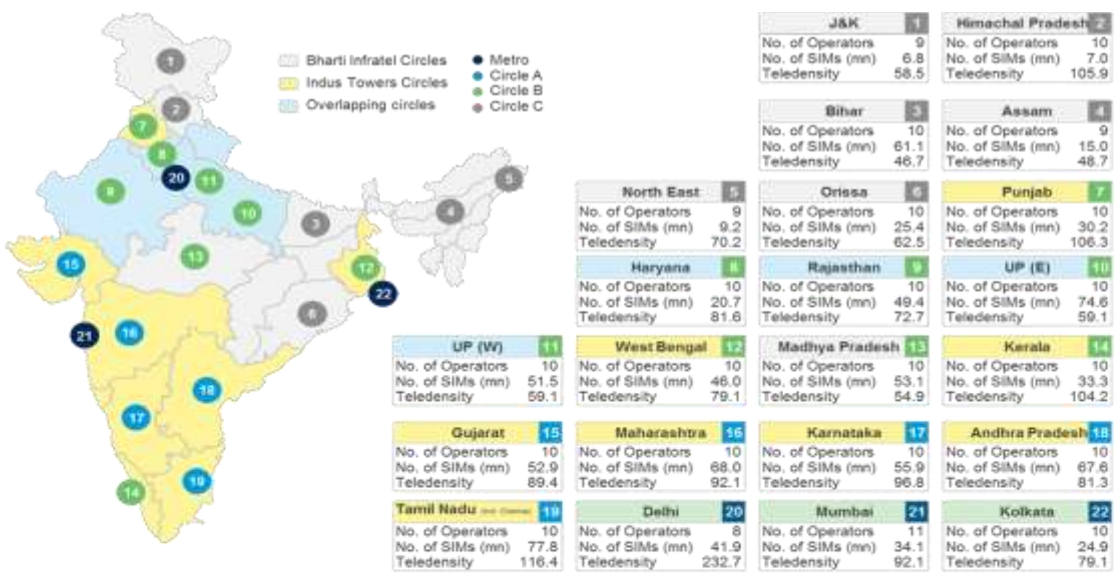
References in this section to "Bharti Infratel" are to Bharti Infratel Limited whereas references to "we", "us", "our" and similar terms are to Bharti Infratel taken together with its wholly owned subsidiary, BIVL and Bharti Infratel's 42% equity interest in Indus.

Unless the context indicates otherwise, financial information in this section is derived from the audited consolidated and unconsolidated financial statements of the Company or the audited financial statements of Indus, each prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations, and each of which has been included in this Red Herring Prospectus.

Overview

Bharti Infratel is a provider of tower and related infrastructure and on a consolidated basis, we are one of the largest tower infrastructure providers in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus, that are represented by Bharti Infratel's 42% equity interest in Indus. The business of Bharti Infratel and Indus is to acquire, build, own and operate tower and related infrastructure. Bharti Infratel and Indus currently provide access to their towers primarily to wireless telecommunications service providers on a shared basis, under long-term contracts and we believe that there exists the possibility of providing additional services such as signal transmission and first level maintenance services in relation to customer equipment at towers. Bharti Infratel's and Indus' three largest customers are Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, which are the three leading wireless telecommunications service providers in India by wireless revenue. *(Source: TRAI.)*

We have a nationwide presence with operations in all 22 telecommunications Circles in India, with Bharti Infratel's and Indus' operations overlapping in four telecommunications Circles. As of September 30, 2012, Bharti Infratel owned and operated 34,220 towers in 11 telecommunications Circles while Indus operated 110,561 towers in 15 telecommunications Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 80,656 towers in India as of September 30, 2012.



(Source: TRAI as of September 30, 2012.)

Notes:

1. Teledensity refers to wireless teledensity.

2. In the computation of wireless teledensity, following assumptions have been made:

A. Since only UP state teledensity was available, it was assumed to be the same between UP(E) and UP(W)

B. Since teledensity was reported for West Bengal including Kolkata, the same teledensity was assumed for both circles

C. Since teledensity was reported for Maharashtra including Mumbai, the same teledensity was assumed for both circles

D. Delhi includes Ghaziabad, Noida, Gurgaon and Faridabad

E. Operator refers to wireless operators providing service as of September 30, 2012

F. No. of SIMs refers to wireless subscribers

In order to capitalise on the opportunities for tower sharing in the Indian telecommunications market, Bharti Infratel, together with Vodafone India and Idea Cellular, entered into a joint venture by setting up Indus to operate certain of their towers in 15 telecommunications Circles in India. Indus was incorporated in November 2007 and, as of September 30, 2012, Bharti Infratel, Vodafone India and Aditya Birla Telecom respectively held 42%, 42% and 16% of the equity interest in Indus.

Certain data relating to Bharti Infratel's and Indus' towers is set forth below:

Number of towers				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	73,921	78,442	79,064	80,656
Bharti Infratel (unconsolidated)[2]	30,564	32,775	33,147	34,220
Indus[3]	103,230	108,732	109,325	110,561

Number of co-locations				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	124,819	142,086	149,908	154,296
Bharti Infratel (unconsolidated)[2]	49,999	57,621	60,160	62,027
Indus[3]	178,144	201,106	213,685	219,687

Average sharing factor[4]				
	Fiscal year 2010 (co-locations per tower)	Fiscal year 2011 (co-locations per tower)	Fiscal year 2012 (co-locations per tower)	For the six month period ended September 30, 2012 (co-locations per tower)
Bharti Infratel (consolidated)	1.57	1.75	1.85	1.90
Bharti Infratel (unconsolidated)	1.51	1.70	1.79	1.81
Indus	1.62	1.79	1.90	1.97

Sharing revenue per sharing operator per month[5]				
	Fiscal year 2010 (₹)	Fiscal year 2011 (₹)	Fiscal year 2012 (₹)	For the six month period ended September 30, 2012 (₹)
Bharti Infratel (consolidated)[6]	34,184	34,724	34,625	34,099
Bharti Infratel (unconsolidated)	38,051	37,009	36,908	36,295
Indus	28,373	30,587	31,496	30,964

(1) Represents, as of the dates indicated, the sum of the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel (as set forth in the second row of the table) and 42% of the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs (as set forth in the third row of the table). By providing this figure, no representation is being made that Bharti Infratel owns, operates or otherwise has any claims on Indus' towers.

(2) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel and excludes the towers (and the co-locations thereat) operated by Indus pursuant to the BIVL IRU.

(3) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs.

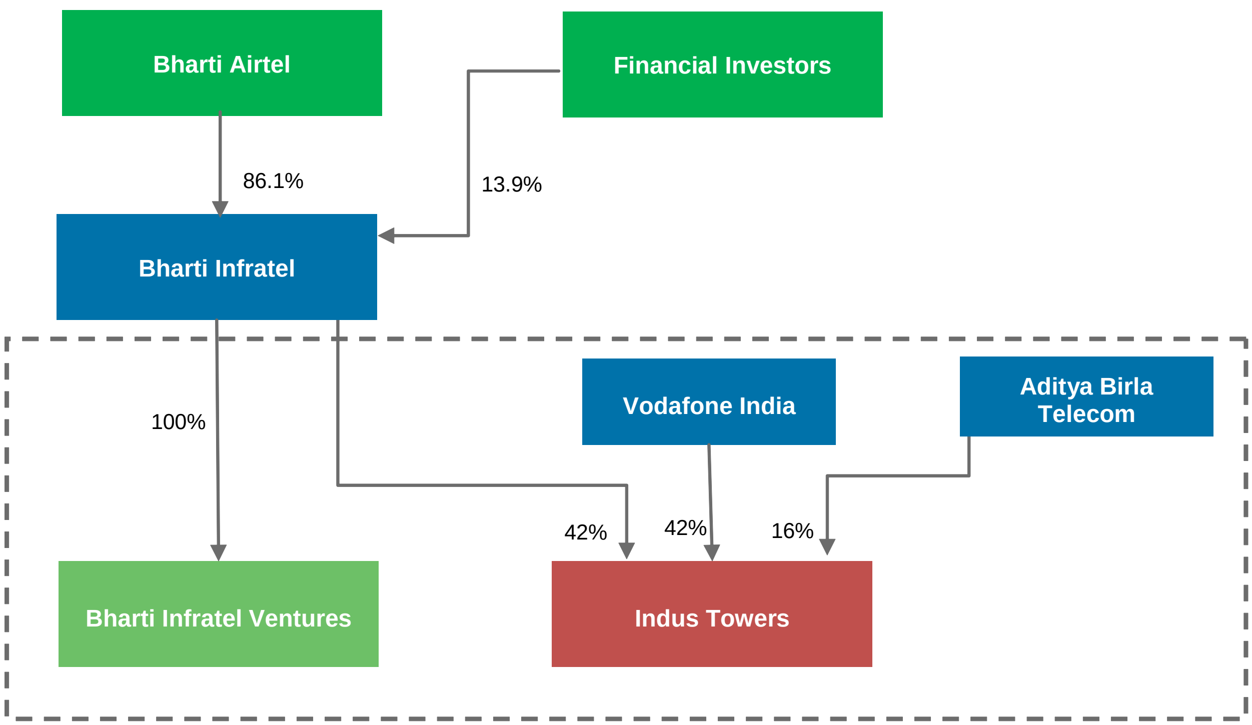
(4) Average sharing factor is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period.

(5) Sharing revenue per sharing operator per month is calculated on the basis of the rental revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period.

(6) See the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of

preparation of our consolidated financial statements" on page 477 for details of Bharti Infratel's consolidated rental revenues.

Bharti Infratel was incorporated in 2006 as a subsidiary of Bharti Airtel, a leading global telecommunications company which currently has operations in 20 countries across Asia and Africa. Bharti Airtel and Bharti Infratel are a part of the Bharti group, one of India's leading business conglomerates, with business interests in the telecommunications, real estate, insurance and retail sectors. In January 2008, Bharti Airtel transferred its towers to Bharti Infratel through a scheme of arrangement effective as of January 31, 2008. As of September 30, 2012, Bharti Airtel held 86.1% of the equity share capital of Bharti Infratel, while the remaining 13.9% was held by certain private equity investors. For further details, please see the section "Capital Structure" on page 86. The diagram below sets out the shareholding and corporate structure of Bharti Infratel and the shareholding structure of Indus:



Our consolidated total incomes have grown from ₹71,288.4 million in the fiscal year 2010 to ₹95,970.6 million in the fiscal year 2012 and were ₹50,908.9 million for the six month period ended September 30, 2012, while our consolidated restated profit after tax has grown from ₹2,529.7 million to ₹7,507.3 million in the same period and was ₹4,604.6 million for the six month period ended September 30, 2012.

Bharti Infratel's unconsolidated total incomes were ₹32,395.1 million in the fiscal year 2010 compared with ₹42,692.2 million in the fiscal year 2012 and were ₹26,371 million for the six month period ended September 30, 2012, while its unconsolidated restated profit after tax has grown from ₹2,692.4 million in the fiscal year 2010 to ₹4,474.4 million in the fiscal year 2012 and was ₹6,639.5 million for the six month period ended September 30, 2012. For the year ended March 31, 2012 and the six month period ended September 30, 2012, Bharti Airtel (together with Bharti Hexacom) accounted for 62.9% and 62.1% of Bharti Infratel's rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250), respectively.

Indus' total revenue has grown from ₹87,777.2 million in fiscal year 2010 to ₹121,033.7 million in the fiscal year 2012 and was ₹64,968.2 million for the six month period ended September 30, 2012, while its restated profit/(loss) after tax has increased from ₹1,395.3 million in the fiscal year 2010 to a profit after tax of ₹6,873.5 million in the fiscal year 2012 and a profit after tax of ₹4,547.2 million for the six month period ended September 30, 2012. For the year ended March 31, 2012 and the six month period ended September 30, 2012, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular together accounted for the majority of Indus' revenue from operations.

Strengths

We believe that our principal competitive strengths are as follows:

A leading telecommunications infrastructure operator in India, with large scale, nationwide operations in an industry with entry barriers

We are one of the largest providers of tower and related infrastructure in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus that are represented by Bharti Infratel's 42% equity interest in Indus. We believe that the nationwide network of towers that Bharti Infratel and Indus offer provides them an advantage over their existing and potential competitors. The costs of establishing a tower infrastructure business include the significant capital expenditure required to acquire and develop towers, high costs incurred to comply with local laws and entering into long-term contracts between tower providers and wireless service providers. Additionally, a sharing operator who requests the creation of a new tower by another tower infrastructure provider will incur higher rental expense, operating costs and energy costs as the sole operator at that site, compared with the lower rent and operating costs of sharing an existing tower of Bharti Infratel or Indus. We believe that the large scale of operations of Bharti Infratel and Indus thus presents each of them with significant operating leverage and economies of scale in respect of their customer and supplier contracts.

The large scale of Bharti Infratel's and Indus' networks is supported by the ability of Bharti Infratel's and Indus' towers to host the equipment of multiple wireless telecommunications service providers. For the six month period ended September 30, 2012, Bharti Infratel's average sharing factor was 1.81 co-locations per tower for towers owned and operated by it and the average sharing factor of the towers owned and/or operated by Indus was 1.97 co-locations per tower. We believe that the capacity available on Bharti Infratel's and Indus' tower portfolios positions them well to capitalise on an increase in tower sharing in India.

Extensive presence in telecommunications Circles with high growth potential

We have nationwide operations across all 22 telecommunications Circles in India. Bharti Infratel has a significant presence in B-category and C-category telecommunications Circles, while Indus operates in the metro telecommunications Circles and A-category and B-category telecommunications Circles. For details in relation to metro telecommunications Circles and A-category, B-category and C-category telecommunications Circles, see the section "Definitions and Abbreviations" on page 3.

We believe that, as wireless telecommunications subscribers' demand for data services increases, wireless telecommunications service providers in the metro telecommunications Circles and A-category Circles will seek to expand their existing networks to accommodate the roll out of 3G services, as well as newer technologies such as 4G. We believe that this will benefit Indus, as it has an extensive presence in these metro telecommunications Circles and A-category Circles. Further, we believe that B-category and C-category Circles have untapped consumer potential for voice services, and will also see increasing demand for data services. In addition, rural areas in India currently suffer from low penetration of telecommunications services, and we believe that these areas offer potential for growth of voice and, over time, data services. Given the absence of extensive wire-line services in these areas, we believe that wireless services will be the preferred solution to the growing demand for broadband across the country and that technologies such as 3G and 4G will be the primary means of providing these broadband services. As wireless telecommunications service providers seek to attract new customers and roll out or expand their networks in these Circles, we believe that Bharti Infratel's and Indus' existing portfolios of towers, which are generally configured to host multiple service providers, will stand to benefit as we provide customers with operational efficiencies such as strategically located towers and faster time to market.

Long term contracts with the leading wireless telecommunications service providers in India, providing visibility on future revenues

Bharti Infratel and Indus have MSAs with the leading wireless telecommunications service providers in India. These

MSAs are long-term contracts which set out the terms on which access is provided to Bharti Infratel's and Indus' towers, with all service providers being offered substantially the same terms and receiving equal treatment at towers where they have installed their active infrastructure. We believe that the nature of the MSAs promotes co-locations and encourages telecommunications service providers in India, other than Bharti Airtel and the joint venture partners as well to use the tower infrastructure of Bharti Infratel and Indus, which is illustrated by the fact that, as of September 30, 2012, 27,817 of Bharti Infratel's co-locations are from wireless telecommunications service providers other than Bharti Airtel (together with Bharti Hexacom), and as of that date, 32,128 of Indus' co-locations are from wireless telecommunications service providers other than Bharti Airtel (together with Bharti Hexacom) and the joint venture partners in Indus.

Under the MSAs, Bharti Infratel and Indus enter into service contracts in respect of individual towers. The MSAs and service contracts govern Bharti Infratel's and Indus' relationship with their customers, the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. Early termination by a customer of a service contract, which typically has a term ranging from 5 to 15 years, and which may be extended as mutually agreed, generally triggers significant penalty payments by the customer of 35% of the total payment to be made for the remainder of the term of the service contract or one year's payment, whichever is higher, subject to certain exceptions in the MSA. Further, the cost to the customer of moving equipment from one tower to another is likely to discourage relocation. We believe that these adverse consequences of contract termination provide stability to Bharti Infratel's and Indus' business throughout the term of the MSAs and provide visibility with regard to future revenues.

In addition, Bharti Airtel (together with Bharti Hexacom) is a sharing operator at almost all of Bharti Infratel's towers, while one of the three leading wireless telecommunications service providers in India, namely, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, is a sharing operator at almost all of Indus' towers. For the year ended March 31, 2012 and the six month period ended September 30, 2012, Bharti Airtel (together with Bharti Hexacom) accounted for 62.9% and 62.1% of Bharti Infratel's unconsolidated rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250), respectively, while Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular together accounted for a majority of Indus' revenue from operations. Indus has a right of first refusal in relation to the development of new towers and additional co-locations for each of Bharti Airtel, Vodafone India and Idea Cellular in its Circles of operation, while, pursuant to a letter agreement dated September 8, 2012, Bharti Airtel has granted Bharti Infratel a right of first refusal in relation to all of Bharti Airtel's new tower and co-location requirements, and we believe that any expansion of their respective networks will therefore lead to additional demand for Indus' and Bharti Infratel's towers.

Comprehensive deployment and operational experience supported by well developed processes, systems and IT infrastructure

The management of Bharti Infratel has been involved in the creation of the tower portfolio of Bharti Infratel and the towers that will be transferred by Bharti Infratel's wholly-owned subsidiary, BIVL, to Indus. Subsequent to the demerger of towers from Bharti Airtel to Bharti Infratel, Bharti Infratel has, as of September 30, 2012, established 19,822 additional towers. In addition, as of September 30, 2012, Indus has independently established 34,442 additional towers since its establishment. Through this experience, Bharti Infratel and Indus have developed and enhanced their site deployment skills and expertise. As Bharti Infratel and Indus have rolled out these towers themselves, as opposed to acquiring them from other tower service providers, we believe that Bharti Infratel and Indus have gained comprehensive roll out and operational experience.

Bharti Infratel and Indus seek to enhance operational efficiencies and reduce costs at each tower through the use of technological innovations. Bharti Infratel's long-term relationship with IBM India Private Limited, which manages its information systems, has enabled Bharti Infratel to automate a number of its processes, with the aim of achieving operational efficiencies. This includes the operation of Bharti Infratel's TOC to monitor its towers on a continuous basis, ensuring faster response times on the ground. Indus uses various service providers to provide it similar IT applications and services. In addition, Bharti Infratel has rolled out several environmentally-friendly initiatives, such as towers powered by integrated power solutions including solar power.

We believe that Bharti Infratel and Indus, through their experience on the ground in the tower industry, have developed strong relationships with the landlords at their towers. Further, by leveraging their experience and scale of operations, we believe Bharti Infratel and Indus have improved their respective internal systems and processes to achieve cost savings. We further believe that Bharti Infratel's and Indus' existing portfolios significantly reduce the future capital expenditures that they may be required to undertake for the development of new towers.

Strong financial position and access to capital

We believe that the strong balance sheet and ready access to capital of Bharti Infratel and Indus enhance their ability to expand their tower portfolio at the rate, in the manner and within the constraints required by wireless telecommunications service providers. This financial strength is illustrated by the fact that Bharti Infratel, on an unconsolidated basis, as of September 30, 2012, continued to be net cash positive and had current investments of ₹1,000.0 million. While Indus had total secured and unsecured loans of ₹94,899.3 million as of September 30, 2012, it also held cash and bank balances of ₹3,112.7 million. We believe that this financial strength of Bharti Infratel and Indus is a key differentiator in a capital intensive industry.

Relationship with the Bharti group

Bharti Airtel and Bharti Infratel are part of the Bharti group, one of India's leading business conglomerates, with operations in the telecommunications, retail, insurance and real estate sectors. We believe that Bharti Infratel's association with the Bharti group and the associated right to use the trademark and logo of Bharti offer Bharti Infratel significant branding strength, which we believe Bharti Infratel can leverage to its advantage in growing its business.

Bharti Airtel is the largest wireless telecommunications service provider in India by wireless revenues for the six months ended September 30, 2012, *(Source: TRAI.)* and as of September 30, 2012, it had a market capitalisation of ₹1,005.8 billion. Bharti Airtel (together with Bharti Hexacom) accounts for 34,210 of Bharti Infratel's co-locations as of September 30, 2012, while Bharti Airtel (together with Bharti Hexacom) accounts for 72,306 of Indus' co-locations as of that date. Further, pursuant to a letter agreement dated September 8, 2012, Bharti Airtel has granted Bharti Infratel a right of first refusal in relation to all of Bharti Airtel's new tower and co-location requirements. We believe that this strong relationship with Bharti Airtel is a significant advantage, and that Bharti Infratel will continue to benefit from it as Bharti Airtel expands its operations across India.

Indus' relationship with three wireless service providers

As of September 30, 2012, Bharti Infratel, Vodafone India and Aditya Birla Telecom respectively held 42%, 42% and 16% of the equity interest in Indus. Further, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, which are the three leading wireless telecommunications service providers in India by wireless revenue *(Source: TRAI.)*, are also Indus' largest customers, and Indus has a right of first refusal in relation to the development of new towers and additional co-locations for each of these customers in its Circles of operation. We believe that Indus' strong relationship with its shareholders is a significant advantage, and that Indus will continue to benefit from this relationship as these customers expand their operations across India.

Experienced management team

Bharti Infratel's management team has been involved in the telecommunications industry in India for a significant period of time and has overseen the roll out of Bharti Infratel's existing tower portfolio, as well as the tower portfolio that it has agreed to transfer to Indus. For further details of Bharti Infratel's management, please see the section "Management" on page 179. During this process, the management team has developed sector-specific project and operational management expertise and an understanding of the key opportunities and risks associated with Bharti Infratel's business. Their expertise in the industry is reflected in the growth in Bharti Infratel's unconsolidated total incomes from ₹32,395.1 million for the fiscal year 2010 to ₹42,692.2 million for the fiscal year 2012. Similarly, Indus' management has significant experience in the tower infrastructure business, and their performance is reflected in the growth in Indus' total revenue from ₹87,777.2 million for the fiscal year 2010 to ₹121,033.7 million for the fiscal year 2012. We believe that this experience provides Bharti Infratel and Indus with an advantage in commercial negotiations with suppliers and customers, identifying cost and operational efficiencies, anticipating and avoiding potential execution roadblocks and completing expansion and roll out plans on time and within budget. We believe that the knowledge and expertise generated by this experience, which extends from Bharti Infratel's and Indus' management teams to their teams on the ground at their towers, will prove to be a critical advantage as Bharti Infratel and Indus look to expand and develop their operations through increased sharing at towers and stronger customer relationships.

Business Strategy

Promote tower sharing

According to TRAI, India is the second-largest and fastest-growing telecommunications market in the world, projected to reach a wireless subscriber base of 1 billion by 2014. It is expected that catch up coverage and additional capacity in urban areas will result in incremental tower deployment of 44,000 towers by March 2017 *(Source: Analysys Mason.)* Within this overall growth opportunity, we believe that there are compelling reasons for wireless telecommunications service providers to increasingly seek to share tower infrastructure. We believe that wireless telecommunications service providers are under pressure to reduce their operating expenses and capital expenditure. Consequently, we believe that sharing space on towers owned and operated by third parties makes more economic sense to the customers of Bharti Infratel and Indus than building and operating their own telecommunications towers. Other factors that promote tower sharing include government incentive schemes and policies that promote such sharing, such as the Universal Service Obligation Fund initiated by the DoT, the expansion of wireless networks to India's less densely-populated and more remote areas and the increasing penetration of new technologies such as 3G and 4G services.

Bharti Infratel and Indus provide and will continue to provide access to their towers to all wireless telecommunications service providers in India across their respective tower portfolios. As the customers of Bharti Infratel and Indus seek to expand their networks and gain access to additional towers, Bharti Infratel and Indus also aim to leverage their existing relationships with these customers across management and operational levels to encourage the sharing of towers, thereby enhancing their operational efficiencies. The sales and marketing teams of Bharti Infratel and Indus are in constant contact with wireless telecommunications service providers, seeking to anticipate their requirements and needs while keeping them informed of Bharti Infratel's and Indus' services and plans. We believe that Bharti Infratel's and Indus' strong relationships with their customers will ensure a continuous flow of information to and from current and potential customers and will provide a better view of the growth and expansion opportunities available. We further believe that this will enable Bharti Infratel and Indus to influence their customers' roll-out plans and steer them towards co-location at their respective towers.

Capitalise on the rollout of new technologies and data services

The Indian wireless telecommunications market is experiencing an increase in demand for data services, the key catalysts of which are India's growing young, urban population, the availability of affordable handsets and the production and proliferation of relevant content. We expect that the resulting expansion of 3G and 4G network services will require wireless telecommunications service providers to install additional active telecommunications transmission equipment at the towers where they currently operate. It is expected that catch up coverage and additional capacity in urban areas will result in an incremental tower deployment of 44,000 towers between the end of March 2012 and the end of March 2017 in these areas. *(Source: Analysys Mason.)* Bharti Infratel's and Indus' towers are generally configured to handle multiple customers as well as additional equipment, and they intend to encourage the addition of active telecommunications infrastructure at their existing towers and to undertake necessary capital expenditure in order to capitalise on the rollout of their customers' 3G and 4G networks. Under Bharti Infratel's and Indus' MSAs, a customer seeking to install such additional active telecommunications equipment is subject to additional charges on the basis of the space required for, and the weight of, the equipment, among other things. We believe that an increase in the active telecommunications equipment required by the customers of Bharti Infratel and Indus at each site, beyond the standard configuration provided for under the MSA, will enable them to accrue additional loading charges for such additional equipment, thereby increasing their revenue relative to their costs. In addition, while their customers may initially seek to add active telecommunications infrastructure at their existing sites to meet the demand for 3G and 4G services, we expect that the increasing proliferation in India of such services and the higher tower density required to maintain network integrity and provide seamless coverage will lead to demand for new towers from their customers. *(Source: CRISIL.)*

We expect wireless telecommunications service providers such as Bharti Airtel, Vodafone India and Idea Cellular to expand their networks in order to benefit from this growth. In addition to their existing leadership position in wireless voice services, Bharti Airtel, Vodafone India and Idea Cellular have collectively received 3G licences in all the telecommunications Circles in India, except for the Orissa Circle. Further, Bharti Airtel has extended its 4G interest to eight telecommunications Circles in India. We believe that they are likely to expand their networks to increase 3G and 4G service penetration. We believe that such network expansion and the need for wireless telecommunications service providers to expand their customer base will lead to an increase in demand for new towers in areas with low coverage.

Focus on increasing revenue and capital productivity across existing tower portfolios

Bharti Infratel and Indus intend to actively seek out opportunities to increase revenue productivity across their existing tower portfolios. In addition to the growth of the number of their towers, Bharti Infratel and Indus will seek to increase sharing across their respective tower portfolios, increase the loading of active telecommunications equipment by their sharing operators, and explore avenues for alternative revenue generation at these sites.

The cost of establishing a tower is generally a one-time expenditure and the incremental capital expenditure and operating costs required to provide for loading of equipment by additional sharing operators at a tower are relatively low. In light of this, each additional sharing operator at a tower generally has a positive effect on margins. As such, Bharti Infratel and Indus intend to work towards attracting multiple additional wireless telecommunications service providers to their existing towers. We believe that this will also be attractive to existing customers at these sites, as additional sharing operators will result in reduced individual rental costs for them as well as sharing of operating expenses such as fuel and energy costs. At the same time, additional sharing operators will increase Bharti Infratel's and Indus' revenues and margins at these sites.

In addition, there exists the possibility of offering transmission backhaul through optical fibre connectivity and microwave connectivity at towers in the future, subject to favourable regulatory changes, as well as providing first level maintenance services in relation to customers' active infrastructure installed at towers. Further new revenue streams that can be pursued at existing towers include renting out space for the placement of advertising and the installation of automated teller machines. Bharti Infratel proposes to explore each of these potential revenue streams, including in-building solutions and distributed antenna systems, subject to considerations such as incremental investment, expected revenues and potential return on capital.

Achieving cost efficiencies across tower portfolios

Bharti Infratel and Indus incur capital expenditure in connection with the establishment and construction of towers, and incur operating expenditure on energy and fuel and other operation and maintenance activities. Bharti Infratel is implementing several measures to reduce its operating expenses, including the automation of a number of processes through Bharti Infratel's contractual arrangement with IBM and other initiatives which have resulted in achieving higher uptimes and increased efficiencies in monitoring at Bharti Infratel's towers, as well as actively promoting the use of alternative sources of energy such as solar energy.

In furtherance of its commitment to utilising environmentally-friendly energy sources, Bharti Infratel intends to expand the use of solar power at its towers. This will result in cost savings as well as a reduction of carbon dioxide emissions. We also believe that this renewable energy initiative will continue to have long-term benefits to the business of Bharti Infratel, reducing energy costs to customers and therefore increasing demand for its towers, as well as reducing the environmental impact of its operations. As of September 30, 2012, Bharti Infratel operated 1,245 solar-powered sites, while Indus operated 975 solar-powered sites.

In addition, Bharti Infratel is constantly evaluating measures aimed at improving electrification levels across its tower portfolio. At present, a significant portion of its towers suffer from inadequate electricity supplies from the local electricity boards or do not have an electrical connection at all, necessitating the use of DG sets. This gives rise to recurring fuel costs and operational inefficiencies, as well as potential disputes with customers over the charges applicable for providing power at these towers. Bharti Infratel is taking active steps towards achieving electrification of its towers. As India has recently seen large amounts of investment in the energy sector, we expect that electrification levels across the country will improve as a result of this, thereby benefitting Bharti Infratel at its existing towers which are not, or are insufficiently, electrified. Further, Bharti Infratel and Indus have entered into certain arrangements with respect to energy charges with a number of their customers with the twin objectives of (a) simplifying energy billing to ensure minimal disputes and deliver an improved experience to the customer as well as improved collection efficiency for Bharti Infratel and Indus; and (b) reducing diesel consumption at towers, as the arrangement allows Bharti Infratel and Indus the flexibility to incur capital expenditure towards electrification and green initiatives at their sites, with the benefits accruing out of these investments shared with their customers. While any change in underlying energy rates are passed on to customers, they receive a level of certainty with regard to energy consumption at towers pursuant to this arrangement, and we believe this is beneficial to customers as well as Bharti Infratel and Indus.

Bharti Infratel's overall strategy is to enhance capital productivity with lower costs and higher revenues per tower, which it seeks to achieve by reengineering its tower designs to reduce material costs. Bharti Infratel has commenced construction of lighter and smaller towers, reducing capital expenditure on each tower, and is in on-going discussions with the manufacturers of DG sets to seek to improve efficiency and reduce the cost of such equipment.

Bharti Infratel and Indus also intend to take active steps to rationalise their single-operator towers in order to achieve operational efficiencies. As of September 30, 2012, Bharti Infratel operates 15,553 towers where Bharti Airtel (together with Bharti Hexacom) is the sole operator, and Indus operates 41,855 towers where one of Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular is the sole operator. We believe that the consolidation of these towers and the addition of new sharing operators at these towers will enable Bharti Infratel and Indus to optimise their operational costs and improve their margins.

Organic growth of tower portfolios with continuous evaluation of acquisition opportunities

In relation to the building of new towers, Bharti Infratel and Indus principally roll out new sites only upon the receipt of specific requests from their customers. We expect that as existing wireless telecommunications service providers seek to expand their network in various telecommunications Circles and broaden their customer base, Bharti Infratel and Indus may build out new towers in these Circles to further support these service providers. Further, wireless telecommunications service providers who are marketing newer technologies such as 4G will need to install their active infrastructure at a larger number of towers in order to maximise their network coverage, and this is expected to give rise to a demand for additional towers across all telecommunications Circles. We believe that this will present Bharti Infratel and Indus with the opportunity to build out new towers to cater to these service providers and capitalise on the rollout of new technologies.

Bharti Infratel will continue to evaluate opportunities to acquire towers of other service providers in India, as well as selectively acquire towers in other countries, assuming such acquisitions are supported by sound strategic and financial objectives.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from

a. *The audited consolidated financial statements, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations as of and for the year ended March 31, 2008, 2009, 2010, 2011 and 2012 as of and for the six months ended September 30, 2012; and*

b. *The audited unconsolidated financial statements of the Company, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations as of and for the years ended March 31, 2008, 2009, 2010, 2011 and 2012 as of and for the six months ended September 30, 2012.*

The financial statements referred to above are presented under the section "Financial Statements of the Company" on page 250. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections "Financial Statements of the Company" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 250 and 467, respectively.

Consolidated Summary Financial Information of Restated Assets and Liabilities

₹ Million

	Particulars	As at					
		30-Sep- 12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
A	**Non-current assets**						
	Fixed assets						
	Tangible assets	165,283.8	167,007.0	176,338.9	175,522.3	162,267.1	115,393.1
	Intangible assets	240.9	268.7	327.0	231.2	39.8	-
	Capital work-in-progress	2,324.4	1,856.2	2,882.7	3,646.6	9,534.2	4,015.5
		167,849.1	**169,131.9**	**179,548.6**	**179,400.1**	**171,841.1**	**119,408.6**
	Deferred tax assets	-	-	-	212.1	376.7	6.3
	Long-term loans and advances	12,336.9	11,295.9	10,808.8	6,980.9	4,753.7	2,946.0
	Other non-current assets	13,233.0	12,172.7	9,441.3	6,048.0	2,244.5	286.0
		193,419.0	**192,600.5**	**199,798.7**	**192,641.1**	**179,216.0**	**122,646.9**
B	**Current assets**						
	Current investments	1,000.0	3,363.2	2,455.0	3,949.9	2,870.7	31,930.4
	Trade receivables	5,697.0	6,825.7	6,986.5	9,014.9	4,051.7	859.1
	Cash and bank balances	1,993.5	480.9	137.2	6,813.7	2,091.9	1,477.8
	Short-term loans and advances	26,954.2	25,679.1	19,257.6	7,900.7	16,121.8	3,745.6
	Other current assets	6,970.6	5,791.5	4,259.1	4,801.8	2,924.6	0.4
		42,615.3	**42,140.4**	**33,095.4**	**32,481.0**	**28,060.7**	**38,013.3**
C	**Total assets (C = A + B)**	**236,034.3**	**234,740.9**	**232,894.1**	**225,122.1**	**207,276.7**	**160,660.2**
D	**Non-current liabilities**						
	Long-term borrowings	26,565.0	23,888.1	37,170.0	39,660.0	13,770.0	30,255.8
	Deferred tax liabilities	7,347.1	7,347.3	5,960.6	4,292.8	3,058.6	1,800.0
	Other long-term liabilities	15,189.5	18,521.0	17,734.5	14,044.9	8,602.9	1,485.0
	Long-term provisions	6,603.4	5,137.8	4,990.9	5,770.8	9,993.3	5,223.8
		55,705.0	**54,894.2**	**65,856.0**	**63,768.5**	**35,424.8**	**38,764.6**
E	**Current liabilities**						
	Short-term borrowings	5,604.4	7,704.4	5,468.2	3,248.1	12,065.7	1,091.5
	Trade payables	5,947.9	4,016.6	2,207.0	4,187.4	919.5	2,562.7
	Other current liabilities	25,637.5	22,788.1	19,316.1	17,565.5	55,321.8	15,677.7
	Short-term provisions	90.6	95.5	97.6	76.9	28.0	11.1
		37,280.4	**34,604.6**	**27,088.9**	**25,077.9**	**68,335.0**	**19,343.0**

	Particulars	As at					
		30-Sep- 12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
F	**Total liabilities (F = D + E)**	**92,985.4**	**89,498.8**	**92,944.9**	**88,846.4**	**103,759.8**	**58,107.6**
	Net Worth (C - F)	**143,048.9**	**145,242.1**	**139,949.2**	**136,275.7**	**103,516.9**	**102,552.6**
	Net Worth represented by						
G	**Shareholders' funds**						
	Share capital						
	Equity share capital	17,424.1	5,808.0	5,808.0	5,808.0	5,405.0	0.5
	Total Share capital	**17,424.1**	**5,808.0**	**5,808.0**	**5,808.0**	**5,405.0**	**0.5**
H	**Reserves and surplus**						
	Securities premium account	35,968.9	47,585.0	47,585.0	47,585.0	15,952.5	20,170.5
	Stock option outstanding account	1,350.5	1,369.5	1,224.5	758.9	225.0	-
	General Reserve	74,118.4	72,580.3	74,939.7	77,238.1	79,578.4	81,978.0
	Net surplus in the statement of profit and loss	14,187.0	17,899.3	10,392.0	4,885.7	2,356.0	403.6
	Total Reserves and surplus	**125,624.8**	**139,434.1**	**134,141.2**	**130,467.7**	**98,111.9**	**102,552.1**
	Net Worth (G + H)	**143,048.9**	**145,242.1**	**139,949.2**	**136,275.7**	**103,516.9**	**102,552.6**

Consolidated Summary Financial Information of Restated Profit and Loss

₹ Million

Particulars	Period ended	Year ended				
	30-Sep- 12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Incomes						
Revenue from operations	49,719.5	94,520.6	85,081.1	70,387.3	50,506.1	7,050.7
Other income	1,189.4	1,450.0	1,176.8	901.1	1,266.6	6.3
	50,908.9	**95,970.6**	**86,257.9**	**71,288.4**	**51,772.7**	**7,057.0**
Expenses						
Power and fuel	18,489.7	33,583.1	30,151.2	25,251.7	19,464.4	2,581.7
Rent	5,279.8	10,581.0	9,772.7	8,799.7	5,267.5	707.5
Employee benefits expenses	1,575.4	2,976.8	2,854.4	2,403.7	1,308.7	175.5
Other expenses	5,937.2	11,987.7	11,014.0	9,746.6	9,362.4	1,003.7
Charity and donation	0.1	1.0	0.7	1.1	0.2	-
	31,282.2	**59,129.6**	**53,793.0**	**46,202.8**	**35,403.2**	**4,468.4**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**19,626.7**	**36,841.0**	**32,464.9**	**25,085.6**	**16,369.5**	**2,588.6**
Depreciation and amortization expenses	12,041.5	23,714.3	22,446.5	19,957.6	14,771.4	2,029.2
Less: Adjusted with General Reserve in accordance with the BAL and Bharti Infratel Demerger Scheme	(1,106.6)	(2,251.9)	(2,255.4)	(2,340.3)	(2,399.6)	(397.7)
	10,934.9	**21,462.4**	**20,191.1**	**17,617.3**	**12,371.8**	**1,631.5**
Finance cost	1,881.8	4,072.0	4,326.4	3,539.9	1,144.8	341.3
	12,816.7	**25,534.4**	**24,517.5**	**21,157.2**	**13,516.6**	**1,972.8**
Restated profit before tax	**6,810.0**	**11,306.6**	**7,947.4**	**3,928.4**	**2,852.9**	**615.8**
Tax expense/ (income)						
Current tax	2,239.4	3,051.7	1,692.1	802.9	450.9	72.0
Less: MAT credit entitlement	(32.7)	(639.2)	(1,131.2)	(802.9)	(450.9)	(72.0)
Deferred tax	(1.3)	1,386.8	1,871.7	1,398.7	888.2	209.5
Fringe benefit tax	-	-	-	-	12.3	2.6
Total tax expense	**2,205.4**	**3,799.3**	**2,432.6**	**1,398.7**	**900.5**	**212.1**
Restated profit after tax	**4,604.6**	**7,507.3**	**5,514.8**	**2,529.7**	**1,952.4**	**403.7**

Consolidated Summary Financial Information of Restated Cash Flows

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A.CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit before tax	6,810.0	11,306.6	7,947.4	3,928.4	2,852.9	615.8
Non cash adjustments to reconcile profit before tax to net cash flows						
Interest expenses	1,688.8	3,803.6	4,193.8	3,389.3	1,101.1	336.0
Amortization of loan origination fee	188.2	254.1	90.5	118.7	18.9	-
Provision for doubtful debts and advances	168.8	639.2	388.0	350.9	327.0	1.4
Rent equalization	254.4	521.4	668.7	671.1	720.9	148.4
Revenue equalization	(1,234.0)	(2,676.9)	(3,154.2)	(3,007.8)	(2,025.3)	(286.0)
Interest income	(770.5)	(1,139.2)	(729.0)	(842.8)	(600.1)	(0.5)
Depreciation and amortization expense	10,934.9	21,462.4	20,191.1	17,617.3	12,371.8	1,631.5
Employee stock compensation expense	82.6	295.8	465.7	533.9	225.0	-
Fixed assets written off/provision for capital work-in-progress	56.3	150.4	319.1	200.4	133.0	6.7
Provisions no longer required written back	(53.8)	(157.6)	(210.7)	-	-	-
Loss/(profit) on sale of fixed assets (net)	(51.0)	53.1	98.1	115.3	20.2	34.0
Foreign exchange loss / (profit) (net)	-	-	(2.1)	(6.7)	46.2	-
Dividend income from mutual fund investments	(21.4)	-	-	-	(431.9)	(5.2)
Net gain on sale of current investments (net)	(207.4)	(145.3)	(224.3)	(51.0)	(233.9)	(0.5)
Operating profit before working capital changes (as restated)	**17,845.9**	**34,367.6**	**30,042.1**	**23,017.0**	**14,525.8**	**2,481.6**
Movements in working capital						
(Increase)/decrease in trade receivables	992.2	(397.6)	1,721.6	(5,256.5)	(3,505.3)	(149.8)
(Increase)/decrease in short-term loans and advances	(1,005.7)	(93.1)	(3,059.9)	8,183.7	(12,391.1)	(3,294.8)
(Increase)/decrease in long-term loans and advances	(126.0)	(428.7)	(196.5)	(115.1)	(103.8)	(1,457.7)
(Increase)/decrease in other non-current assets	92.2	(219.5)	(230.7)	(510.7)	-	-
(Increase)/decrease in other current assets	(1,215.8)	(1,638.9)	606.4	(2,272.6)	(2,311.1)	-
Increase/(decrease) in trade payables	1,931.3	1,809.6	(1,978.3)	3,274.6	(1,689.4)	2,367.9
Increase/(decrease) in other current liabilities	2,794.7	1,975.3	3,509.9	70.8	5,278.7	1,443.0
Increase/(decrease) in other long-term liabilities	(3,585.8)	221.8	3,020.9	4,770.9	6,397.0	(0.4)
Increase/(decrease) in long-term	26.8	41.5	30.5	28.3	17.0	0.7

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
provisions						
Increase/(decrease) in short-term provisions	(4.9)	(2.1)	20.7	48.9	16.9	3.4
Cash flow from operations	**17,744.9**	**35,635.9**	**33,486.7**	**31,239.3**	**6,234.7**	**1,393.9**
Direct taxes paid (including fringe benefit tax paid) (net of refunds)	(2,793.2)	(3,627.1)	(4,770.5)	(2,122.9)	(1,724.5)	(65.7)
Net cash generated from operating activities (A)	**14,951.7**	**32,008.8**	**28,716.2**	**29,116.4**	**4,510.2**	**1,328.2**
B. CASH FLOW USED IN INVESTING ACTIVITIES						
Purchase of tangible assets including capital work-in-progress	(8,705.4)	(15,724.0)	(24,309.4)	(38,969.0)	(60,238.4)	(19,108.5)
Purchase of intangible assets	(35.5)	(74.3)	(208.2)	(239.7)	(41.9)	-
Proceeds from sale of tangible assets	258.8	535.8	310.7	128.5	-	-
Purchase of current investments	(42,379.0)	(63,527.0)	(100,920.0)	(61,788.3)	(117,516.1)	(33,125.2)
Sale of current investments	44,949.6	62,764.1	102,639.2	60,760.1	146,809.7	1,195.3
Loans given to parent company	(3,500.0)	(11,460.0)	(12,250.0)	-	-	-
Loans repaid by parent company	2,870.0	6,100.0	4,450.0	-	-	-
Interest received	773.4	1,229.6	581.7	1,284.9	155.1	0.1
Dividend received	21.4	-	-	-	431.9	5.2
Net cash (used in) investing activities (B)	(5,746.7)	(20,155.8)	(29,706.0)	(38,823.5)	(30,399.7)	(51,033.1)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES						
Long-term borrowings taken	29,190.0	-	2,310.0	34,860.0	13,770.0	-
Repayments of long-term borrowings	(27,300.7)	(9,870.4)	(6,000.0)	(7,770.0)	-	-
Receipts from issuance of equity shares (including premium)	-	-	-	-	1,186.5	20,170.5
Receipts from issuance of debentures	-	-	-	-	1,779.7	30,255.8
Proceeds from short-term borrowings	(2,100.0)	2,236.2	2,220.1	(8,817.6)	10,974.2	1,091.5
Loan origination fees paid	(73.0)	(73.0)	(15.3)	(459.8)	(120.2)	-
Interest paid	(1,689.4)	(3,802.7)	(4,211.8)	(3,384.6)	(1,087.0)	(336.0)
Interim dividend paid	(4,356.0)	-	-	-	-	-
Tax on interim dividend paid	(1,363.7)	-	-	-	-	-
Net cash generated from/(used in) financing activities (C)	**(7,692.8)**	**(11,509.9)**	**(5,697.0)**	**14,428.0**	**26,503.2**	**51,181.8**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,512.2**	**343.1**	**(6,686.8)**	**4,720.9**	**613.7**	**1,476.9**
Cash and cash equivalents at the beginning of the year/ period	**468.3**	**125.2**	**6,812.0**	**2,091.1**	**1,477.4**	**0.5**
Cash and cash equivalents at the end of the year/ period	**1,980.5**	**468.3**	**125.2**	**6,812.0**	**2,091.1**	**1,477.4**

₹ Million

Components of cash and bank balances	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash and cash equivalents						

Cash on hand	-	-	-	-	0.1	0.4
Balance with scheduled banks :						
Current account	295.0	159.6	100.1	103.5	466.8	9.2
Cheques in hand	28.1	44.1	25.2	51.4	110.1	0.3
Fixed deposit less than three months	1,657.4	264.6	(0.1)	6,657.1	1,514.1	1,467.5
Total cash and cash equivalents	**1,980.5**	**468.3**	**125.2**	**6,812.0**	**2,091.1**	**1,477.4**
Other bank balances						
Fixed deposit more than three months but less than twelve months	13.0	12.6	12.0	1.7	0.8	0.4
Total cash and bank balances	**1,993.5**	**480.9**	**137.2**	**6,813.7**	**2,091.9**	**1,477.8**

Unconsolidated Summary Financial Information of Restated Assets and Liabilities of the Company

₹ Million

	Particulars	As at					
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
A	**Non-current assets**						
	Fixed assets						
	Tangible assets	72,021.5	72,924.3	80,467.7	80,517.2	140,745.9	115,391.5
	Intangible assets	38.3	65.0	133.4	78.8	25.5	-
	Capital work-in-progress	874.4	659.4	1,579.9	1,940.2	4,280.8	4,015.5
		72,934.2	**73,648.7**	**82,181.0**	**82,536.2**	**145,052.2**	**119,407.0**
	Non-current investments	59,921.5	59,921.5	59,921.5	59,921.5	1.0	1.0
	Long-term loans and advances	4,886.4	4,404.4	5,102.6	3,633.1	3,620.1	2,944.7
	Other non-current assets	11,103.2	9,989.7	7,704.1	5,058.5	2,116.0	286.0
		148,845.3	**147,964.3**	**154,909.2**	**151,149.3**	**150,789.3**	**122,638.7**
B	**Current assets**						
	Current investments	1,000.0	801.2	250.0	3,634.9	2,870.7	31,930.4
	Trade receivables	849.9	2,415.7	3,534.5	3,792.1	1,715.9	859.1
	Cash and bank balances	436.0	178.1	42.9	6,606.1	132.9	1,476.5
	Short-term loans and advances	29,247.5	27,873.6	23,129.3	8,713.4	21,313.4	3,750.7
	Other current assets	1,478.5	745.1	310.5	100.7	1,379.8	0.4
		33,011.9	**32,013.7**	**27,267.2**	**22,847.2**	**27,412.7**	**38,017.1**
C	**Total assets (C = A + B)**	**181,857.2**	**179,978.0**	**182,176.4**	**173,996.5**	**178,202.0**	**160,655.8**
D	**Non-current liabilities**						
	Long-term borrowings	-	0.6	-	4,800.0	6,000.0	30,255.8
	Deferred tax liabilities (net)	4,167.2	4,246.7	3,985.7	2,982.3	3,230.3	1,830.6
	Other long-term liabilities	4,609.5	5,354.4	9,486.4	6,484.9	6,663.6	1,395.2
	Long-term provisions	1,952.8	1,883.3	1,943.4	1,801.8	8,136.1	5,223.8
		10,729.5	**11,485.0**	**15,415.5**	**16,069.0**	**24,030.0**	**38,705.4**
E	**Current liabilities**						
	Short-term borrowings	-	-	-	-	3,000.0	1,091.5
	Trade payables	1,643.0	1,442.1	1,550.8	991.1	1,134.6	2,562.2
	Other current liabilities	20,752.9	19,548.4	21,616.8	16,507.7	45,426.3	15,660.7
	Short-term provisions	75.1	70.8	79.6	67.2	21.3	11.1
		22,471.0	**21,061.3**	**23,247.2**	**17,566.0**	**49,582.2**	**19,325.5**
F	**Total liabilities (F = D + E)**	**33,200.5**	**32,546.3**	**38,662.7**	**33,635.0**	**73,612.2**	**58,030.9**
	Net Worth (C - F)	**148,656.7**	**147,431.7**	**143,513.7**	**140,361.5**	**104,589.8**	**102,624.9**
	Net Worth represented by						
G	**Shareholders' funds**						
	Share capital						
	Equity share capital	17,424.1	5,808.0	5,808.0	5,808.0	5,405.0	0.5
	Total Share capital	**17,424.1**	**5,808.0**	**5,808.0**	**5,808.0**	**5,405.0**	**0.5**

	Particulars	As at					
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
H	**Reserves and surplus**						
	Securities premium account	35,968.9	47,585.0	47,585.0	47,585.0	15,952.5	20,170.5
	Stock option outstanding account	1,301.7	1,320.3	1,071.6	700.9	225.0	-
	General Reserve	80,394.1	78,653.8	79,458.9	80,264.1	79,615.6	82,015.2
	Surplus in the statement of profit and loss	13,567.9	14,064.6	9,590.2	6,003.5	3,391.7	438.7
	Total Reserves and surplus	**131,232.6**	**141,623.7**	**137,705.7**	**134,553.5**	**99,184.8**	**102,624.4**
	Net Worth (G + H)	**148,656.7**	**147,431.7**	**143,513.7**	**140,361.5**	**104,589.8**	**102,624.9**

Unconsolidated Summary Financial Information of Restated Profit and Loss of the Company

₹ Million

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Incomes						
Revenue from operations	21,490.2	41,581.6	37,804.8	30,912.3	42,489.4	7,051.0
Other income	4,880.8	1,110.6	889.9	1,482.8	1,602.0	6.4
	26,371.0	**42,692.2**	**38,694.7**	**32,395.1**	**44,091.4**	**7,057.4**
Expenses						
Power and fuel	8,075.3	15,647.8	14,000.9	10,912.5	16,253.1	2,581.7
Rent	1,178.1	2,184.4	2,107.2	1,754.6	3,620.6	674.4
Employee benefits expenses	1,042.7	2,003.4	1,918.2	1,758.9	970.2	167.9
Other expenses	2,766.5	5,377.4	5,364.9	4,673.5	6,971.5	991.9
Charity and donation	0.2	1.0	0.7	1.1	0.2	-
	13,062.8	**25,214.0**	**23,391.9**	**19,100.6**	**27,815.6**	**4,415.9**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**13,308.2**	**17,478.2**	**15,302.8**	**13,294.5**	**16,275.8**	**2,641.5**
Depreciation and amortization expenses	5,824.8	11,433.3	10,596.3	9,361.4	13,849.6	2,029.2
Less: Adjusted with General Reserve in accordance with the BAL Scheme	(402.4)	(805.1)	(805.2)	(843.1)	(2,399.6)	(397.7)
	5,422.4	**10,628.2**	**9,791.1**	**8,518.3**	**11,450.0**	**1,631.5**
Finance cost	3.0	10.2	360.7	652.5	467.1	341.4
	5,425.4	**10,638.4**	**10,151.8**	**9,170.8**	**11,917.1**	**1,972.9**
Restated profit before tax	**7,882.8**	**6,839.8**	**5,151.0**	**4,123.7**	**4,358.7**	**668.6**
Tax expense/ (income)						
Current tax	1,322.8	2,104.4	1,165.0	773.9	450.9	72.0
Less: MAT credit entitlement	-	-	(604.1)	(773.9)	(450.9)	(72.0)
Deferred tax	(79.5)	261.0	1,003.4	1,431.3	1,399.7	227.2
Fringe benefit tax	-	-	-	-	6.0	2.6
Total tax expense	**1,243.3**	**2,365.4**	**1,564.3**	**1,431.3**	**1,405.7**	**229.8**
Restated profit after tax	**6,639.5**	**4,474.4**	**3,586.7**	**2,692.4**	**2,953.0**	**438.8**

Unconsolidated Summary Financial Information of Restated Cash Flows of the Company

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A. CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit before tax	7,882.8	6,839.8	5,151.0	4,123.7	4,358.7	668.6
Non cash adjustments to reconcile profit before tax to net cash flows						
Interest expenses	0.4	0.4	328.3	633.6	448.6	336.1
Provision for doubtful debts and advances	114.1	399.1	377.2	183.3	327.0	1.4
Rent equalization	106.1	199.5	239.5	179.9	643.3	115.0
Revenue equalization	(1,040.4)	(2,160.7)	(2,515.8)	(2,441.6)	(1,830.0)	(286.0)
Interest income	(785.0)	(1,077.4)	(721.0)	(1,436.3)	(924.9)	(0.6)
Depreciation and amortization expense	5,422.4	10,628.2	9,791.1	8,518.3	11,450.0	1,631.5
Employee stock compensation expense	50.7	248.8	370.8	475.9	225.0	-
Fixed assets written off/ provision for capital work-in-progress	-	23.0	190.5	103.2	133.0	6.7
Loss/(profit) on sale of fixed assets (net)	(50.2)	(38.9)	69.1	109.2	20.2	34.0
Dividend income from mutual fund investments	-	-	-	-	(431.9)	(5.2)
Loss/(profit) on sale of current investments (net)	(44.0)	(26.4)	(159.6)	(39.2)	(233.9)	(0.5)
Dividend income	(4,050.0)	-	-	-	-	-
Operating profit before working capital changes (as restated)	**7,606.9**	**15,035.4**	**13,121.1**	**10,410.0**	**14,185.1**	**2,501.0**
Movements in working capital						
(Increase)/decrease in trade receivables	1,471.4	580.3	(100.9)	(2,201.9)	(1,169.5)	(149.8)
(Increase)/decrease in short-term loans and advances	(441.4)	315.8	(6,063.2)	12,545.3	(17,577.0)	(3,299.9)
(Increase)/decrease in long-term loans and advances	(24.4)	(49.5)	(189.5)	(124.5)	923.5	(1,456.4)
(Increase)/decrease in other non-current assets	(73.1)	(124.9)	(129.8)	(510.3)	-	-
(Increase)/decrease in other current assets	(695.5)	(507.7)	(62.5)	567.8	(665.2)	-
Increase/(decrease) in trade payables	200.9	(108.7)	559.7	(143.5)	(1,427.6)	2,367.4

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Increase/(decrease) in other current liabilities	1,142.7	(490.5)	7,086.7	4,018.9	2,235.7	1,426.0
Increase/(decrease) in other long-term liabilities	(851.0)	252.9	2,762.0	1,064.6	4,625.1	-
Increase/(decrease) in long-term provisions	8.4	22.5	9.5	10.6	2.8	0.7
Increase/(decrease) in short-term provisions	4.3	(8.8)	12.4	45.9	10.2	3.4
Cash flow from operations	**8,349.2**	**14,916.8**	**17,005.5**	**25,682.9**	**1,143.1**	**1,392.4**
Direct taxes paid (including fringe benefit tax paid) (net of refunds)	(1,534.5)	(1,761.4)	(2,412.1)	(1,276.2)	(1,613.8)	(65.7)
Net cash generated from/ (used in) operating activities (A)	**6,814.7**	**13,155.4**	**14,593.4**	**24,406.7**	**(470.7)**	**1,326.7**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible assets including capital work-in-progress	(5,049.2)	(7,818.2)	(11,324.5)	(15,868.7)	(41,296.8)	(19,106.9)
Purchase of intangible assets	(0.1)	(2.9)	(113.7)	(76.0)	(27.2)	-
Proceeds from sale of tangible assets	114.4	145.9	310.5	210.2	82.3	-
Investment in joint venture company	-	-	-	-	-	(0.5)
Purchase of current investments	(14,412.3)	(17,205.0)	(41,642.0)	(37,093.9)	(117,516.1)	(33,125.2)
Sale of current investments	14,257.5	16,680.2	45,186.5	36,368.9	146,809.7	1,195.3
Loans given to parent company	(3,500.0)	(11,460.0)	(12,250.0)	-	-	-
Loans repaid by parent company	2,870.0	6,100.0	4,450.0	-	-	-
Loans given to subsidiary company	(570.0)	(610.1)	(0.2)	(0.3)	-	-
Investment in subsidiary company	-	-	-	-	-	(0.5)
Interest received	747.1	1,150.5	573.7	2,147.6	210.7	0.2
Dividend received	4,050.0	-	-	-	431.9	5.2
Net cash (used in) investing activities (B)	**(1,492.6)**	**(13,019.6)**	**(14,809.7)**	**(14,312.2)**	**(11,305.5)**	**(51,032.4)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Long-term borrowings taken	-	-	-	-	6,000.0	-
Repayments of long-term borrowings	(1.1)	-	(6,000.0)	-	-	-
Receipts from issuance of equity shares (including premium)	-	-	-	-	1,186.5	20,170.5
Receipts from issuance of debentures	-	-	-	-	1,779.7	30,255.8
Short-term borrowings taken	-	-	-	-	3,000.0	1,091.5
Repayments of Short-term	-	-	-	(3,000.0)	(1,091.5)	-

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
borrowings						
Interest paid	(0.4)	(0.4)	(347.1)	(621.3)	(442.1)	(336.1)
Interim dividend paid	(4,356.0)	-	-	-	-	-
Tax on Interim dividend paid	(706.7)	-	-	-	-	-
Net cash generated from/ (used in) financing activities (C)	**(5,064.2)**	**(0.4)**	**(6,347.1)**	**(3,621.3)**	**10,432.6**	**51,181.7**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**257.9**	**135.4**	**(6,563.4)**	**6,473.2**	**(1,343.6)**	**1,476.0**
Cash and cash equivalents at the beginning of the year/ period	**178.1**	**42.7**	**6,606.1**	**132.9**	**1,476.5**	**0.5**
Cash and cash equivalents at the end of the year/ period	**436.0**	**178.1**	**42.7**	**6,606.1**	**132.9**	**1,476.5**

Components of cash and bank balances	Period ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash and cash equivalents						
Cash on hand	-	-	-	-	0.1	0.4
Balance with scheduled banks:						
Current account	219.8	78.1	17.5	80.3	26.5	8.3
Cheques in hand	26.0	-	25.2	25.8	106.3	0.3
Fixed deposit less than three months	190.2	100.0	-	6,500.0	-	1,467.5
Total cash and cash equivalents	**436.0**	**178.1**	**42.7**	**6,606.1**	**132.9**	**1,476.5**
Other bank balances						
Deposit in margin money accounts	-	-	0.2	-	-	-
Total Cash and bank balances	**436.0**	**178.1**	**42.9**	**6,606.1**	**132.9**	**1,476.5**

THE ISSUE

Issue	188,900,000 Equity Shares
of which	
i) Fresh Issue	146,234,112 Equity Shares
ii) Offer for Sale[(1)]	42,665,888 Equity Shares
of which	
Offer for Sale by Compassvale	30,046,400 Equity Shares
Offer for Sale by GS Strategic	6,009,280 Equity Shares
Offer for Sale by Anadale	3,605,568 Equity Shares
Offer for Sale by Nomura	3,004,640 Equity Shares
A) QIB portion[(2)]	Not more than 94,450,000 Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	3,305,750 Equity Shares
Balance for all QIBs including Mutual Funds	62,809,250 Equity Shares
B) Non-Institutional Portion[(3)]	Not less than 28,335,000 Equity Shares
C) Retail Portion[(3)(4)]	Not less than 66,115,000 Equity Shares
Equity Shares outstanding prior to the Issue	1,742,408,730 Equity Shares
Equity Shares outstanding after the Issue	1,888,642,842 Equity Shares
Use of Net Proceeds	Please see the section "Objects of the Issue" on page 101 for information about the use of the Net Proceeds. The Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis. For details, please see the section "Issue Procedure – Basis of Allotment" on page 602.

(1) *The Equity Shares offered by the Selling Shareholders in the Offer for Sale have been held by them for more than one year as on the date of the Draft Red Herring Prospectus.*

(2) *The Company may, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, please see the section "Issue Procedure" on page 573.*

(3) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of the Company in consultation with the JGCBRLMs, the BRLMs, the CBRLMs and the Designated Stock Exchange.*

(4) *A discount of ₹ 10 to the Issue Price is being offered to Retail Individual Bidders. Retail Discount will not exceed 5% of the Issue Price.*

GENERAL INFORMATION

The Company was incorporated as "Bharti Infratel Limited" on November 30, 2006 in New Delhi. For further details, please see the section "History and Certain Corporate Matters" on page 168. The Company is a provider of tower and related infrastructure. For further details of the business of the Company, please see the section "Our Business" on page 142.

Registered Office of the Company

Bharti Infratel Limited
Bharti Crescent
1, Nelson Mandela Road
Vasant Kunj Phase - II
New Delhi – 110 070
Tel: (91 11) 4666 6100
Fax: (91 11) 4166 6137
CIN: U64201DL2006PLC156038
Website: www.bharti-infratel.com

Corporate office of the Company

Bharti Infratel Limited
Park Centra
Sector-30, Village Silokhara
Gurgaon 122 001

Address of the RoC

The Company is registered with the RoC, situated at the following address:

Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110 019

Board of Directors

The Board of the Company comprises the following:

Name	Designation	DIN	Address
Rakesh Bharti Mittal	Chairman, Non-independent and non-executive Director	00042494	E-26, Vasant Marg, Vasant Vihar, New Delhi 110 057
Akhil Kumar Gupta	Vice Chairman and Managing Director	00028728	B-27, Maharani Bagh New Delhi 110 065
Sarvjit Singh Dhillon	Non-independent and non-executive Director	00275924	102B, 4th Floor, The Aralias DLF Golf Links, DLF Phase - 5 Gurgaon, Haryana 122 009
Sanjay Nayar	Non-independent and non-executive Director	00002615	Flat No. 9, the Rushilla Co-operative Housing Society Limited, 17/C Carmichael Road, Mumbai 400 026
Narayanan Kumar	Independent and non-executive Director	00007848	1 George Avenue, Alwarpet, Chennai 600 018
Vinod Dhall	Independent and non-executive Director	02591373	Dewan Manohar House, B-88, Sector 51, Noida 201 301
Jitender Balakrishnan	Independent and non-executive Director	00028320	208, Tower-2, Casa Grande, Senapati Bapat Marg, Lower Parel, Mumbai

Name	Designation	DIN	Address
			400 013
Bharat Sumant Raut	Independent and non-executive Director	00066080	8, French Bridge (Raut Bungalow), Mumbai 400 007
Leena Srivastava	Independent and non-executive Director	00005737	L-18/2 DLF Phase II, Gurgaon, Haryana 122 002
Murray Philip King	Non-independent and non-executive Director	06415439	48, Spencer Road, Mosman NSW 2088, Australia

For further details of the Directors, please see the section "Management" on page 179.

Company Secretary and Compliance Officer

Anupam Garg is the Company Secretary and the Compliance Officer of the Company. His contact details are as follows:

Anupam Garg
Bharti Crescent
1, Nelson Mandela Road
Vasant Kunj Phase - II
New Delhi – 110 070
Tel: (91 11) 4666 6100
Fax: (91 11) 4166 6137
Email: compliance.officer@bharti-infratel.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Member of the Syndicate with whom the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders or the address of the center of the Syndicate where the Bid cum Application Form was submitted by the ASBA Bidder, as the case may be.

Selling Shareholders

Name	Details
Compassvale Investments Pte. Ltd.	Compassvale Investments Pte. Ltd. is a company incorporated under the laws of Mauritius. Its registered office is located at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.
GS Strategic Investments Limited	GS Strategic Investments Limited is a company incorporated under the laws of Mauritius. Its registered office is located at Level 3, Alexander House, 35 Cyber City, Ebene, Mauritius.
Anadale Limited	Anadale Limited is incorporated under the laws of Mauritius. Its registered office is located c/o Citco (Mauritius) Limited, 4th Floor, Tower A, Cyber City, Ebene, Mauritius.
Nomura Asia Investment (IB) Pte. Ltd.	Nomura Asia Investment (IB) Pte. Ltd. is a company incorporated under the laws of Singapore. Its registered office is located at 10 Marina Boulevard, #36-01 Marina Bay Financial Centre, Tower 2, Singapore 018 983.

Joint Global Coordinators and Book Running Lead Managers

DSP Merrill Lynch Limited 8th Floor, Mafatlal Center Nariman Point Mumbai – 400 021 Tel: (91 22) 6632 8000 Fax: (91 22) 2204 8518 Email: dg.bhartiinfratelipo@baml.com Investor grievance email: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact Person: Abhijit Kedia SEBI Registration No.: INM000011625	**J. P. Morgan India Private Limited** J. P. Morgan Tower, Kalina Off C. S. T. Road, Santacruz (East) Mumbai – 400 098 Tel: (91 22) 6157 3000 Fax: (91 22) 6157 3911 Email: bil_ipo@jpmorgan.com Investor grievance email:investorsmb.jpmipl@jpmorgan.com Website: www.jpmipl.com Contact Person: Varun Behl SEBI Registration No.: INM000002970
Standard Chartered Securities (India) Limited # 1st Floor, Standard Chartered Tower 201B/1, Western Express Highway, Goregaon (East) Mumbai – 400 063 Tel: (91 22) 4205 6117 Fax: (91 22) 4205 5999 Email: bhartiinfratel_ipo@sc.com Investor grievance email: investor@sc.com Website: www.standardcharteredsecurities.co.in Contact Person: Rohan Saraf SEBI Registration No.: INM000011542 **# RHP Lead and SEBI Coordinator**	**UBS Securities India Private Limited** 2 /F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex, Bandra (East) Mumbai – 400 051 Tel: (91 22) 6155 6124 Fax: (91 22) 6155 6300 Email: OL-HarvestIPO@ubs.com Investor grievance email: customercare@ubs.com Website: www.ubs.com/indianoffers Contact Person: Ankur Aggarwal SEBI Registration No.: INM000010809

Book Running Lead Managers

Enam Securities Private Limited* 1st Floor, Axis House C-2 Wadia International Centre P. B. Marg, Worli Mumbai – 400 025 Tel: (91 22) 4325 3101 Fax: (91 22) 4325 3000 Email: bharti.ipo@enam.com Investor grievance email: complaints@enam.com Website: www.enam.com Contact Person: Kanika Sarawgi SEBI Registration No.: INM000006856	**Barclays Securities (India) Private Limited** 208 Ceejay House, Shivsagar Estate Dr. A. Besant Road, Worli Mumbai – 400 018 Tel: (91 22) 6719 6001 Fax: (91 22) 6719 6187 Email: BILIPO@barclays.com Investor grievance email: xraBSIPLConcerns@barclays.com Website: http://www.barcap.in/bsiplofferingdocuments Contact Person: Raahi Kapadia SEBI Registration No.: INM000011195
Deutsche Equities India Private Limited Hazarimal Somani Marg Fort Mumbai – 400 001 Tel: (91 22) 7158 4773 Fax: (91 22) 2200 6765 Email: bil.ipo@db.com Investor grievance email: db.redressal@db.com Website: www.db.com/India Contact Person: Divyesh Chitalia	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road Fort Mumbai – 400 001 Tel: (91 22) 2268 1285 Fax: (91 22) 2263 1984 Email: bhartiinfratelipo@hsbc.co.in Investor grievance email: investorgrievance@hsbc.co.in Website: http://www.hsbc.co.in/1/2/corporate/equities-

SEBI Registration No.: INM000010833	globalinvestment-banking Contact Person: Mayank Jain SEBI Registration No.: INM000010353
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar, 229 Nariman Point Mumbai – 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 Email: bhartiinfratel.ipo@kotak.com Investor grievance email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	

* *The merchant banking business of Enam Securities Private Limited, a BRLM, has vested with Axis Capital Limited, which is in the process of completing the formalities of SEBI registration.*

Co-Book Running Lead Managers

BNP Paribas BNP Paribas House, 1 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (East) Mumbai – 400 051 Tel: (91 22) 3370 4000 Fax: (91 22) 6196 5194 Email: indiaproject.harvest@ asia.bnpparibas.com Investor grievance email: indiainvestors.care@asia.bnpparibas.com Website: www.bnpparibas.co.in Contact Person: Anubhav Behal SEBI Registration No.: INM000011534	**DBS Bank Ltd.** 3rd Floor, Fort House 221, Dr. D. N. Road Fort Mumbai – 400 001 Tel: (91 22) 6752 8331 Fax: (91 22) 6752 8399 Email: dbs_harvest@dbs.com Investor grievance email: ib-india@dbs.com Website: www.dbs.com/in Contact Person: Murugan Subramaniam SEBI Registration No.: INM000011088
HDFC Bank Limited Investment Banking Division, Trade World A Wing, 1st Floor, Kamala Mills Compound S. B. Marg, Lower Parel (West) Mumbai – 400 013 Tel: (91 22) 3383 9198 Fax: (91 22) 4080 4114 Email: Projectharvest@hdfcbank.com Investor grievance email:investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Paresh Soni SEBI Registration No.: INM000011252	**ICICI Securities Limited** ICICI Centre, HT Parekh Marg Churchgate, Mumbai – 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: project.harvest@icicisecurities.com Investor grievance email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Manvendra Tiwari / Sumit Agarwal SEBI Registration No.: INM000011179

Indian Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Indian Legal Counsel to the Underwriters

Luthra & Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001
Tel: (91 11) 4121 5100
Fax: (91 11) 2372 3909

International Legal Counsel to the Company

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145
Tel: (00 65) 6692 5700
Fax: (00 65) 6692 5708

International Legal Counsel to the Underwriters

Milbank, Tweed, Hadley & McCloy LLP

3007 Alexandra House	30 Raffles Place
18 Chater Road	#14-00 Chevron House
Central, Hong Kong	Singapore 048622
Tel: (852) 2971 4888	Tel: (65) 6428 2400
Fax: (852) 2840 0792	Fax: (65) 6428 2500

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 4465 5000
Fax: (91 40) 2343 1551
Email: einward.ris@karvy.com
Website: http:\\karisma.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

Statutory Auditors to the Company

S.R. Batliboi & Associates
Golf View Corporate Tower-B
Sector – 42, Sector Road
Gurgaon – 122 002, Haryana

Firm Registration Number: 101049W
Tel: (91 124) 464 4000
Fax: (91 124) 464 4050
Email: SRBA@in.ey.com

Syndicate Members

HDFC Securities Limited I Think Techno Campus "Alpha", Building – B Office Floor 8 Opp. Crompton Greaves Kanjurmarg Mumbai - 400042 Tel: (91 22) 3075 3400/3075 3442 Fax: (91 22) 3075 3435 Email: customercare@hdfcsec.com Website: www.hdfcsec.com Contact Person: Sunil Raula SEBI Registration No.: INB011109437 (BSE) and INB231109431 (NSE)	**Kotak Securities Limited** Nirlon House, 3rd Floor Dr. Annie Besant Road Near Passport Office Worli Mumbai – 400 025 Tel: (91 22) 6740 9431 Fax: (91 22) 6740 9708 Email: sanjeeb.das@kotak.com Website: www.kotak.com Contact Person: Sanjeeb Kumar Das SEBI Registration No.: INB230808130/INB010808153
Geojit BNP Paribas Financial Services Limited 5th floor, Finance Towers Kaloor, Kochi- 682 017 Kerala Tel: (91 484) 240 5501 Fax: (91 484) 240 5618 Email: mailus@geojit.com Website: www.geojitbnpparibas.com Contact Person: Bijumon M J SEBI Registration No.: BSE – INB011337236, INF11337237; NSE – INB231337230, INF23133230;	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Tel: (91 22) 4325 2525 Fax: (91 22) 4325 3000 Email: bharti.ipo@axiscap.in Website: www.axiscapital.co.in Contact Person: Sudhir Agarwal SEBI Registration No.: BSE – INB011387330 and NSE – INB231387235
Motilal Oswal Securities Limited 2nd Floor, Queen's Mansion 44 AK Nayak Marg, Behind Khadi Gram Udyog Fort, Mumbai 400 001 Tel: (91 22) 3027 8090 Fax: (91 22) 3980 4315 Email: sandeep.bhabhra@motilaloswal.com Website: www. motilaloswal.com SEBI Registration No.: BSE – INB011041257 and NSE – INB231041238	

Bankers to the Issue and Escrow Collection Banks

Axis Bank Limited *Registered office address*: THRISHUL, Third Floor Opp. Samartheshwar Temple Nr. Law Garden, Ellisbridge Ahmedabad – 380 006 *Nodal branch address*: SCO-29, Sector-14, Near HUDA office, Old Delhi-Gurgaon Road	**State Bank of India, Capital Market Branch** Videocon Heritage Building Charanjit Rai Marg Fort, Mumbai – 400 001 Tel: (91 22) 2209 4932/27 Fax: (91 22) 2209 4921/22 Email:nib.11777@sbi.co.in;

Gurgaon – 122 001 Tel: (91 124) 2339 019/20 Fax: (91 124) 222 2740 Email: kanishka.sarabhai@axisbank.com sandeep.gidwani@axisbank.com Website: www.axisbank.com Contact Person: Kanishka Sarabhai; Sandeep Gidwani SEBI Registration No.: INBI00000017*	sbi11777@yahoo.co.in Website: www.statebankofindia.com Contact Person: Venkatesh Ramesh SEBI Registration No.: INBI00000038
Kotak Mahindra Bank Limited Kotak Towers, Cash Management Services 6th Floor, Zone 3, Building No. 21 Infinity Park, Off Western Express Highway Goregaon Mulund Link Road, Malad (East) Mumbai – 400 097 Tel: (91 22) 6605 6959 Fax: (91 22) 6646 6540 Email: prashant.sawant@kotak.com Website: www.kotak.com Contact Person: Mr. Prashant Sawant SEBI Registration No.: INBI00000927	**ICICI Bank Limited** Capital Markets Division 30, Mumbai Samachar Marg Mumbai – 400 001 Tel: (91 22) 6631 0322/12 Fax: (91 22) 6631 0350; (91 22) 2261 1138 Email: anil.gadoo@icicibank.com Website: www.icicibank.com Contact Person: Anil Gadoo SEBI Registration No.: INBI00000004
HDFC Bank Limited FIG-OPS Department, Lodha, I Think Techno Campus, O-3, Level, Next to Kanjurmarg Railway Station Kanjurmarg (East), Mumbai – 400 042 Tel: (91 22) 3075 2928 Fax: (91 22) 2579 9801 Email:uday.dixit@hdfcbank.com;figdelhi@hdfcbank.com anchal.garg@hdfc.com;ashish.ujjawal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Uday Dixit SEBI Registration No.: INBI00000063	**The Hongkong and Shanghai Banking Corporation Limited** HSBC, Securities Services Department Shiv Building, Second Floor, Plot No. 149-140 B Western Express Highway, Sahar Road Junction Vile Parle (East) Mumbai - 400 057 Tel: (91 124) 4182209; +91 9999 377014 Fax: (91 22) 4035 7657 Email: puuneetdhawan@hsbc.co.in; ankitakohli@hsbc.co.in Website: www.hsbc.co.in Contact Person: Puuneet Dhawan, Sobio P Francis, Chintan Waghela SEBI Registration No.: INBI00000027

** The SEBI registration certificate of Axis Bank Limited had expired on November 15, 2012. As required under Regulation 7A of the SEBI (Bankers to an Issue) Regulations, 1994, an application dated August 10, 2012 for permanent registration was made by Axis Bank Limited to SEBI. The approval of SEBI is awaited.*

Refund Bank

HDFC Bank Limited
FIG-OPS Department, Lodha, I Think Techno
Campus, O-3, Level, Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai – 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: uday.dixit@hdfcbank.com; figdelhi@hdfcbank.com
anchal.garg@hdfc.com; ashish.ujjawal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Uday Dixit
SEBI Registration No.: INBI00000063

Bankers to the Company

State Bank of India SBI CAG Branch Jawahar Vyapar Bhavan Tolstoy Marg, Janpath New Delhi 110 001 Tel: (91 11) 2337 4506/ (91 11) 2370 1040 Fax: (91 11) 2335 3101 Email: sk.thapar@sbi.co.in	**HDFC Bank Limited** Vatika Atrium A Block, Sector 53 Golf Course Road Gurgaon 122 002 Tel: (91) 9350013299 Fax: (91 124) 4664 318 Email: ashmita.sharma@hdfcbank.com
Deutsche Bank AG Kodak House 222 Dr. D.N. Road Fort, Mumbai 400 001 Tel: (91 22) 6658 4045 Fax: (91 22) 6170 3860/ (91 22) 6170 3861 Email: shyamal.malhotra@db.com	**The Hongkong & Shanghai Banking Corporation Limited** Global Banking, 1st Floor JMD Regent Square, MG Road Gurgaon 122 002 Tel: (91 124) 418 2105 Fax: (91 124) 256 3980 Email: anuragpandey@hsbc.co.in
Kotak Mahindra Bank Limited Corporate Banking, 6th Floor 14, Kasturba Gandhi Marg New Delhi 110 001 Tel: (91 11) 4587 5120 Fax: (91 11) 4587 5138 Email: rahul.madan@kotak.com	**Standard Chartered Bank** Plot No. C-38 & 39, G- Block BKC, Bandra (East) Mumbai 400 051 Tel: (91 22) 2675 7247 Fax: (91 22) 2675 7358 Email: Nitin.Gulgule@sc.com

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details of the Designated Branches of the SCSBs which shall collect Bid cum Application Forms submitted by ASBA Bidders, please refer to the above-mentioned link.

IPO Grading Agency

The Issue has been graded by CRISIL as 4/5, indicating that the fundamentals of the Issue are above average relative to other listed equity securities in India, vide their letter dated November 27, 2012. The IPO grading is assigned on a five point scale from 1 to 5 with an IPO grade 5 indicating strong fundamentals and IPO grade 1 indicating poor fundamentals. The report of CRISIL in respect of the IPO grading of this Issue is annexed to this Red Herring Prospectus.

Experts

Except as stated below, the Company has not obtained any expert opinions:

The Company has received consent from the Auditor namely, S.R. Batliboi & Associates, Chartered Accountants to include their name as an expert under Section 58 of the Companies Act in this Red Herring Prospectus in relation to the report of the Auditor dated November 23, 2012 and statement of tax benefits dated November 23, 2012 included in this Red Herring Prospectus and such consent has not been withdrawn as of the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert"" as defined under the Securities Act.

The Company has received consent from B S R & Company, Chartered Accountants to include their name as an expert under Section 58 of the Companies Act in this Red Herring Prospectus in relation to their report dated November 22, 2012 on the unconsolidated restated financial statements of Indus included in this Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Red Herring Prospectus. As the offered securities have not been and will not be registered under the Securities Act, B S R & Company has not filed consent under the Securities Act.

CRISIL, the IPO grading agency engaged by the Company for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent to be named as an expert under Section 58 of the Companies Act and to the inclusion of their report in the form and in the context it appears in this Red Herring Prospectus and such consent and report has not been withdrawn as of the date of this Red Herring Prospectus.

Monitoring Agency

Our Company has appointed HDFC Bank Limited as the monitoring agency in compliance with Regulation 16 of the SEBI Regulations. The details of the monitoring agency are as follows:

HDFC Bank Limited
FIG-OPS Department, -Lodha
I Think Techno Campus, O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East), Mumbai – 400 042
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Website: www.hdfcbank.com

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Inter-se Allocation of Responsibilities between the JGCBRLMs, the BRLMs and the CBRLMs:

The following table sets forth the *inter se* allocation of responsibilities for various activities among the JGCBRLMs, the BRLMs and the CBRLMs for the Issue:

Sr. No	Activities	Responsibility	Coordinator
1.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The JGCBRLMs, BRLMs and CBRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements	JGCBRLMs, BRLMs and CBRLMs	Standard Chartered
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc. Appointment of all other intermediaries (eg. Registrar(s), Printer(s) and Banker(s) to the Issue, Advertising agency etc.)	JGCBRLMs, BRLMs and CBRLMs	Deutsche
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc. and Preparation and finalisation of the road-show presentation	JGCBRLMs, BRLMs and CBRLMs	UBS

Sr. No	Activities	Responsibility	Coordinator
4.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalising road show schedules	JGCBRLMs, BRLMs and CBRLMs	Kotak
5.	International institutional marketing including; allocation of investors for meetings and finalising road show schedules	JGCBRLMs, BRLMs and CBRLMs	DSPML
6.	Non-Institutional & Retail Marketing of the Offer, which will cover, inter alia: Formulating marketing strategies; Finalising centres for holding conferences for brokers etc.; Finalising collection centres; and Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material.	JGCBRLMs, BRLMs and CBRLMs	Enam
7.	Preparation of publicity budget, finalising Media and PR strategy. Coordination with Stock Exchanges for book building process including software, bidding terminals etc.	JGCBRLMs, BRLMs and CBRLMs	Barclays
8.	Pricing and managing the book	JGCBRLMs, BRLMs and CBRLMs	JPM
9.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc. Including responsibility for underwriting arrangements, as applicable.	JGCBRLMs, BRLMs and CBRLMs	HSBC

If any of these activities are handled by other intermediaries, the JGCBRLMs, the BRLMs and the CBRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge these responsibilities through suitable agreements with the Company.

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- the Company;
- the Selling Shareholders;
- the JGCBRLMs, the BRLMs and the CBRLMs;
- the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the JGCBRLMs, the BRLMs and the CBRLMs;
- the SCSBs;
- the Registrar to the Issue; and
- the Escrow Collection Banks.

In terms of the SEBI Regulations, the Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bid after the QIB Bid/Issue Closing Date. For further details, please see the section "Terms of the Issue" on page 564.

The Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, the Company and the Selling Shareholders have appointed the JGCBRLMs, the BRLMs and the CBRLMs to manage the Issue and procure subscriptions to the Issue.

The Book Building Process under the SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and excludes Anchor Investors.)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹ 22 in the above example. The company, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (please see the section "Issue Procedure – Who Can Bid?" on page 574);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, are exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please see the section "Issue Procedure" on page 573);

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders will only have to be submitted through the ASBA process; and

6. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to Syndicate/sub-Syndicate Members (only in the Specified Cities). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that the Bid cum Application Form is not rejected.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, the Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the JGCBRLMs, the BRLMs and the CBRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and this will be finalised after pricing and actual allocation.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure the subscription to or subscribe to Equity Shares to the extent of the defaulted amount.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment.

CAPITAL STRUCTURE

The Equity Share capital of the Company as at the date of this Red Herring Prospectus is set forth below.

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**		
	3,500,000,000 Equity Shares of Rs. 10 each	35,000,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	1,742,408,730 Equity Shares of Rs. 10 each	17,424,087,300	
C	**PRESENT ISSUE IN TERMS OF THE RED HERRING PROSPECTUS**[(1)]		
	Issue of 188,900,000 Equity Shares of Rs. 10 each		
	Of which:		
	Fresh Issue of 146,234,112 Equity Shares of Rs. 10 each		
	Offer for Sale of 42,665,888 Equity Shares of Rs. 10 each		
D	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	35,968,912,700	
	After the Issue	[●]	
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	1,888,642,842 Equity Shares of Rs. 10 each	18,886,428,420	

[(1)] *The Issue has been authorised pursuant to a resolution passed by the Board of Directors of the Company through circulation on August 30, 2012 and a resolution of the Shareholders of the Company at their meeting held on September 7, 2012. The Offer for Sale has been authorised by Compassvale and Nomura by their board resolutions dated September 4, 2012 and September 3, 2012, respectively, by Anadale by its board resolutions dated September 7, 2012 and November 26, 2012 and by GS Strategic through its letter dated September 13, 2012.*

Changes to the Authorised Share Capital

1. The initial authorised share capital of ₹ 500,000 divided into 50,000 Equity Shares was increased to ₹ 10,000,000 divided into 1,000,000 Equity Shares pursuant to a resolution of the Shareholders dated February 4, 2008.

2. The authorised share capital of ₹ 10,000,000 divided into 1,000,000 Equity Shares was increased to ₹ 6,000,000,000 divided into 600,000,000 Equity Shares pursuant to a resolution of the Shareholders dated July 22, 2008.

3. The authorised share capital of ₹ 6,000,000,000 divided into 600,000,000 Equity Shares was increased to ₹ 35,000,000,000 divided into 3,500,000,000 Equity Shares pursuant to a resolution of the Shareholders dated August 21, 2012.

Notes to the Capital Structure

1. **Equity Share Capital History of the Company**

(a) The history of the Equity Share capital of the Company is provided in the following table:

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital
November 30, 2006	50,000(1)	10	10	Cash	50,000	500,000
March 31, 2008	3,825(2)	10	5,273,333.33	Cash	53,825	538,250
April 2, 2008	225(3)	10	5,273,333.33	Cash	54,050	540,500
August 21, 2008	540,445,950(4)	10	-	N.A. (Bonus issue)	540,500,000	5,405,000,000
October 28, 2009	1,182,270(5)	10	1,003.58	Cash	541,682,270	5,416,822,700
March 26, 2010	39,120,640(6)	10	788.56	Cash	580,802,910	5,808,029,100
August 23, 2012	1,161,605,820(7)	10	-	N.A. (Bonus issue)	1,742,408,730	17,424,087,300

(1) Initial allotment of 49,994 Equity Shares to the Promoter, along with one Equity Share to each of its nominees namely Akhil Kumar Gupta, Manoj Kohli, Rajan Bharti Mittal, Rakesh Bharti Mittal, Sunil Bharti Mittal and Viresh Dayal, pursuant to subscription to the Memorandum of Association. The subscription money for the entire 50,000 Equity Shares was paid by the Promoter to the Company.

(2) Allotment of an aggregate of 3,825 Equity Shares to Compassvale, KKR Towers Company Mauritius Limited, AIF Capital Telecom Infrastructure Limited, Anadale, GS Strategic, Millennium Mauritius 1 Limited, Citigroup Financial Products Inc., Nomura and Park Equity Holdings Limited. For further details, please see the section "History and Certain Corporate Matters" on page 176.

(3) Allotment of an aggregate of 225 Equity Shares to AXA Towers India and GS Investment Partners (Mauritius) I Limited. For further details, please see the section "History and Certain Corporate Matters" on page 176.

(4) Bonus issue of an aggregate of 540,445,950 Equity Shares in the ratio of 9,999 Equity Shares for every one Equity Share held by the then existing shareholders of the Company undertaken through the capitalisation of ₹5,404,459,500 from the securities premium account.

(5) Allotment of an aggregate of 1,182,270 Equity Shares pursuant to conversion of 118,650 compulsorily convertible debentures of face value of ₹10,000 each by Citigroup Financial Products Inc.

(6) Allotment of an aggregate of 39,120,640 Equity Shares pursuant to conversion of 3,084,900 compulsorily convertible debentures of face value of ₹10,000 each by Compassvale, KKR Towers Company Mauritius Limited, AIF Capital Telecom Infrastructure Limited, Anadale, GS Strategic, Millennium Mauritius 1 Limited, Nomura, AXA Towers India, GS Investment Partners (Mauritius) I Limited and Park Equity Holdings Limited.

(7) Bonus issue of an aggregate of 1,161,605,820 Equity Shares in the ratio of two Equity Shares for every one Equity Share held by the then existing shareholders of the Company undertaken through the capitalisation of ₹11,616,058,200 from the securities premium account.

(b) As on the date of this Red Herring Prospectus, the Company does not have any preference share capital.

2. **Issue of Equity Shares for consideration other than cash**

The details of the Equity Shares allotted for consideration other than cash are set forth in the table below:

Date of Allotment	Name of the Allottees	No. of Equity Shares Allotted	Face Value (₹)	Issue price (₹)	Reasons for allotment	Whether any benefits accrued to the Company
August 21, 2008	The then existing shareholders of the Company	540,445,950	10	-	Bonus issue in the ratio of 9,999 Equity Shares for every one Equity Share held on the record date	-
August 23, 2012	The then existing shareholders of the Company	1,161,605,820	10	-	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date	-

3. **History of the Equity Share Capital held by the Promoter**

(a) *Build-up of the Promoter's shareholding in the Company*

As on the date of this Red Herring Prospectus, the Promoter holds 1,500,000,000 Equity Shares, equivalent to 86.09% of the issued, subscribed and paid-up Equity Share capital of the Company. Set forth below is the build-up of the shareholding of the Promoter in the Company since the incorporation of the Company:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Face Value (₹)	Issue/ acquisition price (₹)	Percentage of the pre-Issue Capital (%)	Percentage of the post-Issue Capital (%)
November 30, 2006	Allotment to the Promoter and its nominees pursuant to subscription to the Memorandum of Association	50,000(1)	Cash	10	10	Negligible	Negligible
August 21, 2008	Bonus issue(2)	499,950,000	N.A.	10	-	28.69	26.47
August 23, 2012	Bonus issue(3)	1,000,000,000	N.A.	10	-	57.40	52.95
Total		**1,500,000,000**				**86.09**	**79.42**

(1) Allotment of 50,000 Equity Shares by the Company, pursuant to subscription to the Memorandum of Association, which included 49,994 Equity Shares to the Promoter and one Equity Share each to six nominees of the Promoter, namely, Akhil Kumar Gupta, Manoj Kohli, Rajan Bharti Mittal, Rakesh Bharti Mittal, Sunil Bharti Mittal and Viresh Dayal.

(2) Bonus issue of 540,445,950 Equity Shares in the ratio of 9,999 Equity Shares for every one Equity Share held by the then existing shareholders of the Company undertaken through the capitalisation of ₹5,404,459,500 from the securities premium account, pursuant to which 499,890,006 Equity Shares were allotted to the Promoter and 9,999 Equity Shares each to six nominees of the Promoter. On October 29, 2008, 60,000 Equity Shares held by the nominees of the Promoter were transferred to the Promoter.

(3) Bonus issue of 1,161,605,820 Equity Shares in the ratio of two Equity Shares for every one Equity Share held by the then existing shareholders of the Company undertaken through the capitalisation of ₹11,616,058,200 from the securities premium account, pursuant to which the Promoter was allotted 1,000,000,000 Equity Shares.

All the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by the Promoter are pledged.

(b) *Details of Promoter's contribution and lock-in*:

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue Equity Share capital of the Company shall be locked in by the Promoter for a period of three years from the date of Allotment. All Equity Shares of the Company held by the Promoter are eligible for Promoter's contribution.

Accordingly, 379,584,800 Equity Shares, aggregating up to 20% of the post-Issue capital of the Company (assuming exercise of all employee stock options vested in terms of the ESOP 2008 described below), held by the Promoter, shall be locked in for a period of three years from the date of Allotment in the Issue. Details of the same are as follows:

Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	Percentage of post-Issue paid-up capital (%)

Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	Percentage of post-Issue paid-up capital (%)
November 30, 2006	Allotment pursuant to subscription to the Memorandum of Association	50,000	10	10	Negligible
August 21, 2008	Bonus issue	379,534,800	10	-	20.00
	Total	**379,584,800**			**20.00**

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the person defined as 'promoter' under the SEBI Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI Regulations. In this connection, the Company confirms the following:

(i) The Equity Shares offered for Promoter's contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of the Company or issued against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

(ii) The Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) The Company has not been formed by the conversion of a partnership firm into a company;

(iv) The Equity Shares held by the Promoter and offered for Promoter's contribution are not subject to any pledge;

(v) All the Equity Shares of the Company held by the Promoter are held in dematerialised form; and

(vi) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

(c) *Details of Equity Shares locked-in for one year*

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of the Company, except the Equity Shares offered in the Offer for Sale and any Equity Shares issued upon exercise of employee stock options granted by the Company, comprising 1,320,158,042 Equity Shares would be locked-in for a period of one year from the date of Allotment. As of the date of this Red Herring Prospectus, none of the employee stock options granted by the Company have been converted into Equity Shares.

(d) Lock-in of Equity Shares to be Allotted, if any, to the Anchor Investor

Any Equity Shares allotted to Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(e) *Other requirements in respect of lock-in*:

The Equity Shares held by the Promoter which are locked-in for a period of one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

The Equity Shares held by the Promoter may be transferred to any person of the Promoter Group or to any new promoter or persons in control of the Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations.

4. **History of the Equity Share Capital held by the Selling Shareholders**

(a) The details of the build-up of equity shareholding of the Selling Shareholders in the Company is set forth below:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	Consideration (cash, other than cash etc)	Nature of transaction
Compassvale					
March 31, 2008	1,500	10	5,273,333.33	Cash	Allotment
August 21, 2008	14,998,500	10	-	NA (Bonus issue)	Bonus issue in the ratio of 9,999 Equity Shares for every one Equity Share held on the record date
March 26, 2010	15,046,400	10	788.56	Cash	Allotment pursuant to conversion of compulsorily convertible debentures
August 23, 2012	60,092,800	10	-	NA (Bonus issue)	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date
Total	**90,139,200**				
GS Strategic					
March 31, 2008	300	10	5,273,333.33	Cash	Allotment
August 21, 2008	2,999,700	10	-	NA (Bonus issue)	Bonus issue in the ratio of 9,999 Equity Shares for every one Equity Share held on the record date
March 26, 2010	3,009,280	10	788.56	Cash	Allotment pursuant to conversion of compulsorily convertible debentures
August 23, 2012	12,018,560	10	-	NA (Bonus issue)	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date
Total	**18,027,840**				

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	Consideration (cash, other than cash etc)	Nature of transaction
Anadale					
March 31, 2008	300	10	5,273,333.33	Cash	Allotment
August 21, 2008	2,999,700	10	-	NA (Bonus issue)	Bonus issue in the ratio of 9,999 Equity Shares for every one Equity Share held on the record date
March 26, 2010	3,009,280	10	788.56	Cash	Allotment pursuant to conversion of compulsorily convertible debentures
August 23, 2012	12,018,560	10	-	NA (Bonus issue)	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date
Total	**18,027,840**				
Nomura					
March 31, 2008	150	10	5,273,333.33	Cash	Allotment
August 21, 2008	1,499,850	10	-	NA (Bonus issue)	Bonus issue in the ratio of 9,999 Equity Shares for every one Equity Share held on the record date
March 26, 2010	1,504,640	10	788.56	Cash	Allotment pursuant to conversion of compulsorily convertible debentures
August 23, 2012	6,009,280	10	-	NA (Bonus issue)	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date
Total	9,013,920				

5. **Shareholding Pattern of the Company**

The table below presents the shareholding pattern of the Company as on the date of filing of this Red Herring Prospectus:

Category code	Category of shareholder	Number of shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares			
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage

Category code	Category of shareholder	Number of shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares			
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	**Promoter and Promoter Group**											
(1)	**Indian**											
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-					-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-					-	-
(c)	Bodies Corporate	1	1,500,000,000	1,500,000,000	86.09	86.09	1,500,000,000	1,500,000,000	79.42	79.42	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	**1**	**1,500,000,000**	**1,500,000,000**	**86.09**	**86.09**	**1,500,000,000**	**1,500,000,000**	**79.42**	**79.42**	**-**	**-**
(2)	**Foreign**											
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**1**	**1,500,000,000**	**1,500,000,000**	**86.09**	**86.09**	**1,500,000,000**	**1,500,000,000**	**79.42**	**79.42**	**-**	**-**
(B)	**Public shareholding**											
(1)	**Institutions**											
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	2	13,520,880	13,520,880	0.78	0.78	13,520,880	13,520,880	0.72	0.72	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-
(i)	Others:											

Category code	Category of shareholder	Number of shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares			
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
	Private equity	1	18,027,840	18,027,840	1.03	1.03	18,027,840	18,027,840	0.95	0.95	-	-
	Investment Fund	1	18,027,840	18,027,840	1.03	1.03	14,422,272	14,422,272	0.76	0.76	-	-
	Sub-Total (B)(1)	**4**	**49,576,560**	**49,576,560**	**2.84**	**2.84**	**45,970,992**	**45,970,992**	**2.43**	**2.43**	**-**	**-**
(2)	**Non-institutions**											
(a)	Bodies Corporate	7	192,832,170	192,832,170	11.07	11.07	153,771,850	153,771,850	8.14	8.14	-	-
(b)	Individuals	-	-	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	-	-	-	-	-	-	-	-	-	-	-
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	-	-	-	-	-	-	-	-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	7	192,832,170	192,832,170	11.07	11.07	153,771,850	153,771,850	8.14	8.14	-	-
	Total (B)= (B)(1)+(B)(2)	**11**	**242,408,730**	**242,408,730**	**13.91**	**13.91**	**199,742,842**	**199,742,842**	**10.58**	**10.58**	**-**	**-**
	TOTAL (A)+(B)	**12**	**1,742,408,730**	**1,742,408,730**	**100**	**100**	**1,699,742,842**	**1,699,742,842**	**90.00**	**90.00**	**-**	**-**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**											
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-	-	-
	TOTAL (A)+(B)+(C)	**12**	**1,742,408,730**	**1,742,408,730**	**100**	**100**	**1,699,742,842**	**1,699,742,842**	**90.00**	**90.00**	**-**	**-**
(D)	**Public pursuant to the Issue**	**-**	**-**	**-**	**-**	**-**	**188,900,000**	**188,900,000**	**10.00**	**10.00**		
	GRAND TOTAL (A)+(B)+(C)+(D)	**12**	**1,742,408,730**	**1,742,408,730**	**100**	**100**	**1,888,642,842**	**1,888,642,842**	**100.00**	**100.00**		

6. Public shareholders holding more than 1% of the pre-Issue paid up capital of the Company and other shareholders:

The details of the public shareholders holding more than 1% of the pre-Issue paid up capital of the Company and other shareholders and their pre-Issue and post-Issue shareholding are set forth in the table below:

S. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
(A)	**Public shareholders holding more than 1% of the pre-Issue paid up capital**				
1.	Compassvale*	90,139,200	5.17	60,092,800	3.18

S. No.	Name of the Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
2.	KKR Towers Company Mauritius Limited	45,069,600	2.59	45,069,600	2.39
3.	Millennium Mauritius 1 Limited	18,027,840	1.03	18,027,840	0.95
4.	AIF Capital Telecom Infrastructure Limited	18,027,840	1.03	18,027,840	0.95
5.	GS Strategic	18,027,840	1.03	12,018,560	0.64
6.	Anadale	18,027,840	1.03	14,422,272	0.76
(B) Other shareholders:					
7.	Bharti Airtel Limited	1,500,000,000	86.09	1,500,000,000	79.42
8.	Nomura	9,013,920	0.52	6,009,280	0.32
9.	AXA Towers India	9,013,920	0.52	9,013,920	0.48
10.	Citigroup Financial Products Inc.	8,046,810	0.46	8,046,810	0.43
11.	Park Equity Holdings Limited	4,506,960	0.26	4,506,960	0.24
12.	GS Investment Partners (Mauritius) I Limited	4,506,960	0.26	4,506,960	0.24

* *Compassvale, an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited.*

7. The lists of top 10 shareholders of the Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:

(a) The top 10 Shareholders and other shareholders as on the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
(A) Top 10 shareholders:			
1.	Bharti Airtel Limited	1,500,000,000	86.09
2.	Compassvale	90,139,200	5.17
3.	KKR Towers Company Mauritius Limited	45,069,600	2.59
4.	Millennium Mauritius 1 Limited	18,027,840	1.03
5.	AIF Capital Telecom Infrastructure Limited	18,027,840	1.03
6.	GS Strategic	18,027,840	1.03
7.	Anadale	18,027,840	1.03
8.	Nomura	9,013,920	0.52
9.	AXA Towers India	9,013,920	0.52
10.	Citigroup Financial Products Inc.	8,046,810	0.46
	Total	**1,733,394,810**	**99.48**
(B) Other shareholders:			
11.	Park Equity Holdings Limited	4,506,960	0.26
12.	GS Investment Partners (Mauritius) I Limited	4,506,960	0.26
	Total	**9,013,920**	**0.52**

(b) The top 10 Shareholders and other shareholders 10 days prior to filing of this Red Herring Prospectus were as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
(A) Top 10 shareholders:			
1.	Bharti Airtel Limited	1,500,000,000	86.09
2.	Compassvale	90,139,200	5.17
3.	KKR Towers Company Mauritius Limited	45,069,600	2.59
4.	Millennium Mauritius 1 Limited	18,027,840	1.03
5.	AIF Capital Telecom Infrastructure Limited	18,027,840	1.03
6.	GS Strategic	18,027,840	1.03

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
7.	Anadale	18,027,840	1.03
8.	Nomura	9,013,920	0.52
9.	AXA Towers India	9,013,920	0.52
10.	Citigroup Financial Products Inc.	8,046,810	0.46
	Total	**1,733,394,810**	**99.48**
(B) Other shareholders:			
11.	Park Equity Holdings Limited	4,506,960	0.26
12.	GS Investment Partners (Mauritius) I Limited	4,506,960	0.26
	Total	**9,013,920**	**0.52**

(c) The top 10 Shareholders and other shareholders two years prior to filing this Red Herring Prospectus were as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
(A) Top 10 shareholders:			
1.	Bharti Airtel Limited	500,000,000	86.09
2.	Compassvale	30,046,400	5.17
3.	KKR Towers Company Mauritius Limited	15,023,200	2.59
4.	Millennium Mauritius 1 Limited	6,009,280	1.03
5.	AIF Capital Telecom Infrastructure Limited	6,009,280	1.03
6.	GS Strategic	6,009,280	1.03
7.	Anadale	6,009,280	1.03
8.	Nomura	3,004,640	0.52
9.	AXA Towers India	3,004,640	0.52
10.	Citigroup Financial Products Inc.	2,682,270	0.46
	Total	**577,798,270**	**99.48**
(B) Other shareholders:			
11.	Park Equity Holdings Limited	1,502,320	0.26
12.	GS Investment Partners (Mauritius) I Limited	1,502,320	0.26
	Total	**3,004,640**	**0.52**

8. Neither the members of the Promoter Group nor the directors of the Promoter hold any Equity Shares.

9. **Employee Stock Option Scheme**

The Company instituted an employee stock option plan, namely the Employee Stock Option Plan – 2008 ("ESOP 2008") pursuant to a resolution of the Board of Directors dated July 22, 2008 and resolution of the shareholders in extraordinary general meeting dated August 28, 2008. The objective of ESOP 2008 is employee engagement and long term retention by providing employees of the Company an opportunity to participate in the Company's anticipated valuation enhancement by contributing to superior performance and shareholder returns. The Company undertook a bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held on August 23, 2012. Pursuant to the adjustment made as a result of this bonus issue, the total number of options that can be granted under ESOP 2008 is 16,215,000 options. ESOP 2008 constitutes three plans, namely Plan I, Plan II and Plan III, as detailed below.

As on the date of this Red Herring Prospectus, the Company has granted 9,946,524 options under ESOP 2008, out of which 720,909 options have lapsed/ been cancelled. The remaining outstanding 9,225,615 options are exercisable into 9,225,615 Equity Shares, which represents 0.5% of the fully diluted pre-Issue paid-up equity capital of the Company. Further, 6,189,108 options have been vested and 3,036,507 options are pending vesting. The following table sets forth the particulars of the options granted under ESOP 2008 as of the date of filing of the Red Herring Prospectus:

Particulars	Details
Options granted	9,946,524 options consisting of: • 9,255,690 options under Plan I;

Particulars	Details
	• 657,264 options under Plan II; and • 33,570 options under Plan III.
Pricing formula	Plan I - The options under Plan I were granted at a discount of 50% of the fair market value of the Equity Shares; Plan II – The options under Plan II were granted at a discount of 50% of the fair market value of the Equity Shares; Plan III – The exercise price of the options granted under Plan III is ₹ 10 per option.
Options vested (excluding the options that have been exercised)	6,189,108
Options exercised	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	9,225,615
Options forfeited / lapsed / cancelled	720,909
Variation of terms of options	The terms of repurchase of the options granted under Plan I and Plan II were changed pursuant to a resolution passed by the Board on August 3, 2012
Money realised by exercise of options	Nil
Total number of options in force	9,225,615
Person wise details of options granted to	
(i) Directors and senior managerial personnel	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	₹ 3.1 per Equity Share (for the seven month period ended October 31, 2012)
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company	NA. The Company has used fair value of options for the purpose of recognising employee compensation cost.
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price = ₹ 110 Weighted average fair value of options = ₹ 220
Method and significant assumptions used to estimate the fair value of options granted during the year	The estimated fair value is computed on the basis of Black Scholes pricing model. The key assumptions used to estimate the fair value of options are that, the Government securities curve yields are considered for the risk free rates, expected life is between 36 months to 60 months, expected volatility is based on the stock price of parent company and listed competitors and expected dividend yield is nil.
Vesting Schedule	Please see Note 3 below
Lock-in	NA
Impact on profits and on EPS of the last three years if the Company had followed accounting policies specified in clause 13 of the SEBI ESOP Guidelines in respect of options granted in the last three years	Impact on profit for the last three years: • Fiscal 2012: ₹ 248.80 million; • Fiscal 2011: ₹ 370.80 million; and • Fiscal 2010: ₹ 475.90 million. Impact on EPS for the last three years:

Particulars	Details
	• Fiscal 2012: ₹ 0.01 per Equity Share; • Fiscal 2011: ₹ 0.00 per Equity Share; and • Fiscal 2010: ₹ 0.00 per Equity Share.
Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Issue	Employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Issue, may sell the Equity Shares issued in connection with the exercise of options granted under ESOP 2008 within a period of three months from the date of listing of the Equity Shares.
Intention to sell Equity Shares arising out of ESOP 2008 within three months after the listing of Equity Shares by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP 2008, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Issue, may sell the Equity Shares in connection with the exercise of options granted under ESOP 2008 within a period of three months from the date of listing of the Equity Shares.

Note 1: Details regarding employee stock options granted to Directors and senior managerial personnel under ESOP 2008 are set forth below:

Name of Director/ Key Management Personnel	Total no. of options granted	No. of options exercised	Total no. of options outstanding	No. of Equity Shares held
Akhil Kumar Gupta	6,838,905	Nil	6,838,905	Nil
Inder Walia	542,553	Nil	542,553	Nil
Devender S. Rawat	145,905	Nil	145,905	Nil
Devendra Khanna	114,711	Nil	114,711	Nil
Vikas Joshi	106,409	Nil	106,409	Nil
Pankaj Miglani	91,185	Nil	91,185	Nil
P.Sairam Prasad	70,815	Nil	70,815	Nil
Prashant Veer Singh	49,551	Nil	49,551	Nil
Biswajit Patnaik	46,050	Nil	46,050	Nil
Rajiv Arora	37,056	Nil	37,056	Nil
Prashant Keole	24,769	Nil	24,769	Nil

Note 2: Details of employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2008 are set forth below:

Name of the Employee	Total no. of options granted
Devender S. Rawat	48,635
Pankaj Miglani	30,395
Vikas Joshi	30,000
P. Sairam Prasad	23,605
Sridhar V	14,814

Note 3: The vesting schedule for the options granted under ESOP 2008 shall be as follows:

- ***Vesting schedule for the options granted under Plan I(1):***

Vesting period from the date of grant of options	Percentage of options (%)
General category(2):	
- on completion of 12 months	15
- on completion of 24 months	20
- on completion of 36 months	30
- on completion of 48 months	35

Special category[3]:	
- 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

1. *Options under Plan I of ESOP 2008 have been granted to certain Directors and the employees of the Company.*

2. *All permanent employees of the Company other than (i) Directors and (ii) certain Key Management Personnel belonging to the UC cadre.*

3. *Directors and certain Key Management Personnel belonging to the UC cadre.*

- ***Vesting schedule for the options granted under Plan II[1]:***

Vesting period from the date of grant of options	Percentage of options (%)
- 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

1. *Options under Plan II of ESOP 2008 have been granted to certain employees of the Promoter.*

- ***Vesting schedule for the options granted under Plan III[1]:***

Vesting period from the date of grant of options	Percentage of options (%)
on completion of 12 months	30
on completion of 24 months	30
on completion of 36 months	40

1. *Options under Plan III of ESOP 2008 have been granted to certain employees of the Company.*

Since the Company is an unlisted Company, SEBI ESOP Guidelines are not applicable to ESOP 2008. The Company does not follow certain requirements of the SEBI ESOP Guidelines. For example, the director's reports of the Company do not contain disclosures specified under the SEBI ESOP Guidelines since the institution of the ESOP 2008. Additionally, the Company whilst granting options under ESOP 2008 did not follow disclosure requirements indicated under the SEBI ESOP Guidelines. Further, an auditor certificate with respect to implementation of ESOP 2008 is not placed before the shareholders in the general meeting of the Company. Also, the Human Resources and ESOP Compensation Committee, which administers ESOP 2008, does not comprise of majority of independent directors as required under the SEBI ESOP Guidelines.

10. As on the date of this Red Herring Prospectus, the JGCBRLMs, the BRLMs, the CBRLMs and their respective associates currently do not hold any Equity Shares in the Company.

11. Any under-subscription in any category, except in the QIB Portion would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the JGCBRLMs, the BRLMs, the CBRLMs and the Designated Stock Exchange.

12. As on the date of this Red Herring Prospectus, the Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act.

13. None of the members of the Promoter Group, nor the Promoter and its directors, nor the Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the SEBI.

14. Except for 1,000,000,000 Equity Shares issued to the Promoter pursuant to a bonus issuance on August 23, 2012, none of the Promoter, Promoter Group or the Directors have purchased/subscribed or sold any securities of the Company within three years immediately preceding the date of registering this Red Herring Prospectus with the RoC which in aggregate is equal to or greater than 1% of pre-Issue capital of the Company.

15. As of the date of the filing of this Red Herring Prospectus, the total number of holders of the Equity Shares is 12.

16. The Company, the Directors and the JGCBRLMs, the BRLMs and the CBRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

17. Except the options granted pursuant to ESOP 2008, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Red Herring Prospectus.

18. Except as stated below, the Company has not issued any Equity Shares during a period of one year preceding the date of this Red Herring Prospectus at a price which may be lower than the Issue price:

Name of Allottees	Date of allotment	No. of Equity Shares	Issue price (₹)	Reason
Shareholders of the Company including the Promoter	August 23, 2012	1,161,605,820	-	Bonus issue in the ratio of two Equity Shares for every one Equity Share held on the record date

19. The Company has not issued any Equity Shares out of revaluation of reserves.

20. All Equity Shares in the Issue are fully paid up and there are no partly paid up Equity Shares as on the date of this Red Herring Prospectus.

21. Except for the vesting of the options granted under ESOP 2008 and their consequent conversion into Equity Shares, the Company presently does not intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

22. Except for the vesting of the options granted under ESOP 2008 and their consequent conversion into Equity Shares, the Company presently do not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of Equity Shares or qualified institutional placements or otherwise. However, if the Company enters into any acquisitions, joint ventures or other arrangements, the Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use the Equity Shares as currency for acquisition or participation in such joint ventures.

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

24. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

25. The Promoter and Promoter Group will not participate in the Issue.

26. There have been no financial arrangements whereby the Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The Issue consists of the Fresh Issue and an Offer for Sale.

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale.

Requirement of Funds

The Company proposes to utilise the funds which are being raised through the Fresh Issue towards funding the following objects:

(a) Installation of 4,813 new towers;
(b) Upgradation and replacement on existing towers;
(c) Green initiatives at tower sites; and
(d) General corporate purposes (collectively, referred to herein as the "**Objects**").

In addition, the Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The main objects clause as set out in the Memorandum of Association enables the Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Fresh Issue.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

Particulars	Amount (In ₹ Million)
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses(1)(2)	[●]
(Less) Offer for Sale portion	[●]
Net proceeds of the Fresh Issue ("Net Proceeds")(1)	[●]

(1) *To be finalised upon determination of the Issue Price.*
(2) *Proportionate Issue related expenses borne by the Company would be included. Except for the listing fee which will be borne by the Company, all expenses relating to the Issue will be borne by the Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue.*

Utilisation of the Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (In ₹ million)
Installation of 4,813 new towers	10,865.6
Upgradation and replacement on existing towers	12,140.8
Green initiatives at tower sites	6,393.6
General corporate purposes(1)	[●]
Total Net Proceeds	[●]

(1) *The amount to be deployed towards general corporate purposes will be determined on finalisation of Issue Price*

The fund requirements for the Objects and the indicative number of towers proposed to be installed, upgraded and those proposed for green initiatives are based on internal management estimates. The estimation of costs for installation of new towers and upgradation and replacement on existing towers is based on the report from Quality Austria Central Asia Private Limited ("**Quality Austria**") dated September 2012 ("**Report**").

Deployment of Net Proceeds

The fund requirements in respect of installation of new towers, upgradation and replacement on existing towers and green initiatives at the tower sites operated by the Company as described below are proposed to be entirely funded from the Net Proceeds. Accordingly, the Company confirms that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(*In ₹ million*)

Activity	Total	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Installation of 4,813 new towers	10,865.6	5,071.0	4,253.4	1,541.2
Upgradation and replacement on existing towers	12,140.8	5,048.8	5,307.2	1,784.8
Green initiatives at tower sites	6,393.6	2,990.8	2,768.4	634.4
General corporate purposes	[●]	[●]	[●]	-

In view of the competitive environment of the industry in which the Company operates as well as the competitive nature of the industry in which the sharing operators function, the Company may have to revise its business plan from time to time and consequently its capital requirements may also change. The Company's historical capital expenditure may not be reflective of its future capital expenditure plans. The Company may have to revise its estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of the Company's management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. Please see "Risk Factors – Bharti Infratel will not receive any proceeds from the Offer for Sale and Bharti Infratel's management will have the flexibility in utilising the Net Proceeds" on page 35.

In case of any increase in the actual utilisation of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to the Company, including from internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required and general corporate purposes.

1. Installation of 4,813 new towers

The Company proposes to deploy an aggregate amount of ₹ 10,865.6 million to install 4,813 towers across seven circles in Fiscal 2014, 2015 and 2016 and will be a combination of Ground Based Towers ("**GBTs**") and Roof Top Towers ("**RTTs**"). The type of towers which are proposed to be installed will depend on factors including topography, soil conditions, land use and availability, tower height required and wind loading (maximum forces that may be applied to a structural element by wind) and zoning restrictions. The break-up of new towers that are proposed to be installed across circles and type is set forth below:

Circle Category	GBTs	RTTs	Total
Category B	1,398	160	1,558
Category C	2,919	336	3,255
Total	**4,317**	**496**	**4,813**

***Cost estimation for GBT and RTT*:**

The Report estimates that the cost for a new GBT of height of 40 meters and ability to withstand a wind speed limit of up to 170 kmph and a new RTT of height of 21 meters and ability to withstand a wind speed limit of up to 170 kmph is set forth below:

S No.	Description	GBT (40m height/170kmph) Estimated Cost (In ₹ million)	RTT(21m height/170kmph Estimated Cost (In ₹ million)
1.	Tower (including civil work[1], erection and painting charges)	1.13	0.43
2.	Diesel generator including installation and commissioning charges[2]	0.20	0.20
3a.	Plug- Play cabinet[3]	0.22	NA
3b.	Equipment shelter, integrated power management system ("IPMS") and battery chiller[4]	N.A.	0.29
4.	Battery[5]	0.07	0.07
5.	Other electrical items [6]	0.08	0.08
6.	Electrical work (including installation and commissioning charges)[7]	0.05	0.07
7a.	Electricity Board ("EB") charges including laying transformer & pole laying as per State Electricity Board requirements ("SEB") (500m) [8]	0.45	NA
7b	EB charges including laying pole as per SEB requirements (300m) [8]	NA	0.25
8.	Miscellaneous expenses (including project management charges, survey and third party inspection)	0.14	0.15
Total Value		**2.34**	**1.54**

1. *Civil foundation is made to support steel structure tower and related equipments. It is also required for DG set, shelter, battery chiller, BTS and other costs. The base cost includes construction material and excavation.*

2. *Backup generators are used to ensure an uninterruptible power supply and are common at tower sites. The installed cost includes the diesel engine, generator/alternator, battery charger, controls, exhaust system, fuel tank. The DG cost generally varies in accordance with KVA rating and output phases. The base cost includes the diesel engine, generator/alternator, battery charger, control, exhaust system, fuel tank, testing, transportation, installation and commissioning, overhead.*

3. *Plug-Play cabinet is a combination of IPMS, equipment shelter and battery chiller.*

4. *Equipment shelters are primarily prefabricated structures which are constructed of steel, fibreglass, or concrete aggregate wall material. They can be installed on steel I-beams, concrete piers or concrete pad. These shelters generally have factory installed wiring, HVAC, humidity control, and an exterior generator plug. The base cost includes minor site preparation, concrete pad or piers, delivery and set up for factory built shelters, electric and communication wiring, basic climate control, grounding and lightning protection and overhead.*

5. *Battery provides electricity during short-term power outages. The base cost includes the battery, testing, transportation, installation and commissioning.*

6. *Electrical items include battery chiller, microwave rack, aviation lamp, energy meter and cable kits. The base cost includes the equipment, testing, transportation, installation and commissioning costs.*

7. *Laying and installation of various electrical and instrumentation items at site.*

8. *Power is being provided to tower site from nearest existing source. Load approval is required to be taken from State Electricity Boards ("SEBs") where it is in excess of specified voltage.*

The actual amount spent on installation of any given tower may vary depending on the location, specification, additional equipments and prevailing installation cost at the time of installation. The Company does not propose to utilise the Net Proceeds of the Issue to procure any "second-hand" equipment.

The total estimated cost for installation of 4,813 new towers is set forth below:

Type of Towers	Estimated Standard Costs (In ₹ million)	No. of Towers	Total Costs (In ₹ million)
GBT	2.34	4,317	10,101.8
RTT	1.54	496	763.8
Total		**4,813**	**10,865.6**

The estimated total cost as indicated above may vary depending on the final number of towers installed, location, specification, additional equipments and prevailing installation cost at the time of installation.

Installation Schedule

The proposed installation schedule of 4,813 new towers is set forth below:

Circle Category	Total number of towers proposed to be installed in Fiscal 2014	Total number of towers proposed to be installed in Fiscal 2015	Total number of towers proposed to be installed in Fiscal 2016	Total
Category B	741	603	214	1,558
Category C	1,504	1,282	469	3,255
Total	**2,245**	**1,885**	**683**	**4,813**

2. Upgradation and replacement on existing towers

The Company proposes to deploy an aggregate amount of ₹ 12,140.8 million from the Net Proceeds towards upgradation of 15,100 towers, indicatively, and replacement on existing towers. Upgradation and replacement on towers involves installation of additional equipments to existing towers to enhance capacity and improve specification which also allows for additional sharing operators being hosted on the tower. Tower sites are upgraded with additional battery bank, lower capacity DG sets are replaced with higher capacity DG sets, additional modules for switched mode power supply ("**SMPS**") are installed based on the capacity of existing SMPS or else replaced, integrated power units or integrated power management systems are either upgraded or replaced. The Company does not propose to utilise the Net Proceeds of the Issue to procure any "second-hand" equipment.

The indicative cost of upgradation based on sharing operators at a particular tower site is set forth below:

Sr. No	Particulars	Estimated Cost* (In ₹ million)	Indicative no. of Towers	Indicative Cost (In ₹ million)
1.	Upgradation for 1-2 sharing operators and expansion of existing active equipment for an existing operator	0.25	12,600	3,150
2.	Upgradation for 2-3 sharing operators	0.40	2,500	1,000

* *The estimated cost is based on the Report.*

Replacement of equipment installed at towers is undertaken depending on end of their useful life, equipment becoming faulty, non-repairable or where such equipment cannot be economically repaired. The expected life span of key equipment installed on a tower as indicated in the Report is set forth below:

S. No.	Description	Years
1	DG Sets	7
2	Battery bank	3
3	Air conditioners	10
4	Plug-Play cabinet	10
5	Integrated power management system	10
6	Power plant - rectifier module	10

3. Green initiatives at tower sites

The Company is committed to utilising environmentally-friendly energy sources including reducing reliance on DG sets by further integration to the electricity grid. The Company proposes to expand the use of solar power at its towers and use other green initiatives such as integration to the electricity grid, battery bank capacity enhancement, installation of new technology DG sets and other alternate energy solutions like fuel cells and bio-mass, which is expected to result in cost savings as a well as a reduction of carbon-dioxide emissions. The Company believes that such green initiatives will continue to have long term benefits to the business of the Company, reducing energy costs to customers and therefore increasing demand for its towers as well as reducing environmental impact of its operations. As of September 30, 2012, the Company has 1,245 solar-powered sites and has also issued a request for proposal dated July 3, 2012 for commissioning up to an additional 3,500 solar-powered towers. For further details, please see "Our Business – Environment and Safety" on page 161.

The Company proposes to deploy ₹ 6,393.6 million from the Net Proceeds towards green initiatives at 12,500 tower sites indicatively. The Company's estimate of costs towards various green initiatives are based on internal estimates based on the Company's prior experience in undertaking green initiatives at the Company's various tower sites.

4. General Corporate Purposes

The Company proposes to deploy the balance Net Proceeds of the Issue aggregating ₹ [●] million towards general corporate purposes, including but not limited to strategic initiatives, partnerships and joint ventures meeting exigencies which the Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business, strengthening the Company's marketing capabilities and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. The Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

In case of any variation in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects stated above, the Company may explore a range of options including utilising its internal accruals and obtaining debt from lenders.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, the Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to the JGCBRLMs, BRLMs, CBRLMs, legal counsels, Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The Company intends to use approximately ₹ [●] million towards these expenses for the Issue. Other than listing fees which will be paid by the Company, all expenses with respect to the Issue will be shared between the Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue. The break-up for the Issue expenses is as follows:

Activity	Expense* (In ₹ million)	Expense* (% of total expenses)	Expense* (% of the Issue size)
JGCBRLMs, BRLMs and CBRLMs Fees	[●]	[●]	[●]

Activity	Expense* (In ₹ million)	Expense* (% of total expenses)	Expense* (% of the Issue size)
Fees of Registrar to the Issue	[●]	[●]	[●]
Advisors' Fees	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission#	[●]	[●]	[●]
Fees of the IPO Grading Agency	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others, if any (specify)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* *Will be completed after finalisation of the Issue Price.*

Including commission to the SCSBs for ASBA applications and processing fees to SCSBs for processing the Bid cum Application Forms procured by the Syndicate from ASBA Bidders in the Specified Cities and submitted to the SCSBs.

Interim use of funds

The Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, the Company intends to invest the funds in high quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or corporates or for reducing overdrafts. The Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Monitoring of Utilisation of Funds

The Company has appointed HDFC Bank Limited as the Monitoring Agency in relation to the Issue. The Board and the Monitoring Agency will monitor the utilisation of the Net Proceeds The Company will disclose the utilisation of the Net Proceeds under a separate head along with details, for all such proceeds of the Fresh Issue that have not been utilised. The Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of the Company for the relevant financial years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, the Company shall prepare a statement of funds utilised for the stated purposes and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company would be required to inform material deviations in the utilisation of Issue Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit Committee public through advertisement in newspapers.

No part of the Net Proceeds will be paid by the Company as consideration to the Promoter, Directors, members of the Promoter Group, Group Companies, associates or key managerial personnel, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the JCBRLMs, BRLMs and CBRLMs on the basis of an assessment of market demand for the offered Equity Shares by the book building process and on the basis of the following qualitative and quantitative factors. The Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the Face Value at the higher end of the Price Band.

Qualitative Factors

Competitive Strengths

The Company believes that it has the following competitive strengths:

a) A leading telecommunications infrastructure operator in India, with large scale, nationwide operations in an industry with entry barriers;
b) Extensive presence in telecommunications Circles with high growth potential;
c) Long term contracts with the leading wireless telecommunications service providers in India, providing visibility on future revenues;
d) Comprehensive deployment and operational experience supported by well developed processes, systems and IT infrastructure;
e) Strong financial position and access to capital;
f) Relationship with the Bharti group;
g) Indus' relationship with three wireless service providers; and
h) Experienced management team.

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, please see sections "Our Business" and "Risk Factors" on pages 142 and 17, respectively.

Quantitative Factors

Information presented in this section is derived from the restated unconsolidated and consolidated financial information prepared in accordance with the Companies Act and SEBI Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. ***Basic and Diluted Earnings per Share ("EPS")***

As per the Company's restated unconsolidated financial statements:

Year Ended March 31	Basic EPS	Diluted EPS	Weight
2012	2.568	2.562	3
2011	2.058	2.055	2
2010	1.657	1.617	1
Weighted Average	**2.246**	**2.236**	

The Basic and Diluted EPS on an unconsolidated basis for the six month period ended September 30, 2012 was ₹ 3.811 and ₹ 3.802 respectively (not annualised)

As per the Company's restated consolidated financial statements:

Year Ended March 31	Basic EPS	Diluted EPS	Weight
2012	4.309	4.299	3
2011	3.165	3.160	2
2010	1.557	1.519	1
Weighted Average	**3.469**	**3.456**	

The Basic and Diluted EPS on a consolidated basis for the six month period ended September 30, 2012 was ₹ 2.643 and ₹ 2.637 respectively (not annualised).

Note:

EPS calculations are in accordance with Accounting Standard 20 'Earnings per Share' issued by ICAI.

2. Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [●] per share

S. No	Particulars	Consolidated	Unconsolidated
1	P/E ratio based on Basic EPS for the year ended March 31, 2012 at the Floor Price:	[●]	[●]
2	P/E ratio based on Basic EPS for the year ended March 31, 2012 at the Cap Price:	[●]	[●]

As there are no listed companies in India that are directly comparable to the business carried on by the Company, no comparison with industry peers is being offered.

3. Return on Net Worth (RoNW)

Year ended March 31	Consolidated (%)	Unconsolidated (%)	Weight
2012	5.2%	3.0%	3
2011	3.9%	2.5%	2
2010	1.9%	1.9%	1
Weighted Average	**4.2%**	**2.7%**	

The Return on Net Worth on a consolidated and unconsolidated basis for the six month period ended September 30, 2012 was 3.2% and 4.5% respectively (not annualised).

Note 1: Return on Net Worth has been computed as Net Profit after tax (as restated) divided by Net Worth at the end of the year.

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2012

Based on Basic EPS:

At the Floor Price – [●] % and [●] % based on Restated Unconsolidated and Consolidated financial information respectively.

At the Cap Price – [●] % and [●] % based on Restated Unconsolidated and Consolidated financial information respectively.

Based on Diluted EPS:

At the Floor Price – [●] % and [●] % based on Restated Unconsolidated and Consolidated financial information respectively.

At the Cap Price – [●] % and [●] % based on Restated Unconsolidated and Consolidated financial information respectively.

5. Net Asset Value (NAV)

NAV per Equity Share (Consolidated) as at September 30, 2012: ₹ 82.1 per Equity Share

NAV per Equity Share (Unconsolidated) as at September 30, 2012: ₹ 85.3 per Equity Share

NAV per Equity Share after adjusting for the proportionate change in the number of Equity Shares on account of bonus issue (Consolidated) as at September 30, 2012: ₹ 82.1 per Equity Share

NAV per Equity Share after adjusting for the proportionate change in the number of Equity Shares on account of bonus issue (Unconsolidated) as at September 30, 2012: ₹ 85.3 per Equity Share

Issue price: ₹ [●] per Equity Share

NAV (Consolidated) after the Issue: ₹ [●] per Equity Share

NAV (Unconsolidated) after the Issue: ₹ [●] per Equity Share

Note: Net Asset Value per Equity Share has been computed as net worth at the end of the period divided by total number of equity shares outstanding at the end of the period

6. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of the Company. Hence, it is not possible to provide an industry comparison in relation to the Company.

7. The Issue price will be [●] times of the face value of the Equity Shares.

STATEMENT OF TAX BENEFITS

Statement of possible tax benefits available to the company and its shareholders

To

The Board of Directors
Bharti Infratel Limited
Bharti Crescent, 1,
Nelson Mandela Road,
Vasant Kunj,
New Delhi, India

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Bharti Infratel Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income - tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company or its shareholders may or may not choose to fulfill.

The Direct Tax Code (which consolidates the prevalent direct tax laws) is proposed to come into effect from April 1, 2013. However, it may undergo a few more changes by the time it is actually introduced and hence, at the moment, it is unclear what effect the proposed Direct Tax Code would have on the Company and its investors.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express and opinion or provide any assurance as to whether:
- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

For S. R. Batliboi & Associates
Chartered Accountants
Firm Registration Number: 101049W

per Prashant Singhal
Partner
Membership No.: 93283
Place : Gurgaon
Date: November 23, 2012

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO BHARTI INFRATEL LIMITED AND ITS SHAREHOLDERS

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2012-13.

A. Special Tax Benefits available to the Company

No special tax benefit is available to the Company.

B. Benefits to the Company under the Act

1. <u>General tax benefits</u>

- Business income

  The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

- MAT credit

  - As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.

  - MAT credit shall be allowed for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year. Such MAT credit is available for set-off up to ten years succeeding the assessment year in which the MAT credit arises.

- Capital gains

  i. Computation of capital gains

  - Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as long - term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.

  - Short - term capital gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

  - In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.

- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds **Rs** 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent eight assessment years.

ii. Exemption of capital gains from income – tax

- Under Section 54EC of the Act, capital gain arising from transfer of long - term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by -:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and

- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

➢ Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.

➢ Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

➢ As per provision of Section 14 A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

➢ The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

- Securities Transaction Tax

➢ As per provisions of Section 36(1) (xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

- Dividends

➢ As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining the dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.

➢ As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.

➢ As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of as specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.

➢ As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

C. Benefits to the Resident members / shareholders of the Company under the Act

a. Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

b. Capital gains

i. Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long - term capital assets based on the period of holding. All capital assets, being shares held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty - six months to be considered as long - term capital assets.

- STCG means capital gains arising from the transfer of capital asset being a share held in a Company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for twelve months or less.

- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for thirty six months or less.

- LTCG arising on transfer of equity shares of a Company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- As per first proviso to Section 48 of the Act, the capital gains arising on transfer of share of an Indian Company need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration receiving or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.

- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.

- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.

- The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long - term capital gains arising during subsequent 8 assessment years.

ii. Exemption of capital gains arising from income – tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long – term capital asset are exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long - term asset cannot exceed Rs 5,000,000 per assessee during any financial year.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family (‘HUF’).

- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

- As per provisions of Section 56(2)(vii), (viia) of the Act and subject to exception provided in respective proviso therein, where an individual or HUF, a firm or company (not being a company in which public are substantially interested) receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'.

c. Tax treaty benefits

- As per provisions of Section 90 (2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

d. Non-resident taxation

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.

- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).

- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.

- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

D. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

b) Long – term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c) Capital gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.

- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.

d) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors

E. Benefits available to Mutual Funds under the Act

a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

F. Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.

- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

G. Gift Tax Act, 1958

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

Note: All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources, including reports dated September 2012 and December 2011 that have been prepared by Analysys Mason India Pvt. Ltd. ("Analysys Mason") and CRISIL Limited ("CRISIL"), respectively. This information has not been independently verified by us, the Book Running Lead Managers, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and accordingly, investment decisions should not be based on such information.

Industry Background

Overview

Tower companies provide the entire range of tower infrastructure that is required by wireless telecommunications service providers to offer mobile telephony services to their subscribers. Tower infrastructure refers to equipment such as towers, shelters, power regulation equipment, battery banks, diesel generator sets ("DG sets"), air conditioners, fire extinguishers and a security cabin, required at a site where such towers are installed. There are generally two types of towers – Ground Based Towers ("GBTs") and Roof Top Towers ("RTTs").

Active and passive infrastructure

Wireless networks comprise three components: active infrastructure, passive infrastructure and backhaul. Active infrastructure consists of electronics that power a wireless network such as radio antennae, base transceiver station ("BTS")/cell sites and cables. Typically, a wireless telecommunications network in a Circle consists of several mobile switching centres ("MSCs"), each of which is connected to eight to 10 base station controllers ("BSCs"), which are connected to 60 to 80 BTSs. The BTSs are installed contiguously to facilitate the handing over of signals from one BTS to another in a chain. The radius of each BTS varies from between 500 metres to 10 kilometres depending upon subscriber usage, topography, operative frequency and spectrum availability.

Passive infrastructure essentially consists of tower sites and complements the active network infrastructure; while it does not play any role in carrying wireless signals, it is a vital part of any wireless network as it is critical to ensure the active components are operational. It accounts for about 70% of the capital costs for setting up a wireless network in India. Tower infrastructure includes components such as:

- Tower site, which is typically around 4,000 square feet of land for a GBT or on top of a high-rise/building in the case of a RTT;
- Steel tower on which active components such as antennae are mounted;
- Shelter room to house the equipment;
- Power regulation equipment;
- Battery bank;
- DG set;
- Air conditioner;
- Fire extinguisher; and
- Security cabin.

The tower infrastructure at a site is independent of the type of communication technology being used, whether it is GSM, CDMA, 3G technologies such as WCDMA and EVDO or 4G technologies.

Backhaul refers to the backbone that connects the active infrastructure at the tower site with the BSC and MSC. In India, traditionally, wireless operators used microwave as backhaul. However, they are progressively moving to optic-fibre-based links.

Rationale for infrastructure sharing

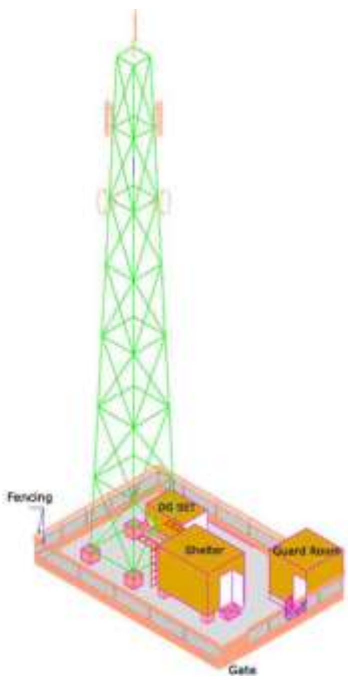
Infrastructure sharing is effective in optimising the utilisation of available resources and helps to bring down the cost of providing telecommunications services. With the introduction of a number of new service providers in various service areas, the reduction in overall tariffs and restrictions placed by various local bodies on the installation of mobile towers, infrastructure sharing amongst service providers has become the norm rather than the exception in the Indian telecommunications industry.

GBT versus RTT

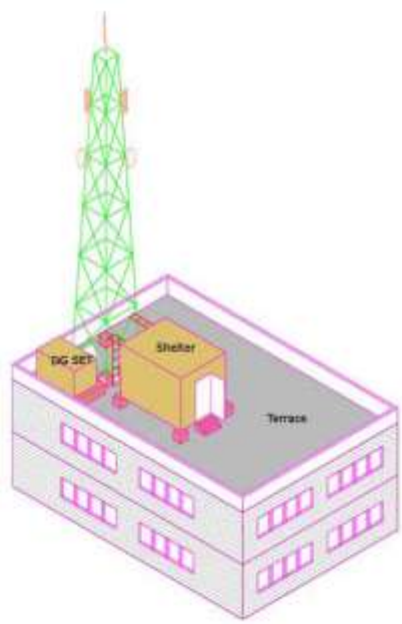
There are generally two types of towers, GBTs and RTTs. GBTs are typically installed on approximately 4,000 square feet of land, and are usually 40 metres to 60 metres tall. For a GBT with five slots, the capital expenditure generally ranges from ₹ 3.0 million to ₹ 3.5 million. GBTs can accommodate 3-5 tenants and, with some adjustments, such as inserting a ring around the tower, can handle a higher number of tenants.

RTTs are erected on top of high-rise buildings and their height is typically 14 metres to 20 metres. The occupancy capacity of a shared RTT is typically 2 to 3 tenants, which can be increased to accommodate more tenants through adjustments and incurring additional capital expenditure. *(Source: CRISIL.)*

Structure of a GBT



Structure of a RTT



(Source: CRISIL.)

Process of setting up a tower

The key steps involved in the construction of a tower at a new site include land acquisition, procurement of the requisite government/municipal/local authority approvals and electricity related clearances, which are followed by the actual construction of the tower. For details of the approvals required in relation to tower sites, please see the section “Government Approvals” on page 537.

The first step is to identify and acquire an appropriate location for setting up the tower infrastructure. For selecting an appropriate location, tower companies typically make use of site surveys and radio frequency planning techniques.

The construction and erection activity comprise laying the civil foundations, shelter foundations, the tower construction, shelter construction and installation of the other tower components at the site.

The process of setting up a tower typically takes 45 to 90 days; however, the duration can vary significantly from case-to-case. Once the construction steps are completed and a site is ready to be handed over to an operator, a site is said to be "ready for installation" or "RFI", which means wireless service providers can install their active components and make the network operational.

Turnkey service providers

Turnkey service providers ("TSPs") such as GTL Limited, Nu Tek, HFCL and Spanco offer tower infrastructure solutions on a turnkey basis to operators. This business model differs from that of tower companies, as TSPs build the site for, and subsequently hand it over to, the operator. Thereafter, they provide operations and maintenance services to the operator depending upon the terms of the contract. In contrast, tower companies typically build sites for operators and the asset is recorded in their books; in return, they receive monthly rentals from the operators for stationing BTSs on their sites. *(Source: CRISIL.)*

Indian Telecom and Towers Industry

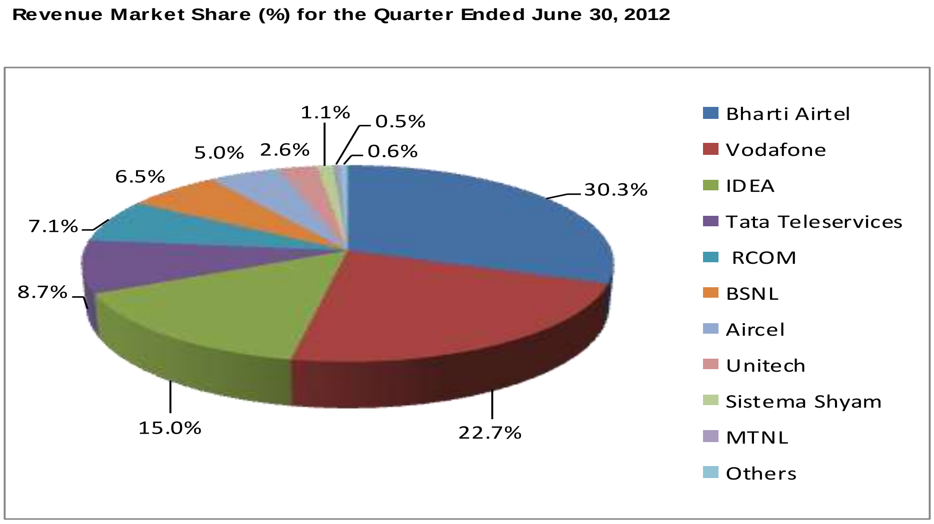
Indian wireless telecommunication services sector

The focus of Indian operators in the last ten years or so has been to develop an affordable mass market telecommunications service model which allows for service availability across India's urban and rural areas at affordable prices. This has been realised by extending mobile coverage to as many as 600,000 villages in India, and in so doing providing service to more than 95% of the population. A strong focus on optimisation of operational expenses through the outsourcing of non-core areas, process innovation, cost-to-serve alignment and strategic partnerships has resulted in a wireless model intended to maintain healthy margins while offering services at ₹ 0.50 per minute. *(Source: Analysys Mason.)*

Over the five-year period 2005-2010, the wireless telecommunications services sector has grown rapidly *(Source: CRISIL.)*. Industry revenue reached ₹ 1,361 billion at the end of March 2012 *(Source: Analysys Mason.)*, and the mobile subscriber base rose to around 919 million at the end of March 2012 from 99 million at the end of 2005-2006. Of that number, approximately 868 million are 2G subscribers and approximately 51 million are 3G subscribers. The recent surge in subscriber base can be attributed to a sharp decline in tariffs and expansion of services by existing players. Sector growth can also be seen to have followed the issue of a number of licences to new operators by DoT. The bulk of the growth has been in urban centres. *(Sources: Analysys Mason and CRISIL.)* As per TRAI data as on March 31, 2012, urban wireless penetration was 162.8% while rural wireless penetration was 38.3%.

The Indian telecommunications industry is one of the most competitive globally with over ten operators existing in the market. However, the bulk of the revenue market share is concentrated amongst the top three operators.

Revenue market share graph for all operators

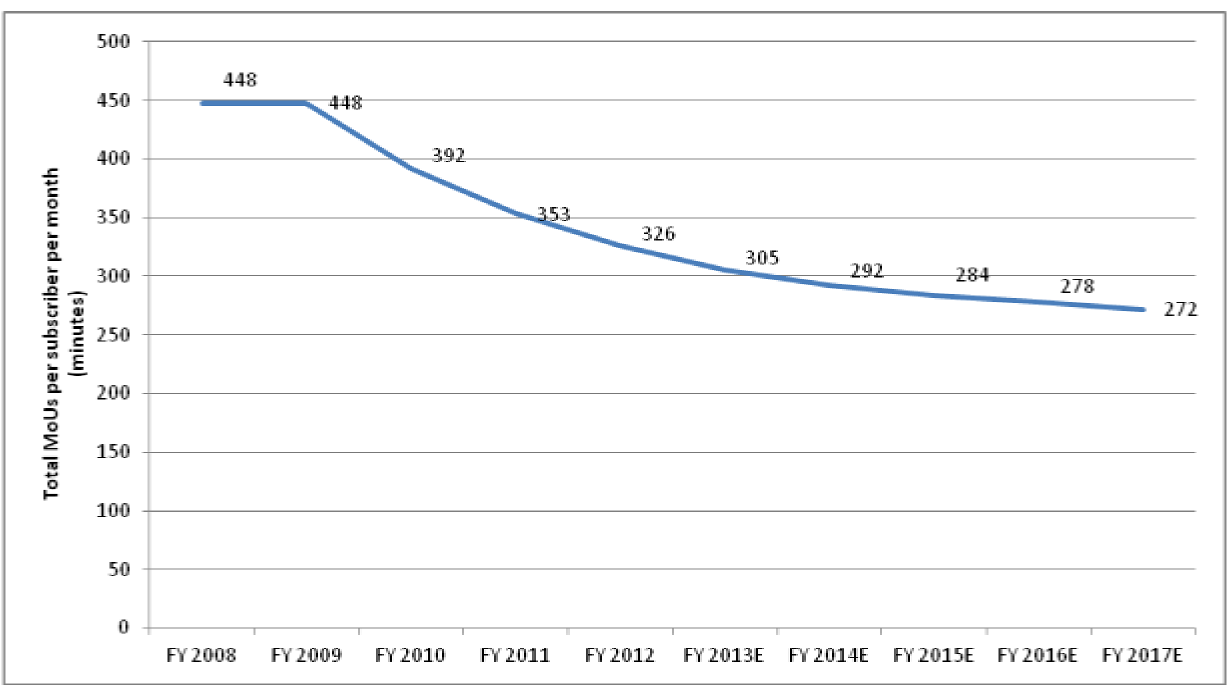


Source: TRAI, as of June 30, 2012
Others includes Loop Mobile, Loop Telecom, Videocon, HFCL, Etisalat, S-Tel

With possibly the lowest tariffs globally, operators also seek cost efficiencies.

Whilst subscriber numbers are growing, utilisation figures are falling. Analysys Mason estimates that minutes of usage per subscriber per month have fallen from 448 in March 2008 to 326 in March 2012. In contrast, data usage continues to grow with respect to both 2G and 3G handsets, as does total data traffic from the respective handsets. *(Source: Analysys Mason.)*

Minutes of usage (MoUs) per subscriber per month



(Source: Analysys Mason.)

Trend in mobile subscribers (historical) for 2G and 3G services

In the case of 2G subscribers, the availability and affordability of services has resulted in a significant increase in the wireless user base. This subscriber base has risen from 261 million in the fiscal year 2008 to 868 million in the fiscal year 2012. There are an estimated 640,000 2G installed base stations in India across operators and Circles, translating into around 1,360 2G subscribers per base station. *(Source: Analysys Mason.)*

The penetration of 3G has remained limited due to limited device penetration, initial glitches in the user experience owing to coverage issues and more importantly, service pricing relative to the pricing of GPRS / EDGE. With declining prices of 3G services in India, the adoption and traffic has increased across telecommunications Circles and is expected to continue to grow with increasingly good service and device affordability and coverage expansion.

Indian tower industry

Wireless telecommunications service providers have made considerable investment in building network infrastructure to address the high subscriber growth and consequent increase in traffic. The extent and spread of infrastructure and the number of subscribers supported by the infrastructure created by operators is dependent upon the subscriber base, usage per subscriber, stage of network rollout by the operator, technology platform, frequency band of operation and spectrum availability. Typically, for a GSM operator providing 2G services, the number of subscribers that are served by a base transceiver station ("BTS") is 850 to 1,200. This number could vary based on the technology, the spectrum and other factors. *(Source: CRISIL.)*

Background

Government policies and technological developments have a significant bearing on the tower business. Until April 2008, the regulatory framework in India allowed wireless operators to only share their tower infrastructure; service providers had to put up their own active infrastructure and establish backhaul connectivity to roll out services. The rationale for disallowing active infrastructure sharing was to encourage the establishment of robust infrastructure. In April 2008, the government allowed operators to share their active infrastructure such as antennae, feeder cable, radio access network, transmission system and backhaul network (optical fibre or radio). The guidelines were released in 2008, and to ensure consistency between regulations and policy, active infrastructure sharing was allowed in 2009. However, spectrum sharing, wherein two operators can pool their spectrum, is still not permitted.

India is similar to Indonesia and the U.S. in that it remains one of the key markets where leasing from tower companies by service providers is the prevalent business model in relation to passive infrastructure. In a majority of the European, Latin American and Middle Eastern markets, bilateral sharing of passive infrastructure remains the prevalent model. Bilateral sharing optimises costs in these markets, where the population is concentrated in urban centres, there are no new entrants and the subscriber base is mature. The potential for tenancy increase therefore remains limited and hence there is a very limited number of tower company business models whereby service providers lease from tower companies.

At present, the tower companies do not have any licence fee obligation. In the past, the regulator did not intervene in this space except for facilitating policies that help develop the infrastructure needs in the country. However, TRAI in its recommendations dated May 2010 suggested that tower companies should be brought under the licencing regime.

Companies also face several barriers in the form of the complex and time-consuming approval process for the deployment of new towers.

The financial metrics of certain tower companies in other jurisdictions are set out below.

Financial metrics of American Towers[1] (U.S.), 2009-2011, Market capitalization as of 6 September 2012: 28.31 bn

Metric	Unit	2009	2010	2011
Towers	No.	20,000	21,146	21,575

1 All financial data correspond to US market only except EPS, net debt/EBITDA, dividend payout and market capitalization which correspond to all countries of operation

Metric	Unit	2009	2010	2011
Tower sharing ratio	No.	2.50	2.60	2.70
Colocation BTS	No.	50,000	54,980	58,253
Rent / colocation BTS / month	USD / month	2,347	2,373	2,495
Revenue	USD mn	1,464	1,614	1,802
EBITDA	USD mn	1,058	1,194	1,334
EBITDA margin	%	72%	74%	74%
Net income	USD mn	210	304	282
EPS (consolidated)	USD / share	0.60	0.93	1.00
net debt / EBITDA (consolidated)	No.	3.4	3.5	4.3
Capex	USD mn	155	266	325
Capex / sales	%	11%	16%	18%
Dividend payout (consolidated)	USD mn	-	-	138
Market cap (consolidated)	USD mn	17,214	20,715	23,747
EV (consolidated)	USD mn	21,178	25,419	30,653
Sharing operators mix				
AT&T	%		31%	30%
Sprint	%		23%	23%
Verizon	%		20%	19%
T-Mobile	%		11%	11%
Others	%		15%	17%

(Source: Analysys Mason.)

Financial metrics of SBA[2]*, 2009-2011, Market capitalization as of 6 September 2012: USD 7.38 bn*

Metric	Unit	2009	2010	2011
Towers	No.	8,324	9,111	10,524
Tower sharing ratio	No.	2.50	2.40	2.30
Colocation BTS	No.	20,810	21,866	24,205
Rent / colocation BTS / month	USD / month	1,910	2,041	2,122
Revenue	USD mn	556	627	698
EBITDA	USD mn	338	387	445
EBITDA margin	%	61%	62%	64%
Net income	USD mn	-141	-195	-126
EPS (consolidated)	USD / share	-1.20	-1.68	-1.13
net debt / EBITDA (consolidated)	No.	6.9	7.1	7.4
Capex	USD mn	47	67	127
Capex / sales	%	8%	11%	18%
Dividend payout (consolidated)	USD mn	-	-	-
Market cap (consolidated)	USD mn	4,002	4,732	4,794
EV (consolidated)	USD mn	6,330	7,495	8,101
Sharing operators mix				
AT&T	%	24%	24%	24%
Sprint	%	22%	20%	20%
Verizon	%	15%	15%	15%
T-Mobile	%	14%	12%	11%
Others	%	25%	29%	31%

(Source: Analysys Mason.)

Financial metrics of Crown Castle[3] *(U.S.), 2009-2011, Market cap as of 6 September 2012: USD 19.02 bn*

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2 All financial data correspond to US market only except EPS, net debt/EBITDA, dividend payout and market capitalization which correspond to all countries of operation

Metric	Unit	2009	2010	2011
Towers	No.	22,200	22,300	22,200
Tower sharing ratio	No.	2.90	2.90	3.00
Colocation BTS	No.	64,380	64,670	66,600
Rent / colocation BTS / month	USD / month	1,898	2,072	2,183
Revenue	USD mn	1,601	1,776	1,907
EBITDA	USD mn	967	1,119	1,244
EBITDA margin	%	60%	63%	65%
Net income	USD mn	-114	-310	168
EPS (consolidated)	USD / share	-0.47	-1.16	0.52
net debt / EBITDA (consolidated)	No.	5.7	5.7	5.2
Capex	USD mn	167	217	334
Capex / sales	%	10%	12%	18%
Dividend payout (consolidated)	USD mn	21	21	23
Market cap (consolidated)	USD mn	11,428	12,747	12,743
EV (consolidated)	USD mn	17,241	19,413	19,549
Sharing operators mix				
AT&T	%	20%	21%	23%
Sprint	%	22%	20%	21%
Verizon	%	19%	21%	19%
T-Mobile	%	13%	11%	11%
Others	%	26%	27%	26%

(Source: Analysys Mason.)

Financial metrics of TBIG (Indonesia), 2009-2011, Market cap as of 6 September 2012: USD1.96 bn

Metric	Unit	2009	2010	2011
Towers	No.	716	2,035	3,411
Tower sharing ratio	No.	1.92	1.80	1.63
Colocation BTS	No.	1,378	3,660	5,545
Rent / colocation BTS / month	USD / month	1,987	1,682	1,662
Revenue	USD mn	33	74	111
EBITDA	USD mn	25	56	87
EBITDA margin	%	75%	76%	78%
Net income	USD mn	23	36	56
EPS	USD / share	0.01	0.01	0.01
net debt / EBITDA	No.	3.6	2.6	3.9
Capex	USD mn	2	14	27
Capex / sales	%	7%	19%	24%
Dividend payout	USD mn	25	-	13
Market cap	USD mn	NA	1,073	1,231
EV	USD mn	NA	1,220	1,572
Sharing operators mix				
Telkom Indonesia	%	45%	39%	33%
Telkomsel	%	10%	10%	17%
Bakrie Telecom	%	14%	14%	11%
XL Axiata	%	6%	10%	11%
Hutch	%	1%	8%	10%
Smartfren	%	17%	11%	9%
Axis	%	6%	5%	5%
Indosat	%	0%	1%	3%

3 All financial data correspond to US market only except EPS, net debt/EBITDA, dividend payout and market capitalization which correspond to all countries of operation

Metric	Unit	2009	2010	2011
Others	%	1%	1%	2%

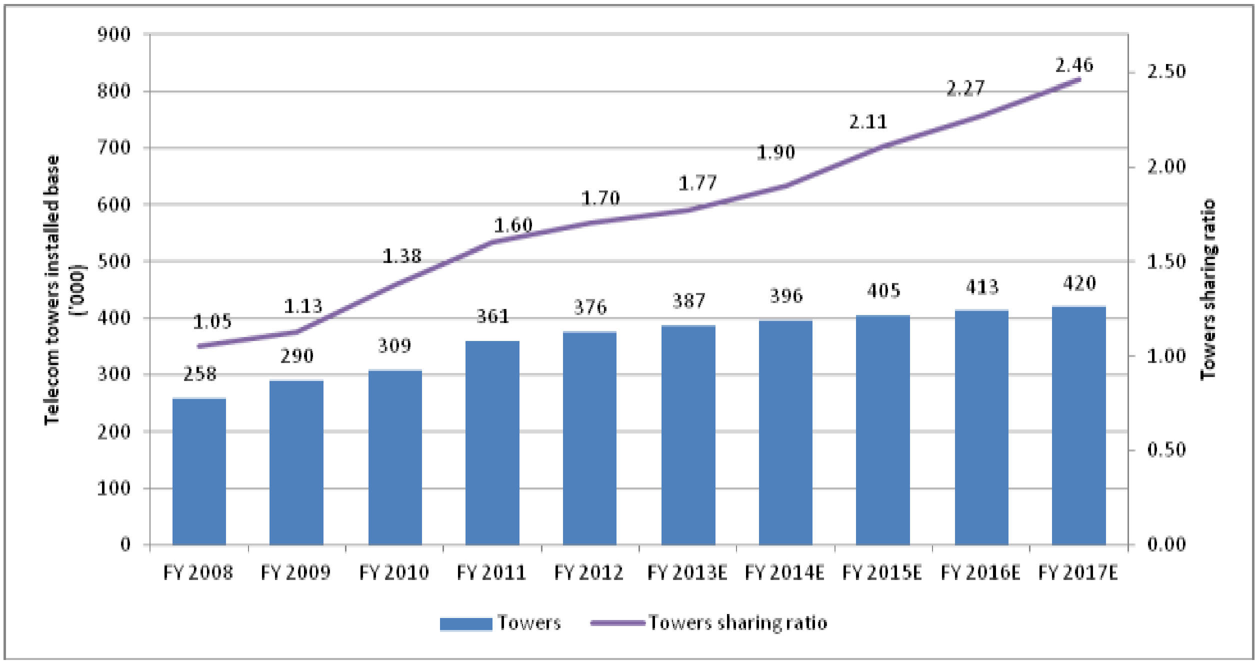
(Source: Analysys Mason.)

Trend in number of towers (historical) for 2G and 3G

It is estimated that 2G base stations are currently installed on 376,000 towers *(Source: Analysys Mason.)*.

The current coverage of 3G remains focused on select cities, but operators are expected to roll out 3G networks in tier II and tier III cities in the next two years, and Analysys Mason expects that 3G coverage will reach villages with a population of greater than 5,000 after a few years, amounting to about 19,000 villages in total.

Telecom towers installed base and tenancy in India, financial year 2008 – financial year 2017



(Source: Analysys Mason.)

As the number of sharing operators on a tower increases, it results in better economics for tower companies as they are able to generate incremental revenue while incurring insignificant incremental capital expenditure.

For an operator holding a portfolio of tower assets, and using it for their own network equipment, one way to unlock value (and raise funds) is to allow the tower portfolio to be shared among multiple operators, although with some loss of competitive advantage. One of the prevalent models for such carve-outs is the spin-off with operator equity infusion, and the sale-and-leaseback model, which allows operators to set up separate entities and transfer assets, which can then be leased back, although generally at a higher monthly rental as compared to the earlier accounting recognition. The value of the tower portfolio in such a case is driven by the assured anchor operator, with a potential upside from other sharing operators. In markets such as India, the prevalence of right of first refusal arrangements ensures that such colocation BTS remain more-or-less assured over the time frame of the master service agreement.

The expected incremental colocation BTS is the key determinant of the presence of independent tower companies in a market, as well as the decision for portfolio carve-outs by operators. In markets characterized by

- a high demand for coverage and capacity base stations due to an increase in subscriber base and usage;
- limited concentration of population in urban areas (with high rural and sub-urban densities);

- a relatively large number of market participants which do not have equitable market presence;
- intense price competition and profitability pressure; and
- the need for operators to invest substantially in network expansion and subscriber acquisition.

the potential for additional colocation BTS increases, and hence there is a business rationale for tower companies to set up operations. Some or all of the above conditions have been prevalent in emerging markets such as India and Indonesia, and has resulted in portfolio carve-outs, as well as the presence of independent and telco-owned tower companies.

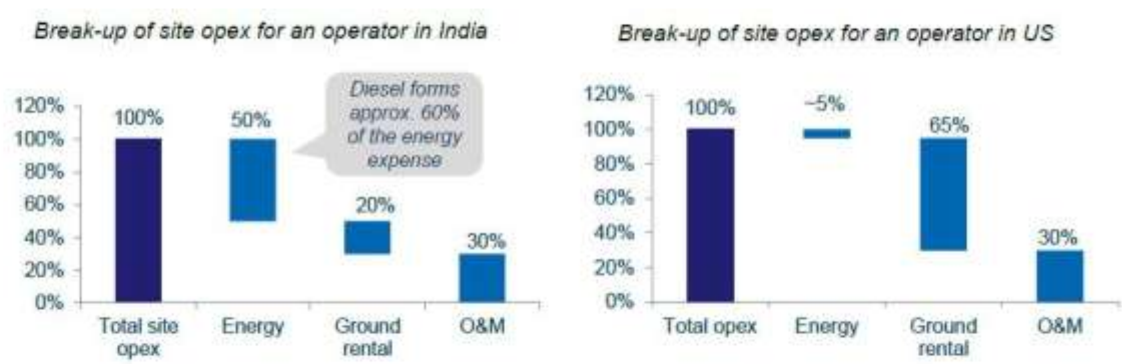
In addition to sharing ratio, the key parameter determining tower company revenues is the pricing charged per slot to a sharing operator. The market rentals charged by tower companies depend on three types of pricing models:

- Sale & leaseback, which is a typical build-vs.-lease pricing model and market rentals are determined based on the operator as well as tower company meeting their capital recovery requirements;
- Co-location, where sharing operators set up their active equipment on a tower with an existing anchor operator, and get some discounts on the original pricing; and
- Build-to-suit, where a tower is set up at a specific location based on requirements of the anchor operator, with price points substantially higher than the other models.

Energy costs

As the tower market matures, tower companies focus on optimisation and reduction of operational expenses, as well as capital expenditure through standardisation, vendor management, process improvement and product/technology innovation. This is especially important for the Indian tower market (as compared to other markets such as the U.S.) as energy costs account for a much larger share of the overall site operating expenditure due to the lack of grid power availability at a majority of the sites in rural areas. The management of supply chain and logistics for diesel remains a significant activity for Indian tower companies, especially given the pilferage situation in some markets. *(Source: Analysys Mason.)*

Illustrative site operating expenditure breakup for India and U.S.



(Source: Analysys Mason.)

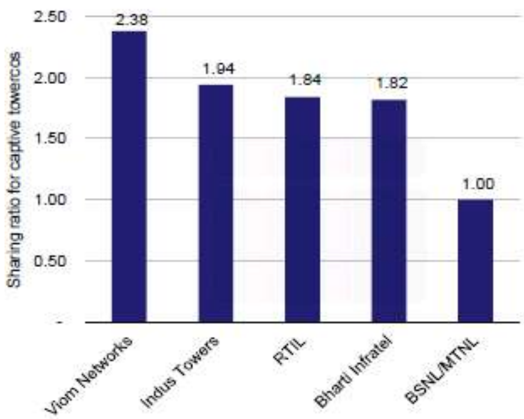
In markets such as the U.S. and Latin America, power and fuel is managed by the operators, and the reliability of grid electricity is far higher than in India. Although energy costs are a pass through element, the tower companies have internal targets for reducing these expenses and there is a significant amount of focus on energy management. These initiatives are focused on three areas: a) power management solutions such as green shelters and free cooling solutions/ intelligent power management systems which optimise the cooling requirements itself, b) energy efficient active equipment such as green BTS, and c) alternate sources of energy such as wind and solar.

Trend in number of tenancies (historical) for 2G and 3G

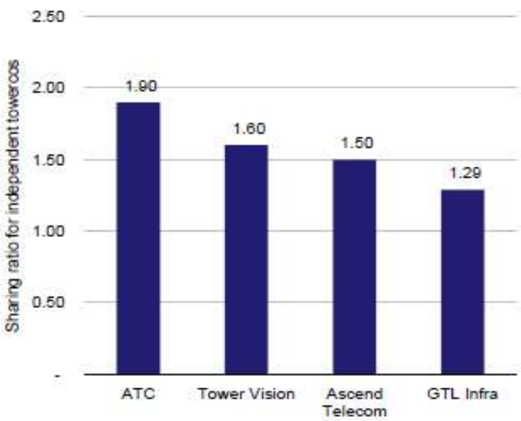
Industry tenancy ratio, or the sharing factor has grown from 1.05 in 2007-2008 to 1.70 in 2011-2012. Tower tenancy, or co-location, currently stands at 1.70 times for 2G towers, of which tenancies for telco-owned tower companies are estimated at around 1.94 times and tenancies for independent telcos are estimated at around 1.46 times. There may be consolidation among tower companies in order to achieve scale, optimize portfolio mix, access to capital and right of first refusal co-location BTSs. *(Source: Analysys Mason.)*

The tenancy metrics vary by tower company and reflect the genesis of these tower companies. Large tower companies such as Indus were formed by a carve-out of the tower portfolio of multiple operators, and hence have a high captive tenancy.

Tenancies for telco owned tower companies, financial year 2012



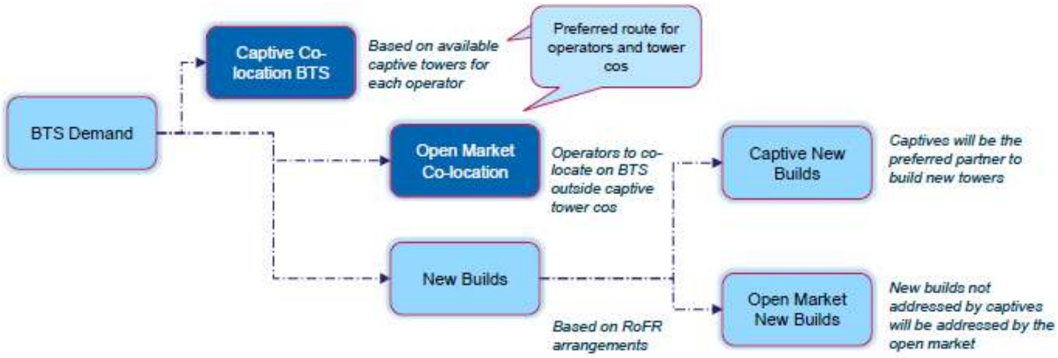
Tenancies for independent tower companies, financial year 2012



(Source: Analysys Mason.)

When acquiring a new tower slot, the first preference of operators is to look at co-location options as they will have a tenancy discount. Where such an option is not available, the operator looks for an open market co-location outside captive or right of first refusal agreements, as such tenancies have in-built tenancy discounts. If such an option is not available, the operator opts for a build-to-suit model either through a teleco-owned tower company or through the open market.

Telecommunications company decision-making process of allocating BTS tenancy to different tower companies



(Source: Analysys Mason.)

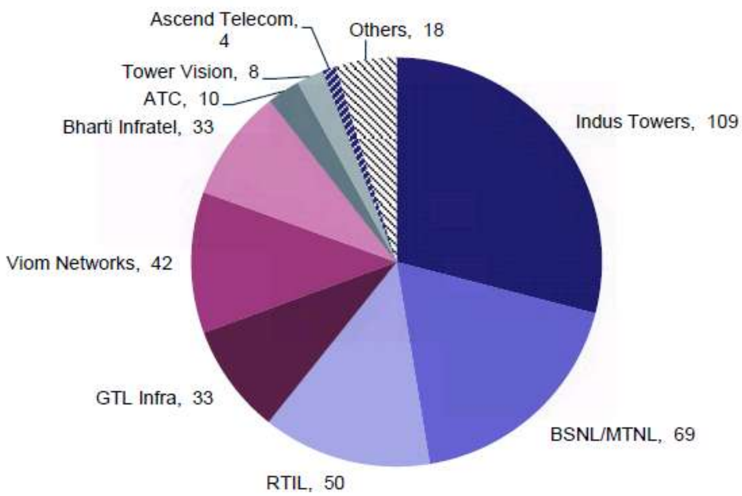
On this basis, Analysys Mason expects that tower companies with right of first refusal arrangements such as Indus towers and Bharti Infratel will be deploying a majority of the new towers to address the demand from Bharti Airtel, Vodafone and Idea Cellular. The growth in tower portfolio of other tower companies is expected to be limited due to the restricted demand from their tenants.

Competitive Landscape

Competitors

As of March 31, 2012, the main tower companies in India are Indus (109,000 towers), Reliance Infratel (50,000 towers), Bharti Infratel (33,000 towers), Viom Networks (42,000 towers), GTL Infra (33,000 towers), ATC (10,000 towers), Tower Vision (8,000 towers) and other small independent tower companies such as Ascend Telecom. A majority of these tower companies were formed as a result of portfolio carve-outs by operators, with others (such as Viom and ATC) having grown over time through acquisitions.

Installed tower base by tower companies, '000 towers, financial year 2012



(Source: Analysys Mason.)

Business Model for Tower Companies

Key characteristics *(Source: CRISIL.)*

The business model of the tower industry is characterised by the following factors:

High capital outlay

Given the high capital investments required in the business, tower companies generally require high debt funding.

Annuity driven business

As a tower gets a tenant, it usually generates stable cash flow in the form of tower rentals from occupants over the term of the MSA between the two parties. Hence, there is a fair amount of certainty in the cash flow forecasts of a tower asset.

High incremental profitability

Operating expenditure of a tower such as site rentals, security and maintenance are largely fixed. Thus, each increment in tenancy is accompanied by a minimal increase in costs. This leads to a more than proportionate increase in profits with an increase in tenancy.

Low churn

Towers are an integral part of the wireless service provider networks and shifting to another tower leasing company is quite inconvenient. The complexity in adjusting to a competitor's tower sites further lowers the churn rate, in addition, most contracts between service providers and tower companies are long-term in nature thereby increasing the switching costs.

Low risk of technology obsolescence

Tower companies provide tower infrastructure that tends to be technology agnostic. Wireless service providers own their active equipment and therefore bear the technology risk. Thus, tower companies face low risk due to technology obsolescence.

Revenue *(Source: Analysys Mason.)*

The key economic driver of a tower company business is the tenancy ratio. Tower companies incur significant capital expenditure for new towers but minimal capital expenditure for new tenants, resulting in an increase in EBITDA in line with an increase in tenants. As the number of tenants at a tower increases, tower companies are able to generate incremental revenue while incurring insignificant incremental capital expenditure. In addition to tenancies, the key parameter determining tower company revenues is the pricing charged per slot to a tenant. The market rentals charged by tower companies depend on three types of pricing models: sale and leaseback, a typical build-vs.-lease pricing model where market rentals are determined based on the operator as well as the tower company meeting their capital recovery requirements; co-location, where tenants set up their active equipment on a tower with an existing anchor tenant and get some discounts on the original pricing; and build-to-suit, where a tower is set up at a specific location based on requirements of the anchor tenant, with price points substantially higher than the other models.

With respect to tenancies, Analysys Mason believes that Indian telco-owned tower companies are well positioned to capture open market tenancies in light of incremental rural growth for 2G, and expected increases in 3G capacity and 4G coverage. This is due to the benefit of captive tenancies and their limited exposure to new entrants. Analysys Mason also notes that there may be consolidation among tower companies in order to achieve scale and to optimise portfolio mix. It is expected that some of the tower companies that do not currently have right of first refusal arrangements will look to exit the market as they do not have access to, or the required presence, to serve the co-location or new build demands of operators that are investing in the market. Such tower companies may be acquired by other tower companies which have a complementary portfolio and are striving to gain scale.

Cost Structure

Capex

The tower business is highly capital intensive, requiring significant capital expenditure outlay for the building of towers.

The capital required to set up a tower depends upon the type of tower being constructed as well as its height. GBTs would involve capital expenditure of approximately ₹ 3.0 million, while RTTs typically require lower capital expenditure. *(Source: CRISIL.)*

The main capital expenditure heads are:

- Construction and tower cost, which is typically around half of the capital cost for a GBT and around 20% for a RTT;
- Cost of related equipment such as shelters, air conditioners, diesel generators, batteries, and electrical works such as power interface units ("PIUs"), switched mode power supply and cabling charges; and
- Other pre-operative expenditure such as expenses for local approvals, municipal deposits and civil works for gates and fences.

Opex

The main components of operating expenditure in the tower business are:

- Network operating cost:

- Repairs and maintenance such as preventive, corrective, and breakdown maintenance required to keep a tower operational;

- Site rentals; and

- Security, insurance and other miscellaneous expenditure;

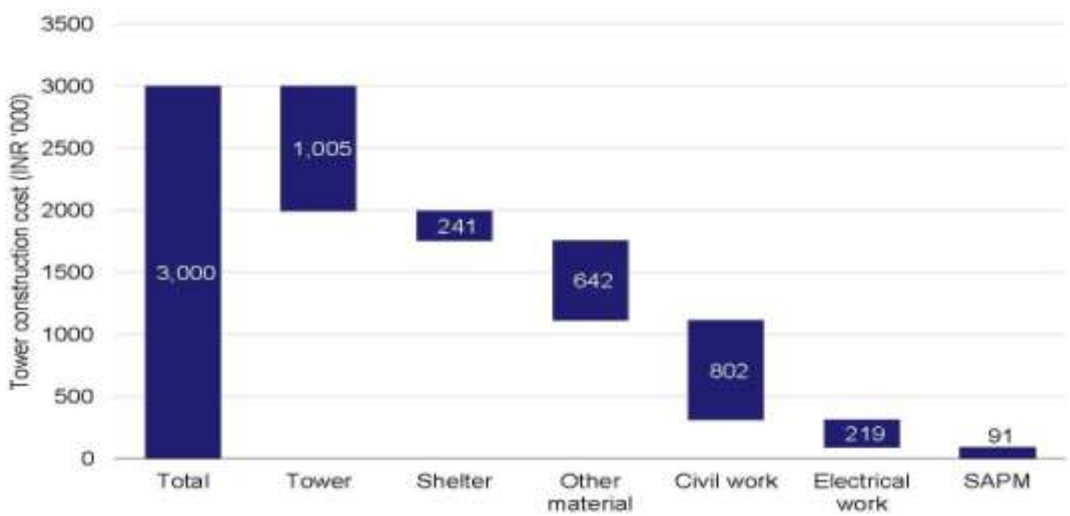
- Power consumption at the tower site, including the cost of diesel required to operate DG sets during power breakdowns – these costs are generally pass-through in nature and fully reimbursed by operator tenants, although some operators are now adopting a fixed energy model where tenants pay a fixed energy charge per month, calculated on the basis of the number of tenants on the tower and the operator's equipment installed at the tower;

- Employee costs; and

- Selling, general and administration expenses.

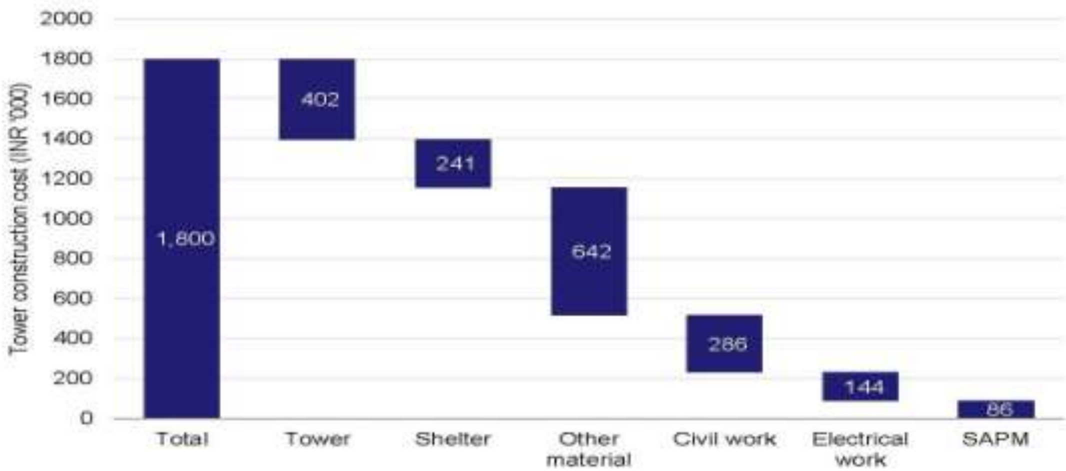
Incremental operating costs incurred with the addition of new tenants are generally minimal, resulting in an significant increase in operating margins with higher tenancy.

Construction cost of ground based towers in urban areas



(Source: Analysys Mason.)

Construction cost of roof top towers in urban areas



(Source: Analysys Mason.)

Drivers of income / profitability *(Source: CRISIL.)*

Increasing tenancy per tower

The tower business is capital-intensive with high operating leverage. An increase in the average tenancy rate leads to an increase in the profitability of the tower.

Tower sharing to set off deteriorating profitability on account of rural expansion

Growth in the subscriber base is largely attributable to the rural/semi-urban areas, where the incremental average revenue per user ("ARPU") is relatively lower. Network design and planning in rural areas is different from that in urban areas, given that the population in rural areas is widely dispersed, thereby increasing the tower requirements to cover the same number of subscribers vis-à-vis urban areas. Due to stiff competition and already stretched margins of the operators, it makes business sense for operators to rationalise their capital as well as operating expenditure via tower sharing.

Faster time to market

Setting up towers requires permissions from various regulatory and local authorities. Additionally, operators require considerable time to raise the funds required for setting up towers. Leasing tower infrastructure would assist new operators to roll-out their service at a faster pace. It will also enable significant savings on capital as well as operating expenditure.

Reduction in operating expenditure to cushion falling margins

Due to a considerable reduction in tariffs in the wake of competition, the ARPUs and minutes of usage ("MoU") of operators are declining, which has strained the operators' operating and net margins. Tower infrastructure sharing would enable the operators to significantly reduce network operating costs and sustain profitability.

Zoning to constrain expansion of tower base

The urban planning ministries and municipal corporations have started to place restrictions on new tower construction on the grounds that these pose a health hazard and congest the skyline. Telecommunications tower radiation in India is governed by guidelines drawn from the recommendations of the International Commission on Non-Ionizing Radiation Protection. All service providers were asked to get their BTSs self-certified for radiation norms. The self-certification details were to be submitted to the respective TERM cells of the DoT by November 15, 2010. Effective from November 2010, the DoT began nationwide testing of telecommunications towers to check electromagnetic frequency radiation the towers emit and wireless telecommunications service providers found emitting more than the approved levels of radiation are to be fined ₹ 500,000 per tower.

Industry Forecast and Drivers for Growth

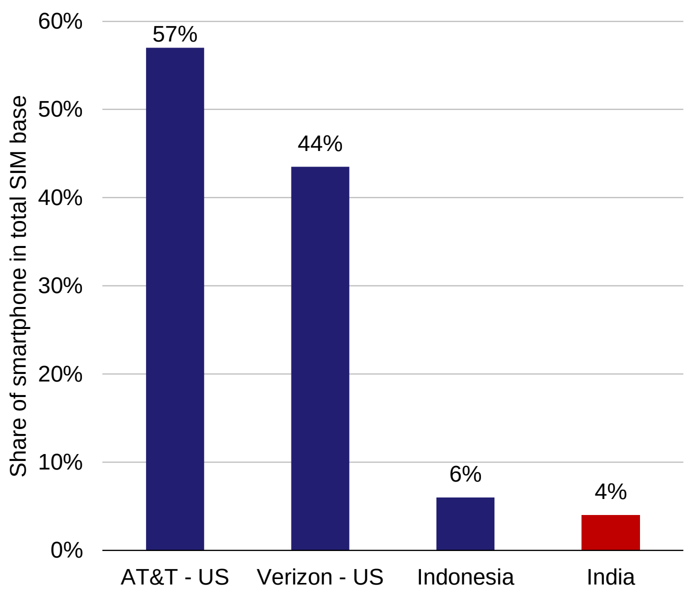
Growth in data – advent of 3G and 4G

CRISIL Research expects that 3G and 4G services will add substantially to data traffic in India, thus necessitating more base stations due to additional capacity requirements. This, in turn, is expected to increase the demand for towers. Further, as 3G spectrum operates on a higher frequency band, its reach is limited. Hence, operators will have to set up additional towers to ensure seamless service.

However, operators would also try to leverage their existing 2G space for stationing their 3G BTSs as there are a significant number of upgradeable BTSs, which can operate as 2G as well as 3G BTSs.

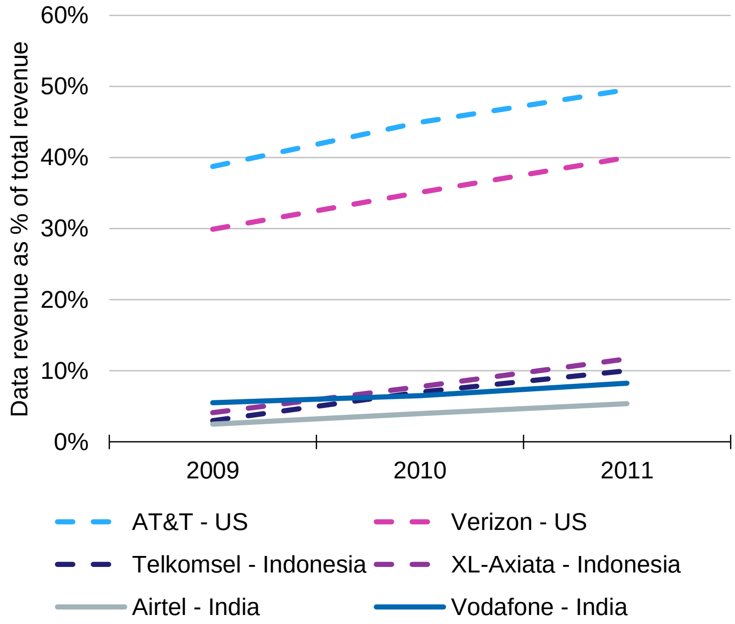
Compared to other developed and developing countries, India currently has low smartphone penetration and low data usage as illustrated below. However it has significant potential to grow because of various initiatives by operators, handset OEMs and VAS providers such as decreasing device prices, availability of affordable data plans and development of mobile internet ecosystem around consumer use cases.

Smartphone penetration, 2011



(Source: Analysys Mason.)

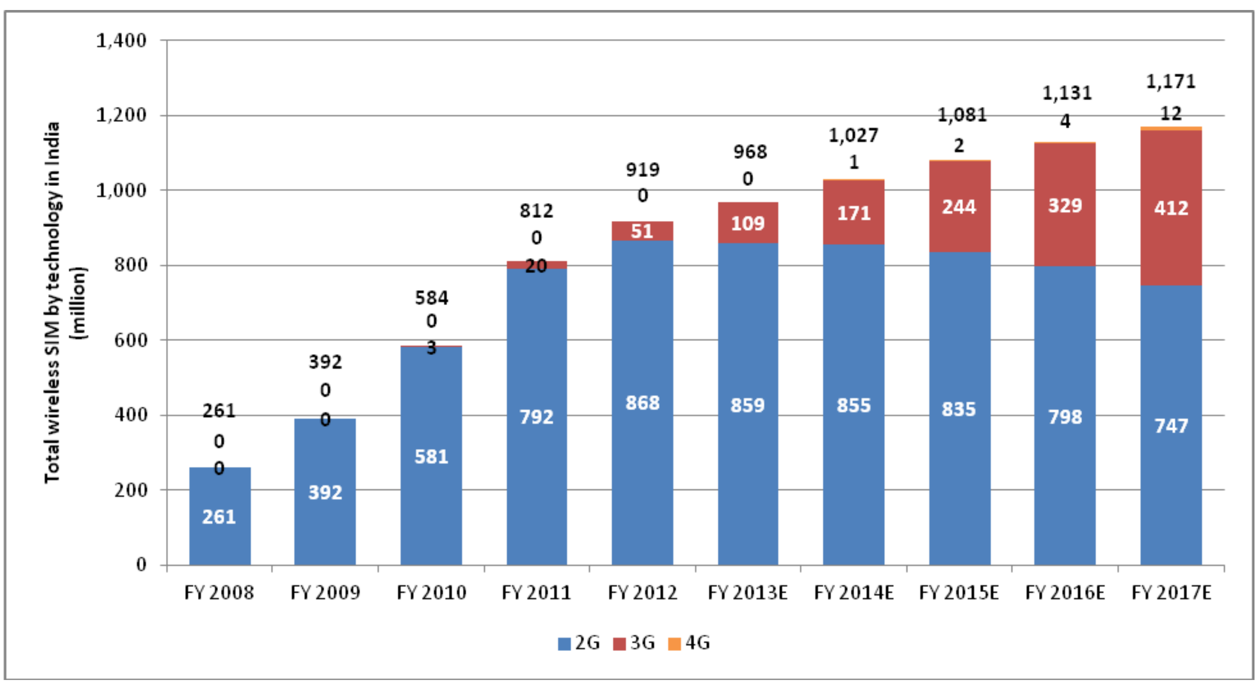
Share of data services in total revenue, 2009 - 2011



(Source: Analysys Mason.)

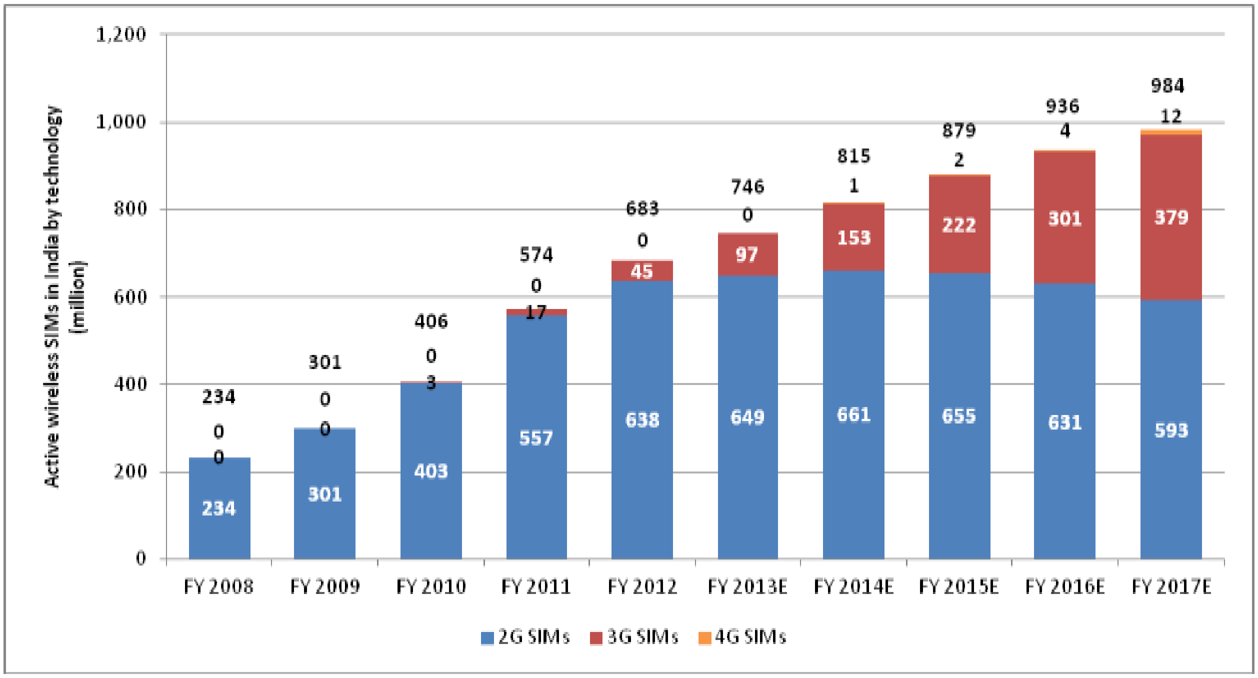
With declining prices of 3G services in India, its adoption and traffic has increased across circles and it is expected to grow with increasing service and device affordability and coverage expansion. The number of 3G subscribers is expected to grow to around 412 million by 2017. *(Source: Analysys Mason)*

Total wireless SIMs in India, financial year 2008 – financial year 2017



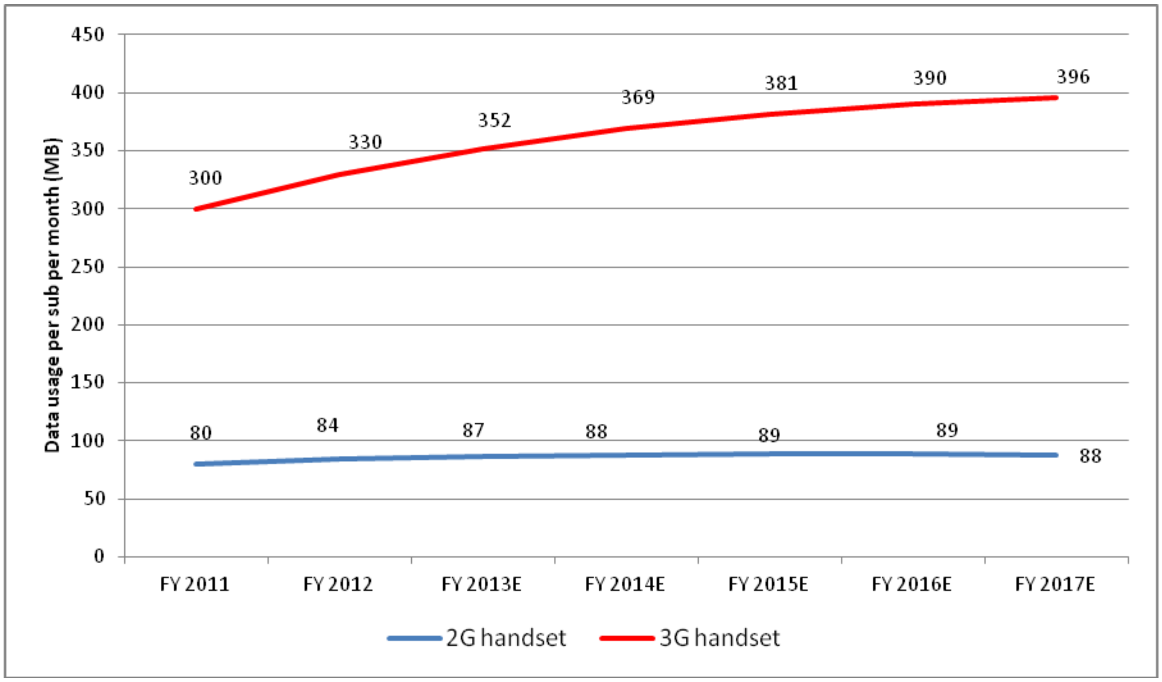
(Source: Analysys Mason.)

Active wireless SIMs in India, financial year 2008 – financial year 2017



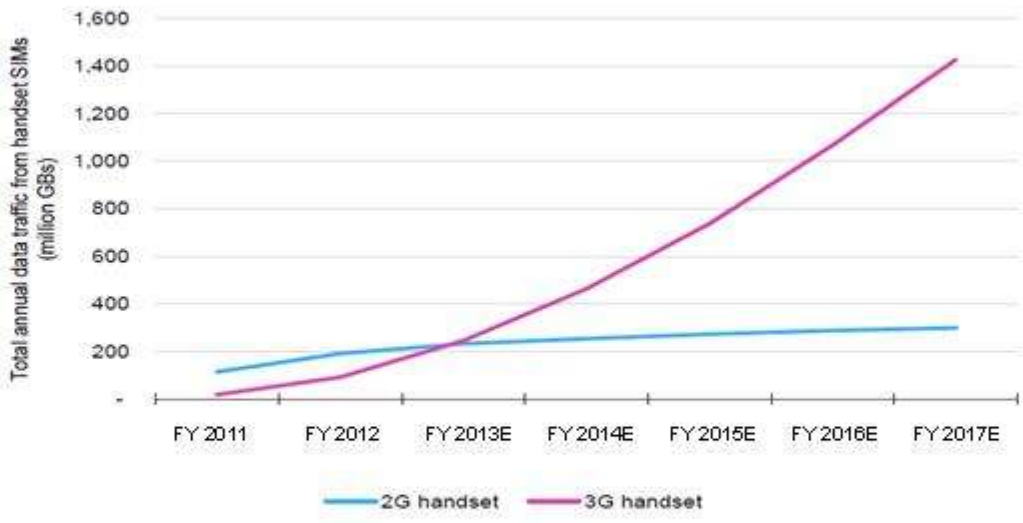
(Source: Analysys Mason.)

Data usage per active handset subscriber by technology, financial year 2011 – financial year 2017



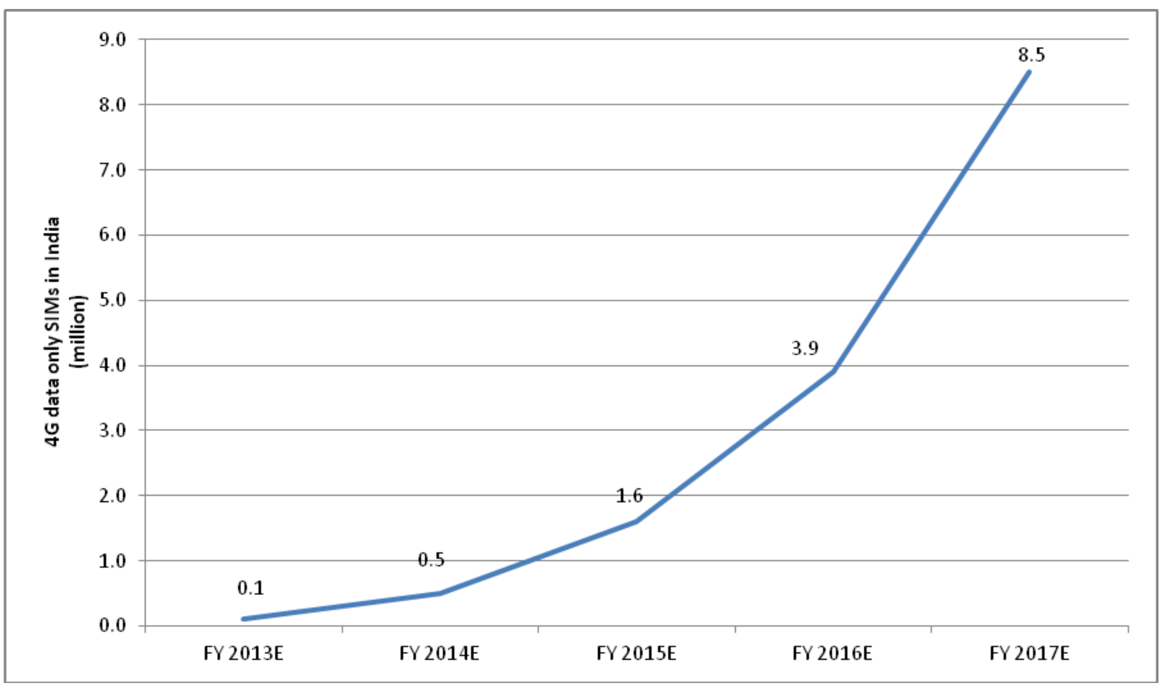
(Source: Analysys Mason.)

Total data traffic from 2G and 3G handset SIMs in India (million GB), financial year 2011 – financial year 2017



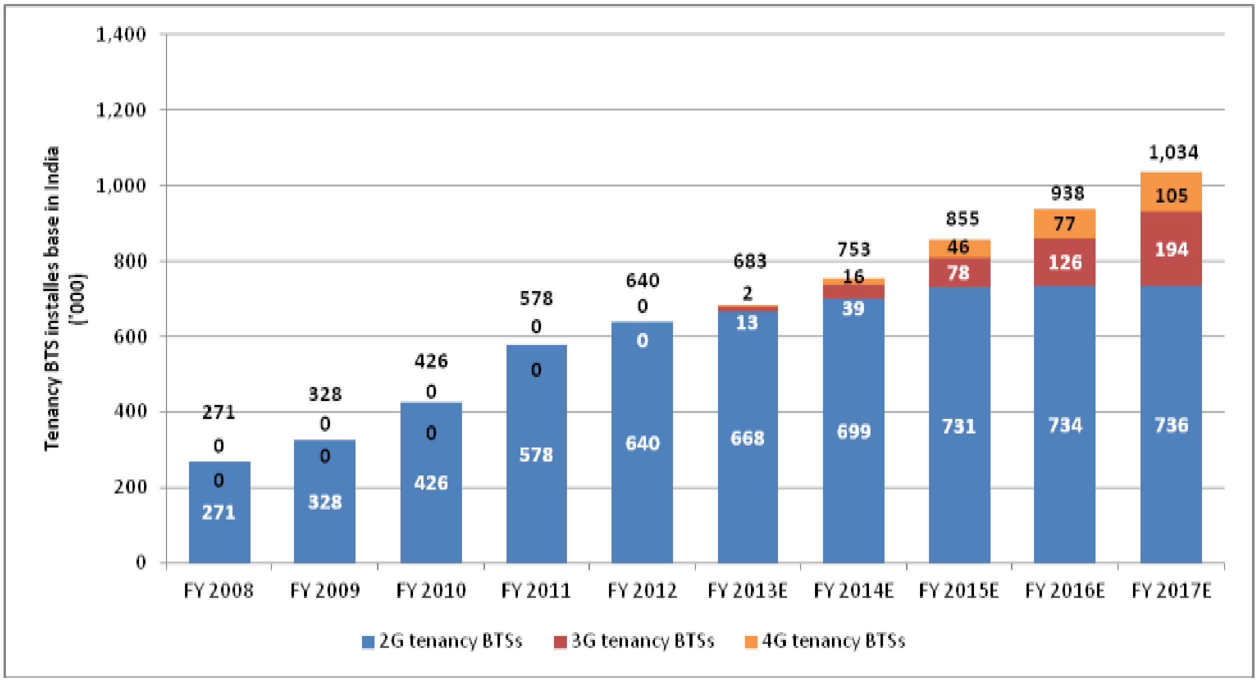
(Source: Analysys Mason.)

4G data only SIMs (dongles and connected computing devices), million, financial year 2013 – financial year 2017



(Source: Analysys Mason.)

Tenancy BTS installed base by technology in India, financial year 2008 – financial year 2017



(Source: Analysys Mason.)

Trend in towers (projected) for 2G, 3G and 4G

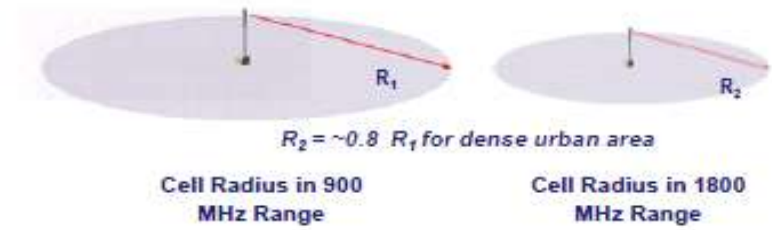
Analysys Mason expects that the future deployment of towers will be demand driven and not based on proactive deployment. As such, it is likely to be at a much slower pace as compared to the last few years. The tenancies are expected to be driven by 3G capacity and 4G coverage (with capacity in later years), and some 2G coverage in select areas. It is expected that catch up coverage and additional capacity in urban areas will result in an incremental tower deployment of 44,000 towers between the end of March 2012 and the end of March 2017. *(Source: Analysys Mason.)*

Rising rural penetration and roll-out of 3G and 4G services will require additional investments for installation of base stations due to the demand for additional capacity, in turn increasing the demand for tower bases. However, incremental additions of tower bases would be affected to some extent on account of infrastructure sharing amongst wireless telecommunications service providers.

The installed base of telecommunications towers is expected to increase from 376,000 at the end of March 2012 to 420,000 at the end of March 2017. Growth is expected to moderate due to a focus on increasing tenancy ratios on existing towers. *(Source: Analysys Mason.)*

It is estimated that the current usage per active subscriber for 3G is 330 MB for handsets. With an expected increase in usage, additional capacity sites will be required. Even if the current co-location of the 3G sites (2100 MHz) is on the 900 MHz grid, additional network capacity and optimisation will require incremental sites. It is estimated that the multiplier in terms of sites required for moving from 900MHz to 2100 MHz is as high as 1.6x, and from 1800 MHz to 2100 MHz is 1.2x. *(Source: Analysys Mason.)*

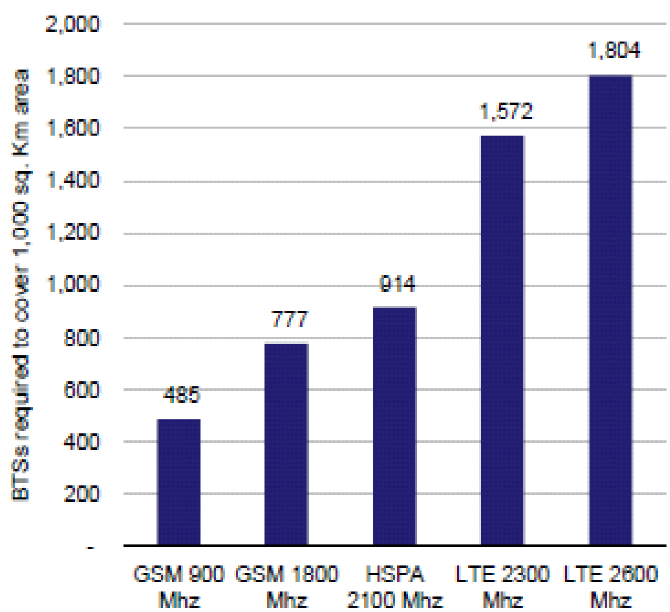
Indicative cell radius for 900 MHz and 1800 MHz spectrum



	Dense urban	Urban	Rural
Variation in radius according to topology	1x	~2-3x	8-10x

(Source: Analysys Mason.)

Sites required to cover 1,000 square kilometre dense urban area in different frequency bands



(Source: Analysys Mason.)

BTS multiples for migration among frequency bands in dense urban areas

		New frequency band				
		900 MHz	1800 MHz	2100 MHz	2300 MHz	2600 MHz
Base frequency band	900 MHz	1.0x	1.6x	1.9x	3.2x	3.7x
	1800 MHz		1.0x	1.2x	2.0x	2.3x
	2100 MHz			1.0x	1.7x	2.0x
	2300 MHz				1.0x	1.1x
	2600 MHz					1.0x

(Source: Analysys Mason.)

Circle	3G spectrum holders								4G spectrum holders					
	Bharti	Vodafone	Idea	Rcom	Tata DoCoMo	Aircel	STel		Bharti	Qualcom*	Aircel	Infotel	Tikona	Augere
Delhi	Y	Y		Y						Y		Y		
Mumbai	Y	Y		Y						Y		Y		
Kolkata		Y		Y		Y			Y			Y		
Tamil Nadu (including Chennai)	Y	Y				Y					Y	Y		
Maharashtra		Y	Y		Y				Y			Y		
Andhra Pradesh	Y		Y			Y						Y		
Karnataka	Y				Y	Y			Y			Y		
Gujarat		Y	Y		Y							Y	Y	
Uttar Pradesh (East)		Y	Y			Y						Y	Y	
Rajasthan	Y			Y	Y							Y	Y	
Madhya Pradesh			Y	Y	Y							Y		Y
Uttar Pradesh (West)	Y		Y		Y							Y	Y	
Kerala			Y		Y	Y				Y		Y		
Punjab			Y	Y	Y	Y			Y			Y		
West Bengal	Y	Y		Y		Y					Y	Y		
Haryana		Y	Y		Y					Y		Y		
Bihar	Y			Y		Y	Y				Y	Y		
Orissa				Y		Y	Y				Y	Y		
Assam	Y			Y		Y					Y	Y		
North-East	Y			Y		Y					Y	Y		
Jammu & Kashmir	Y		Y	Y		Y					Y	Y		
Himachal Pradesh	Y		Y	Y			Y					Y	Y	

3G and 4G licences won by telecommunications operators[4]

(Source: Government of India, Ministry of Communications & IT, Department of Telecommunications.)

* In May 2012, Bharti Airtel acquired a 49% equity shareholding in Qualcomm Asia Pacific's Indian BWA entities.

Trend in tenancies (projected) for 2G, 3G and 4G

Industry tenancy ratio is expected to increase from 1.70 at the end of March 2012 to 2.46 at the end of March 2017, due to a rise in the sharing of tower infrastructure.

Analysys Mason expects that the 3G capacity sites will result in full incremental colocation. 3G base stations which are co-located on existing towers do not get counted as an additional tenancy due to the way MSAs have been structured. With the expected growth in 3G usage, additional capacity sites will likely be introduced. With the deployment of new capacity sites for both 3G and 4G sites in urban and dense urban areas, Analysys Mason expects that a majority of 3G capacity base stations will result in full incremental tenancies due to the difference in frequency bands as well as a predominance of new builds as compared to co-location.

Unlike 2G where networks were deployed over a period of time (especially as licences across circles were allocated over time) and few operators are still catching up on coverage, Analysys Mason expects 3G developments to be much more in sync across operators and 3G driven tenancies to grow much faster. This is because for 3G adoption, quality coverage remains a prerequisite and even before operators begin to reduce prices they need to ensure presence on adequate number of cell sites.

The increased use of the high frequency band (2300 MHz) and the requirement of capacity for dongles and connected computing devices / home broadband will likely see full incremental tenancies at 4G coverage base stations due to deployment by new operators and only selective opportunities for co-location.

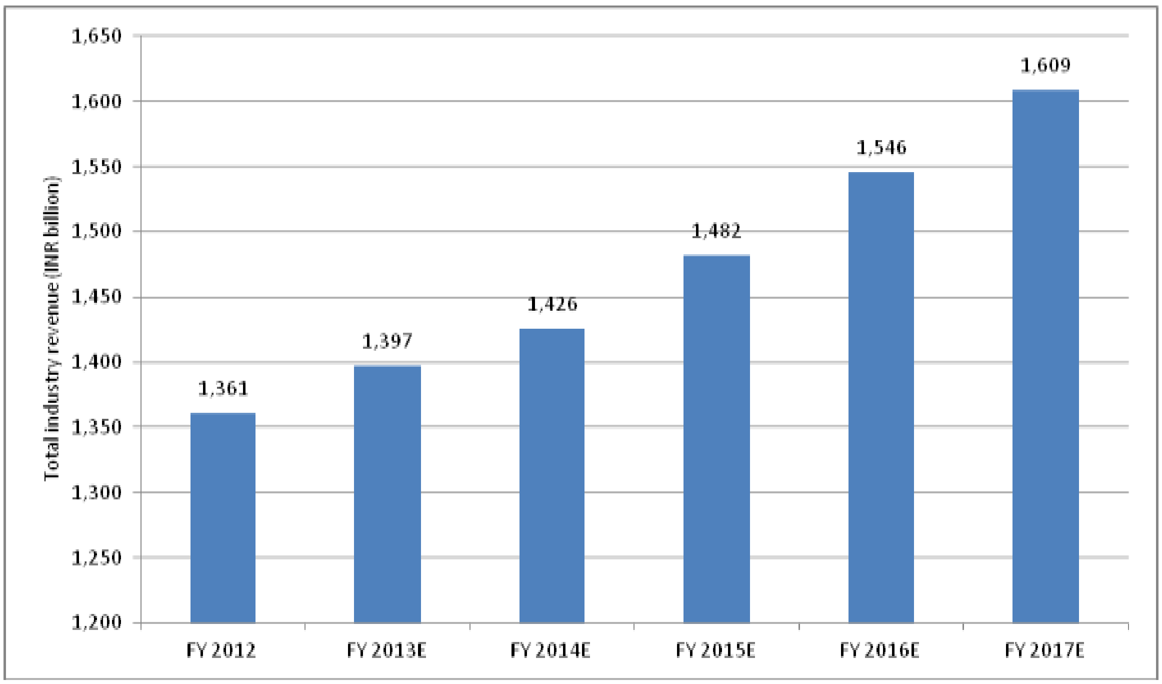
4 Data provided is for private operators only and does not include MTNL and BSNL

The overall demand in terms of number of tenancies is expected to be driven by 3G capacity and 4G coverage. The total wireless SIM base in India is expected to grow to 1.17 billion by the end of March 2017. Whilst the 3G base is expected to hit 412 million by this time, the 2G base will likely decrease from its current level of 868 million to 747 million. Growth in the wireless SIM base is expected to result in an increase in total BTS installed base from around 720,000 at the end of March 2012 to around 1,350,000 by the end of March 2017. The installed base of tenancy BTS will increase from 640,000 at the end of March 2012 to 1,034,000 by the end of March 2017. The overall industry tenancy ratio figure is expected to reach 2.46 by the end of March 2017. *(Source: Analysys Mason.)*

Trend in industry revenue (projected) for 2G, 3G and 4G

Industry revenue is projected to grow from ₹ 1,361.0 billion at the end of March 2012 to ₹ 1,609.0 billion at the end of March 2017. An expected increase in the number of towers and tenancies is expected to be the primary drivers of this growth.

Industry revenue, financial year 2012 – financial year 2016



(Source: Analysys Mason.)

Increasing penetration, particularly in rural areas

The Indian wireless industry experienced substantial growth over the five-year period 2005-2010, posting a CAGR of around 56%. The surge in subscriber base can be attributed to a sharp decline in tariffs and expansion of services by existing players. However, the bulk of this growth has been from urban centres.

As per TRAI data as on March 31, 2012, urban wireless penetration was 162.8% while rural wireless penetration was 38.3%. Hence, incremental growth is expected to be primarily concentrated in the semi-urban and rural areas. The expansion of services in these relatively underpenetrated markets by wireless telecommunications service providers operators provides a significant opportunity to tower companies.

While a slowdown is expected in urban net additions, the share of rural areas in total net subscriber additions is likely to rise.

The penetration of 3G has remained limited, due to limited device penetration, initial glitches in the user experience owing to coverage issues and more importantly service pricing relative to the pricing of GPRS / EDGE. With declining prices of 3G services in India, the adoption and traffic has increased across Circles, and is expected to grow with increasing service and device affordability and coverage expansion.

Sustained maintenance/ improvement of quality of service

The pan-India launch of Mobile Number Portability (MNP) is expected to result in operators striving to retain premium subscribers and attract high-end subscribers from competing networks. With greater emphasis on sustaining network quality, operators will have to lower the average number of subscribers covered per base station through the installation of additional BTSs across the coverage area. This in turn, is expected to augment the demand for towers.

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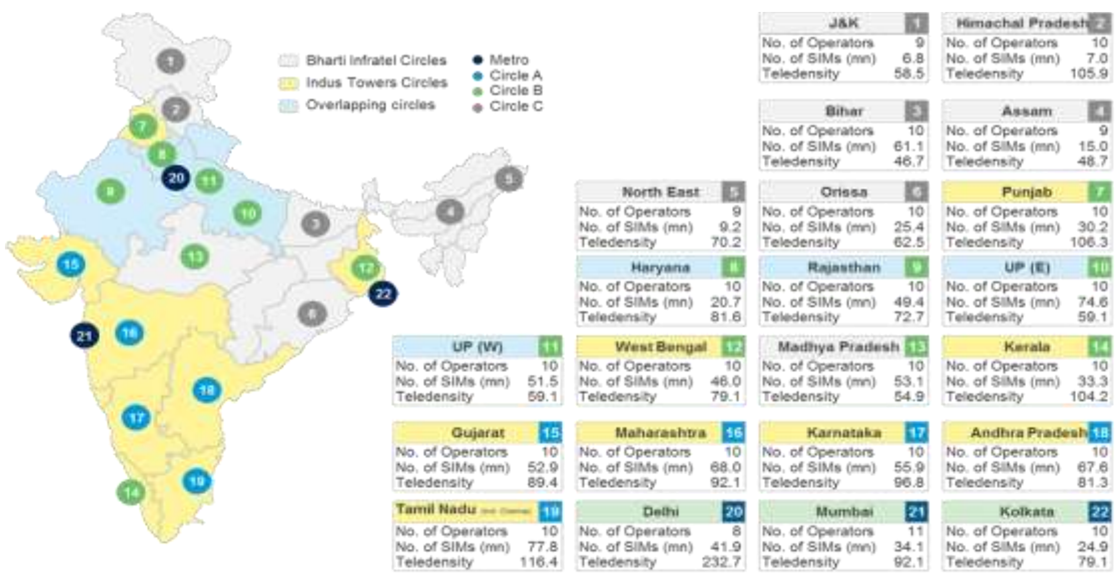
References in this section to "Bharti Infratel" are to Bharti Infratel Limited whereas references to "we", "us", "our" and similar terms are to Bharti Infratel taken together with its wholly owned subsidiary, BIVL and Bharti Infratel's 42% equity interest in Indus.

Unless the context indicates otherwise, financial information in this section is derived from the audited consolidated and unconsolidated financial statements of the Company or the audited financial statements of Indus, each prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations, and each of which has been included in this Red Herring Prospectus.

Overview

Bharti Infratel is a provider of tower and related infrastructure and on a consolidated basis, we are one of the largest tower infrastructure providers in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus, that are represented by Bharti Infratel's 42% equity interest in Indus. The business of Bharti Infratel and Indus is to acquire, build, own and operate tower and related infrastructure. Bharti Infratel and Indus currently provide access to their towers primarily to wireless telecommunications service providers on a shared basis, under long-term contracts and we believe that there exists the possibility of providing additional services such as signal transmission and first level maintenance services in relation to customer equipment at towers. Bharti Infratel's and Indus' three largest customers are Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, which are the three leading wireless telecommunications service providers in India by wireless revenue. *(Source: TRAI.)*

We have a nationwide presence with operations in all 22 telecommunications Circles in India, with Bharti Infratel's and Indus' operations overlapping in four telecommunications Circles. As of September 30, 2012, Bharti Infratel owned and operated 34,220 towers in 11 telecommunications Circles while Indus operated 110,561 towers in 15 telecommunications Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 80,656 towers in India as of September 30, 2012.



(Source: TRAI as of September 30, 2012.)

Notes:

1. Teledensity refers to wireless teledensity.

2. In the computation of wireless teledensity, following assumptions have been made:

A. Since only UP state teledensity was available, it was assumed to be the same between UP(E) and UP(W)

B. Since teledensity was reported for West Bengal including Kolkata, the same teledensity was assumed for both circles

C. Since teledensity was reported for Maharashtra including Mumbai, the same teledensity was assumed for both circles

D. Delhi includes Ghaziabad, Noida, Gurgaon and Faridabad

E. Operator refers to wireless operators providing service as of September 30, 2012

F. No. of SIMs refers to wireless subscribers

In order to capitalise on the opportunities for tower sharing in the Indian telecommunications market, Bharti Infratel, together with Vodafone India and Idea Cellular, entered into a joint venture by setting up Indus to operate certain of their towers in 15 telecommunications Circles in India. Indus was incorporated in November 2007 and, as of September 30, 2012, Bharti Infratel, Vodafone India and Aditya Birla Telecom respectively held 42%, 42% and 16% of the equity interest in Indus.

Certain data relating to Bharti Infratel's and Indus' towers is set forth below:

Number of towers				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	73,921	78,442	79,064	80,656
Bharti Infratel (unconsolidated)[2]	30,564	32,775	33,147	34,220
Indus[3]	103,230	108,732	109,325	110,561

Number of co-locations				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	124,819	142,086	149,908	154,296
Bharti Infratel (unconsolidated)[2]	49,999	57,621	60,160	62,027
Indus[3]	178,144	201,106	213,685	219,687

Average sharing factor[4]				
	Fiscal year 2010 (co-locations per tower)	Fiscal year 2011 (co-locations per tower)	Fiscal year 2012 (co-locations per tower)	For the six month period ended September 30, 2012 (co-locations per tower)
Bharti Infratel (consolidated)	1.57	1.75	1.85	1.90
Bharti Infratel (unconsolidated)	1.51	1.70	1.79	1.81
Indus	1.62	1.79	1.90	1.97

Sharing revenue per sharing operator per month[5]				
	Fiscal year 2010 (₹)	Fiscal year 2011 (₹)	Fiscal year 2012 (₹)	For the six month period ended September 30, 2012 (₹)
Bharti Infratel (consolidated)[6]	34,184	34,724	34,625	34,099
Bharti Infratel (unconsolidated)	38,051	37,009	36,908	36,295
Indus	28,373	30,587	31,496	30,964

(1) Represents, as of the dates indicated, the sum of the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel (as set forth in the second row of the table) and 42% of the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs (as set forth in the third row of the table). By providing this figure, no representation is being made that Bharti Infratel owns, operates or otherwise has any claims on Indus' towers.

(2) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel and excludes the towers (and the co-locations thereat) operated by Indus pursuant to the BIVL IRU.

(3) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs.

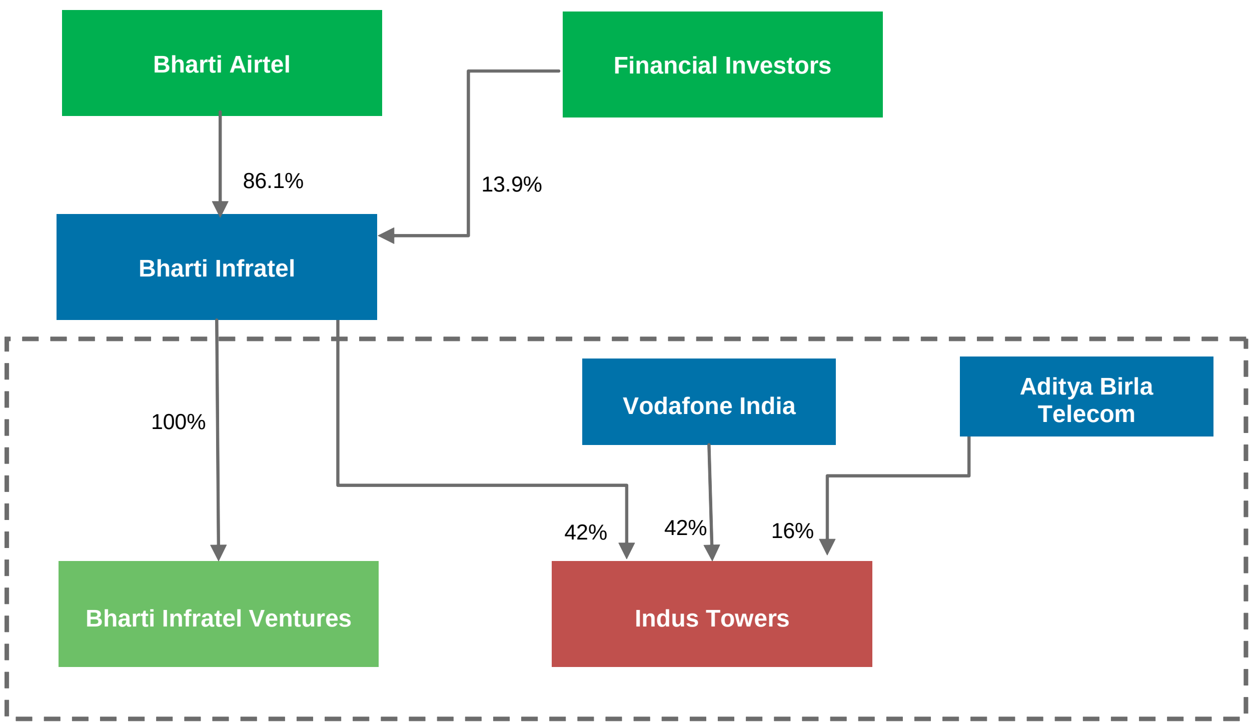
(4) Average sharing factor is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period.

(5) Sharing revenue per sharing operator per month is calculated on the basis of the rental revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period.

(6) See the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of

preparation of our consolidated financial statements" on page 477 for details of Bharti Infratel's consolidated rental revenues.

Bharti Infratel was incorporated in 2006 as a subsidiary of Bharti Airtel, a leading global telecommunications company which currently has operations in 20 countries across Asia and Africa. Bharti Airtel and Bharti Infratel are a part of the Bharti group, one of India's leading business conglomerates, with business interests in the telecommunications, real estate, insurance and retail sectors. In January 2008, Bharti Airtel transferred its towers to Bharti Infratel through a scheme of arrangement effective as of January 31, 2008. As of September 30, 2012, Bharti Airtel held 86.1% of the equity share capital of Bharti Infratel, while the remaining 13.9% was held by certain private equity investors. For further details, please see the section "Capital Structure" on page 86. The diagram below sets out the shareholding and corporate structure of Bharti Infratel and the shareholding structure of Indus:



Our consolidated total incomes have grown from ₹71,288.4 million in the fiscal year 2010 to ₹95,970.6 million in the fiscal year 2012 and were ₹50,908.9 million for the six month period ended September 30, 2012, while our consolidated restated profit after tax has grown from ₹2,529.7 million to ₹7,507.3 million in the same period and was ₹4,604.6 million for the six month period ended September 30, 2012.

Bharti Infratel's unconsolidated total incomes were ₹32,395.1 million in the fiscal year 2010 compared with ₹42,692.2 million in the fiscal year 2012 and were ₹26,371 million for the six month period ended September 30, 2012, while its unconsolidated restated profit after tax has grown from ₹2,692.4 million in the fiscal year 2010 to ₹4,474.4 million in the fiscal year 2012 and was ₹6,639.5 million for the six month period ended September 30, 2012. For the year ended March 31, 2012 and the six month period ended September 30, 2012, Bharti Airtel (together with Bharti Hexacom) accounted for 62.9% and 62.1% of Bharti Infratel's rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250), respectively.

Indus' total revenue has grown from ₹87,777.2 million in fiscal year 2010 to ₹121,033.7 million in the fiscal year 2012 and was ₹64,968.2 million for the six month period ended September 30, 2012, while its restated profit/(loss) after tax has increased from ₹1,395.3 million in the fiscal year 2010 to a profit after tax of ₹6,873.5 million in the fiscal year 2012 and a profit after tax of ₹4,547.2 million for the six month period ended September 30, 2012. For the year ended March 31, 2012 and the six month period ended September 30, 2012, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular together accounted for the majority of Indus' revenue from operations.

Strengths

We believe that our principal competitive strengths are as follows:

A leading telecommunications infrastructure operator in India, with large scale, nationwide operations in an industry with entry barriers

We are one of the largest providers of tower and related infrastructure in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus that are represented by Bharti Infratel's 42% equity interest in Indus. We believe that the nationwide network of towers that Bharti Infratel and Indus offer provides them an advantage over their existing and potential competitors. The costs of establishing a tower infrastructure business include the significant capital expenditure required to acquire and develop towers, high costs incurred to comply with local laws and entering into long-term contracts between tower providers and wireless service providers. Additionally, a sharing operator who requests the creation of a new tower by another tower infrastructure provider will incur higher rental expense, operating costs and energy costs as the sole operator at that site, compared with the lower rent and operating costs of sharing an existing tower of Bharti Infratel or Indus. We believe that the large scale of operations of Bharti Infratel and Indus thus presents each of them with significant operating leverage and economies of scale in respect of their customer and supplier contracts.

The large scale of Bharti Infratel's and Indus' networks is supported by the ability of Bharti Infratel's and Indus' towers to host the equipment of multiple wireless telecommunications service providers. For the six month period ended September 30, 2012, Bharti Infratel's average sharing factor was 1.81 co-locations per tower for towers owned and operated by it and the average sharing factor of the towers owned and/or operated by Indus was 1.97 co-locations per tower. We believe that the capacity available on Bharti Infratel's and Indus' tower portfolios positions them well to capitalise on an increase in tower sharing in India.

Extensive presence in telecommunications Circles with high growth potential

We have nationwide operations across all 22 telecommunications Circles in India. Bharti Infratel has a significant presence in B-category and C-category telecommunications Circles, while Indus operates in the metro telecommunications Circles and A-category and B-category telecommunications Circles. For details in relation to metro telecommunications Circles and A-category, B-category and C-category telecommunications Circles, see the section "Definitions and Abbreviations" on page 3.

We believe that, as wireless telecommunications subscribers' demand for data services increases, wireless telecommunications service providers in the metro telecommunications Circles and A-category Circles will seek to expand their existing networks to accommodate the roll out of 3G services, as well as newer technologies such as 4G. We believe that this will benefit Indus, as it has an extensive presence in these metro telecommunications Circles and A-category Circles. Further, we believe that B-category and C-category Circles have untapped consumer potential for voice services, and will also see increasing demand for data services. In addition, rural areas in India currently suffer from low penetration of telecommunications services, and we believe that these areas offer potential for growth of voice and, over time, data services. Given the absence of extensive wire-line services in these areas, we believe that wireless services will be the preferred solution to the growing demand for broadband across the country and that technologies such as 3G and 4G will be the primary means of providing these broadband services. As wireless telecommunications service providers seek to attract new customers and roll out or expand their networks in these Circles, we believe that Bharti Infratel's and Indus' existing portfolios of towers, which are generally configured to host multiple service providers, will stand to benefit as we provide customers with operational efficiencies such as strategically located towers and faster time to market.

Long term contracts with the leading wireless telecommunications service providers in India, providing visibility on future revenues

Bharti Infratel and Indus have MSAs with the leading wireless telecommunications service providers in India. These

MSAs are long-term contracts which set out the terms on which access is provided to Bharti Infratel's and Indus' towers, with all service providers being offered substantially the same terms and receiving equal treatment at towers where they have installed their active infrastructure. We believe that the nature of the MSAs promotes co-locations and encourages telecommunications service providers in India, other than Bharti Airtel and the joint venture partners as well to use the tower infrastructure of Bharti Infratel and Indus, which is illustrated by the fact that, as of September 30, 2012, 27,817 of Bharti Infratel's co-locations are from wireless telecommunications service providers other than Bharti Airtel (together with Bharti Hexacom), and as of that date, 32,128 of Indus' co-locations are from wireless telecommunications service providers other than Bharti Airtel (together with Bharti Hexacom) and the joint venture partners in Indus.

Under the MSAs, Bharti Infratel and Indus enter into service contracts in respect of individual towers. The MSAs and service contracts govern Bharti Infratel's and Indus' relationship with their customers, the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. Early termination by a customer of a service contract, which typically has a term ranging from 5 to 15 years, and which may be extended as mutually agreed, generally triggers significant penalty payments by the customer of 35% of the total payment to be made for the remainder of the term of the service contract or one year's payment, whichever is higher, subject to certain exceptions in the MSA. Further, the cost to the customer of moving equipment from one tower to another is likely to discourage relocation. We believe that these adverse consequences of contract termination provide stability to Bharti Infratel's and Indus' business throughout the term of the MSAs and provide visibility with regard to future revenues.

In addition, Bharti Airtel (together with Bharti Hexacom) is a sharing operator at almost all of Bharti Infratel's towers, while one of the three leading wireless telecommunications service providers in India, namely, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, is a sharing operator at almost all of Indus' towers. For the year ended March 31, 2012 and the six month period ended September 30, 2012, Bharti Airtel (together with Bharti Hexacom) accounted for 62.9% and 62.1% of Bharti Infratel's unconsolidated rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250), respectively, while Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular together accounted for a majority of Indus' revenue from operations. Indus has a right of first refusal in relation to the development of new towers and additional co-locations for each of Bharti Airtel, Vodafone India and Idea Cellular in its Circles of operation, while, pursuant to a letter agreement dated September 8, 2012, Bharti Airtel has granted Bharti Infratel a right of first refusal in relation to all of Bharti Airtel's new tower and co-location requirements, and we believe that any expansion of their respective networks will therefore lead to additional demand for Indus' and Bharti Infratel's towers.

Comprehensive deployment and operational experience supported by well developed processes, systems and IT infrastructure

The management of Bharti Infratel has been involved in the creation of the tower portfolio of Bharti Infratel and the towers that will be transferred by Bharti Infratel's wholly-owned subsidiary, BIVL, to Indus. Subsequent to the demerger of towers from Bharti Airtel to Bharti Infratel, Bharti Infratel has, as of September 30, 2012, established 19,822 additional towers. In addition, as of September 30, 2012, Indus has independently established 34,442 additional towers since its establishment. Through this experience, Bharti Infratel and Indus have developed and enhanced their site deployment skills and expertise. As Bharti Infratel and Indus have rolled out these towers themselves, as opposed to acquiring them from other tower service providers, we believe that Bharti Infratel and Indus have gained comprehensive roll out and operational experience.

Bharti Infratel and Indus seek to enhance operational efficiencies and reduce costs at each tower through the use of technological innovations. Bharti Infratel's long-term relationship with IBM India Private Limited, which manages its information systems, has enabled Bharti Infratel to automate a number of its processes, with the aim of achieving operational efficiencies. This includes the operation of Bharti Infratel's TOC to monitor its towers on a continuous basis, ensuring faster response times on the ground. Indus uses various service providers to provide it similar IT applications and services. In addition, Bharti Infratel has rolled out several environmentally-friendly initiatives, such as towers powered by integrated power solutions including solar power.

We believe that Bharti Infratel and Indus, through their experience on the ground in the tower industry, have developed strong relationships with the landlords at their towers. Further, by leveraging their experience and scale of operations, we believe Bharti Infratel and Indus have improved their respective internal systems and processes to achieve cost savings. We further believe that Bharti Infratel's and Indus' existing portfolios significantly reduce the future capital expenditures that they may be required to undertake for the development of new towers.

Strong financial position and access to capital

We believe that the strong balance sheet and ready access to capital of Bharti Infratel and Indus enhance their ability to expand their tower portfolio at the rate, in the manner and within the constraints required by wireless telecommunications service providers. This financial strength is illustrated by the fact that Bharti Infratel, on an unconsolidated basis, as of September 30, 2012, continued to be net cash positive and had current investments of ₹1,000.0 million. While Indus had total secured and unsecured loans of ₹94,899.3 million as of September 30, 2012, it also held cash and bank balances of ₹3,112.7 million. We believe that this financial strength of Bharti Infratel and Indus is a key differentiator in a capital intensive industry.

Relationship with the Bharti group

Bharti Airtel and Bharti Infratel are part of the Bharti group, one of India's leading business conglomerates, with operations in the telecommunications, retail, insurance and real estate sectors. We believe that Bharti Infratel's association with the Bharti group and the associated right to use the trademark and logo of Bharti offer Bharti Infratel significant branding strength, which we believe Bharti Infratel can leverage to its advantage in growing its business.

Bharti Airtel is the largest wireless telecommunications service provider in India by wireless revenues for the six months ended September 30, 2012, *(Source: TRAI.)* and as of September 30, 2012, it had a market capitalisation of ₹1,005.8 billion. Bharti Airtel (together with Bharti Hexacom) accounts for 34,210 of Bharti Infratel's co-locations as of September 30, 2012, while Bharti Airtel (together with Bharti Hexacom) accounts for 72,306 of Indus' co-locations as of that date. Further, pursuant to a letter agreement dated September 8, 2012, Bharti Airtel has granted Bharti Infratel a right of first refusal in relation to all of Bharti Airtel's new tower and co-location requirements. We believe that this strong relationship with Bharti Airtel is a significant advantage, and that Bharti Infratel will continue to benefit from it as Bharti Airtel expands its operations across India.

Indus' relationship with three wireless service providers

As of September 30, 2012, Bharti Infratel, Vodafone India and Aditya Birla Telecom respectively held 42%, 42% and 16% of the equity interest in Indus. Further, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, which are the three leading wireless telecommunications service providers in India by wireless revenue *(Source: TRAI.)*, are also Indus' largest customers, and Indus has a right of first refusal in relation to the development of new towers and additional co-locations for each of these customers in its Circles of operation. We believe that Indus' strong relationship with its shareholders is a significant advantage, and that Indus will continue to benefit from this relationship as these customers expand their operations across India.

Experienced management team

Bharti Infratel's management team has been involved in the telecommunications industry in India for a significant period of time and has overseen the roll out of Bharti Infratel's existing tower portfolio, as well as the tower portfolio that it has agreed to transfer to Indus. For further details of Bharti Infratel's management, please see the section "Management" on page 179. During this process, the management team has developed sector-specific project and operational management expertise and an understanding of the key opportunities and risks associated with Bharti Infratel's business. Their expertise in the industry is reflected in the growth in Bharti Infratel's unconsolidated total incomes from ₹32,395.1 million for the fiscal year 2010 to ₹42,692.2 million for the fiscal year 2012. Similarly, Indus' management has significant experience in the tower infrastructure business, and their performance is reflected in the growth in Indus' total revenue from ₹87,777.2 million for the fiscal year 2010 to ₹121,033.7 million for the fiscal year 2012. We believe that this experience provides Bharti Infratel and Indus with an advantage in commercial negotiations with suppliers and customers, identifying cost and operational efficiencies, anticipating and avoiding potential execution roadblocks and completing expansion and roll out plans on time and within budget. We believe that the knowledge and expertise generated by this experience, which extends from Bharti Infratel's and Indus' management teams to their teams on the ground at their towers, will prove to be a critical advantage as Bharti Infratel and Indus look to expand and develop their operations through increased sharing at towers and stronger customer relationships.

Business Strategy

Promote tower sharing

According to TRAI, India is the second-largest and fastest-growing telecommunications market in the world, projected to reach a wireless subscriber base of 1 billion by 2014. It is expected that catch up coverage and additional capacity in urban areas will result in incremental tower deployment of 44,000 towers by March 2017 *(Source: Analysys Mason.)* Within this overall growth opportunity, we believe that there are compelling reasons for wireless telecommunications service providers to increasingly seek to share tower infrastructure. We believe that wireless telecommunications service providers are under pressure to reduce their operating expenses and capital expenditure. Consequently, we believe that sharing space on towers owned and operated by third parties makes more economic sense to the customers of Bharti Infratel and Indus than building and operating their own telecommunications towers. Other factors that promote tower sharing include government incentive schemes and policies that promote such sharing, such as the Universal Service Obligation Fund initiated by the DoT, the expansion of wireless networks to India's less densely-populated and more remote areas and the increasing penetration of new technologies such as 3G and 4G services.

Bharti Infratel and Indus provide and will continue to provide access to their towers to all wireless telecommunications service providers in India across their respective tower portfolios. As the customers of Bharti Infratel and Indus seek to expand their networks and gain access to additional towers, Bharti Infratel and Indus also aim to leverage their existing relationships with these customers across management and operational levels to encourage the sharing of towers, thereby enhancing their operational efficiencies. The sales and marketing teams of Bharti Infratel and Indus are in constant contact with wireless telecommunications service providers, seeking to anticipate their requirements and needs while keeping them informed of Bharti Infratel's and Indus' services and plans. We believe that Bharti Infratel's and Indus' strong relationships with their customers will ensure a continuous flow of information to and from current and potential customers and will provide a better view of the growth and expansion opportunities available. We further believe that this will enable Bharti Infratel and Indus to influence their customers' roll-out plans and steer them towards co-location at their respective towers.

Capitalise on the rollout of new technologies and data services

The Indian wireless telecommunications market is experiencing an increase in demand for data services, the key catalysts of which are India's growing young, urban population, the availability of affordable handsets and the production and proliferation of relevant content. We expect that the resulting expansion of 3G and 4G network services will require wireless telecommunications service providers to install additional active telecommunications transmission equipment at the towers where they currently operate. It is expected that catch up coverage and additional capacity in urban areas will result in an incremental tower deployment of 44,000 towers between the end of March 2012 and the end of March 2017 in these areas. *(Source: Analysys Mason.)* Bharti Infratel's and Indus' towers are generally configured to handle multiple customers as well as additional equipment, and they intend to encourage the addition of active telecommunications infrastructure at their existing towers and to undertake necessary capital expenditure in order to capitalise on the rollout of their customers' 3G and 4G networks. Under Bharti Infratel's and Indus' MSAs, a customer seeking to install such additional active telecommunications equipment is subject to additional charges on the basis of the space required for, and the weight of, the equipment, among other things. We believe that an increase in the active telecommunications equipment required by the customers of Bharti Infratel and Indus at each site, beyond the standard configuration provided for under the MSA, will enable them to accrue additional loading charges for such additional equipment, thereby increasing their revenue relative to their costs. In addition, while their customers may initially seek to add active telecommunications infrastructure at their existing sites to meet the demand for 3G and 4G services, we expect that the increasing proliferation in India of such services and the higher tower density required to maintain network integrity and provide seamless coverage will lead to demand for new towers from their customers. *(Source: CRISIL.)*

We expect wireless telecommunications service providers such as Bharti Airtel, Vodafone India and Idea Cellular to expand their networks in order to benefit from this growth. In addition to their existing leadership position in wireless voice services, Bharti Airtel, Vodafone India and Idea Cellular have collectively received 3G licences in all the telecommunications Circles in India, except for the Orissa Circle. Further, Bharti Airtel has extended its 4G interest to eight telecommunications Circles in India. We believe that they are likely to expand their networks to increase 3G and 4G service penetration. We believe that such network expansion and the need for wireless telecommunications service providers to expand their customer base will lead to an increase in demand for new towers in areas with low coverage.

Focus on increasing revenue and capital productivity across existing tower portfolios

Bharti Infratel and Indus intend to actively seek out opportunities to increase revenue productivity across their existing tower portfolios. In addition to the growth of the number of their towers, Bharti Infratel and Indus will seek to increase sharing across their respective tower portfolios, increase the loading of active telecommunications equipment by their sharing operators, and explore avenues for alternative revenue generation at these sites.

The cost of establishing a tower is generally a one-time expenditure and the incremental capital expenditure and operating costs required to provide for loading of equipment by additional sharing operators at a tower are relatively low. In light of this, each additional sharing operator at a tower generally has a positive effect on margins. As such, Bharti Infratel and Indus intend to work towards attracting multiple additional wireless telecommunications service providers to their existing towers. We believe that this will also be attractive to existing customers at these sites, as additional sharing operators will result in reduced individual rental costs for them as well as sharing of operating expenses such as fuel and energy costs. At the same time, additional sharing operators will increase Bharti Infratel's and Indus' revenues and margins at these sites.

In addition, there exists the possibility of offering transmission backhaul through optical fibre connectivity and microwave connectivity at towers in the future, subject to favourable regulatory changes, as well as providing first level maintenance services in relation to customers' active infrastructure installed at towers. Further new revenue streams that can be pursued at existing towers include renting out space for the placement of advertising and the installation of automated teller machines. Bharti Infratel proposes to explore each of these potential revenue streams, including in-building solutions and distributed antenna systems, subject to considerations such as incremental investment, expected revenues and potential return on capital.

Achieving cost efficiencies across tower portfolios

Bharti Infratel and Indus incur capital expenditure in connection with the establishment and construction of towers, and incur operating expenditure on energy and fuel and other operation and maintenance activities. Bharti Infratel is implementing several measures to reduce its operating expenses, including the automation of a number of processes through Bharti Infratel's contractual arrangement with IBM and other initiatives which have resulted in achieving higher uptimes and increased efficiencies in monitoring at Bharti Infratel's towers, as well as actively promoting the use of alternative sources of energy such as solar energy.

In furtherance of its commitment to utilising environmentally-friendly energy sources, Bharti Infratel intends to expand the use of solar power at its towers. This will result in cost savings as well as a reduction of carbon dioxide emissions. We also believe that this renewable energy initiative will continue to have long-term benefits to the business of Bharti Infratel, reducing energy costs to customers and therefore increasing demand for its towers, as well as reducing the environmental impact of its operations. As of September 30, 2012, Bharti Infratel operated 1,245 solar-powered sites, while Indus operated 975 solar-powered sites.

In addition, Bharti Infratel is constantly evaluating measures aimed at improving electrification levels across its tower portfolio. At present, a significant portion of its towers suffer from inadequate electricity supplies from the local electricity boards or do not have an electrical connection at all, necessitating the use of DG sets. This gives rise to recurring fuel costs and operational inefficiencies, as well as potential disputes with customers over the charges applicable for providing power at these towers. Bharti Infratel is taking active steps towards achieving electrification of its towers. As India has recently seen large amounts of investment in the energy sector, we expect that electrification levels across the country will improve as a result of this, thereby benefitting Bharti Infratel at its existing towers which are not, or are insufficiently, electrified. Further, Bharti Infratel and Indus have entered into certain arrangements with respect to energy charges with a number of their customers with the twin objectives of (a) simplifying energy billing to ensure minimal disputes and deliver an improved experience to the customer as well as improved collection efficiency for Bharti Infratel and Indus; and (b) reducing diesel consumption at towers, as the arrangement allows Bharti Infratel and Indus the flexibility to incur capital expenditure towards electrification and green initiatives at their sites, with the benefits accruing out of these investments shared with their customers. While any change in underlying energy rates are passed on to customers, they receive a level of certainty with regard to energy consumption at towers pursuant to this arrangement, and we believe this is beneficial to customers as well as Bharti Infratel and Indus.

Bharti Infratel's overall strategy is to enhance capital productivity with lower costs and higher revenues per tower, which it seeks to achieve by reengineering its tower designs to reduce material costs. Bharti Infratel has commenced construction of lighter and smaller towers, reducing capital expenditure on each tower, and is in on-going discussions with the manufacturers of DG sets to seek to improve efficiency and reduce the cost of such equipment.

Bharti Infratel and Indus also intend to take active steps to rationalise their single-operator towers in order to achieve operational efficiencies. As of September 30, 2012, Bharti Infratel operates 15,553 towers where Bharti Airtel (together with Bharti Hexacom) is the sole operator, and Indus operates 41,855 towers where one of Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular is the sole operator. We believe that the consolidation of these towers and the addition of new sharing operators at these towers will enable Bharti Infratel and Indus to optimise their operational costs and improve their margins.

Organic growth of tower portfolios with continuous evaluation of acquisition opportunities

In relation to the building of new towers, Bharti Infratel and Indus principally roll out new sites only upon the receipt of specific requests from their customers. We expect that as existing wireless telecommunications service providers seek to expand their network in various telecommunications Circles and broaden their customer base, Bharti Infratel and Indus may build out new towers in these Circles to further support these service providers. Further, wireless telecommunications service providers who are marketing newer technologies such as 4G will need to install their active infrastructure at a larger number of towers in order to maximise their network coverage, and this is expected to give rise to a demand for additional towers across all telecommunications Circles. We believe that this will present Bharti Infratel and Indus with the opportunity to build out new towers to cater to these service providers and capitalise on the rollout of new technologies.

Bharti Infratel will continue to evaluate opportunities to acquire towers of other service providers in India, as well as selectively acquire towers in other countries, assuming such acquisitions are supported by sound strategic and financial objectives.

Relationship with Indus

In order to capitalise on the opportunities for tower sharing in the Indian telecommunications market, Bharti Airtel, Bharti Infratel, Vodafone India and Idea Cellular agreed to establish Indus as an independently managed joint venture that provides non-discriminatory shared tower services to all wireless telecommunications service providers. In furtherance of this joint venture, the parties also agreed to contribute certain identified towers to Indus and to use the services of Indus in the first instance for any new roll out of telecommunications towers or co-locations in 15 telecommunications Circles. In this context, Indus was incorporated in November 2007 and Bharti Airtel, Bharti Infratel, Vodafone India (and certain of its subsidiaries), Idea Cellular and Idea Cellular Infrastructure entered into the Indus SHA to govern their relationship with respect to Indus and its day-to-day operations and the Framework Agreement, which sets out, among other things, the basis on which towers were to be contributed to Indus by the respective parties. In accordance with the Framework Agreement, Bharti Infratel, Vodafone India and Aditya Birla Telecom hold a 42%, 42% and 16% shareholding interest in Indus, respectively.

Bharti Infratel entered into an indefeasible right to use agreement with Indus in December 2008. Pursuant to this agreement, Bharti Infratel granted Indus an IRU in relation to certain of its towers in the telecommunications Circles of Mumbai, Kolkata, Maharashtra, Tamil Nadu (including Chennai), Kerala, Gujarat, Delhi, Karnataka, Andhra Pradesh, Punjab and West Bengal ("Specified Circles"), which it was to contribute to Indus in accordance with the terms of the Framework Agreement. Consequent to the transfer of towers by Bharti Infratel to BIVL, the IRU with Bharti Infratel was transferred to BIVL (the "BIVL IRU") in respect of these towers. Similarly, the other joint venture partners had entered into similar IRU arrangements with Indus, which have been transferred to their respective tower infrastructure entities, and on the basis of which Indus operates and derives revenues from the towers that are to be contributed to it.

A chronology of the events of the development of Bharti Infratel's relationship with Indus is reflected in the table below:

2007	Bharti Infratel, Bharti Airtel and their joint venture partners entered into a joint venture to set up Indus to operate 15 telecommunication Circles in India and signed a Shareholders Agreement in this regard;
	Framework Agreement entered into among Bharti Infratel, Bharti Airtel and their joint venture partners, under which towers are to be contributed to Indus;
2008	IRU agreements signed with Indus;
2009	Bharti Infratel transferred certain of its towers in the Specified Circles to BIVL pursuant to a scheme of arrangement which became effective on May 5, 2011 and was operative from April 1, 2009.

A summary of the documents governing Bharti Infratel's relationship with Indus is provided below. On the basis of the relationship created by these agreements, Bharti Infratel and Indus do not compete with each other in any telecommunications Circle, they do not have any conflicts of interest in this regard and are able to work closely with each other and benefit from the synergies generated by the nationwide coverage and large scale of their operations. These synergies range from knowledge sharing in relation to new operational initiatives such as solar energy and energy cost arrangements to sharing best practices and standards. For example, Indus has benefitted from Bharti Infratel's solar energy initiatives, while Bharti Infratel has replicated Indus' training institute model and has learnt from the health and safety standards implemented by Indus.

Framework Agreement

The Framework Agreement sets out the terms on which (i) towers will be contributed to Indus; (ii) Indus will develop telecom sites during the interim period before the completion of the schemes of arrangement for the transfer of towers to Indus; and (iii) the operation, maintenance and sharing of the towers between the parties and with third parties prior to the abovementioned schemes of arrangement becoming effective.

In addition, the Framework Agreement provides the financial arrangements, accounting treatment to be followed in relation to Indus and mechanism for maintaining the shareholding of the parties. All rental revenues earned from our customers for their tenancies and all expenses incurred in respect of the towers to be transferred to Indus, including the rents payable to the property owners, will be for the benefit of and transferred to Indus. These arrangements were formalized through the parties' entering into separate IRU agreements with Indus as described in further detail below. Furthermore, any financial liabilities transferred to Indus pursuant to the scheme of arrangement referred to above will be reimbursed by the relevant transferor or otherwise discharged by the transferor.

Under the Framework Agreement, the parties' contribution of their respective towers to Indus needs to be completed by an agreed long stop date. This long stop date, which can be and has been extended by agreement among the parties, is currently June 30, 2013. The Framework Agreement also provides for contingencies relating to delays or non-implementation of the schemes of arrangement for such contribution of towers in accordance with their terms. Please see the section "Risk Factors—*The various processes that have been undertaken and proposed to be completed prior to the transfer of towers into Indus may be delayed or may not be completed*" on page 24

Indus Shareholders' Agreement

The Indus SHA sets out the various agreements among the parties regarding the governance and day-to-day operations of Indus and the relationship between Indus and its shareholders. Key provisions of the Indus SHA are described below.

Governance

The Indus SHA provides for shared governance among the parties, pursuant to which each of the joint venture partners are entitled to appoint one nominee director for every 10% of shareholding in Indus (rounded down below 5% shareholding and rounded up at or above 5%). In addition, Bharti Infratel and Vodafone India are entitled to appoint nominees to key senior management positions at Indus, rotating between Chairman, Chief Executive Officer and Chief Operating Officer for specified periods, provided they have a specified shareholding and economic interest in Indus. Appointment of other management positions, including Chief Financial Officer and Chief Technical Officer, are also shared in rotation among the joint venture partners for specified periods.

The Indus SHA also provides that certain matters relating to the governance and management of Indus be reserved for approval by either its shareholders or the board of directors. Specifically, Indus may not take action in relation to certain matters without prior written approval of each of the joint venture partners (to the extent that they retain a specified shareholding and economic interest in Indus). Such matters include any issue, allotment, sale, purchase or redemption of Indus' shares or other equity or equity linked securities of Indus; and the payment or declaration of any dividend or other distribution.

Board reserved matters are divided based on the shareholders' percentage of shareholdings of Indus. Indus may not take action in relation to certain matters without prior written approval of at least one director nominated by each of the joint venture partners (to the extent that they retain a specified shareholding and economic interest in Indus), including obtaining external funding (other than in accordance with approved business plans) and any transaction between Indus and its shareholders or their subsidiaries (except pursuant to the Framework Agreement or the MSAs). Additionally, for matters such as disposal or acquisition of assets, Indus requires the prior written approval of at least one director nominated by Bharti Infratel, Vodafone India and, subject to certain exceptions, Aditya Birla Telecom.

Competition and Exclusivity

The Indus SHA provides that Indus cannot carry on business in the seven telecommunications Circles in which Bharti Infratel currently operates exclusive of Indus. Similarly, subject to certain exceptions, the joint venture partners are not permitted to, among other things (a) compete with the business of Indus in the 15 specified telecommunications Circles that Indus currently operates in, (b) develop, construct or acquire any towers in the 15 specified telecommunications Circles that Indus currently operates in and (c) directly or indirectly procure orders from or do business with any entity that has been a customer of Indus during the previous two year period in competition with the business of Indus in the 15 specified telecommunications Circles that Indus currently operates in. The above restrictions are subject to a number of exceptions.

For a period of five years from the date of completion of the Indus SHA in December 2007 (or such time as the shareholding of a joint venture partner in Indus is above 20%), the joint venture partners (or such joint venture partner) and their associated companies, including Bharti Airtel, are not permitted to use the services of any third parties for new or existing towers or to build any new towers in the 15 telecommunications Circles specified in the Indus SHA, subject to certain exceptions.

Shareholder Financing

The Indus SHA provides that Indus may request additional funding from the joint venture partner if its board of directors determines that it will be unable to meet its funding requirements and it has been unable to obtain external funding on commercially reasonable terms.

Transfers of Shares

The joint venture partners may freely transfer their shares in Indus, subject to rights of first refusal that the non-selling shareholders have over any proposed transfer of shares. In the event of a proposed change of control of any intermediate holding company between the joint venture partners and Indus that directly or indirectly holds a shareholding interest in Indus, the other shareholders will have a right of first refusal over the shares of the entity subject to the change of control that are proposed to be transferred if the proposed transferee is a competitor or the transfer would result in the transferee acquiring control over Indus. However, if the revenues from the business of the entity undergoing a proposed change of control relating to the tower infrastructure business in India constitutes less than 90% of its total revenue, then the other shareholders will be entitled to purchase such entity's shares in Indus at fair market value.

Pursuant to the Indus SHA, in the event that any of the shareholders propose to offer any tower infrastructure assets to a third party, such shareholder must first offer the relevant tower infrastructure assets to Indus on certain commercial terms, and can only offer the tower infrastructure assets to a third party in the event that Indus has not agreed to purchase the tower infrastructure assets within 30 days of receiving notice or has not executed definitive documentation in this regard within 60 days of receiving notice. Pursuant to an amendment dated July 25, 2012 to the Indus SHA, each of the joint venture partners are entitled to require Indus to take all reasonable steps to effect an initial public offering of its equity shares. The parties have also agreed to extend their cooperation in case any shareholder undertakes a public or private issue of equity, debt or convertible instruments and Indus shall provide support for such a transaction as may be required. However, if Bharti Infratel completes an initial public offering within a period of six months from the amendment to the Indus SHA, then Indus has undertaken not to file a draft red herring prospectus or any similar documents within six months from the date of completion of such initial public offering by Bharti Infratel. However, if Bharti Infratel fails to complete the IPO within such specified period or notifies Indus of its inability to do so, then Indus may file a draft red herring prospectus within six months from the later of the effective date of the Indus Scheme or date of such notification. Indus intends to undertake an initial public offering subsequent to the end of the period stipulated in the amendment to the Indus SHA.

The amendment to the Indus SHA requires Indus to distribute excess cash flow to its shareholders, subject to certain conditions. Indus was also required to distribute to its shareholders the maximum permissible amount under applicable law as dividend, based on the balance to credit of the profit and loss account of Indus as of June 30, 2012, by September 30, 2012. In September 2012, Indus approved and paid a dividend of ₹8,100 per equity share to its shareholders. As a result, Bharti Infratel received dividend income of ₹4,050.0 million from Indus during the six month period ended September 30, 2012 (as stated in Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250).

Further, subject to certain conditions, Indus is required to, as soon as practicable after completion of the Indus Scheme, return the entire reserves created as a result of the Indus Scheme to its shareholders. For further details, please see the section "History and Certain Corporate Matters—Schemes of Arrangement" on page 170.

IRU Agreements

Pursuant to the BIVL IRU, BIVL granted Indus an indefeasible right to use its towers in the Specified Circles. Under the BIVL IRU, Indus has the right to provide wireless telecommunications service providers access to these towers and derive revenues from these assets.

The BIVL IRU provides that the towers covered by it will at all times remain the property of BIVL, and title to these assets will not pass to Indus pursuant to the BIVL IRU. However, BIVL is not permitted to transfer, assign, sell, alienate or otherwise dispose of or create a third party interest in or over any of these towers during the term of the BIVL IRU. Indus is required to pay BIVL a sum of ₹401.8 million per month as consideration for the grant of the IRU. The balance of monthly consideration, though recorded in the books of account of Indus and BIVL, cannot be derived directly from the restated financial statements.

Indus is required to undertake the operation and maintenance of all the towers covered by the BIVL IRU, including obtaining and maintaining any government approvals that are required in connection with the use of the towers. Further, Indus has the sole right to charge, receive and collect all revenues arising from and accruing from the provision of access to the towers. The BIVL IRU provides that BIVL is to use its best efforts to novate or assign all existing agreements relating to the towers, provided that if it is unable to do so, BIVL will continue to make payments under these contracts and Indus will reimburse these payments to BIVL. Similarly, if it were unable to assign or novate the relevant contracts, BIVL will collect payments from wireless telecommunications service providers at the concerned towers on behalf of Indus and transfer these amounts to Indus.

The term of the BIVL IRU has been extended to June 30, 2013 by agreement among the parties and until such time, neither party is permitted to terminate the BIVL IRU, except in limited circumstances such as bankruptcy, cancellation of licences or force majeure. The BIVL IRU also included customary indemnities.

Indus has similar IRU agreements with the tower infrastructure entities of the other joint venture partners.

Transfer of towers to Indus

The Framework Agreement, the IRU agreements and the Indus SHA outline the establishment, operation and management of Indus pending the completion of certain legal requirements and receipt of necessary approvals for the contribution of towers to Indus by BIVL, Vodafone Infrastructure Limited and Idea Cellular Tower Infrastructure Limited, including the approval of the scheme of arrangement that was filed with the High Court of Delhi. Pending the completion of such legal requirements and final regulatory approval, ownership of such towers remains with BIVL, Vodafone Infrastructure Limited and Idea Cellular Tower Infrastructure Limited. However, through the IRU agreements, Indus has been operating these towers since 2009 and continues to operate them in accordance with the Framework Agreement and the Indus SHA. For further details of the scheme of arrangement mentioned above, see the section "History and Certain Corporate Matters—Schemes of Arrangement" on page 170. If the scheme of arrangement does not receive the necessary regulatory or court approval, we believe that the current arrangements between Indus and its shareholders, as set out in the various IRU agreements and Indus SHA, will not be affected and Indus will be able to continue its current operations, which its shareholders will benefit from. In connection with the refinancing of certain loans of Indus, the shareholders of Indus, including Bharti Infratel, have undertaken to the lenders that they will maintain Indus' existing IRU agreements until the scheme of arrangement for the contribution of the towers to Indus is completed.

Overlapping Circles agreement with Indus

Bharti Infratel and Indus have entered into an agreement dated March 31, 2011 whereby, in the event that Indus receives a site request from certain of Vodafone India's subsidiaries or Idea Cellular in the four Circles in which the services of Bharti Infratel and Indus overlap, Indus will forward the site request to Bharti Infratel. Bharti Infratel is entitled under this agreement to accept the site request and provide the towers or co-locations requested by the relevant customer. In respect of such towers or co-locations provided by Bharti Infratel to these customers pursuant to this agreement, Bharti Infratel is required to pay to Indus 7.5% of the amounts that it receives from these customers (net of applicable discounts and pass-through costs). This agreement expires on December 31, 2012, unless mutually extended by the parties in writing.

Towers Business

Portfolio

As of September 30, 2012, Bharti Infratel had a portfolio of 34,220 telecommunications towers with 62,027 co-locations in India, while Indus had a portfolio of 110,561 telecommunications towers with 219,687 co-locations in India. The Circle-wise coverage of the towers of Bharti Infratel and Indus is summarised below:

Name	Telecommunications Circles
Bharti Infratel	Jammu & Kashmir, Himachal Pradesh, Haryana, Uttar Pradesh (East), Uttar Pradesh (West), Rajasthan, Madhya Pradesh and Chhattisgarh, Bihar, Orissa, Assam and North-East States
Indus	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Rajasthan, Tamil Nadu (including Chennai), Uttar Pradesh (East), Uttar Pradesh (West), West Bengal

For further details, see the section "Our Business—Overview" on page 142.

Bharti Infratel and Indus have overlapping operations in Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West). As of September 30, 2012, 9,884 of Bharti Infratel's towers are located in these Circles, while Indus operates 22,972 towers in these Circles. Pursuant to the Indus SHA, Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it may continue to own and operate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers.

As of September 30, 2012, 89.1% of Bharti Infratel's towers were GBTs and 10.9% were RTTs[5], while 62.8% of Indus' towers were GBTs and 23.0% were RTTs.[6] Further details of Bharti Infratel's and Indus' tower portfolios are set forth below:

Number of towers

5 Infratel's RTTs include roof top pole sites.

6 Indus' towers include certain other types of towers such as micro-sites and roof top pole sites.

	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	73,921	78,442	79,064	80,656
Bharti Infratel (unconsolidated)[2]	30,564	32,775	33,147	34,220
Indus[3]	103,230	108,732	109,325	110,561

Number of co-locations				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	124,819	142,086	149,908	154,296
Bharti Infratel (unconsolidated)[2]	49,999	57,621	60,160	62,027
Indus[3]	178,144	201,106	213,685	219,687

(1) Represents, as of the dates indicated, the sum of the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel (as set forth in the second row of the table) and 42% of the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs (as set forth in the third row of the table). By providing this figure, no representation is being made that Bharti Infratel owns, operates or otherwise has any claims on Indus' towers.

(2) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel and excludes the towers (and the co-locations thereat) operated by Indus pursuant to the BIVL IRU.

(3) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs.

Bharti Infratel and Indus generally construct towers capable of hosting multiple sharing operators. The towers built by Bharti Infratel are generally designed in accordance with the prevalent Indian codes of practice, and are approved by organizations such as the Structural Engineering Research Center, Chennai or the Department of Civil Engineering, Indian Institute of Technology, Delhi. Subject to the active infrastructure installed at a tower, the number of sharing operators that can be accommodated at that tower may vary. For the six month period ended September 30, 2012, Bharti Infratel's average sharing factor was 1.81 co-locations per tower, while Indus' average sharing factor was 1.97 co-locations per tower. Details of Bharti Infratel's and Indus' average sharing factor are set forth below:

Average sharing factor[1]				
	Fiscal year 2010 (co-locations per tower)	Fiscal year 2011 (co-locations per tower)	Fiscal year 2012 (co-locations per tower)	For the six month period ended September 30, 2012 (co-locations per tower)
Bharti Infratel (consolidated)	1.57	1.75	1.85	1.90
Bharti Infratel (unconsolidated)	1.51	1.70	1.79	1.81
Indus	1.62	1.79	1.90	1.97

(1) Average sharing factor is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period.

For the six month period ended September 30, 2012, Bharti Infratel's unconsolidated sharing revenue per sharing operator was ₹36,295 per month and Indus' sharing revenue per sharing operator was ₹30,964 per month. Details of Bharti Infratel's and Indus' sharing revenue per sharing operator per month are set forth below:

Sharing revenue per sharing operator per month[1]				
	Fiscal year 2010 (₹)	Fiscal year 2011 (₹)	Fiscal year 2012 (₹)	For the six month period ended September 30, 2012 (₹)
Bharti Infratel (consolidated)[2]	34,184	34,724	34,625	34,099
Bharti Infratel (unconsolidated)	38,051	37,009	36,908	36,295
Indus	28,373	30,587	31,496	30,964

(1) Sharing revenue per sharing operator per month is calculated on the basis of the rental revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period.

(2) *See the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of preparation of our consolidated financial statements" on page 477 for details of Bharti Infratel's consolidated rental revenues.*

The percentage of its unconsolidated rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250) that Bharti Infratel recognized from Bharti Airtel (together with Bharti Hexacom) in the fiscal year 2012 and the six month period ended September 30, 2012 was 62.9% and 62.1%, respectively. Indus recognized a majority of its revenue from operations from its top three customers in the aggregate in the fiscal year 2012 and the six month period ended September 30, 2012, respectively.

Master Services Agreement(s)

Bharti Infratel has entered into long-term MSAs ("Bharti Infratel MSAs") with each of its customers, including Bharti Airtel. Indus has entered into long-term MSAs with each of its customers, including Bharti Airtel and the other joint venture partners in Indus. The Bharti Infratel MSAs set out the relationship between Bharti Infratel and its customers, ranging from the tower sharing process, site selection and acquisition and construction timelines, base charges and loading fees for additional equipment as well as the premiums applicable, the service levels and uptimes to be maintained, electrification requirements and the governance process. Certain key features of the Bharti Infratel MSA are described below; the MSAs entered into by Indus are substantially similar to the Bharti Infratel MSA.

The MSA is the agreement governing the framework for providing a wireless telecommunications service provider access to, and use of, a tower for the installation of equipment necessary for the provision of wireless telecommunications services. Under the MSA, a wireless telecommunications service provider first approaches Bharti Infratel with details of locations where it wishes to install its active infrastructure. Bharti Infratel analyses this information and the desired locations and provides the wireless telecommunications service provider with its suggestions, including whether an existing tower is available at or near the specified locations, or whether a new site will have to be developed. Once the service provider confirms the location, Bharti Infratel constructs the new site, or prepares the existing site, as applicable, for use by such service provider. Bharti Infratel is required to ensure that each site is capable of accommodating the equipment in accordance with the standard configuration.

When the tower is ready for the service provider to install its active infrastructure, the parties enter into a service contract in respect of that site, and the service provider is granted access to the site for the installation of the active infrastructure. During the term of the service contract, which varies from 5 to 15 years, Bharti Infratel is required to maintain the towers at the site in good condition, and ensure that no encumbrance is created at the site that restricts the service provider's activities. The MSA is a non-exclusive agreement, such that Bharti Infratel retains the right to provide other service providers access to, and use of, its towers.

The MSA specifies the standard configuration of active telecommunications infrastructure that a service provider is permitted to install at a site. The MSA also sets out the charges applicable to the service provider. A base rental rate is applicable, determined by the total number of service providers at the site, which is typically based on whether the tower is a GBT or RTT. This base rental rate is subject to a variety of premiums, including a rental premium calculated on the basis of the actual rent paid to the landlord of the site, a strategic premium based on the strategic nature of the site, and further additional charges depending on the active infrastructure that the service provider installs at the site over and above the standard configuration that is set out in the MSA. The aggregate of the base rental rate and all applicable premiums is the total rate payable by the service provider per month. Energy costs (electricity and fuel charges) are either charged as per the amounts incurred, based on electricity meters installed at the site and the diesel fuel consumed for operating DG sets or, where Bharti Infratel has entered into certain arrangements with respect to energy charges, its customers pay a fixed amount per month (determined on the basis of, among other things, the number of sharing operators and the equipment at the tower) in relation to energy costs at a tower. The MSA also provides for term-based premiums (for shorter terms) and volume-based discounts to the service provider, depending on the length of the service contract for the site and the aggregate number of sites at which the service provider is a sharing operator, as well as exit rights without penalty for high-volume sharing operators. An annual escalation clause is built into the MSA, on the basis of which the rates applicable to a sharing operator are increased by 2.5% every year.

The MSA also specifies the service levels applicable on Bharti Infratel at various stages during the process of providing access to the towers. The site access service level sets out the time period within which the service provider is to be provided access to the site, depending on whether it is a GBT or an RTT, as well as whether it is a new or an existing site and whether it is situated in a location that is not easily accessible. The operation and maintenance service levels set out the "uptime" that is expected at a site, which is the time during which the service provider's telecommunications network is operational, as measured by the service provider's network operations centre and Bharti Infratel's tower operations centre.

The uptime service level below which service level credits are applicable in the telecommunications Circles of Haryana, Rajasthan, Orissa, Madhya Pradesh and Chhattisgarh, Uttar Pradesh (East) and Uttar Pradesh (West) is 99.95%, while the service level that is applicable in the telecommunications Circles of Himachal Pradesh, Jammu & Kashmir, Assam and the North-East states and Bihar is 99.90%. Further, the uptime service level expected at a tower that is identified as strategic by the relevant telecommunications service provider is 99.99%.

The service contracts entered into in respect of individual towers set out the penalties applicable in the event of early termination (subject to exceptions set out in the MSA). In the case of a service contract which has a term of seven years or more, if the service provider wishes to terminate the contract prior to the expiry of its term, subject to the service provider having made all applicable payments for a period of five years, the service provider is required to pay Bharti Infratel the higher of:

- 35% of the unpaid amount for the remainder of the term; and
- the total rate payable in respect of the site, as applicable at the time of termination, for a period of 12 months.

The exit payments do not take into account the annual escalation provided for in the MSA, and are calculated at the prevailing rate at the time of termination. In the case of a service contract which has a term of less than seven years, if the service provider wishes to terminate the contract prior to the expiry of its term, the service provider is required to pay Bharti Infratel the entire unpaid amount for the remainder of the term. These exit payments are only payable in the event of a voluntary termination by the service provider, insolvency of the service provider or a material default by the service provider in respect of its obligations under the MSA. Under the MSA, each service contract shall have a term that is mutually agreed by the parties, provided that no service contract shall have a term of less than five years.

The MSA can only be terminated in its entirety by either party in the event that all service contracts entered into under the MSA have expired or have been terminated, insolvency of either party or any change in law renders the existence or performance of the MSA void.

Site Acquisition

As per the process set forth in the MSA, the wireless telecommunications service provider seeking to install active infrastructure at a tower provides Bharti Infratel with details of its preferred locations. The service provider generally nominates three locations in a vicinity, called "nominals", in order of priority, which are identified on the basis of latitude and longitude coordinates and/or the name of specific buildings or localities. Based on this information, Bharti Infratel's site acquisition team visits the identified location and collates information in order to ensure that the optimal location is selected to meet the service provider's requirements. The site acquisition team also verifies the credentials of the owner of the site with respect to clear title to the property concerned and other applicable documentation. Towers can be either GBT sites or RTT sites; in the event that a RTT site is identified as suitable, the site acquisition team checks the concerned building for structural suitability prior to leasing the premises.

Once the verification process is complete and the site acquisition team obtains the owner's consent for leasing the identified site, Bharti Infratel informs the service provider of the final location along with an implementation plan and indicative rental costs and, with the service provider's consent, undertakes due diligence and negotiations in respect of the site and applicable rent. These processes are carried out through associates under the supervision of site acquisition team heads in each Circle, while due diligence of legal documents is undertaken by legal advisors appointed by the central legal team through the Circle-level legal head. The rental bands are provided to the site acquisition team heads on the basis of locality with respect to urban/suburban and rural classifications.

Once these processes are completed, the site is finalised and a standard long-term agreement is shared with the owner, which is then executed and registered at the relevant local registrar’s office. Registered agreements are uploaded into a centralised information system and are made available to Bharti Infratel’s finance team for the processing of rent payments to the landlord in due course.

Licences and Approvals

Bharti Infratel requires various approvals from central, state and municipal authorities in order to operate its towers and related infrastructure, including registration as a Category I Infrastructure Provider with the DoT, approvals from Municipal Councils or Gram Panchayats for installation of towers and approvals from Pollution Control Boards for operating DG sets. For a description of certain key approvals that Bharti Infratel generally requires in relation to the development of a tower, see the section “Government Approvals” on page 537.

Construction of Tower

The typical equipment and infrastructure required at a site consist of the tower, the shelter/battery chiller, SMPS, battery bank and a DG set with electrical cables and accessories. Construction activities involve civil foundations for the tower, and installation of the shelter, DG set and BTS in the case of an outdoor BTS, along with electrical work such as cabling and earthing. The service level timeframe for construction of GBTs with a 40 meter tower is 45 days from acquisition of the site, and for RTTs varies from 22 to 25 days from acquisition of the site. This service level timeframe includes installation and commissioning of all associated equipment required at the tower.

Operation and Maintenance

Bharti Infratel undertakes operation and maintenance activities of the towers located at each site, as required under the MSA. These activities include the general upkeep of the tower and maintenance of the towers, ensuring continuous power supply and filling fuel in the DG sets, periodic stability checks of the towers, provision and maintenance of the air-conditioning system, maintenance of the shelter, provision and maintenance of a fire-alarm system and security services.

Measurement of Tower Performance

Tower performance is largely a function of the availability of electricity at a site, which is seasonal due to electricity usage and capacity constraints, particularly in the summer months in India. Bharti Infratel is required to maintain uptime levels of 99.95% at certain of its towers and 99.90% at certain of its towers under its MSAs. The uptime levels are monitored at Bharti Infratel’s TOC. A failure to meet these uptime service levels triggers service level credits under the MSAs. The uptime service level for Bharti Infratel for the month September 2012 was 99.92%.

Similarly, Indus is required to maintain uptime levels of 99.95% at certain of its towers and 99.90% at certain of its towers under its MSAs, depending on the Circles they are located in. The uptime service level for Indus for the month September 2012 was 99.96%.

Customers

Bharti Infratel has entered into a long-term MSA with Bharti Airtel, which is Bharti Infratel’s sharing operator at substantially all of its towers, as well as Vodafone India and Idea Cellular. In addition, Bharti Infratel has entered into MSAs with all the other 2G and 3G wireless telecommunications service providers in India. The percentage of its unconsolidated rental revenues (as stated in Annexure XIII to Bharti Infratel’s unconsolidated restated financial statements included in the section “Financial Statements of the Company” on page 250) that Bharti Infratel recognized from its top customer, Bharti Airtel (together with Bharti Hexacom), in the fiscal year 2012 and the six month period ended September 30, 2012 was 62.9% and 62.1%, respectively.

Indus has entered into long-term MSAs with Bharti Airtel and the other joint venture partners, which are sharing operators at substantially all the towers operated by Indus. In addition, Indus has entered into MSAs with all the other 2G and 3G wireless telecommunications service providers in India. Indus recognized a majority of its revenue from operations from its top three customers in the aggregate in fiscal year 2012 and the six month period ended September 30, 2012.

Sales and Marketing

Bharti Infratel has a dedicated sales and marketing team within its leadership organisation structure, which is replicated at the level of each telecommunications Circle. The emphasis of the sales and marketing function at Bharti Infratel is to build on its existing strong customer relationships, encouraging a flow of information to and from Bharti Infratel and its customers in order to ensure high visibility of future growth plans of wireless telecommunications service providers while making them aware of Bharti Infratel's offerings and the advantages it provides. Bharti Infratel follows a key account management strategy to enhance its customer relationship. It has assigned key account managers for each of its key customers and runs structured governance processes with each of these customers.

The sales and marketing team provides pre-sales as well as post-sales technical support to Bharti Infratel's customers, along with the necessary operational information. The sales and marketing teams at the Circle level play a key role in maintaining customer relationships and addressing complaints and concerns.

Indus has a dedicated sales and marketing team within its organisation structure, which is replicated at the level of each telecommunications Circle. The emphasis of the sales and marketing function at Indus is both to build on strong existing customer relationships in order to support its future growth plans, and to support its customers through technical assistance along with the provision of any necessary operational information.

Bharti Infratel and Indus conduct an annual survey through an independent third party to obtain critical customer feedback. This feedback is used to drive improvement projects internally, in order to enhance customer satisfaction.

Suppliers and Service Providers

Information systems are key to the integration of Bharti Infratel's operational functions, through the automation of business processes. The information technology function at Bharti Infratel benefits from a strategic outsourcing agreement with IBM India Private Limited, which was entered into in early 2009.

The outsourcing program with IBM is a strategic relationship for IBM to provide, among other things, information technology services, processes, applications, software and hardware. The term of the engagement is 10 years and builds in flexibility that allows the parties to align themselves to business changes and reorganisations and adapt to software and hardware changes. Through applications such as the TOC and Mobile Field Force Management developed under the outsourcing program with IBM, Bharti Infratel is able to centrally monitor, manage and control its tower portfolio, while achieving cost and energy efficiencies.

Construction of towers is mainly carried out through turnkey service providers ("TSPs"), augmented by local vendors. The central commercial team at Bharti Infratel selects TSPs on the basis of their credentials and execution experience and capacity, as well as regional presence. Upon identification of the relevant TSP, rates and terms are finalised, including service levels and service level credits. Once the contract is executed, the TSP is allotted sites through the respective Circle-level teams. The TSP executes the construction activities through the Circle-level project set-up, on the basis of the approved site layout and drawings that are provided by Bharti Infratel.

Quality Control

Bharti Infratel and Indus emphasise quality of deployment, uptime of the towers and energy efficiency as key quality parameters. Bharti Infratel has set up an in-house quality function in order to fulfil these objectives, with 163 personnel as of September 30, 2012, whose responsibility is to maintain quality for all new rollout towers and for existing towers across all the telecommunications Circles in which Bharti Infratel operates.

We believe that Bharti Infratel has established well structured quality processes and systems at every stage of its work, from designs, materials, workmanship at site, operations and maintenance through the entire lifecycle of the towers and related services. Bharti Infratel has adopted the following stage-wise quality assurance practices:

- pre-dispatch inspection of all major material such as tower components, DG sets, shelters, SMPS and battery banks;

- on-site inspection during works in progress such as civil, electrical and tower installation works;
- quality audits post completion of works to ensure process completion; and
- preventive maintenance audits during operation and maintenance of sites to ensure timely maintenance of equipment and basic site hygiene.

Bharti Infratel has developed Standard Quality Process and Guidelines for civil, tower and electrical works and a Quality Assurance Plan ("QAP") for pre-dispatch inspection for effective material verification at vendor premises. Regular project reviews and governance meetings are conducted with the TSPs by the respective Circle-level deployment head as well as at the central corporate level to ensure timely delivery and quality. Third party audits are also conducted on a regular basis in order to encourage maintenance of quality by the TSPs and ensure that sites are delivered strictly in accordance with Bharti Infratel's approved specifications. All new rollout sites undergo strict quality inspection at various stages before being declared RFI.

We believe that Indus has established well-structured quality processes and systems in relation to its operations, including with respect to site hygiene and preventive maintenance.

We believe that these quality assurance practices enable Bharti Infratel and Indus to maintain high performance standards at their respective tower portfolios, resulting in the following long-term advantages:

- good asset life as per specifications and designs;
- high network uptime for customers, with fewer network outages; and
- high levels of customer satisfaction due to hassle-free active infrastructure installation.

Competition

The tower infrastructure business in India is highly competitive in nature. Bharti Infratel and Indus face competition in the market from (a) tower infrastructure of wireless telecommunications service providers, (b) tower infrastructure companies backed by wireless telecommunications service providers and (c) independent tower infrastructure companies. Certain established wireless telecommunications service providers like BSNL and MTNL have their own telecommunications tower portfolios, and are contemplating transferring these to independent tower companies. Certain wireless telecommunications service providers like Reliance Communications Limited and Tata Teleservices Limited have spun off their towers into separate tower companies such as Reliance Infratel Limited and VIOM Networks Limited (formerly known as Wireless TT Infoservices Limited), respectively. Bharti Infratel and Indus also face competition from independent tower infrastructure service providers such as GTL Infrastructure Limited, American Tower Corporation and Tower Vision India Private Limited, as well as competition from power transmission operators such as Power Grid Corporation of India Limited, who may let their existing infrastructure be utilised by wireless telecommunications service providers for installation of their active telecommunications equipment.

The tower infrastructure industry in India may experience consolidation and investment by international companies, resulting in the emergence of stronger competitors. Bharti Infratel's and Indus' continued success depends on their respective abilities to compete effectively against existing and new companies, obtain financing on equal or better terms, maintain independence from the wireless telecommunications business of their key shareholders and respond effectively to changing market conditions.

Employees

As of September 30, 2012, Bharti Infratel had 1,273 full-time employees on its rolls and 4,363 off-roll personnel who are mainly involved in the operation and maintenance of Bharti Infratel's towers. As of September 30, 2012, Indus had 1,309 full-time employees on its rolls and 1,360 off-roll personnel.

Bharti Infratel undertakes periodic reviews of its employees' job performance and determines salaries and discretionary bonuses based upon these reviews and general market conditions. In addition, Bharti Infratel offers internal training programs tailored to different job requirements to develop its employees' skills.

Bharti Infratel believes it has a good working relationship with its employees and it has not experienced any significant labour disputes. Bharti Infratel's employees are not party to any collective bargaining agreements or represented by any labour unions.

Bharti Infratel enters into employment contracts with each of its employees that contain standard confidentiality provisions.

Bharti Infratel provides certain benefits to its employees, including a defined retirement benefit plan and an employee stock option scheme. For further details in relation to the employee stock option scheme, see the section "Capital Structure" on page 86.

Environment and Safety

Bharti Infratel believes that a healthy environment is a prerequisite for progress, contributing to the well being of society, its people and its business, and that its business model promotes tower sharing, bringing down the carbon footprint for telecom networks and working towards a sustainable economy.

Bharti Infratel has initiated its GreenTowers P7 program based on seven ideas aimed at minimising dependency on diesel and, thereby, carbon footprint reduction. This program promotes (a) improving energy efficiency of tower infrastructure equipment, (b) use of renewable energy resources, and (c) reduction of equipment load on tower infrastructure equipment.

Bharti Infratel's GreenTowers P7 program has been widely recognized across the industry. Bharti Infratel won the prestigious 'Green Mobile Award' at the 2011 GSMA Global Mobile Awards for the GreenTowers P7 initiative. The Confederation of Indian Industry (CII) also conferred upon Bharti Infratel, the National Award for Excellence in Energy Management 2011, recognising the GreenTowers P7 program as the 'Most Innovative Energy Saving Product / Service'.

As of September 30, 2012, Bharti Infratel operated 1,245 solar-powered sites and has also issued a Request for Proposal dated July 3, 2012 for commissioning up to 3,500 more solar powered towers. Bharti Infratel is currently evaluating the responses submitted by various vendors in this regard.

Bharti Infratel has signed a Memorandum of Understanding with GSMA in February 2012, to develop and promote green technologies for tower infrastructure in India. The collaboration will entail working together to convert 1,000 Bharti Infratel towers into green sites. Further, Bharti Infratel is partnering with Renewable Energy Service Companies in its efforts towards community power development, along with powering its towers using renewable energy in rural areas.

Indus has launched its Green City environmental-drive in four major cities and three major towns in India, a national carbon abatement program which aims to increase the number of Indus' diesel-free towers across India. Indus is also working on certain green initiatives at its other tower sites.

We believe that these renewable energy initiatives will continue to have long-term benefits to business of Bharti Infratel and Indus, securing them against rising diesel costs as well as reducing the environmental impact of their operations.

Insurance

Bharti Infratel has a standard fire and special perils insurance policy with Oriental Insurance Company, as well as erection all risk cover in relation to work-in-progress towers and has terrorism risk cover in a joint policy with Bharti Airtel. Bharti Infratel also has a group personal accident policy with Bharti AXA General Insurance and life insurance cover for its employees with Max Life Insurance Company.

Bharti Airtel has a medical insurance policy with United India Insurance Company Limited that covers its group of companies (including Bharti Infratel) for a period of 12 months from June 1, 2012.

Indus has an insurance policy with Tata AIG Insurance which is valid until September 13, 2013 and which provides cover for all assets related to operational telecommunication towers and burglary insurance.

Intellectual Property

The "Infratel" trademark is registered in the name of Bharti Infratel under class 9 and class 38 of the Trade Mark Rules, 2002. For further details, please see the section "Government Approvals", on page 537.

In addition, Bharti Infratel has entered into a license agreement with BEHPL, pursuant to which it is permitted to use the Bharti trademark as part of Bharti Infratel's corporate name, as well as the Bharti logo in connection with its business on a non-exclusive basis, within the territory of India. The license agreement is valid until March 31, 2014 and may be renewed on mutually agreed terms thereafter. Currently, Bharti Infratel is not required to make any payments to BEHPL for the use of the Bharti trademark or logo under the terms of the license agreement.

Real Property

Bharti Infratel's Registered Office is located at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070. Bharti Infratel has been given non-exclusive permission by Bharti Enterprises to use these premises for its Registered Office with effect from March 16, 2009 under the terms of the Addendum Agreement to the leave and license agreement dated December 23, 2011 entered between Bharti Enterprises and Bharti Realty.

Bharti Infratel's corporate office is located at Park Centra, Sector-30, Village Silokhara, Gurgaon. The Corporate Office is held on a leasehold basis for a period of five years.

Bharti Infratel's TOC is located at Plot No. 48, Udyog Vihar, National Highway – 8, Gurgaon. The TOC is held on a leasehold basis for a period of nine years.

Most of Bharti Infratel's and Indus' towers are located on leased properties. These lease agreements are generally for a period between 10 and 15 years and grant Bharti Infratel and Indus the right to use the leased premises for the purpose of carrying on their business.

Corporate Social Responsibility

Bharti Infratel's corporate social responsibility vision statement is to:

"Be an ethical corporate citizen committed to adopting business practices that are environment friendly and integrated with our company vision of being the best and most innovative passive communications infrastructure provider globally."

In order to achieve its vision, Bharti Infratel focuses on environmentally-friendly initiatives, encouraging its employees to develop their skills, and helping underprivileged children through education sponsorship, financial support and employee volunteering activities. With these objectives in mind, Bharti Infratel has undertaken the following corporate social responsibility initiatives, among several others:

- Donations, including to the Bharti Foundation which runs education initiatives for underprivileged children;
- Continued implementation of a comprehensive Green Energy Program called the GreenTowers P7 program. P7 is a comprehensive energy management plan aimed at using alternative, renewable and energy efficient technologies;
- Implementation of a health-cum-awareness camp for AIDS in Mokokchong, in North-East India, consisting of 43 camps organised and covering almost 10% of the district's population; and
- "Go Green" Initiative, involving planting trees, undertaken by Bharti Infratel at various Circle-level offices.

Awards and Recognition

Bharti Infratel received the "Telecom Infrastructure Company of the Year" award at the 2011 and 2012 Dun &

Bradstreet – Axis Bank Infra Awards. Bharti Infratel received the "National Award for Excellence in Energy Management 2011" while the Green Towers P7 programme won the "Most Innovative Energy Saving Product/Service" award from the Confederation of Indian Industry at the 12th Energy Efficiency Summit 2011. Bharti Infratel also won the "GreenEdge" award at the 2011 – CIO100 Awards and the "Efficient Enterprise Special Award" at the 2012 – CIO100 Awards. In addition, the TOC was identified as a project with "Maximum Business Impact" as Bharti Infratel won the PC Quest's 2011 "Best IT Implementation Award". Bharti Infratel also won PC Quest's 2012 "Best IT Implementation Award" for implementing the "Infratel Enterprise Suite" that was designed to automate and align business processes within six value streams within the organization. Bharti Infratel also won the "Top Green IT Enterprise Award 2012" at the Green IT Study & Awards 2012 sponsored by CIO in association with APC-Schneider and received the "Green Mobile" award at the 2011 GSM Annual Global Mobile Awards in the Best Green Product/Service or Performance category for its P7 Green Towers initiative, as well as the "Innovative Infrastructure Company of the Year" award at the 2010 Essar Steel Infrastructure Excellence Awards and for "Telecom Company of the Year" at the 2012 Essar Steel Infrastructure Excellence Awards.

Indus received the "Aegis Graham Bell Awards 2012" for the "Indus i-CAP Program" in the category of 'Green Telecom'. It also received the Frost & Sullivan India ICT Award 2012 for the "Passive Infrastructure Provider of the Year" and the Green Initiatives Award at the Airtel Partners Meet 2012. It also received an award in the category "Best Infrastructure Provider" at the Tele.net Telecom Operators Awards 2012, and the "Green Company of the Year" and the "Top Telecom Company of the Year" at the Amity Telecom Awards 2012. Indus further received the "Enabling 3GH Services for the Nation Award" at the Essar Steel-CNBC Infrastructure Excellence Awards 2011, the "Largest Independent Tower Company" award at the CMAI and Star News' 5th National Telecom Awards 2011, the "Top Telecom Tower Company" for 2012 and 2011 and the "Green Company of the Year" award for 2011 at the Voice and Data 100 Awards and the KPMG-Qimpro award 2011 for Green Initiatives.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company, Subsidiary and Indus. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Key Regulations in relation to the Telecommunications Infrastructure Sector

Registration as Infrastructure Provider Category - I

Telecommunications infrastructure service providers are required to be registered with the DoT as an IP-I Provider and obtain a certificate in this regard from the DoT ("IP-I Registration Certificate"). An IP-I Provider can provide infrastructure such as dark fibres, right of way, duct space and towers on lease / rent out / sale basis to the licensees of telecommunication services on mutually agreed terms, but in accordance with the terms and conditions set out in the IP – I Registration Certificate and the Guidelines for Registration of Infrastructure Providers Category- I by the DoT ("IP-I Guidelines"). The IP-I Registration Certificate may be cancelled by DoT upon breach of its terms by the IP-I Provider. Further, the IP-I Guidelines require an IP-I provider to be an Indian company registered under the Companies Act.

An applicant for the IP-I Registration Certificate is required to make its own arrangements for right of way. An IP-I Provider has to provide its infrastructure in a non-discriminatory manner. Under the provisions of the IP-I Registration Certificate, the DoT may either take over the equipment and networks of the IP-I Provider or revoke, suspend or terminate the IP-Registration Certificate either in part or in whole as it deems fit, in public interest, in case of emergency or war or low intensity conflict or any other eventuality.

On March 9, 2009, DoT issued an order regarding scope of IP-I providers. Under this order, DoT clarified that the scope of IP-I providers has been enhanced to cover the active infrastructure if this active infrastructure is provided on behalf of the licensees, i.e. they can create active infrastructure limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only for / on behalf of UASL/CMSP licensees.

Infrastructure Sharing Guidelines

The DoT issued Guidelines for Infrastructure Sharing on April 1, 2008 ("Infrastructure Sharing Guidelines") applicable to service providers and infrastructure providers. Under the Infrastructure Sharing Guidelines, IP – I Providers are permitted to seek siting clearance from SACFA for erecting towers irrespective of whether they had agreements with licensed service providers. The SACFA is a high level committee whose function is to carry out detailed technical evaluation in respect of aviation hazards, obstruction to the line of sight of existing or planned networks and interference to existing and proposed networks.

National Telecom Policy, 2012

The National Telecom Policy, 2012 (the "NTP 2012") was approved by the Government on May 31, 2012. The policy envisions providing secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere. The NTP 2012 lists various strategies in relation to telecommunication infrastructure which include, *inter alia*: (i) to review and simplify sectoral policy for right of way for laying cable network and installation of towers for facilitating smooth coordination between the service providers and the State Governments/local bodies; (ii) to undertake periodic review of electro magnetic field ("EMF") radiation standards for mobile towers and mobile devices with reference to international safety standards; (iii) to encourage use of innovative methods like camouflaging, landscaping, monopole towers and stealth structures to conform to aesthetic requirements; and (iv) to mandate standards in the areas of functional requirements, safety and security and in all possible building blocks of the communication network, including physical infrastructure like towers and buildings. Further, one of the objectives of NTP 2012 is to attract investment, both domestic and foreign. Additionally, NTP 2012 aims to simplify the licensing framework along with the merger and acquisition regime in telecommunication service sector while ensuring adequate competition.

The NTP 2012 seeks to provide a predictable and stable policy regime for a period of about ten years. The NTP 2012 will be made operational by bringing out detailed guidelines, as may be considered appropriate, from time to time.

Implementation of Green Telenologies in Telecom Sector:

On January 23, 2012, DoT issued an order stating, *inter alia*, that: (i) at least 50% of all rural towers and 20% of the urban towers are to be powered by hybrid power by 2015, while 75% of rural towers and 33% of urban towers are to be powered by hybrid power by 2020; (ii) all telecom products, equipments and services in the telecom network should be energy and performance assessed and certified "Green Passport" utilizing the ECR's rating and the energy "passport" determined by the year 2015.

Recommendations by TRAI:

a. *Recommendations on Guidelines for Unified Licence/Class Licence and Migration of Existing Licences*

On May 12, 2012, TRAI released its Recommendations on Guidelines for Unified Licence/Class Licence and Migration of Existing Licences ("Unified Licence Recommendations"). The Unified Licence Recommendations provide for the migration of the existing licences to a unified licensing regime. Under this unified licensing regime, there will be three levels of licenses namely, national level, service area level and district level. TRAI has also recommended that IP-I Providers should also be brought under the unified licensing regime and that it should be mandated that the limit of foreign direct investment in such infrastructure providers should be brought down to 74% within a period of three years of a unified licensing regime coming into force.

On February 15, 2012, DoT issued a press release clarifying, *inter alia*, that a decision on the recommendations to bring IP-I service providers under licensing regime, who are currently unlicensed passive infrastructure providers, has been deferred for further examination.

b. *Recommendations on Telecommunications Infrastructure Policy*

On April 12, 2011, TRAI released its Recommendations on Infrastructure Policy ("Infrastructure Policy Recommendations"), stated the importance of the telecommunication infrastructure in the development of the country. TRAI has recommended, *inter alia*, that: (i) IP-I Providers be brought under the unified licensing regime so that the power conferred upon licensed service providers (under the provisions of section 19B of the Indian Telegraph Act, 1885, as amended) in respect of the right of way could be made applicable in case of IP-I Providers as well; (ii) telecommunication infrastructure provider companies be extended tax benefits under section 80IA of the Income Tax Act; and (iii) IP-I infrastructure providers be permitted to possess and maintain wireless telegraphy equipment and may be assigned spectrum for providing backhaul through microwave system subject to the condition that they are brought under the proposed unified licensing regime.

Framework for using harmonized master list for infrastructure sub-sectors

In March 2012, the Cabinet Committee on Infrastructure approved the framework for using the harmonized master list of infrastructure sub-sectors, which was notified in the Official Gazette of India on March 28, 2012. The harmonized master list of infrastructure sub-sectors, is meant to guide all the agencies responsible for supporting infrastructure in various ways. The harmonized list of infrastructure sub-sectors includes 'telecommunication towers' under the 'Communication' category. The harmonized list permits each financing agency to draw its own list of sub-sectors out of the master list, however it restricts inclusion of new sub-sectors only to those cases where certain specified characteristics of infrastructure have been demonstrated.

USO Fund

Universal service refers to the idea that basic infrastructure such as electricity, roads, water or telecommunication should be available to everyone. This was aimed to be achieved through roll out obligations and through use of the USO fund. The New Telecom Policy, 1999 had provided resources for the meeting USO i.e. through 'Universal

Access Levy' which would be a percentage of the revenue earned by the operators under various licenses. USO fund attained a statutory status pursuant to the Indian Telegraph (Amendment) Act, 2003. USO fund has taken various initiatives by way of introducing various schemes such as '*Infrastructure Support for Mobile Services'* and '*Rural Broadband Schemes'.* By way of the Infrastructure Policy Recommendations, TRAI restricted the application of USO fund to (i) provision of telecommunications facilities in inhabitants having populations of less than 500; (ii) to lay optical fibre cable in the prescribed manner so as to fulfill the bandwidth requirement and facilitate broadband growth in the rural area; and (iii) any other use, if a commitment has already been agreed upon.

EMF Radiation from base transmitting station towers

The DoT has issued the norms of EMF Radiation on Mobile Towers and Mobile Handsets stating, *inter alia*, that: (i) the EMF exposure limit (base station emissions) is lowered to 1/10th of the existing ICNIRP exposure limit effective from September 1, 2012, (ii) DoT will carry out test audit of 10% of the BTS sites on random basis and on all cases where there is a public complaint; (iii) for non-compliance of EMF standards, a penalty of ₹ 0.5 million is liable to be levied per BTS per service provider. These norms are applicable from September 1, 2012.

Further, DoT has also released guidelines covering BTS Towers to bring some consistency in setting up of BTS towers.

Currently, the EMF radiation norms are applicable only to telecommunications service providers and do not apply to tower and related infrastructure.

Report of the Department Committee on BTS Towers

In March 2012, a departmental committee was constituted to examine the issues relating to mobile base stations towers. A report was issued by the department committee giving various recommendations in relation to guidelines on the setting up of the BTS towers, structural safety for towers on roof tops, location of mobile towers in master plan, and in building solutions. These include recommendations that service providers/infrastructure providers have unrestricted right of way for installation of mobile tower irrespective of land usage after entering into a legal contract with the owner and that the design, fabrication, material and erection of mobile towers and the buildings should conform to relevant Bureau of Indian Standards provisions in the relevant areas.

Permission from Municipal Authorities/Zilla Parisad/Gram Panchayat/any other local authority

The local laws of many states in India require that in order to set up towers and other infrastructure, 'no objection certificates', change of user of land from local authority as applicable, such as, municipal authorities, zilla parishad or gram panchayat in whose jurisdiction the towers are being constructed are to be obtained. For instance, in the State of Maharashtra, Section 44 of the Maharashtra Regional and Town Planning Act, 1966 specifies that any person intending to carry on any development on any land has to obtain permission from the planning authority by making an application in writing. On receipt of such application, the planning authority may, under Section 45 of the aforesaid legislation, grant such permission unconditionally, or subject to such conditions as may be imposed with the prior consent of the State Government. Such permission would be granted in form of a commencement certificate. Similar restrictions upon the development of land are laid down under Sections 12 and 13 of the Delhi Development Act, 1957, as amended.

Consents in relation to DG Sets

DG sets are required to comply with certain environmental norms for continuance of their operation. The Ministry of Environment and Forests has prescribed that the manufacturers and users of DG sets have to abide by the 'Noise Limit for Generator Sets run with Diesel' notified by Environment (Protection) Second Amendment Rules dated May 17, 2002 ("Second Amendment Rules"). The Second Amendment Rules prescribe noise limits for DG Sets and provide for various measures to be adopted by manufacturers and users to limit noise levels from DG sets. The Central Pollution Control Board ("CPCB") has also published a System and Procedure for Compliance with Noise Limits for Diesel Generator Sets (up to 1,000 KVA) ("System and Procedure Notification") which is effective from January 15, 2008. In terms of the System and Procedure Notification, the maximum permissible sound pressure level for new DG sets with capacity of up to 1,000 KVA manufactured on or after January 1, 2005 is 75 decibels at one metre from the enclosure surface. The System and Procedure Notification states that no person shall sell, import or use a DG set, which does not have a valid type approval certificate and Conformity of Production certificate.

Foreign Investment Regulations

In terms of the Consolidated FDI policy (effective from April 10, 2012), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in a company registered as an IP-I Provider is permitted. Of the aforesaid limit, up to 49% foreign direct investment is permitted under the automatic route and beyond that, under the approval route. If such a company is listed in other parts of the world, then such company will be required to divest 26% of its shares in favour of Indian public within five years.

Environmental Regulations

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the "Environment Protection Act"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations.

Electricity Act 2003 and rules framed thereunder

The Company is also required to comply with the various provisions of the Electricity Act, 2003 and the rules thereunder wherever applicable, including but not limited to, electricity loading and payment of cess.

Labour Related Regulations

In addition to the aforementioned material legislations which are applicable to the Company, the other legislations that apply to our operations include, inter alia:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947;
- The Employees' State Insurance Act, 1948;
- The Building and Other Construction Workers Act, 1996.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of the Company

The Company was incorporated as "Bharti Infratel Limited" as a public limited company on November 30, 2006. The Company received a certificate of commencement of business on April 10, 2007. Pursuant to a scheme of arrangement approved by the High Court of Delhi on November 26, 2007, the Promoter transferred its telecommunication infrastructure business to the Company. For further details of the scheme of arrangement, please see the section "History and Certain Corporate Matters – Schemes of Arrangement" on page 170 below.

For information on the Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers and customers, please see the sections "Management", "Our Business" and "Industry Overview" on pages 179, 142 and 119, respectively.

The Company has 12 members as of the date of filing of this Red Herring Prospectus.

The Company is not operating under any injunction or restraining order.

Changes in Registered Office

The details of changes in the Registered Office are set forth below:

Date of change	Details of the change in the address of Registered Office
March 16, 2009	Registered office of the Company changed from "Qutab Ambience, H-5/12, Mehrauli Road, New Delhi 110 030" to "Aravali Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070"
January 20, 2010	Registered office of the Company changed from "Aravali Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070" to "Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070"

The changes mentioned above were made to enable greater operational efficiency.

The Main Objects of Company

The main objects contained in the Memorandum of Association of the Company are as follows:

" 1. *To carry on in India and elsewhere the business of establishing, operating and maintaining and managing wireless communication towers either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under a strategic alliance or Joint Venture or any other arrangement.*

2. *To carry on in India and elsewhere the business of leasing of antennae sites on multi tenant towers for a range of wireline and wireless communications industries, including PCS, cellular, ESMR, SMR, paging and fixed microwave, as well as radio and television broadcasters within or outside India either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under strategic alliance or Joint Venture or any other arrangement.*

3. *To provide a broad range of network development services, including network design, site acquisition, zoning and other regulatory approvals, tower construction and antennae installation in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad either under a strategic alliance or Joint Venture or any other arrangement.*

4. *To engage in the video, voice, data and Internet transmission business either in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies Corporate incorporated in India or abroad.*

5. *To engage in the business of constructing towers on a built to suit basis for client Companies."*

The main object as contained in the Memorandum of Association enable the Company to carry on the business presently being carried out as well as the business proposed to be carried out and the activities proposed to be undertaken pursuant to the objects of the Issue. For further details, please see the section "Objects of the Issue" on page 101.

Amendments to the Memorandum of Association

Since incorporation, the following changes have been made to the Memorandum of Association:

Date of Shareholders Resolution	Details
February 4, 2008	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 500,000 divided into 50,000 Equity Shares to ₹ 10,000,000 divided into 1,000,000 Equity Shares.
July 22, 2008	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 10,000,000 divided into 1,000,000 Equity Shares to ₹ 6,000,000,000 divided into 600,000,000 Equity Shares.
August 21, 2012	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 6,000,000,000 divided into 600,000,000 Equity Shares to ₹ 35,000,000,000 divided into 3,500,000,000 Equity Shares.

Major events of the Company

The table below sets forth some of the key events in the history of the Company:

Calendar Year	Event
2007	The Company, the Promoter, Vodafone India Limited, Idea Cellular Limited and Idea Cellular Infrastructure entered into a joint venture to set up Indus to operate 15 telecommunication circles in India
2008	The Promoter transferred its passive infrastructure assets to the Company pursuant to a scheme of arrangement that became effective on January 31, 2008 with effect from the same day
2008	Compassvale, KKR Towers Company Mauritius Limited, GS Investment Partners (Mauritius) I Limited, Citigroup Financial Products Inc., AIF Capital Telecom Infrastructure Limited, AXA Towers India, Anadale, GS Strategic, Millennium Mauritius I Limited, Park Equity Holdings Limited and Nomura invested in the Company by subscribing to Equity Shares and compulsorily convertible debentures
2009	The Company transferred its passive infrastructure assets in 12 telecommunication circles to its subsidiary, BIVL, pursuant to a scheme of arrangement that became effective on May 5, 2011 with effect from the appointed date, i.e., April 1, 2009
2009	Citigroup Financial Products Inc. converted 118,650 compulsorily convertible debentures into 1,182,270 Equity Shares
2010	Compassvale, KKR Towers Company Mauritius Limited, AIF Capital Telecom Infrastructure Limited, Anadale, GS Strategic, Millennium Mauritius 1 Limited, Nomura, AXA Towers India, GS Investment Partners (Mauritius) I Limited and Park Equity Holdings Limited converted an aggregate of 3,084,900 compulsorily convertible debentures into 39,120,640 Equity Shares
2010	The Company won the 'Innovative Infrastructure Company of the Year' award at the Essar Steel Infrastructure Excellence Awards 2010
2011	'Renewable Energy Solutions for Telecom Cell Towers' by the Company was recognised as the 'Most Innovative Energy Saving Product' at the Confederation of Indian Industry - National Award for Excellence in Energy Management 2011
2011	The Company won the 'Green Mobile Award' for best green product/service or performance at the Global Mobile Awards 2011
2011	BIVL filed a scheme of arrangement before the High Court of Delhi pursuant to which, all the business and undertakings of BIVL, Vodafone Infrastructure Limited and Idea Cellular Towers Infrastructure Limited will be transferred to and vested in Indus.
2012	The Company was awarded the 2012 – CNBC Essar Steel, Infrastructure Excellence Award as the "Telecom Infrastructure Company of the Year"
2012	The Company won the 2012 CIO-APC Green IT Award for successfully consolidating and virtualising its data center and making significant reduction in carbon emissions.
2012	The Company won the iCMG IT Architecture Award for its landmark end-to-end enterprise tool

Calendar Year	Event
2012	The Company won the 'Top Infrastructure Company' award in the telecom infrastructure category at the 'D&B – Axis Bank Infra Awards 2012'
2012	The Company won the PC Quest 2012 award for best IT implementation
2012	The Company won the CIO 100 efficient enterprise special award.

Schemes of Arrangement

1. Scheme of arrangement between the Promoter and the Company and their respective shareholders (the "Bharti Airtel Demerger Scheme")

The High Court of Delhi by an order dated November 26, 2007 sanctioned the Bharti Airtel Demerger Scheme, pursuant to which the telecommunications infrastructure business of the Promoter, including all assets such as plant and equipments, wireless and broadcast towers required for operating plants and equipments used for transmitting telecommunication signals together with all rights, liabilities and obligations ("Telecom Infrastructure Undertaking"), were transferred to the Company. However, liabilities pertaining to loans taken by the Promoter for acquiring the assets comprised in the Telecom Infrastructure Undertaking continued to remain the liability of the Promoter.

The Bharti Airtel Demerger Scheme became effective on January 31, 2008 ("Bharti Airtel Demerger Effective Date") and was operative from the same day ("Bharti Airtel Demerger Appointed Date"). Pursuant to the Bharti Airtel Demerger Scheme, all legal proceedings, contracts, deeds etc. in relation to the Telecom Infrastructure Undertaking were transferred to the Company and continued by or against the Company, as the case may be. On the Bharti Airtel Demerger Effective Date, all the employees of the Promoter who were employed in or in relation to the Telecom Infrastructure Undertaking became the employees of the Company. Further, under the Bharti Airtel Demerger Scheme, the Company is the successor of the Promoter with respect to the Telecom Infrastructure Undertaking and any benefits under incentive schemes and policies relating to the Telecom Infrastructure Undertaking, which the Promoter was entitled to, were transferred to the Company. All permits, registrations, approvals, consents and licences obtained by the Promoter in relation to the Telecom Infrastructure Undertaking that were subsisting on the Effective Date were transferred to the Company.

The Company was not required to issue any shares or pay any consideration to the Promoter or to its shareholders, in terms of the Bharti Airtel Demerger Scheme. Upon the Bharti Airtel Demerger Scheme coming into effect, the value of the Promoter's investment in the Company was recorded in the books of the Promoter after taking into consideration, the fair values of the assets comprised in the Telecom Infrastructure Undertaking. The Company recorded the Telecom Infrastructure Undertaking at its fair value as on the Bharti Airtel Demerger Appointed Date and credited an amount equal to the fair values as general reserve which constituted free reserves of the Company, upon the Bharti Airtel Demerger Scheme becoming effective.

2. ***Scheme of arrangement between the Company, BIVL and their respective shareholders (the "Bharti Infratel Demerger Scheme")***

The High Court of Delhi by an order dated March 29, 2011 sanctioned the Bharti Infratel Demerger Scheme, pursuant to which certain telecommunications assets of the Company in specified Circles (as detailed below), including all assets such as plant and equipments, wireless and broadcast towers required for operating plants and equipments used for transmitting telecommunication signals together with all rights and interests over the land on which such towers have been or are proposed to be constructed ("Passive Infrastructure Assets"), were transferred to BIVL. However, no liabilities were transferred to BIVL, in terms of the Bharti Infratel Demerger Scheme. Specified circles were the Circles of Mumbai, Kolkata, Maharashtra and Goa, Tamil Nadu, Kerala, Gujarat, Delhi, Chennai, Karnataka, Andhra Pradesh, Punjab and West Bengal. The Commissioner of Income Tax, Delhi has, on July 25, 2012, filed an appeal against the order of the High Court of Delhi sanctioning the Bharti Infratel Demerger Scheme. For details, please see the section "Outstanding Litigation and Material Developments – Litigation against Bharti Infratel" on page 492.

The Bharti Infratel Demerger Scheme became effective on May 5, 2011 ("Bharti Infratel Demerger Effective Date") and was operative from April 1, 2009 ("Bharti Infratel Demerger Appointed Date"). Pursuant to the Bharti Infratel

Demerger Scheme, all legal proceedings, contracts, deeds, etc., in relation to the Passive Infrastructure Assets, were transferred to BIVL and continued by or against BIVL. However, on the Bharti Infratel Demerger Effective Date, all the employees of the Company, who were employed in or in relation to the Passive Infrastructure Assets continued to remain the employees of the Company. Further, under the Bharti Infratel Demerger Scheme, BIVL is the successor of the Company with respect to the Passive Infrastructure Assets and any benefits under incentive schemes and policies relating to the Passive Infrastructure Assets, which the Company was entitled to, were transferred to BIVL. All permits, registrations, approvals, consents and licences obtained by the Company in relation to the Passive Infrastructure Assets were also transferred to BIVL.

BIVL was not required to issue any shares or pay any consideration to the Company or to its shareholders, in terms of the Bharti Infratel Demerger Scheme. On the Bharti Infratel Demerger Effective Date, the value of the Company's investment in BIVL was recorded in the books of the Company after taking into consideration the fair value of the assets comprised in the Passive Infrastructure Assets. BIVL recorded the Passive Infrastructure Assets at their fair value as on the Bharti Infratel Demerger Appointed Date and credited an amount equal to the fair value as general reserve which constituted free reserves of BIVL, on the Bharti Infratel Demerger Effective Date.

3. Scheme of arrangement between BIVL, Vodafone Infrastructure Limited ("Vodafone Infrastructure") and Idea Cellular Towers Infrastructure Limited ("ICTIL"), (collectively, the "Transferor Companies") and Indus Towers Limited ("Indus") and their respective shareholders and creditors (the "Indus Scheme")

The Indus Scheme provides for vesting of the undertakings of Vodafone Infrastructure, BIVL and ICTIL (the "Undertakings of the Transferor Companies") in Indus pursuant to the provisions of Sections 391 to 394 of the Companies Act. The main objective of the Indus Scheme is to provide telecom network infrastructure support services on a non-discriminatory basis to all telecommunications operators in India.

In terms of the Indus Scheme, "Undertakings of the Transferor Companies" means all the business, undertakings, properties and liabilities of Vodafone Infrastructure, BIVL and ICTIL, of whatsoever nature and kind, on a going concern basis, including, *inter alia* (a) all present and future moveable and immovable assets, including the passive infrastructure assets which have been agreed among the Transferor Companies and Indus to be transferred and vested in Indus; (b) all current assets; (c) all licences, approvals, permissions, registrations, rights, entitlements, concessions, exemptions, subsidies, tax deferrals, privileges, advantages and all other rights and facilities; (d) all agreements, contracts, arrangements, understanding, engagements, deeds and instruments including lease agreements, tenancy rights, equipment purchase agreements and all rights, title, interest, claims and benefits thereunder; (e) all application monies, advance monies, earnest monies and/or security deposits paid and payments against other entitlements of the Transferor Companies; (f) all present and future liabilities (including contingent liabilities) loans, debts (secured or unsecured), guarantees, duties, responsibilities and obligations of the Transferor Companies; (g) all staff, workmen and employees and (h) all reserves, provisions and funds, all record, books, files, papers, programmes, whether in physical form or electronic form. Indus Scheme was filed with the High Court of Delhi on May 31, 2011. The High Court of Delhi by an order dated November 9, 2011 has dispensed with the requirement of convening a meeting of the shareholders and creditors of BIVL and Vodafone Infrastructure and a meeting of the shareholders of ICTIL. The unsecured creditors of ICTIL and Indus approved the Indus Scheme on December 24, 2011. The Department of Income Tax has, on August 28, 2012, filed an objection petition to the Indus Scheme. For further details see the section "Outstanding Litigation and Material Developments – Litigation against Bharti Infratel – Tax Related Cases" on page 493.

The Indus Scheme is conditional upon (i) approval by the requisite majorities of members and/or creditors; (ii) sanction of the Indus Scheme by the High Court of Delhi; and (iii) filing of certified copies of the order of the High Court of Delhi sanctioning of Indus Scheme (the "Effective Date"). However, the Indus Scheme shall be effective from April 1, 2009 (the "Appointed Date").

Set forth below are certain key features of the Indus Scheme:

Share capital and issue of shares

As on March 31, 2011:

- authorised, issued, subscribed and paid-up capital of Vodafone Infrastructure was ₹ 0.50 million.
- authorised share capital of BIVL was ₹ 5.00 million while the issued, subscribed and paid-up capital was ₹ 0.50 million.
- authorised, issued, subscribed and paid-up share capital of ICTIL was ₹ 0.50 million.
- authorised share capital of Indus was ₹ 500.00 million while the issued, subscribed and paid-up capital was ₹ 1.19 million.

Upon the scheme becoming effective, on the record date fixed by its board of directors, Indus shall issue and allot an aggregate of 1,200 equity shares of face value of ₹ 1 each, in a manner that the shareholding ratio of the Vodafone Infrastructure, BIVL and ICTIL in Indus remains in the ratio 42:42:16. Once these equity shares have been issued and allotted by Indus to the shareholders of the Transferor Companies, the equity shares issued by each of the Transferor Companies as detailed above shall automatically be cancelled without any further act or deed.

Transfer and vesting of Undertakings of the Transferor Companies

Upon the Indus Scheme coming into effect, and with effect from the Appointed Date, the Undertakings of the Transferor Companies would be transferred to and vested in Indus and would become the business, assets and property of Indus without any further act or deed including:

- all the assets, rights, title, interest and authorities which are acquired by or vested in the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest and authorities of Indus;
- such of the assets of the Undertakings of the Transferor Companies, whether tangible or intangible in nature, including *inter alia* actionable claims, sundry debtors, receivables, bills, credits and loans and advances;
- any permits, approvals, consents, quotas, rights, authorisations, entitlements, registrations, no-objection certificates and licences, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which any of the Transferor Companies are a party or to the benefit of which the Transferor Companies may be entitled to use or which may be required to carry on the operations of the Transferor Companies, and which are subsisting or in effect immediately prior to the Effective Date;
- all lease or rent agreements entered into by the Transferor Companies with various landlords, owners and lessors in connection with the use of the assets of the Undertakings of the Transferor Companies, together with security deposits, shall stand automatically transferred in favour of Indus on the same terms and conditions. Indus shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Companies;
- all other agreements entered into by the Transferor Companies in connection with the assets of the Undertakings of the Transferor Companies shall stand automatically transferred in favour of Indus on the same terms and conditions;
- all electricity connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states to the Transferor Companies, together with security deposits and all other advances paid;
- Indus may, at any time after the coming into effect of the Indus Scheme in accordance with the provisions thereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Indus Scheme;

- all liabilities of the Transferor Companies on or after the Appointed Date until the Effective Date shall be deemed to be and shall become the liabilities of the Transferee Company by virtue of the Indus Scheme;

- where any liabilities of the Transferor Companies have been discharged or satisfied by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for, and to the account of, Indus; and

- all liabilities incurred or undertaken by the Transferor Companies in the ordinary course of their business after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred or undertaken for, and on behalf of, Indus.

Inter-se transactions

With effect from the Appointed Date, except certain tax credits, refunds and adjustments, which Indus will be entitled to carry forward, any loans, advances, obligations and any other transactions (including any billings, guarantees, letters of credit, letters of comfort or any other instruments or arrangements) between any of the Transferor Companies and Indus shall, *ipso facto*, stand cancelled and discharged and there shall be no rights, liabilities or obligations outstanding between the relevant parties and appropriate effect shall be given to such cancellation and discharge in the books of accounts and records of Indus. With effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any loans, advances and other obligations as between any of the Transferor Companies and Indus.

With effect from the Appointed Date, Indus shall give effect to the following accounting treatment as at the Appointed Date in its book of accounts:

- Indus shall record all the assets comprised in the Undertaking of the Transferor Companies that will be transferred and vested in Indus at their respective fair value;

- Indus shall record all the liabilities, if any, comprised in the Undertakings of the Transferor Companies that will be transferred and vested in Indus at their book values as specified in the books of accounts of the respective Transferor Companies;

- Indus shall aggregate all the reserves (general reserves, free reserves, capital reserves or reserves of any other nature) if any that will be vested in it pursuant to the transfer of the Undertakings of the Transferor Companies at their respective book values as specified in the books of accounts of the respective Transferor Companies and continue to treat them as such in its books of accounts;

- Indus shall issue and allot its equity shares to the shareholders of the Transferor Companies in accordance with the Indus Scheme and shall credit the face value of the equity shares issued to the shareholders of the Transferor Companies pursuant to the Indus Scheme to its share capital account;

- Any inter-company balances, investments and guarantees, either inter-se amongst the Transferor Companies or *vis-à-vis* Indus shall stand cancelled;

- The difference between the fair value of assets, the book value of liabilities and reserves as reduced by the face value of shares issued by Indus shall be credited to the general reserve account of Indus. Such general reserve shall be treated as arising from the Indus Scheme and shall not be treated as a reserve created by the Transferee Company. In case of there being a deficit, such deficit shall be debited to the goodwill account of Indus;

- The general reserve account of Indus created pursuant to the Indus Scheme shall be treated as free reserve for all intents and purposes, as may be decided by the board of directors of Indus, including for amortisation of any merger related expenses or losses, issuance of bonus shares, off-setting any additional or accelerated depreciation, lease equilisation reserve, asset retirement obligations, differed tax assets or liabilities, other expenses, impairment, losses or write-offs and any other permitted purpose and shall form part of the net worth of Indus; and

- Any impact due to change or alignment in accounting policies or estimates shall be adjusted against the general reserve account created pursuant to the Indus Scheme.

Conduct of Business

In terms of the Indus Scheme, with effect from the date of filing of the Indus Scheme with the High Court of Delhi and up to the Effective Date, the Transferor Companies shall carry on their respective businesses with reasonable diligence and, except in the ordinary course of business, shall not without the consent of the board of directors of Indus, sell, transfer or otherwise alienate, charge, mortgage, encumber or dispose of, any of the assets of the Undertakings of the Transferor Companies.

Further, with effect from the Appointed Date and up to the Effective Date:

- Transferor Companies shall carry on their business and activities and shall be deemed to have held and stood possessed of the business and Undertakings of the Transferor Companies in trust for Indus;

- all profits, losses, income and expenditure of the Transferor Companies accruing or arising based on their audited accounts shall, for all purposes, be treated as and be deemed to be the profits, losses, income and expenditure of Indus;

- all tax and statutory compliances by, for, or on behalf of, the Transferor Companies with respect to the income, expenditure, services, sales or wealth or relating to the establishment, operation and maintenance of its business and Undertakings of the Transferor Companies shall be treated as tax and statutory compliance by, for, and on behalf of Indus;

- any of the rights, powers, benefits, incentives, authorities and privileges attached, related or pertaining to and exercised by or available to the Transferor Companies, relating to their business, activities of the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, in trust for, and as an agent of Indus;

- Indus is expressly permitted to file or revise its corporate income tax, TDS, wealth tax, service tax, excise VAT, entry tax, professional tax or any other returns, statements or documents, upon the Indus Scheme becoming effective, and where necessary to give effect to the Indus Scheme, even if the prescribed time limits for filing or revising such returns have lapsed;

- all legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising prior to or after the Appointed Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Indus Scheme or by anything contained in the Indus Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against Indus, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Companies. However, Indus will undertake to have all legal or other proceedings initiated by or against any of the Transferor Companies transferred to its name;

- notwithstanding anything to the contrary contained in any contract, deed, bond, agreement or any other instrument, all contracts, deeds, bonds, agreements and other instruments to which the Transferor Companies are parties, or to the benefit of which the Transferor Companies may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of Indus and will be enforced effectively by or against the Transferor Companies;

- all staff, workmen and employees of the Transferor Companies who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff, workmen and employees of Indus and, subject to the provisions of the Indus Scheme, on terms and conditions not less favourable than those on which they are engaged by the relevant Transferor Company and without any interruption of or break in service as a result of the transfer of the Undertakings of the Transferor Companies;

- notwithstanding anything to the contrary contained in the provision of the Indus Scheme, Indus shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, tax depreciation, credits for minimum alternate tax and input tax credits of the Transferor Companies that remain unutilised as on the Effective Date;

- from the Appointed Date, Indus shall be entitled to claim refunds or credit, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Transferor Companies under applicable laws, even if the prescribed time limits for claiming such refunds or credits have lapsed. Input tax credits already availed of or utilised by the Transferor Companies and Indus in respect of inter-se transactions shall not be adversely impacted by the cancellation of inter-se transactions pursuant to the Indus Scheme;

- from the Appointed Date, any advance tax, self – assessment tax, minimum alternate tax and/or tax deductible at source credit available or vested with the Transferor Companies, including any taxes paid and taxes deducted at source and deposited by Indus on inter-se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by Indus and shall be available to Indus for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest; and

- from the Appointed Date, any service tax or any other tax charged by, for, or on behalf of, the Transferor Companies on inter-se transactions and in respect of which CENVAT credit or any input tax credit is not available or has not been claimed by Indus, shall be treated as service tax paid in cash by Indus without any further action on the part of the Transferor Companies and Indus.

Dissolution of the Transferor Companies

From the Effective Date, the Transferor Companies shall, in accordance with Section 394 of the Companies Act, stand dissolved without being wound up. The boards of directors and any committees thereof of the Transferor Companies shall, without any further act, instrument, deed, matter or thing being made, done or executed, stand dissolved.

Effect of Non – Receipt of Approvals

In the event the Indus Scheme is not sanctioned by the High Court of Delhi, the Indus Scheme shall stand implemented without the merger of the relevant Transferor Company(ies) in respect of which the Indus Scheme has not been sanctioned, and the Indus Scheme shall stand revoked, cancelled and be of no effect in respect of such Transferor Company(ies), save and except in respect of, any act or deed done prior thereto or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved as is specifically provided in the scheme or as may otherwise arise in law. The provisions in the Indus Scheme relating to such Transferor Company in respect of which the Indus Scheme has not been sanctioned shall stand invalidated and such invalidity shall attach only to such part dealing with such Transferor Company. The remaining portion of the Indus Scheme shall continue in full force and effect. In such an event, the relevant Transferor Company in respect of which the Indus Scheme has not been sanctioned shall bear and pay its costs, charges and expenses for and/or in connection with the Indus Scheme.

Residual Provision

The Transferor Companies and the Transferee Company, shall each be at liberty to withdraw from the Indus Scheme, in case any condition or alteration imposed by a court or any authority or otherwise is unacceptable to any of them.

Upon completion of the Indus Scheme, the impact on the financial statements of Indus and the Company for periods after April 1, 2009 will have to be recorded in the Company's financial statements in the fiscal year in which the Indus Scheme is completed, in order to give effect to the accounting treatments under the Indus Scheme. For risks associated with the same, please see the risk factor "*Following completion of the Indus Scheme, the impact on the financial statements of Indus and Bharti Infratel for periods after April 1, 2009 will have to be recorded in our financial statements in the fiscal year in which the Indus Scheme is completed in order to give effect to the accounting treatment under the Indus Scheme, and we cannot currently quantify the resulting adjustments that will be required.*" on page 21.

Summary of key agreements

A. Shareholders' Agreements

Shareholders' agreement between the Company, the Promoter, Compassvale and related deeds of confirmation with KKR Towers Company Mauritius Limited ("KKR"), GS Investment Partners (Mauritius) I Limited ("GS Investment"), Citigroup Financial Products Inc. ("Citigroup"), AIF Capital Telecom Infrastructure Limited ("AIF Capital"), AXA Towers Limited ("AXA"), Anadale, GS Strategic, Millennium Mauritius 1 Limited ("Millennium Mauritius"), Park Equity Holdings Limited ("Park Equity") and Nomura.

The Company, the Promoter and Compassvale have entered into a subscription agreement dated December 28, 2007 and shareholders' agreement dated December 28, 2007, as amended by amendment agreements dated April 4, 2008 and December 4, 2009 ("Compassvale SHA"), pursuant to which Compassvale subscribed to 1,500 Equity Shares and 1,186,500 convertible debentures of face value of ₹ 10,000 each of the Company (the "Convertible Debentures").

KKR, GS Investment, Citigroup, AIF Capital, AXA, Anadale, GS Strategic, Millennium Mauritius, Park Equity and Nomura (hereinafter referred to as the "Subsequent Investors" and together with Compassvale, the "Investors"), made investments in the Company between December 2007 and March 2008. The Subsequent Investors also signed separate deeds of confirmation and were made parties to the Compassvale SHA. The details of the investments made by the Subsequent Investors are as follows:

(i) In terms of the share subscription agreement dated December 28, 2007 with the Company and the Promoter, GS Strategic subscribed to 300 Equity Shares and 237,300 Convertible Debentures. GS Strategic signed a deed of confirmation dated December 28, 2007 with the Company, the Promoter and Compassvale, which was amended by amendment agreements dated April 4, 2008 and December 4, 2009;

(ii) In terms of the share subscription agreement dated December 28, 2007 with the Company and the Promoter, GS Investment subscribed to 75 Equity Shares and 59,325 Convertible Debentures. GS Investment signed a deed of confirmation dated December 28, 2007 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated April 4, 2008 and December 4, 2009;

(iii) In terms of the share subscription agreement dated December 28, 2007 with the Company and the Promoter, AIF Capital subscribed to 300 Equity Shares and 237,300 Convertible Debentures. AIF Capital signed a deed of confirmation dated December 28, 2007 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated April 4, 2008 and December 4, 2009;

(iv) In terms of the share subscription agreement dated December 28, 2007 between the Company, the Promoter and Millennium India I Fund ("Millennium India") and a deed of adherence dated January 11, 2008 with the Company and Millennium India, Millennium Mauritius subscribed to 300 Equity Shares and 237,300 Convertible Debentures. Millennium Mauritius signed a deed of confirmation dated January 11, 2008 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated April 4, 2008 and December 4, 2009;

(v) In terms of the share subscription agreement dated December 28, 2007 with the Company and the Promoter, Park Equity subscribed to 75 Equity Shares and 59,325 Convertible Debentures. Park Equity signed a deed of confirmation dated December 28, 2007 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated April 4, 2008 and December 4, 2009;

(vi) In terms of the share subscription agreement dated December 28, 2007 with the Company and the Promoter, Citigroup subscribed to 150 Equity Shares and 118,650 Convertible Debentures. Citigroup signed a deed of confirmation dated December 28, 2007 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated April 4, 2008 and December 4, 2009;

(vii) In terms of the share subscription agreement dated February 5, 2008 with the Company and the Promoter, KKR subscribed to 750 Equity Shares and 593,250 Convertible Debentures. KKR signed a deed of confirmation dated February 5, 2008 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated February 5, 2008 and December 4, 2009;

(viii) In terms of the share subscription agreement dated March 14, 2008 with the Company and the Promoter, Nomura subscribed to 150 Equity Shares and 118,650 Convertible Debentures. Nomura signed a deed of confirmation dated March 14, 2008 between the Company, the Promoter and Compassvale, which was amended by amendment agreement dated March 14, 2008 and December 4, 2009;

(ix) In terms of the share subscription agreement dated March 28, 2008 with the Company and the Promoter, Anadale subscribed to 300 Equity Shares and 237,300 Convertible Debentures. Anadale signed a deed of confirmation dated March 28, 2008 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated March 28, 2008 and December 4, 2009; and

(x) In terms of the share subscription agreement dated March 31, 2008 with the Company and the Promoter, AXA subscribe to 150 Equity Shares and 118,650 Convertible Debentures. AXA signed a deed of confirmation dated March 31, 2008 with the Company, the Promoter and Compassvale, which was amended by amendment agreement dated March 31, 2008 and December 4, 2009;

All convertible debentures issued to the Investors were converted into Equity Shares on October 28, 2009 and March 26, 2010.

The Compassvale SHA provides for certain special shareholders' rights and obligations including affirmative voting rights, drag-along and tag-along rights to Compassvale and other Investors. Compassvale and KKR also have right to nominate one Director on the Board. In accordance with provisions of the Compassvale SHA, the Compassvale SHA shall automatically terminate on completion of the Issue. The deeds of confirmation shall stand automatically terminated on termination of the Compassvale SHA.

Further, all the Investors have entered into separate arrangements with the Promoter and the Company, where each Investor has agreed to share with the Promoter specified percentage of profits received by an Investor on transfer of Equity Shares (based on IRR achieved by the relevant Investor). This profit sharing arrangement would apply only in cases where the IRR is in excess of such profit sharing above the thresholds agreed amongst the parties based on a ratchet mechanism. This arrangement would not apply to transfers made by the Investor to its affiliate who agrees to be bound by the terms of the profit sharing arrangement or the Promoter or its affiliates on exercise of rights by the Investor on account of any default by the Promoter under the Compassvale SHA and on account of the Promoter's drag-along right under the Compassvale SHA. The profit sharing arrangement also contemplates that the Investors may be required (subject to applicable law) to transfer such number of Equity Shares to the Promoter, the value of which would be equivalent to the Promoter's sharing entitlement ("Share Transfer"). In the event the Investor is unable to undertake the Share Transfer for a period of two years from the date on which the transfer is required to take place then the obligation of the Investor to transfer Equity Shares to the Promoter shall lapse. The profit sharing arrangement will survive termination of the Compassvale SHA.

Financial and Strategic Partners

Compassvale, KKR Towers Company Mauritius Limited, GS Investment Partners (Mauritius) I Limited, Citigroup Financial Products Inc., AIF Capital Telecom Infrastructure Limited, AXA Towers Limited, Anadale, GS Strategic, Millennium Mauritius 1 Limited, Park Equity Holdings Limited and Nomura are financial investors of the Company. For details of the agreements entered into by the Company with the financial investors, please see the section "History and Certain Corporate Matters – Summary of Key Agreements" on page 176.

Competition

For details of the competition faced by the Company, please see the section "Our Business – Competition" on page 160.

Subsidiary

The Company has one Subsidiary as on the date of this Red Herring Prospectus:

Bharti Infratel Ventures Limited ("BIVL")

Corporate Information

BIVL was incorporated under the Companies Act on December 31, 2007 as a public limited company, in New Delhi and received the certificate of commencement of business on January 22, 2008. BIVL is involved in the business of maintaining and operating telecom tower infrastructure.

Capital Structure and Shareholding Pattern

The authorised share capital of BIVL is ₹ 5,000,000 divided into 500,000 equity shares of face value ₹ 10 each and the paid up capital is ₹ 500,000 divided into 50,000 equity shares of face value of ₹ 10 each**.**

The shareholding pattern of BIVL is as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Bharti Infratel Limited	49,994	99.99
2.	Rajan Bharti Mittal*	1	Negligible
3.	Akhil Kumar Gupta*	1	Negligible
4.	Mukesh Bhavnani*	1	Negligible
5.	Manish Agarwal*	1	Negligible
6.	Narender Gupta*	1	Negligible
7.	Devendra Khanna*	1	Negligible
	Total	**50,000**	**100.00**

* *Beneficial interest held with Bharti Infratel*

BIVL has not made any public or rights issue in the last three years and has not become a sick company as specified under SICA and is not under winding up proceedings.

Interest in the Company

BIVL does not have any interest in the Company’s business other than as stated in the section “Our Business” on page 142.

MANAGEMENT

Board of Directors

Under the Articles of Association, the Company is required to have not less than three Directors. As on the date of this Red Herring Prospectus, the Board comprises of ten Directors.

The following table sets forth details of the Board as of the date of filing this Red Herring Prospectus:

S. No.	Name, Designation, Father's Name, Address, Nationality, Term, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusteeships
1.	*Rakesh Bharti Mittal* **Father's Name:** Sat Paul Mittal **Designation:** Chairman, non-independent and non-executive Director **Address:** E-26, Vasant Marg, Vasant Vihar, New Delhi 110 057 **Occupation:** Professional **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 00042494 **Date of appointment:** September 3, 2012	57	*Directorships:* 1. Atrium Restaurants India Private Limited; 2. Beetel Teletech Limited; 3. Bharti AXA Life Insurance Company Limited; 4. Bharti (RM) Holdings Private Limited; 5. Bharti (RM) Resources Private Limited; 6. Bharti (RM) Services Private Limited; 7. Bharti (RM) Trustees Private Limited; 8. Bharti (Satya) Trustees Private Limited; 9. Bharti AXA General Insurance Company Limited; 10. Bharti Enterprises (Holding) Private Limited; 11. Bharti Infotel Private Limited; 12. Bharti Insurance Holdings Private Limited; 13. Bharti Management Private Limited; 14. Bharti Overseas Private Limited; 15. Bharti Telecom Limited; 16. Bharti Ventures Limited; 17. Centum Learning Limited; 18. Comviva Technologies Limited; 19. FieldFresh Foods Private Limited; 20. IFCI Limited; 21. Indian School of Business; and 22. Indus Towers Limited. *Trusteeships:* 1. Bharti Foundation; 2. Bharti (Satya) Family Trust; and 3. Bharti (RM) Family Trust.
2.	*Akhil Kumar Gupta* **Father's Name:** Jagdish Pershad Gupta **Designation:** Vice Chairman and Managing Director **Address:** B 27, Maharani Bagh, New Delhi 110 065 **Occupation:** Service **Nationality:** Indian **Term:** Five years with effect from	56	*Directorships:* 1. Avanti Investfin Private Limited; 2. Bharti AXA General Insurance Company Limited; 3. Bharti AXA Life Insurance Company Limited; 4. Bharti Enterprises (Holding) Private Limited; 5. Bharti Enterprises Limited; 6. Bharti Infotel Private Limited; 7. Bharti Infratel Ventures Limited; 8. Bharti Insurance Holdings Private Limited; 9. Bharti Overseas Private Limited; 10. Bharti Telecom Limited; 11. Bharti Ventures Limited; 12. Gemini Estates Private Limited; 13. Indus Towers Limited; and

S. No.	Name, Designation, Father's Name, Address, Nationality, Term, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusteeships
	August 1, 2008 **DIN:** 00028728 **Date of appointment:** March 31, 2008		14. Tierra Enviro Private Limited. *Partnerships:* Gupta & Dua, Chartered Accountants
3.	*Sarvjit Singh Dhillon* **Father's Name:** Kirpa Dhillon **Designation:** Non-independent and non-executive Director **Address:** 102B, 4th Floor, The Aralias, DLF Golf Links, DLF Phase - 5, Gurgaon, Haryana 122 009 **Occupation:** Service **Nationality:** British **Term:** Liable to retire by rotation **DIN:** 00275924 **Date of appointment:** January 2, 2012	46	*Directorships:* 1. Beetel Teletech Limited; 2. Bharti Enterprises Limited; 3. Bharti Infratel Ventures Limited; 4. Bharti Retail Limited; 5. Bharti Telecom Limited; 6. Bharti Wal-Mart Private Limited; 7. Cedar Support Services Limited; 8. Centum Learning Limited; 9. Centum WorkSkills India Limited; 10. Comviva Technologies Inc; 11. Comviva Technologies Limited; 12. Guernsey Airtel Limited; and 13. Jersey Airtel Limited.
4.	*Sanjay Nayar* **Father's Name:** Om Prakash Nayar **Designation:** Non-independent and non-executive Director **Address:** Flat No. 9, the Rushilla Co-operative Housing Society Limited, 17/C Carmichael Road, Mumbai 400 026 **Occupation:**Service **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 00002615 **Date of appointment:** January 31, 2011	52	*Directorships:* 1. Amalgamated Bean Coffee Trading Company Limited; 2. Avantha Power & Infrastructure Limited; 3. Coffee Day Resorts Private Limited; 4. Dalmia Cement (Bharat) Limited; 5. Dalmia Cement Ventures Limited; 6. Grameen Capital India Limited; 7. Heritage View Developers Private Limited; 8. Indian School of Business; 9. KKR India Advisors Private Limited; 10. Magma Fincorp Limited; 11. Pratham Education Foundation; 12. Pratham Institute for Literacy Education and Vocational Training; and 13. Valleyview Probuild Private Limited. *Trusteeships:* Grameen Foundation
5.	*Narayanan Kumar* **Father's Name:** Kallidaikurichi Sankaralinga Iyer Narayanan **Designation:** Independent and non-executive Director **Address:** 1, George Avenue, Alwarpet, Chennai 600 018	62	*Directorships:* 1. Bharti Airtel Limited; 2. Cubbon Road Properties Private Limited; 3. eG Innovations Private Limited; 4. eG Innovations Pte. Limited, Singapore; 5. Entertainment Network (India) Limited; 6. Madhura Kumar Properties Private Limited; 7. Madhuram Narayanan Centre for Exceptional Children;

S. No.	Name, Designation, Father's Name, Address, Nationality, Term, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusteeships
	Occupation: Industrialist **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 00007848 **Date of appointment:** April 29, 2008		8. Madras Cricket Club; 9. MRF Limited; 10. N K Trading and Consultancy Private Limited; 11. Nani Palkhivala Arbitration Centre; 12. Singapore India Partnership Foundation; 13. Take Solutions Limited; and 14. Times Innovative Media Limited. *Trusteeships:* 1. Alumni Trust of Anna University, Chennai; 2. Kapur Surya Foundation, New Delhi; 3. Sanmar Welfare Trust, Chennai; 4. The Indian Education Trust, Chennai; 5. The KSN Sports Foundation, Chennai; and 6. The Mrs. Madhuram Narayanan Charitable Foundation, Chennai. *Others:* 1. Inko Centre; 2. Institute for Financial Management and Research; and 3. Save the Children.
6.	*Vinod Dhall* **Father's Name:** Dewan Chand Dhall **Designation***:* Independent and non-executive Director **Address:** Dewan Manohar House, B-88, Sector 51, Noida 201 301 **Occupation:** Professional **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 02591373 **Date of appointment:** September 3, 2012	68	*Directorships:* 1. Asian Hotels (North) Limited; 2. ICICI Prudential Life Insurance Company Limited; 3. ICICI Prudential Pension Funds Management Company Limited; 4. ICICI Prudential Trust Limited; 5. Orient Cement Limited; and 6. Schneider Electric Infrastructure Limited. *Others:* Dhall Law Chambers
7.	*Jitender Balakrishnan* **Father's Name:** Manjerikandy Balakrishnan **Designation***:* Independent and non-executive Director **Address:** 208, Tower-2, Casa Grande, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 **Occupation:** Professional	63	*Directorships:* 1. Aditya Birla Finance Limited; 2. Bharti AXA General Insurance Company Limited; 3. Bharti AXA Life Insurance Company Limited; 4. Bhoruka Power Corporation Limited; 5. Binani Industries Limited; 6. Equinox Realty and Infrastructure Private Limited; 7. Essar Services India Limited; 8. Essar Steel India Limited; 9. IL&FS Investment Managers Limited; 10. India Glycols Limited;

S. No.	Name, Designation, Father's Name, Address, Nationality, Term, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusteeships
	Nationality: Indian **Term:** Liable to retire by rotation **DIN:** 00028320 **Date of appointment:** September 3, 2012		11. Magus Estates and Hotels Limited; 12. Polyplex Corporation Limited; 13. S. Kumars Nationwide Limited; 14. Sarda Energy & Minerals Limited; and 15. Usha Martin Limited.
8.	*Bharat Sumant Raut* **Father's Name:** Sumant Vasantrao Raut **Designation***:* Independent and non-executive director **Address:** 8, French Bridge (Raut Bungalow), Mumbai 400 007 **Occupation:** Professional **Nationality:** Indian **Term:** Liable to retire by rotation **DIN:** 00066080 **Date of appointment:** September 3, 2012	63	*Directorships:* 1. Bharti AXA General Insurance Company Limited; 2. Bharti AXA Life Insurance Company Limited; 3. Geltec Private Limited; 4. IDFC Pension Fund Management Company Limited; 5. i-flex Solutions Trustee Company Limited; 6. Tuscan Ventures Private Limited; and 7. Universal Medicare Private Limited.
9.	*Leena Srivastava* **Father's Name:** Late Dix Bihari Lal **Designation:** Independent and non-executive Director **Address:** L-18/2 DLF Phase II, Gurgaon, Haryana 122 002 **Occupation:** Service **Nationality:** Indian **Term:** Liable to retire by rotation **Din:** 00005737 **Date of appointment:** November 5, 2012	52	*Directorships* 1. Strategic Media Works Private Limited; 2. TERI Technologies Limited; and 3. Torrent Pharmaceuticals Limited
10.	*Murray Philip King* **Father's Name:** Clarence King **Designation:** Non-independent and non-executive Director **Address:** 48, Spencer Road, Mosman NSW 2088, Australia **Occupation:** Service	53	*Directorships* 1. AKAL Pty Limited; 2. Alpha West ERP Pty Limited; 3. Alpha West Holdings Pty Limited; 4. Alphawest Pty Limited; 5. Alphawest Services Pty Limited; 6. AUE Music TV Pty Limited; 7. AUEVR Music TV Pty. Limited; 8. AUSSAT Finance Limited; 9. Aussat New Zealand Limited;

S. No.	Name, Designation, Father's Name, Address, Nationality, Term, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusteeships
	Nationality: Australian **Term:** Liable to retire by rotation **Din:** 06415439 **Date of appointment:** November 5, 2012		10. Billing Services Australia Pty Limited; 11. BKAL Pty Limited; 12. Cable & Wireless Optus Satellites Pty Limited; 13. CV Services International Wholesale Pty Limited; 14. Evolution IS (ACT) Pty Limited; 15. Evolution IS Pty Limited; 16. Inform Systems Australia Pty Limited; 17. Membertel Pty Limited; 18. Microplex Pty Limited; 19. Optus Administration Pty Limited; 20. Optus Backbone Investments Pty Limited; 21. Optus Billing Services Pty Limited; 22. Optus Broadband Pty Limited; 23. Optus Data & Business Holdings Pty Limited; 24. Optus Data Centres Pty Limited; 25. Optus E_Commerce Pty Limited; 26. Optus E_Solutions Pty Limited; 27. Optus Finance Pty Limited; 28. Optus Insurance Services Pty Limited; 29. Optus Internet Pty Limited; 30. Optus Investments Pty Limited; 31. Optus Kylie Holdings Pty Limited; 32. Optus Mobile Holdings Pty Limited; 33. Optus Mobile Investments Pty Limited; 34. Optus Mobile Pty Limited; 35. Optus Multimedia Pty Limited; 36. Optus Narrowband Pty Limited; 37. Optus Network Investments Pty Limited; 38. Optus Networks Pty Limited; 39. Optus Rental & Leasing Pty Limited; 40. Optus Retailco Pty Limited; 41. Optus Share Plan Pty Limited; 42. Optus Stockco Pty Limited; 43. Optus Systems Pty Limited; 44. Optus Vision Interactive Pty Limited; 45. Optus Vision Investments Pty Limited; 46. Optus Vision Media Pty Limited;; 47. Optus Vision Pty Limited; 48. Path Communications Pty. Limited; 49. Perpetual Systems Pty. Limited; 50. Prepaid Services Pty Limited; 51. Reef Networks Pty Limited; 52. Satellite Platform Investment Pty Limited; 53. Sibalo Pty. Limited; 54. SIMPlus Mobile Pty Limited; 55. Singapore Telecom Australia Investments Pty Limited; 56. Singapore Telecom Australia Pty Limited; 57. SingTel Optus Pty Limited; 58. Source Integrated Networks Pty Limited; 59. The Net Effect Pty. Limited; 60. Ubowireless Pty Limited; 61. UE Access Pty Limited; 62. UE Vialight Pty Limited; 63. UEComm Operations Pty Limited; 64. UEComm Pty Limited; 65. UECOMM Share Plans Custodian Pty Limited; 66. United.com Pty Limited; 67. Unwired Australia Pty Limited;

S. No.	Name, Designation, Father's Name, Address, Nationality, Term, Occupation and DIN	Age (years)	Other Directorships/Partnerships/Trusteeships
			68. Vanilla Shelf Co No.2 Pty Limited; 69. Virgin Mobile (Australia) Pty Limited; 70. Virgin Mobile (Australia) Services Pty Limited; 71. Virgin Mobile Pty Limited; 72. Vividwireless Group Limited; 73. Vividwireless Pty Limited; 74. VR Music TV Pty Limited; 75. World Wide Web Pty. Limited; 76. XY Zed LMDS Pty Limited; 77. XYZED LMDS Holdings Pty Limited; and 78. XYZED Pty Limited.

None of the Directors of the Company are related to each other.

There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.

Brief Biographies

Rakesh Bharti Mittal is the Chairman of the Company and a non-independent and non-executive Director. He was appointed as a Director of the Company on September 3, 2012. He holds a post diploma in electronics and controls from the Y.M.C.A Institute of Engineering, Faridabad. He is currently the vice chairman and managing director of Bharti enterprises, the chairman of Indus Towers Limited, the co-chairman of Bharti Foundation and is on the board of various companies. He is also the chairman of the national council on agriculture of the Confederation of Indian Industry. Further, he is a member of various organisations including the Indian Council of Agricultural Research, Punjab State Investment Advisory Council, National Food Processing Development Council, Punjab Education Development Board and the board of directors of Industrial Finance Corporation of India. He is also a member of the 'Round Table on School Education' constituted by the Ministry of Human Resources Development, Government of India. He has, in the past, served as a member of Agricultural and Processed Food Products Export Development Authority and as the chairman of the various national committees of the Confederation of Indian Industry. He has received various awards in the past including 'Entrepreneur of the Year Award' from Ludhiana Management Association in 1992.

Akhil Kumar Gupta is the Managing Director and Vice Chairman of the Company. He was appointed as a Director of the Company on March 31, 2008. He is a certified chartered accountant and a fellow member of ICAI. He has also completed an advanced management program with Harvard Business School, Harvard University, United States. He has over 28 years of post qualification work experience. He has been associated with strategically and financially significant initiatives of the Company, including the formation of Indus Towers Limited. He is presently the chairman of Tower and Infrastructure Providers Association and the president of the Telecom Sector Skill Council. He has received various awards including the 'CEO of the Year' award at the National Telecom Awards 2012, and the 'CA Business Achiever Award' at the ICAI Awards 2008. He was also honoured for by the telecom magazine 'Tele.net' in 2012 for 'Outstanding Contribution to the Telecom Sector'.

Sarvjit Singh Dhillon is a non-independent and non-executive Director of the Company. He was appointed as a Director of the Company on January 2, 2012. He holds a bachelors' degree in arts (having followed an approved programme in accounting and finance) from Middlesex University, United Kingdom and a masters' degree in business administration from the University of Birmingham, United Kingdom. He is also a fellow member of the Chartered Institute of Management Accountants, United Kingdom and has completed the Stanford executive program from the Stanford University, United States. He has 23 years of experience in various sectors. Presently, he is the group chief financial officer of Bharti enterprises and has in the past served as the chief financial officer and director of strategy of the Promoter.

Sanjay Nayar is a non-independent and non-executive Director of the Company. He was appointed as a Director of the Company on January 31, 2011. He holds a bachelors' degree in science (mechanical engineering) from University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He joined KKR India Advisors Private Limited as its chief executive officer in 2009. Prior to joining KKR India Advisers Private Limited, he was associated with Citibank NA for a period of 24 years and was its chief executive officer from 2002 to 2009.

Narayanan Kumar is an independent and non-executive Director of the Company. He was appointed as a Director of the Company on April 29, 2008. He is a fellow member of the Indian National Academy of Engineering. He has 40 years of experience in various sectors. He is the vice chairman of the Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is also a member of the board of governors of Institute for Financial Management & Research and a governing council member of the AU-KBC Research Centre (Anna University). He is the chairman of National Accredition Board for Certification Bodies, which is a constituent of Quality Council of India. He has in the past been associated with the Confederation of Indian Industry as its president.

Vinod Dhall is an independent and non-executive Director of the Company. He was appointed as a Director of the Company on September 3, 2012. He holds a bachelors' degree in law from University of Delhi and a masters' degree in mathematics from University of Allahabad. He has received several awards for his academic performance from University of Allahabad. He entered the Indian Administrative Service in 1966 and was the secretary - Ministry of Corporate Affairs, Government of India before his retirement. He was also a member of the Competition Commission of India until 2008. He has about 27 years of experience in various fields including competition law, corporate affairs and economic regulation and finance. In the past, he has held various positions with the Government of India including, the post of the special secretary – Ministry of Finance. He has also been an ex-officio member of SEBI, Life Insurance Corporation, General Insurance Corporation and has been associated with the United Nations Industrial Development Organisation. He is presently a practising lawyer.

Jitender Balakrishnan is an independent and non-executive Director of the Company. He was appointed as a Director of the Company on September 3, 2012. He holds a bachelors' degree in mechanical engineering from University of Madras and a diploma in industrial management from University of Bombay. He has 39 years of experience which includes his experience in the financial sector with IDBI Bank Limited where he was the Deputy Managing Director and thereafter an advisor to IDBI Bank Limited. He is currently an advisor to various corporates and is an independent director on the board of various companies.

Bharat Sumant Raut is an independent and non-executive Director of the Company. He was appointed as a Director of the Company on September 3, 2012. He holds a bachelor's degree in law and bachelor's degree in commerce from University of Bombay. He is also a certified chartered accountant and a fellow member of ICAI. He has 42 years of experience in the fields of accountancy and law. He was, in the past, associated with Sharp and Tannan, Chartered Accountants as a partner, with Price Waterhouse, Chartered Accountants as a partner and with B S R & Co., Chartered Accountants and B S R & Associates, Chartered Accountants as their founding partner. He is a practicing lawyer since 2006. He is currently an independent director on the board of various companies.

Leena Srivastava is an independent and non-executive Director of the Company. She was appointed as a Director of the Company on November 5, 2012. She holds a degree of Doctor of Philosophy from Indian Institute of Science, Bangalore in recognition of the research work on 'modelling resource trade-offs in rural agro-ecosystem-a multiple objective programming approach'. She is the vice chancellor and executive director of TERI University, Delhi. She has worked on range of issues covering energy for economic growth, climate and environment. She is also a member of Energy Partnership Advisory Board of World Economic Forum, International Advisory Committee of The Coca Cola Company, Caterpillar's Sustainable Development Advisory Board and Foresight Advisory Council of Suez Environment.

Murray Philip King is a non-independent and non-executive Director of the Company. He was appointed as a Director of the Company on November 5, 2012. He holds a bachelors' degree in commerce from University of Queensland and is a member of the Institute of Chartered Accountants in Australia. He has 32 years of experience in the fields of finance and accounting. He has been employed by Optus Administration Pty Limited since August 2008 and was appointed as the chief financial officer of SingTel Optus Pty Limited, which is a wholly-owned subsidiary of Singapore Telecommunications Limited in April 2009. He is currently the chief financial officer of Group Consumer SingTel Group.

Further Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

Except as stated below, none of the Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company:

1. Rakesh Bharti Mittal:

Particulars	Details	
	I	**II**
Name of the company:	Bharti Telecom Limited	Bharti Health Care Limited
Listed on:	(i) Delhi Stock Exchange; (ii) The Ludhiana Stock Exchange Limited; (iii) The Calcutta Stock Exchange Limited; and (iv) BSE Limited.	(i) Delhi Stock Exchange; (ii) BSE Limited; and (iii) The Ludhiana Stock Exchange Limited.
Date of delisting on the stock exchange(s):	(i) Delhi Stock Exchange – March 6, 2000; (ii) The Ludhiana Stock Exchange Limited - January 25, 2000; (iii) The Calcutta Stock Exchange Limited – November 1, 1999; and (iv) BSE Limited – November 1, 1999.	(i) Delhi Stock Exchange – September 22, 2003; (ii) BSE Limited – October 11, 2005; and (iii) The Ludhiana Stock Exchange Limited –November 28, 2003.
Compulsory or voluntary delisting:	Voluntary	Voluntary
Reasons for delisting:	Reduction of public shareholding below 10% of the paid-up capital.	Voluntary delisting
Whether relisted:	No	No
Term of directorship:	(i) From July 29, 1985 to September 21, 2001; (ii) From July 17, 2007 till date	From September 30, 1993 to December 20, 2005

2. Akhil Kumar Gupta:

Particulars	Details	
	I	**II**
Name of the company:	Bharti Telecom Limited	Bharti Health Care Limited
Listed on:	(i) Delhi Stock Exchange; (ii) The Ludhiana Stock Exchange Limited; (iii) The Calcutta Stock Exchange Limited; and (iv) BSE Limited.	(i) Delhi Stock Exchange; (ii) BSE Limited; and (iii) The Ludhiana Stock Exchange Limited.
Date of delisting on the stock exchange(s):	(i) Delhi Stock Exchange – March 6, 2000; (ii) The Ludhiana Stock Exchange Limited - January 25, 2000; (iii) The Calcutta Stock Exchange Limited – November 1, 1999; and	(i) Delhi Stock Exchange – September 22, 2003; and (ii) BSE Limited – October 11, 2005; (iii) The Ludhiana Stock Exchange Limited –November 28, 2003.

	(iv) BSE Limited – November 1, 1999.	
Compulsory or voluntary delisting:	Voluntary	Voluntary
Reasons for delisting:	Reduction of public shareholding below 10% of the paid-up capital	Voluntary delisting
Whether relisted:	No	No
Term of directorship:	From August 30, 1994 till date	From December 18, 1989 to December 20, 2005

Remuneration of the Directors

Details of the aggregate remuneration (including sitting fees) paid to the Directors in Fiscal 2012 are set forth below:

Name of Director	Remuneration (including sitting fees) paid in Fiscal 2012 (₹ in million)
Akhil Kumar Gupta	62.88
Narayanan Kumar	0.03

Terms and conditions of appointment of Executive Directors

Akhil Kumar Gupta

Akhil Kumar Gupta was inducted into the Board as an additional Director of the Company pursuant to resolution of the Board dated March 31, 2008. Pursuant to a resolution passed by the Shareholders in the AGM held on July 22, 2008 and subsequent resolutions of the Board and the Shareholders dated July 22, 2008 and August 28, 2008, respectively, Akhil Kumar Gupta was appointed as the Managing Director of the Company for a period of five years with effect from August 1, 2008. The terms and conditions governing his appointment were stipulated in resolutions of the Board passed in its meetings held on July 22, 2008 and August 3, 2012 and are set forth below:

Remuneration

(₹ in million)

Particulars	Annual Remuneration
Fixed Pay(1)	37.80
Variable Pay(2)	32.20
Total	**70.00**

(1) The fixed pay component shall be paid on a monthly basis and shall be inclusive of all benefits (except those set out under "Other Benefits" described hereinafter) and shall include the Company's contribution towards provident fund and gratuity as well as the employees' contribution towards provident fund.

(2) The variable pay component depicts the performance-linked incentive pay, amounting to ₹ 32.20 million which shall be payable depending upon performance to the extent of 100%, or such other sum as may be deemed fit by the Board /the HR and ESOP Compensation committee based on actual performance, provided that the total variable pay component may not exceed 200% of the annual fixed pay component for any fiscal.

Other Benefits

(i) **Employee Stock Options:** Akhil Kumar Gupta is entitled to two million or such other number of options as may be granted to him under the employee stock option scheme of the Company, as may be approved by the Board or HR and ESOP Compensation Committee. The precise number of employee stock options in the aggregate to be granted to Akhil Kumar Gupta shall be equivalent in value to ₹ 1,500.00 million, depending on the then discovered valuation of the Equity Shares of the Company. For details of the employee stock options granted to Akhil Kumar Gupta as on the date of this Red Herring Prospectus, please see the section "Capital Structure – Employee Stock Option Plan – Note 1" on page 95.

(ii) **Perquisites:** Akhil Kumar Gupta is entitled to a company-provided vehicle (equivalent to a 'Mercedes S350L model) once every five years, and reimbursement of expenses incurred on driver, fuel and maintenance at actual with respect to the said vehicle, along with leave encashment at the end of tenure as per prescribed rules, provided that the aggregate remuneration inclusive of fixed and variable pay components, perquisites and other benefits payable to Akhil Kumar Gupta shall be subject to the provisions of the Companies Act or other applicable law. Akhil Kumar Gupta is also entitled for reimbursement of all legitimate expenses incurred in the performance of duties, however such reimbursement does not form part of his remuneration; and

(iii) **Minimum Remuneration:** If in any fiscal year, the Company incurs losses or its profits are inadequate, the Company shall, subject to the approval of the GoI, pay Akhil Kumar Gupta, the above remuneration by way of fixed pay and variable pay components, as minimum remuneration, subject to requisite approvals.

Terms and Conditions of Appointment of Independent Directors

The independent Directors are entitled to a sitting fee of ₹ 10,000 for every meeting of the Board, or committees thereof, which such independent Directors attend. The terms and conditions governing the payment of sitting fees are set forth below:

(i) the payment of sitting fees is irrespective of duration and/or days of the meeting(s);

(ii) the payment of sitting fees will be in addition to any commission, that may be payable;

(iii) for the purpose of payment of sitting fees:

  a. meetings continued on the following day(s) shall be considered as a single meeting only; and

  b. where an independent Director attends meetings of more than one committee of the Board on any occasion, a sum of ₹ 10,000 shall be the consolidated sitting fees payable for all such committee meetings attended in such manner.

(iv) where an independent Director is being requested for participation in any committee not constituted by the Board, no sitting fees shall be payable;

(v) any other task, which the Director takes on a voluntary basis, such as mentoring etc., shall not entail any additional payment; and

(vi) payment of costs of attendance of Directors at Board Meetings (including sitting fees and costs of airfare, hotel accommodation and local transportation) and such other legitimate expenses incidental to performance of their duties to independent Directors only in line with the policy on independent Directors, as may be approved by the Board, from time to time, subject to applicable law.

Further, the independent Directors are entitled to a commission on the net profits of the Company subject to a maximum of ₹ one million each per annum. The payment of commission is subject to availability of sufficient profits with an overall ceiling of 3% of the net profits of the Company. The independent Director who is the chairman of the Audit Committee is entitled to a commission of up to ₹ 0.5 million per annum.

No amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of the Company's officers including the Directors and Key Management Personnel. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of the Company. No loans have been availed by the Directors or the Key Management Personnel from the Company.

Shareholding of Directors

None of the Directors on the Board hold any Equity Shares as on the date of this Red Herring Prospectus.

Borrowing Powers of the Board

Pursuant to a resolution passed by the Shareholders on February 4, 2008, in accordance with provisions of the Companies Act and the Articles of Association, the Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions as the Board may think fit, provided that the aggregate monies borrowed by the Company shall not exceed, at any time, ₹ 66,000.00 million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of the Equity Shares of the Company with the Stock Exchanges. The Company believes that it is in compliance with the requirements of the applicable regulations in respect of corporate governance, including the Listing Agreement to be entered into with the Stock Exchanges and the SEBI Regulations, including constitution of the Board and committees thereof. The corporate governance framework is based on an effective, independent Board, separation of the supervisory role of the Board from the executive management aspect and constitution of the Board and committees thereof, as required under law.

Currently the Board has ten Directors, of which the Chairman is a non-executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, the Company has one executive Director and nine non-executive Directors, including five Independent Directors, on the Board.

Committees of the Board

Audit Committee

The Audit Committee of the Board ("Audit Committee") was originally constituted pursuant to resolution of the Board in its meeting held on April 29, 2008, and last reconstituted pursuant to resolution passed by the Board through circulation on September 1, 2012, which became effective on September 3, 2012. The present constitution of the Audit Committee comprises:

(i) Bharat Sumant Raut (Chairman);
(ii) Jitender Balakrishnan;
(iii) Vinod Dhall; and
(iv) Sarvjit Singh Dhillon.

The terms of reference of the Audit Committee have been formulated in accordance with the relevant provisions of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include:

1. Overseeing the Company's financial reporting process and disclosure of its financial information;

2. Recommending to the Board the appointment, re-appointment and replacement of statutory auditor and the fixation of audit fee;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act;

    b. Changes, if any, in accounting policies and practices and reasons for the same;

    c. Major accounting entries involving estimates based on the exercise of judgment by management;

    d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the initial public offer of the Company;

7. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

8. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

9. Discussion with internal auditors on any significant findings and follow up there on;

10. 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;

11. 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;

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

13. Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and

14. Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

The powers of the Audit Committee include the following:

1. Investigating any activity within its terms of reference;
2. Seeking information from any employee;
3. Obtaining outside legal or other professional advice; and
4. Securing attendance of outsiders with relevant expertise, if it considers necessary.

Meetings of the Audit Committee:

The details of the meetings of the Audit Committee held since its constitution have been set forth in the table below:

Date of the meeting of the Audit Committee	Nature of transactions/tasks undertaken	Members present at the meeting
October 29, 2008	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, reviewing and recommending approval of condensed financial statements for the half year ended September 30, 2008 and reviewing status of internal audit reports.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Ashok Juneja; (iv) Carl Ludwig Oliver Haarmann; and (v) Padmanabh Sinha.
January 20, 2009	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of condensed financial statements for the nine months ended December 31, 2008 and reviewing and taking note of the internal audit report.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Ashok Juneja; (iv) Carl Ludwig Oliver Haarmann; and (v) Padmanabh Sinha.
April 28, 2009	The activities undertaken at the meeting included, amongst others, taking note of the revised constitution of the Audit Committee, taking note of related party transactions, reviewing and recommending approval of the financial results for the fourth quarter and financial year ended March 31, 2009, recommending re-appointment of S.R. Batliboi & Associates, Chartered Accountants as the statutory auditors of the Company and recommending re-appointment of Control Solutions International as the internal auditors of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Carl Ludwig Oliver Haarmann; and (iv) Padmanabh Sinha.
July 21, 2009	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the first quarter ended June 30, 2009 and reviewing and taking note of the internal audit report.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Carl Ludwig Oliver Haarmann; and (iv) Padmanabh Sinha.
October 28, 2009	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the half year and second quarter ended September 30, 2009 and reviewing and taking note of the internal audit report.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Carl Ludwig Oliver Haarmann; and (iv) Padmanabh Sinha.
January 20, 2010	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the third quarter ended December 31, 2009 and taking note of the discussion on the internal audit report of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Carl Ludwig Oliver Haarmann; and (iv) Padmanabh Sinha.
April 20, 2010*	The activities undertaken at the meeting included, amongst others, taking note of the internal audit report and discussion relating to tower infrastructure of the Company.	(i) Akhil Kumar Gupta; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
April 26, 2010	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the fourth quarter and financial year ended March 31, 2010, taking note of the internal audit report, recommending re-appointment of S.R. Batliboi & Associates, Chartered Accountants as the statutory auditors of the Company and recommending re-appointment of C.S. Advisory India Private Limited (Control Solutions International) as the internal auditors of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Padmanabh Sinha.
August 5, 2010*	The activities undertaken at the meeting included, amongst others, taking note of the internal audit report and discussion relating to cell site rental agreements.	(i) Akhil Kumar Gupta; (ii) Carl Ludwig Oliver Haarmann; and

Date of the meeting of the Audit Committee	Nature of transactions/tasks undertaken	Members present at the meeting
		(iii) Padmanabh Sinha.
August 9, 2010	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the first quarter ended June 30, 2010 and taking note of the internal audit report of the Company.	(i) Akhil Kumar Gupta; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
November 1, 2010*	The activities undertaken at the meeting included, amongst others, taking note of the internal audit report and discussion relating update on site quality and other related matters.	(i) Akhil Kumar Gupta; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
November 8, 2010	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the second quarter ended September 30, 2010 and taking note of the internal audit report of the Company.	(i) Akhil Kumar Gupta; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
January 27, 2011*	The activities undertaken at the meeting included, amongst others, taking note of the internal audit report and discussion relating update on site quality and other related matters.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Padmanabh Sinha.
January 31, 2011	The activities undertaken at the meeting included, amongst others, taking note of related party transactions; reviewing and recommending approval of the financial results for the third quarter ended December 31, 2010 and taking note of the internal audit report of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Carl Ludwig Oliver Haarmann; and (iv) Padmanabh Sinha.
April 26, 2011*	The activities undertaken at the meeting included, amongst others, taking note of the internal assurance report, discussion relating update on site quality and other related matters, taking note of the presentation on risk management and approving the proposal for re-alignment of risk framework.	(i) Narayanan Kumar; and (ii) Akhil Kumar Gupta.
May 3, 2011	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, recommending re-appointment of M/s Protiviti Consulting Private Limited (earlier known as CS Advisory India Private Limited) as the internal auditors of the Company and reviewing and recommending approval of the financial results for the fourth quarter and the financial year ended March 31, 2011.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Sanjay Nayar.
July 25, 2011*	The activities undertaken at the meeting included, amongst others, taking note of the internal assurance report, taking note of and discussing presentations on risk management, internal control matters and proposed internal audit plan for the year 2011-2012.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Sanjay Nayar.
July 28, 2011	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, recommending re-appointment of Protiviti Consulting Private Limited (earlier known as CS Advisory India Private Limited) as the internal auditors of the Company, reviewing and recommending approval of the financial results for the first quarter ended June 30, 2011 and briefing on the matters discussed in the meeting held through video conferencing on July 25, 2011.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Sanjay Nayar.
November 2, 2011	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, reviewing and recommending approval of the financial results for the second quarter ended September 30, 2011, taking note of the internal audit report of the Company and adopting	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Sanjay Nayar.

Date of the meeting of the Audit Committee	Nature of transactions/tasks undertaken	Members present at the meeting
	policy on rotation of statutory and internal auditors of the Company.	
February 6, 2012	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, reviewing and recommending approval of the financial results for the third quarter ended December 31, 2011 and taking note of the internal assurance report of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Rohit Sipahimalani; and (iv) Sanjay Nayar.
April 30, 2012	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, reviewing and recommending approval of the financial results for the financial year ended March 31, 2012, recommending re-appointment of S.R. Batliboi & Associates, Chartered Accountants as the statutory auditors of the Company, recommending re-appointment of Protiviti Consulting Private Limited as the internal auditors of the Company and recommending appointment of R.J. Goel and Co. as the cost auditor of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; and (iii) Rohit Sipahimalani.
August 3, 2012	The activities undertaken at the meeting included, amongst others, taking note of related party transactions, reviewing and recommending approval of the financial results for the first quarter ended June 30, 2012 and taking note of the internal assurance report of the Company.	(i) Narayanan Kumar; (ii) Akhil Kumar Gupta; (iii) Ravi M. Lambah (as an alternate director to Rohit Sipahimalani); and (iv) Sanjay Nayar.

* *Meeting was held through audio and video conferencing.*

Human Resources and ESOP Compensation Committee

The Human Resources and ESOP Compensation Committee of the Board ("HR and ESOP Committee") was originally constituted pursuant to resolution of the Board in its meeting held on April 29, 2008, and last reconstituted pursuant to resolution passed by the Board in its meeting held on November 5, 2012. The present constitution of the HR and ESOP Committee comprises:

1. Narayanan Kumar (Chairman);
2. Rakesh Bharti Mittal;
3. Sanjay Nayar;
4. Leena Srivastava; and
5. Murray Philip King.

The terms of reference of the HR and ESOP Committee include the following:

1. Recommending senior managers and such other Key Management Personnel for the Company, as the Board may determine and to determine the compensation payable to the management personnel and staff, which shall be market-related, consisting of a fixed and a variable part;

2. Reviewing the performance of the management personnel and review and approve compensation strategy from time to time in the context of the then current Indian market in accordance with applicable law. However the HR and ESOP Committee shall in no event consider any compensation payable by the Company to its Directors and/or employees, which are contractual arrangements between the Company and the Directors and/or employees of the Company, as the case may be.

3. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable law in India or overseas, including:

   (a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or

(b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;

4. Analysing, monitoring and reviewing various human resource and compensation matters;

5. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and

6. Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by such committee.

Meetings of the HR and ESOP Committee:

The details of the meetings of the HR and ESOP Committee held since its constitution have been set forth in the table below:

Date of the meeting of the HR and ESOP Committee	**Nature of transactions/tasks undertaken**	**Members present at the meeting**
October 29, 2008	The activities undertaken at the meeting included, amongst others, taking note of the scope of work of the HR and ESOP Committee and reviewing and recommending necessary changes to the employee stock option scheme.	(i) Ashok Juneja; (ii) Carl Ludwig Oliver Haarmann; (iii) Inderjit Walia; and (iv) Padmanabh Sinha.
January 20, 2009	The activities undertaken at the meeting included, amongst others, reviewing and taking note of quarterly update and key HR initiatives, reviewing the organisation structure of the Company and recommending grant of employee stock options.	(i) Ashok Juneja; (ii) Carl Ludwig Oliver Haarmann; (iii) Inderjit Walia; and (iv) Padmanabh Sinha.
April 28, 2009	The activities undertaken at the meeting included, amongst others, taking note of the revised constitution of the HR & ESOP Compensation Committee, taking note of the presentation on organisation design of the Company and approving in-sourced model for operations and maintenance function.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
July 21, 2009	The activities undertaken at the meeting included, amongst others, performance appraisal and approving performance linked incentive to Akhil Kumar Gupta for Fiscal 2010, approving the voluntary reduction of remuneration payable to Akhil Kumar Gupta for Fiscal 2011, taking note of the revised ESOP policy and recommending grant of employee stock options to eligible employees.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
October 28, 2009	The activities undertaken at the meeting included, amongst others, taking note of the amendment to the employee stock option plan (ESOP Plan 2008) and taking note of quarterly update and key HR initiatives.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
January 20, 2010	The activities undertaken at the meeting included, amongst others, taking note of the presentation on comparative analysis between outsourcing and in-sourcing of resources and taking note of quarterly update and key HR initiatives.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
April 26, 2010	The activities undertaken at the meeting included, amongst others, discussion on comparative analysis between outsourcing and in-sourcing of resources and approving and recommending amendments to the employee stock option plan (ESOP Plan 2008).	(i) Inderjit Walia; and (ii) Padmanabh Sinha.

Date of the meeting of the HR and ESOP Committee	Nature of transactions/tasks undertaken	Members present at the meeting
August 9, 2010	The activities undertaken at the meeting included, amongst others, approving and recommending grant of employee stock options to eligible employees, approving and recommending performance linked incentive payment to Akhil Kumar Gupta for Fiscal 2010 and approving the revision in remuneration payable to Akhil Kumar Gupta for Fiscal 2011.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
November 8, 2010	The activities undertaken at the meeting included, amongst others, taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
January 31, 2011	The activities undertaken at the meeting included, amongst others, taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; (ii) Carl Ludwig Oliver Haarmann; and (iii) Padmanabh Sinha.
May 3, 2011	The activities undertaken at the meeting included, amongst others, taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; and (ii) Sanjay Nayar.
July 28, 2011	The activities undertaken at the meeting included, amongst others, taking note of appointment of Pankaj Miglani as the Chief Financial Officer, approving and recommending performance linked incentive payment to Akhil Kumar Gupta for Fiscal 2011, approving and recommending revision in remuneration payable to Akhil Kumar Gupta Fiscal 2012 and taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; and (ii) Sanjay Nayar.
November 2, 2011	The activities undertaken at the meeting included, amongst others, taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; and (ii) Sanjay Nayar.
February 6, 2012	The activities undertaken at the meeting included, amongst others, discussion regarding the way forward approach on long term incentive for key managers and taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; (ii) Sanjay Nayar; and (iii) Rohit Sipahimalani.
April 30, 2012	The activities undertaken at the meeting included, amongst others, reviewing revised ESOP buyback proposal and long term incentive plan for key managers and taking note of the presentation on various standard items such as headcount trend, headcount – demographics, productivity, voluntary attrition, talent acquisition, ESOP etc.	(i) Inderjit Walia; and (ii) Rohit Sipahimalani.
August 3, 2012	The activities undertaken at the meeting included, amongst others, approving and recommending performance linked incentive payment to Akhil Kumar Gupta for Fiscal 2012, approving and recommending revision in remuneration payable to Akhil Kumar Gupta for Fiscal 2013, approving and recommending amendment to the employee stock option plan (ESOP Plan 2008) and approving and recommending introduction of a new plan III under ESOP Plan 2008.	(i) Inderjit Walia; (ii) Sanjay Nayar; and (iii) Ravi M. Lambah (alternate director to Rohit Sipahimalani).

* *Meeting was held through audio and video conferencing.*

Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee of the Board ("Investor Grievances Committee") was originally constituted pursuant to resolution passed by the Board through circulation on September 1, 2012, which became effective on September 3, 2012. The present constitution of the Investor Grievances Committee comprises:

1. Rakesh Bharti Mittal, Chairman;
2. Akhil Kumar Gupta; and
3. Sarvjit Singh Dhillon.

The terms of reference of the Investor Grievances Committee include the following:

1. Redressal of shareholders'/investors' complaints;
2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the Listing Agreement.

Meetings of the Investor Grievances Committee:

No meetings of the Investor Grievances Committee have been held since its constitution.

Interest of Directors

The Independent Directors may be interested to the extent of fees payable to them and/or the commission payable to them for attending meetings of the Board or committees thereof.

The Directors may also be regarded as interested in the Equity Shares that may be allotted to them pursuant to exercise of the employee stock options granted under the employee stock option scheme of the Company, if any. Further, Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

The Directors have no interest in the promotion of the Company or in any property acquired by the Company within the preceding two years from the date of the Draft Red Herring Prospectus. Further, the Directors have no interest in any transactions by the Company for acquisition of land, construction of building or supply of machinery.

Except as stated in the section "Related Party Transactions" on page 248, the Directors do not have any other interest in the business of the Company.

Changes in the Board

The following table details the changes in the composition of the Board in the three years preceding the date of this Red Herring Prospectus.

Name of Director	Date of Change	Nature of Change	Reason
Manik Hiru Jhangiani	August 9, 2010	Change in designation	Regularisation(1)
Padmanabh Sinha	January 31, 2011	Cessation	Resignation
Carl Ludwig Oliver Haarman	January 31, 2011	Cessation	Resignation
Sanjay Nayar	January 31, 2011	Appointment	Appointment as an additional director
Sanjay Nayar	July 22, 2011	Change in designation	Regularisation(2)
Manish Kejriwal	July 28, 2011	Appointment	Appointment as an additional director
Manish Kejriwal	December 12, 2011	Cessation	Resignation
Rohit Sipahimalani	December 12, 2011	Appointment	Appointment as an additional director
Manik Hiru Jhangiani	January 2, 2012	Cessation	Resignation

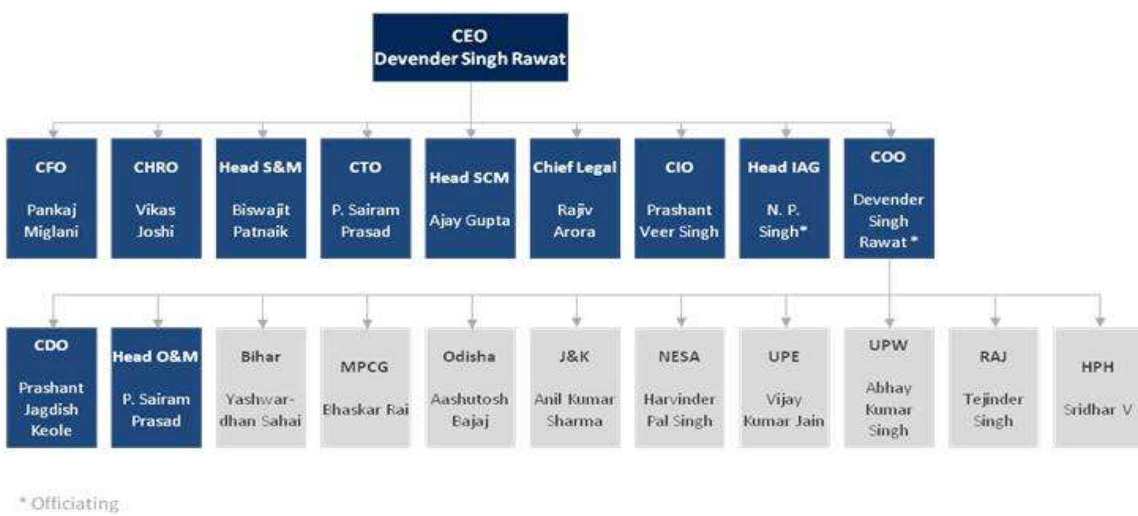
Name of Director	Date of Change	Nature of Change	Reason
Sarvjit Singh Dhillon	January 2, 2012	Appointment	Appointment as an additional director
Ravi M. Lambah	July 24, 2012	Appointment	Appointment as alternate director to Rohit Sipahimalani
Rohit Sipahimalani	August 3, 2012	Change in designation	Regularisation(3)
Sarvjit Singh Dhillon	August 3, 2012	Change in designation	Regularisation(3)
Ravi M. Lambah	August 6, 2012	Cessation	Resignation
Sunil Bharti Mittal	September 3, 2012	Cessation	Resignation
Rohit Sipahimalani	September 3, 2012	Cessation	Resignation
Inderjit Walia	September 3, 2012	Cessation	Resignation
Rakesh Bharti Mittal	September 3, 2012	Appointment	Appointment as an additional director
Vinod Dhall	September 3, 2012	Appointment	Appointment as an additional director
Jitender Balakrishnan	September 3, 2012	Appointment	Appointment as an additional director
Bharat Sumant Raut	September 3, 2012	Appointment	Appointment as an additional director
Sanjay Nayar	September 3, 2012	Cessation	Resignation as a nominee director of KKR Towers Company Mauritius Limited
Sanjay Nayar	September 3, 2012	Appointment	Appointment as an additional director
Leena Srivastava	November 5, 2012	Appointment	Appointment as an additional director
Murray Philip King	November 5, 2012	Appointment	Appointment as an additional director

(1) *Regularised pursuant to resolution passed by the Shareholders at the AGM held on August 9, 2010*
(2) *Regularised pursuant to resolution passed by the Shareholders at the AGM held on July 22, 2011*
(3) *Regularised pursuant to resolution passed by the Shareholders at the AGM held on August 3, 2012*

Employees Stock Option Plan

For details in relation to the employee stock option plan of the Company, please see section "Capital Structure" on page 86.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel, as of the date of this Red Herring Prospectus, are as follows:

Devender S. Rawat, aged 44 years, is the Chief Executive Officer of the Company and officiating Chief Operating Officer. He holds a bachelors' degree in engineering (electronics and communication) from Osmania University, Hyderabad. He has 23 years of experience in various sectors including telecommunication sector. He joined the Company on July 28, 2010. In the Company, he is responsible for strategy, operations, setting short-term and long-term objectives and is involved in overall operations, including finances, customer relationships, human resources and processes. The gross compensation paid to him during Fiscal 2012 was ₹ 14.5 million.

Pankaj Miglani, aged 42 years, is the Chief Financial Officer of the Company. He is a chartered accountant, a certified cost and works accountant and a certified company secretary. He has 18 years of experience in various sectors including telecommunication sector. He joined the Company on August 8, 2011. Prior to joining the Company, he has also worked with the Promoter. In the Company, he is responsible for the overall finance function of the Company, controlling the levers of the business, generating insights in evaluating the financial and operational performance of the Company. The gross compensation paid to him during Fiscal 2012 was ₹ 4.7 million.

Vikas Joshi, aged 52 years, is the Chief Human Resource Officer of the Company. He holds a bachelors' degree in science from University of Jabalpur, a bachelors' degree in law and a masters' degree in personnel management from the University of Poona. He has 30 years of experience in various sectors including telecommunication sector. He joined the Company on April 1, 2010. Prior to joining the Company, he has also worked with the Promoter. In the Company, he is responsible for the formulation and execution of the human resource strategy in line with the business strategy of the Company. He also leads initiatives on capability building, employee productivity, employee engagement, process saliency and statutory compliance. The gross compensation paid to him during Fiscal 2012 was ₹ 10.2 million.

Biswajit Patnaik, aged 40 years, is the Head - Sales and Marketing of the Company. He holds a bachelors' degree in arts from Behrampur University and a diploma in sales and marketing management from National Institute of Sales, a division of NIIT. He has 17 years of experience in various sectors including telecommunication sector. He joined the Company on October 20, 2008. In the Company, he is responsible for strategies of sales and marketing function to achieve top line targets. He also drives maximisation of market share and to achieve profitable revenue growth of the business and is responsible for marketing, branding and collections. The gross compensation paid to him during Fiscal 2012 was ₹ 5.9 million.

P. Sairam Prasad, aged 42 years, is the Head – Operations and Maintenance of the Company. He also holds the charge of the Chief Technical Officer of the Company. He holds a bachelors' degree in electrical and electronics engineering from Jawaharlal Nehru Technological University, Hyderabad. He has 19 years of experience in various sectors including telecommunication sector. He joined the Company on September 23, 2009. In the Company, he is responsible for formulating functional strategy on a national level and driving the high availability of network. As a Chief Technical Officer, he is responsible for designing and implementing technical services for optimisation of capital expenditure and operating expenditure of passive infrastructure, new technology and energy initiatives. The gross compensation paid to him during Fiscal 2012 was ₹ 7 million.

Rajiv Arora, aged 41 years, is the Chief Legal, Regulatory and Corporate Affairs the Company. He holds a bachelors' degree in law from Jamia Millia Islamia University and a diploma in labour law from the Indian Law Institute, New Delhi. He has 17 years of experience in various sectors including telecommunication sector. He joined the Company on October 1, 2007. Prior to joining the Company, he has also worked with the Promoter. In the Company, he is responsible maintaining high standard of legal and regulatory control. The gross compensation paid to him during Fiscal 2012 was ₹ 5.6 million.

Prashant Jagdish Keole, aged 43 years, is the Chief Deployment Officer the Company. He holds a bachelors' degree in civil engineering from Amravati University and a post graduate certificate in business management from Xavier Institute of Management, Bhubaneswar. He has 21 years of experience in various sectors including telecommunication sector. He joined the Company on October 1, 2007. Prior to joining the Company, he has also worked with the Promoter. In the Company, he is responsible for planning and roll-out of deployment sites in accordance with the quality standards within budgeted costs and timelines. The gross compensation paid to him during Fiscal 2012 was ₹ 3.4 million.

Prashant Veer Singh, aged 43 years, is the Chief Information Officer of the Company. He holds a bachelors' degree in engineering (electronics) from University of Poona and a masters' degree in business administration (executive) from Amity University. He has 20 years of experience in various sectors including telecommunication sector. He joined the Company on April 1, 2010. Prior to joining the Company, he has also worked with the Promoter. In the Company, he is responsible for creation and execution of IT strategies, IT solution engagement, development and delivery of best in class IT infrastructure to meet business IT requirements and also co-architects the business processes for developing an effective ERP system. The gross compensation paid to him during Fiscal 2012 was ₹ 5.4 million.

Ajay Gupta, aged 44 years, is the Head – Supply Chain Management of the Company. He holds a bachelors' degree in science from University of Poona and a post graduate diploma in management from Institute of Management Development & Research, Pune. He has 20 years of experience in various sectors. He joined the Company on November 1, 2012. In the Company, he is responsible for creating and deploying best in class supply chain processes, policies and systems. He also drives sourcing, cost control, in-time delivery of material, inventory control and entire vendor management. No compensation was paid to him during Fiscal 2012 since he joined the Company on November 1, 2012.

None of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of the Company.

Shareholding of Key Management Personnel

As of the date of this Red Herring Prospectus, none of the Key Management Personnel hold any Equity Shares of the Company.

Bonus or profit sharing plan of the Key Management Personnel

The Key Management Personnel are paid performance linked incentive pay based on certain performance parameters. Except as stated above, the Company does not have bonus or profit sharing plan for the Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the equity shares to be allotted pursuant to the exercise of employee stock options granted pursuant to the employee stock option scheme instituted by the Company, if any. All of the Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration or benefit of any nature from the Company, other than their remuneration and grant of employee stock options, if any, under the employee stock option scheme instituted by the Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
P. Sairam Prasad	Chief Technical Officer	September 23, 2009	Joining
Anupam Bhat	Chief Financial Officer	September 28, 2009	Transfer
Suresh Wadhwani	Chief Financial Officer	September 29, 2009	Joining
Vishal Bhartiya	Chief Information Officer	March 12, 2010	Resignation
P.V. Sebastian	Chief Human Resource Officer	April 1, 2010	Resignation
Prashant Veer Singh	Chief Information Officer	April 1, 2010	Joining
Vikas Joshi	Chief Human Resource Officer	April 1, 2010	Joining
Prem Pradeep	Chief Executive Officer	July 9, 2010	Resignation

Name	Designation	Date of change	Reason for change
Devender S. Rawat	Chief Executive Officer	July 28, 2010	Joining
Suresh Wadhwani	Chief Financial Officer	April 15, 2011	Resignation
Pankaj Miglani	Chief Financial Officer	August 8, 2011	Joining
Dhananjay S. Ozarkar	Chief Deployment Officer	October 4, 2011	Resignation
Pankaj Priyadarshi	Head – Supply Chain Management	January 20, 2012	Resignation
Prashant Jagdish Keole	Chief Deployment Officer	April 1, 2012	Transfer
P Sairam Prasad	Head – Operations and Maintenance	May 25, 2012	Transfer
Abhay Kumar Singh	Head – Operations and Maintenance	June 1, 2012	Transfer
Sunil Razdan	Chief Operating Officer	August 31, 2012	Resignation
Ravi Mohan	Head – Internal Assurance Group	October 9, 2012	Resignation
Ajay Gupta	Head – Supply Chain Management	November 1, 2012	Joining

Payment or Benefit to officers of the Company

Except as stated otherwise in this Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of the Company’s employees including the Key Management Personnel and the Directors. Further, except statutory benefits upon termination of their employment in the Company or retirement, no officer of the Company, including the Directors and the Key Management Personnel, are entitled to any benefits upon termination of employment.

PROMOTER AND PROMOTER GROUP

The promoter of the Company is Bharti Airtel. The Promoter currently holds 1,500,000,000 Equity Shares, constituting approximately 86.09% of the pre-Issue issued, subscribed and paid-up capital of the Company and will continue to hold a majority of the post-Issue paid-up share capital of the Company.

Promoter

The Promoter was incorporated as a public limited company under the Companies Act on July 7, 1995. The registered office of the Promoter is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070.

The Promoter is engaged in the business of providing telecommunication services. It offers mobile voice and data services, fixed line, high speed broadband, internet protocol television (IPTV), Digital TV services, ICT solutions for enterprises and national and international long distance services to carriers.

There has been no change in control or management of the Promoter in the last three years.

The equity shares of the Promoter are presently listed on the BSE and the NSE.

Board of Directors

The board of directors of the Promoter comprises the following persons:

1. **Sunil Bharti Mittal**,

Sunil Bharti Mittal, aged 55, is the chairman and managing director of Bharti Airtel. He holds a bachelor's degree in arts from Punjab University and has been conferred with a honorary doctorate of laws by the University of Leeds, United Kingdom, a honorary doctorate of science by the Indian Institute of Technology, Kharagpur and a honorary doctorate of science by Govind Ballabh Pant University of Agriculture and Technology. He has completed the president management program from the Graduate School of Business Administration, Harvard University and is also a honorary fellow of the Institution of Electronics and Telecommunication Engineers. He has nearly 36 years of experience in the telecommunications industry and has served as a member of the telecommunication board of the International Telecommunication Union and as a Commissioner of the Broadband Commission for Digital Development. He has, in the past, also served as a member of the Prime Minister's Council on Trade and Industry and as the president of the Confederation of Indian Industry. He was awarded with the Padma Bhushan by the Government of India in 2007. He has also received various other awards including the Lal Bahadur Shastri National Award for Excellence in Public Administration, Academics and Management in 2009, INSEAD Business Leader for the World award in 2011 and the NDTV Profit Business Leadership award for 'Corporate Conscience' in 2011.

His address is 19, Amrita Shergil Marg, New Delhi 110 003. His driving license number is DL-0220040010055 and his voters identification number is CKB0927566. His passport number is Z 1749892.

2. **Ajay Lal**

Ajay Lal, aged 51 years, is an independent director on the board of Bharti Airtel. He holds a degree of Bachelors of Technology in chemical engineering from the Indian Institute of Technology, New Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Kolkata. He has also completed an advanced management program from Harvard Business School. He is the managing director of AIF Capital India Pvt. Ltd and a senior partner of AIF Capital Group and has been employed with the AIF Capital Group since 1997.

His address is Villa No.-120, the Laburnum, Sushant Lok-I, Gurgaon – 122001. His passport number is Z-1175529.

3. **Chua Sock Koong**

Chua Sock Koong, aged 55 years, is a nominee of SingTel and is a non-executive director on the board of Bharti Airtel. She holds a first class honours degree in Accountancy from the University of Singapore. She has been the group chief executive officer of SingTel since April 2007. She joined SingTel in June 1989 as treasurer and was promoted to chief financial officer in April 1999. She held the position of group chief financial officer & chief executive officer international from February 2006 until October 12, 2006. She was appointed as Deputy Group CEO of Singtel on October 12, 2006.

Her address is 15A Oei Tiong Ham Park, Singapore – 268302, Singapore. Her passport number is E-1378736L.

4. **Rajan Bharti Mittal**

Rajan Bharti Mittal, aged 52 years, is a non-executive director on the board of Bharti Airtel. He holds a degree of Bachelors of Arts from the Panjab University and has participated in the Owner President Management Program organized by the Harvard Business School. He is the Vice President of International Chamber of Commerce in India and member of the Federation of Indian Chambers of Commerce and Industry ("**FICCI**") Executive & Steering Committees. In the past he has been the President of FICCI for the year 2010 – 2011. In FICCI he was also Chairman of Retail Committee in 2007, Infrastructure Committee in 2006, Telecom & IT Committee in 2004 and 2005, and Telecom Committee in 2001, 2002 and 2003. He has been honored with the "Indian Business Leader of the Year Award 2011" at the global India business meeting 2011 and has also been awarded the "Premio Leonardo International 2011".

His address is E-9/17, Vasant Vihar, Vasant Marg, New Delhi – 110057. His voter identification number is NLN0857870 and driving license number is DL-1219930039272. His passport number is Z-1174871

5. **Craig Edward Ehrlich**

Craig Edward Ehrlich, aged 57 years, is an independent non-executive director on the board of Bharti Airtel. His address is Block B, 6/F, Best View Court, 66 MacDonnell Road, Hong Kong. His passport number 433765224.

6. **Narayanan Kumar**

Narayanan Kumar, aged 62 years, is an an independent non-executive director on the board of Bharti Airtel. He is also a director of our Company. For further details, please see the section "Management – Board of Directors" on page 179. His passport number is Z1740028.

His voter identification number is CJJ3031143 and driving license number is TN07 20100012094.

7. **Pulak Chandan Prasad**

Pulak Chandan Prasad, aged 44 years, is an independent director on the board of Bharti Airtel. He holds a degree of Bachelors of Technology in mechanical engineering from the Indian Institute of Technology, New Delhi and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is the founder and managing director of Nalanda Capital Private Limited, a Singapore based fund management company. He was previously employed with McKinsey & Co and Warburg Pincus India.

His address is Block-10, Cuscaden Walk, # 21-01 Singapore – 249693, Singapore. His passport number is F5784593.

8. **Tsun-yan Hsieh**

Tsun-yan Hsieh, aged 59 years, is an independent director on the board of Bharti Airtel. He also an Independent Director of Sony Corporation, a director on Manulife Financial Corporation.

His address is 11, Balmoral Park, #09-06 Balmoral Hills, Singapore – 259845, Singapore. His passport number is BA509504.

9. **Manish Kejriwal**

Manish Kejriwal, aged 44 years, is an independent director on the board of Bharti Airtel. He holds a degree of Bachelors of Arts from Dartmouth College and degree of Masters in Business Administration from the Harvard University. He was also elected a George F. Baker scholar by virtue of extraordinary academic achievement in the masters in business administration program at the Harvard University, Graduate School of Business Administration. He is a managing partner of Kedaara Capital Advisors LLP. He was previous employed by Temasek International Pte. Ltd where he held the position of Head, India, Africa and Middle East.

His address is Prabhat Building, 6th Floor, B Road, Churchgate, Mumbai – 400020. His passport number is Z 1787581.

10. **Tan Yong Choo**

Tan Yong Choo, aged 48 years, is a nominee of SingTel and is a non-executive director on the board of Bharti Airtel. She holds a honours degree in Accountancy from the National Univeristy of Singapore. She has been the vice president, group finance at SingTel since June 2007. She had joined SingTel as a manager in November 1994 and was promoted to the position of director, group accounts, finance in February 1996.

Her address is 22, Park Villas Green, Singapore – 545430, Singapore. Her passport number is E0837928K.

11. **Nikesh Arora**

Nikesh Arora, aged 44 years, is an independent director on the board of Bharti Airtel. He is senior vice president and chief business officer at Google Inc. In his current position he leads sales, partnerships and marketing for Google Inc. globally. Prior to his current position, he led Google Inc.'s direct sales operations in the European, Middle Eastern and African markets.

His address is Flat 16, 49 Pont Street, London, United Kingdom. His passport number is A 311635.

12. **Manoj Kohli**

Manoj Kohli, aged 54 years, CEO (International) and joint managing director on the board of Bharti Airtel. He holds a degree of Bachelors of Commerce and a degree of Bachelors of Laws from the University of Delhi. He also holds a degree of Masters of Business Administration from the University of Delhi. In his current position he is responsible for leading the Africa operations of Bharti Airtel. Prior to becoming his current position he held multiple roles as CEO and joint managing director, president and CEO, president of mobile services business at Bharti Airtel.

His address is D-5/2, Phase I, DLF City, Gurgaon – 122002. His voter identification number is HW1928259 and driving license number is 681/2010/800. His passport number is G8600455.

13. **Obiageli "Oby" Ezekwesili**

Obiageli Ezekwesili, aged 59 years, is an independent non-executive director on the board of Bharti Airtel. She was presented with the “The Dr. Jean Mayer Global Citizenship Award” by the EPIIC (Education for Public Enquiry and International Citizenship) Tufts University.

Her address is 7b, Justice Oputa Street, Off Justice Mamman Nasir Street, Asokoro, Abuja FCT, NA, Nigeria. Her passport number is A03410798.

Shareholding Pattern

The shareholding pattern of the Promoter as of September 30, 2012 is as follows:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialised Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Bodies Corporate	2	1,735,453,890	1,735,453,890	45.7	45.7	0	0
Sub Total	**2**	**1,735,453,890**	**1,735,453,890**	**45.7**	**45.7**	**0**	**0**
(2) Foreign							
Bodies Corporate	3	857,180,286	857,180,286	22.57	22.57	0	0
Any Others (Foreign	**1**	**8,493,000**	**8,493,000**	**0.22**	**0.22**	**0**	**0**

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialised Form	Total Shareholding as a % of Total No. of Shares		Shares pledged or otherwise encumbered	
Institutional Investor)							
Any Other	1	8,493,000	8,493,000	0.22	0.22	0	0
Sub Total	**4**	**865,673,286**	**865,673,286**	**22.8**	**22.8**	**0**	**0**
Total shareholding of Promoter and Promoter Group (A)	**6**	**2,601,127,176**	**2,601,127,176**	**68.5**	**68.5**	**0**	**0**
(B) Public Shareholding[1]							
(1) Institutions							
Mutual Funds / UTI	268	133,301,294	133,301,294	3.51	3.51	0	0
Financial Institutions / Banks	35	3,148,117	3,148,117	0.08	0.08	0	0
Insurance Companies	51	185,203,030	185,203,030	4.88	4.88	0	0
Foreign Institutional Investors	608	624,197,596	624,197,596	16.44	16.44	0	0
Qualified Foreign Investor	1	3827	3827	0.00	0.00	0	0
Sub Total	**963**	**945,853,864**	**945,853,864**	**24.91**	**24.91**	**0**	**0**
(2) Non-Institutions							
Bodies Corporate	3,349	169,539,149	164,094,879	4.46	4.46	0	0
Individuals							
Individual shareholders holding nominal share capital up to ₹ 1 lakh	358,942	50,662,393	50,651,303	1.33	1.33	0	0
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	144	12,332,985	12,332,985	0.32	0.32	0	0
Any Others (Specify)	**8,270**	**18,014,529**	**18,014,529**	**0.47**	**0.47**	**0**	**0**
Foreign Nationals	1	55	55	0	0	0	0
Foreign Corporate Bodies	1	5,082,710	5,082,710	0.13	0.13	0	0
Non Resident Indians	7,919	4,018,460	4,018,460	0.11	0.11	0	0
Trusts	32	5,500,632	5,500,632	0.14	0.14	0	0
Clearing Members	317	3,412,672	3,412,672	0.09	0.09	0	0
Sub Total	**370,705**	**250,549,056**	**245,093,696**	**6.60**	**6.60**	**0**	**0**
Total Public shareholding (B)	**371,668**	**1,196,402,920**	**1,190,947,560**	**31.5**	**31.5**	**0**	**0**
Total (A)+(B)	**371,674**	**3,797,530,096**	**3,792,074,736**	**100**	**100**	**0**	**0**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(1) Promoter and Promoter Group	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Public	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Sub Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total (A)+(B)+(C)	**371,674**	**3,797,530,096**	**3,792,074,736**	**100**	**100**	**0**	**0**

Promoter of the Promoter

The promoter of the Promoter is Bharti Telecom Limited ("Bharti Telecom"), a company incorporated under the Companies Act on July 29, 1985.

The board of directors of Bharti Telecom comprises Sunil Bharti Mittal, Akhil Kumar Gupta, Chua Sock Koong, Hui Weng Cheong, Rajan Bharti Mittal, Rakesh Bharti Mittal, Sarvjit Singh Dhillon and Tan Yong Choo.

There has been no change in the control or management of Bharti Telecom since its incorporation.

Sunil Bharti Mittal is the promoter of Bharti Telecom.

The shareholding of Pastel Limited, a wholly owned subsidiary of Singapore Telecommunications Limited (owned and controlled by the Government of Singapore) ("Singtel-Pastel"), has been included in the 'promoter/ promoter group' category in the Promoter's filings with the Stock Exchanges as it is a deemed promoter of the Promoter in terms of Regulation 2(1)(zb)(iii)(B) of the SEBI Regulations. This is on account of its shareholding in Bharti Telecom Limited, which is a promoter of the Promoter. Singtel-Pastel does not control the Promoter, nor is it a person acting in concert (as defined under Regulation 2(1)(q) of the SEBI Takeover Regulations) ("PAC") with Bharti Telecom Limited. Viridian Limited is a PAC with Singtel-Pastel.

The Company confirms that the PAN, bank account number, the company registration number of the Promoter and the address of the RoC where the Promoter is registered has been submitted to the Stock Exchanges, at the time of the filing of the Draft Red Herring Prospectus.

Interests of the Promoter and Group Companies

The Promoter is interested in the Company to the extent of its shareholding in the Company and the dividends received by it on such shareholding. For details, please see the section "Capital Structure" on page 86. The Promoter has entered into a master service agreements with the Company, to utilise the tower infrastructure of the Company for its telecom operations. For further details, please see the section "Our Business" on page 142. Further, Bharti Infratel has entered into an agreement with Bharti Hexacom on May 31, 2010, whereby Bharti Infratel has agreed to provide operation and maintenance services at certain sites owned and maintained by Bharti Hexacom.

Except for Bharti Hexacom, Bharti Telemedia Limited and Bharti Airtel Services Limited, none of our Group Companies have any business or other interests in the Company. For details of transaction with these Group Companies please see the section "Related Party Transactions" on page 248.

For details of related party transactions entered into by the Company with its Subsidiary and Group Companies during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section "Related Party Transactions" on page 248.

Other than as disclosed in the section "Related Party Transactions" on page 248, there are no sales/purchases between the Company and the Group Companies, Subsidiary and associate companies when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Company.

The Promoter and Group Companies have no interest in any property acquired or proposed to be acquired by the Company during the last two years from the date of filing of the Draft Red Herring Prospectus.

The Promoter and the Group Companies have no interest in acquisition of land, construction of building and supply of machinery undertaken by the Company. Further, none of the Group Companies have any interest in the promotion of the Company.

Except as disclosed, neither the Company has paid any amount or benefit to its Promoter or Promoter Group in the preceding two years nor does it intend to pay any amount or benefit to its Promoter or Promoter Group.

Payment or Benefits to Promoter

Except as stated otherwise in the section “Related Party Transactions” and “Promoter and Promoter Group - Interests of the Promoter and Group Companies” on pages 248 and 207 respectively, there has been no payment or benefits to the Promoter during the two years prior to the filing of the Draft Red Herring Prospectus.

Common Pursuits

The Subsidiary, Indus and some of the Group Companies namely Africa Towers Service Limited, Airtel Towers (Ghana) Limited, Airtel Towers (SL) Company Limited, Burkina Faso Towers S.A., Congo RDC Towers S.P.R.L., Congo Towers S.A., Gabon Towers SA, Kenya Towers Limited, Madagascar Towers S.A., Malawi Towers Limited, Niger Towers S.A., Rwanda Towers Limited, Tanzania Towers Limited, Tchad Towers S.A., Towers Support Nigeria Limited, Uganda Towers Limited, Zambian Towers Limited, Bharti Hexacom Limited, Bharti Infratel Lanka (Private) Limited and Bangladesh Infratel Networks Limited are engaged in the business similar to that of the Company. Please see the section “Risk Factors – Some of our Group Companies and our joint venture may be engaged in a similar line of business and in case of conflict of interest, the Promoter may not act in our interest which may have a material adverse effect on our business, financial condition and results of operations” on page 37. The Company will adopt necessary procedures and practices as permitted by law to address any conflict of interest as and when it may arise.

Except as set forth above and in the section “Related Party Transactions” on page 248, the Company has not entered into any related party transactions that impact the financial performance of the Company.

Litigation involving the Promoter and Group Companies

For details of legal and regulatory proceedings involving the Promoter and Group Companies, please see the section “Outstanding Litigation and Material Developments” on page 492.

Other Confirmations

The Promoter has not been declared as wilful defaulters by RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by the Promoter in the past or are pending against them.

The Promoter, Promoter Group entities or Group Companies have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Promoter or the Group Companies has become sick companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further, no winding up proceedings have been initiated against the Promoter or the Group Companies, except as disclosed in the section “Group Companies” on page 212. For other confirmations of the Promoter and Group Companies, please see the section “Other Regulatory and Statutory Disclosures” on page 538.

Additionally, neither the Promoter nor any of the Group Companies have become defunct in the five years preceding the filing of the Draft Red Herring Prospectus.

Companies with which the Promoter has disassociated in the last three years:

S. No.	Name of the disassociated entity	Reasons for and circumstances leading to disassociation
1.	Aero Ventures Limited	Entire shareholding in Aero Ventures Limited was sold to Malaysian Jet Services Sdn. Bhd, Malaysia
2.	Airtel DTH Services Madagascar S.A.	Dissolution of the entity
3.	Bharti Airtel Middle East B.V.	Dissolution of the entity

4.	Bharti Airtel Morocco Holdings B.V.	Dissolution of the entity
5.	Bharti Airtel Tanzania Holdings B.V.	Dissolution of the entity
6.	Bharti Airtel IP Netherlands B.V.	Dissolution of the entity
7.	Celtel Cameroon SA	Dissolution of the entity
8.	Zain Plc	Dissolution of the entity

The Promoter Group

S. No.	Name of the Promoter Group Entities
1.	Airtel Mobile Commerce (Ghana) Limited
2.	Africa Towers N.V
3.	Africa Towers Services Limited
4.	Airtel (Seychelles) Limited
5.	Airtel (SL) Limited
6.	Airtel Bangladesh Limited
7.	Airtel Burkina Faso S. A.
8.	Airtel Congo S.A.
9.	Airtel Direct-to-home Services (K) Limited
10.	Airtel DTH Services (SL) Limited
11.	Airtel DTH Service Burkina Faso S.A.
12.	Airtel DTH Services Congo (RDC) S.P.R.L.
13.	Airtel DTH Services Congo S.A.
14.	Airtel DTH Services Gabon S.A.
15.	Airtel DTH Services Ghana Limited
16.	Airtel DTH Services Malawi Limited
17.	Airtel DTH Services Niger S.A.
18.	Airtel DTH Services Nigeria Limited
19.	Airtel DTH Services Tanzania Limited
20.	Airtel DTH Services Tchad S.A.
21.	Airtel DTH Services Uganda Limited
22.	Airtel Ghana Limited
23.	Airtel M Commerce Services Limited
24.	Airtel Madagascar S.A.
25.	Airtel Malawi Limited
26.	Airtel Mobile Commerce (Kenya) Limited
27.	Airtel Mobile Commerce Limited
28.	Airtel Mobile Commerce (SL) Limited
29.	Airtel Mobile Commerce (Tanzania) Limited
30.	Airtel Mobile Commerce B.V.
31.	Airtel Mobile Commerce Burkina Faso S.A.
32.	Airtel Mobile Commerce Holdings B.V.
33.	Airtel Mobile Commerce Madagascar S.A.
34.	Airtel Mobile Commerce Tchad S.a.r.l.
35.	Airtel Mobile Commerce Uganda Limited
36.	Airtel Money (RDC) S.P.R.L.
37.	Airtel Money Niger S.A.
38.	Airtel Money S.A.

S. No.	Name of the Promoter Group Entities
39.	Airtel Networks Kenya Limited
40.	Airtel Networks Limited
41.	Airtel Rwanda Limited
42.	Airtel Tanzania Limited
43.	Airtel Tchad S.A.
44.	Airtel Towers (Ghana) Limited
45.	Airtel Towers (SL) Company Limited
46.	Airtel Uganda Limited
47.	Alcatel Lucent Network Management Services India Limited
48.	Bangladesh Infratel Networks Limited
49.	Bharti Airtel (France) SAS
50.	Bharti Airtel (Hong Kong) Limited
51.	Bharti Airtel (Japan) KK
52.	Bharti Airtel (UK) Limited
53.	Bharti Airtel (USA) Limited
54.	Bharti Airtel Acquisition Holdings B.V.
55.	Bharti Airtel Africa B.V.
56.	Bharti Airtel Burkina Faso Holdings B.V.
57.	Bharti Airtel Cameroon B.V.
58.	Bharti Airtel Cameroon Holdings B.V.
59.	Bharti Airtel (Canada) Limited
60.	Bharti Airtel Chad Holdings B.V.
61.	Bharti Airtel Congo Holdings B.V.
62.	Bharti Airtel Developers Forum Limited
63.	Bharti Airtel DTH Holdings B.V.
64.	Bharti Airtel Gabon Holdings B.V.
65.	Bharti Airtel Ghana Holdings B.V.
66.	Bharti Airtel Holdings (Singapore) Pte. Limited
67.	Bharti Airtel International (Mauritius) Limited
68.	Bharti Airtel International (Netherlands) B.V.
69.	Bharti Airtel Kenya B.V.
70.	Bharti Airtel Kenya Holdings B.V.
71.	Bharti Airtel Lanka (Private) Limited
72.	Bharti Airtel Madagascar Holdings B.V.
73.	Bharti Airtel Malawi Holdings B.V.
74.	Bharti Airtel Mali Holdings B.V.
75.	Bharti Airtel Niger Holdings B.V.
76.	Bharti Airtel Nigeria B.V.
77.	Bharti Airtel Nigeria Holdings B.V.
78.	Bharti Airtel Nigeria Holdings II B.V.
79.	Bharti Airtel RDC Holdings B.V.
80.	Bharti Airtel Services B.V.
81.	Bharti Airtel Services Limited
82.	Bharti Airtel Sierra Leone Holdings B.V.
83.	Bharti Airtel Tanzania B.V.
84.	Bharti Airtel Uganda Holdings B.V.
85.	Bharti Airtel Zambia Holdings B.V.

S. No.	Name of the Promoter Group Entities
86.	Bharti DTH Services Zambia Limited
87.	Bharti Hexacom Limited
88.	Bharti Infratel Lanka (Private) Limited
89.	Bharti International (Singapore) Pte. Limited
90.	Bharti Telecom Limited
91.	Bharti Telemedia Limited
92.	Bharti Teleports Limited
93.	Bridge Mobile Pte. Limited
94.	Burkina Faso Towers S.A.
95.	Celtel (Mauritius) Holdings Limited
96.	Celtel Congo RDC S.a.r.l.
97.	Airtel Gabon S.A.
98.	Celtel Niger S.A.
99.	Celtel Zambia Plc
100.	Channel Sea Management Company (Mauritius) Limited
101.	Congo RDC Towers S.P.R.L.
102.	Congo Towers S.A.
103.	Gabon Towers S.A.
104.	Indian Continent Investment Limited
105.	Indian Ocean Telecom Limited
106.	Kenya Towers Limited
107.	Madagascar Towers S.A.
108.	Malawi Towers Limited
109.	Mobile Commerce Congo S.A.
110.	Montana International
111.	MSI-Celtel Nigeria Limited
112.	Network i2i Limited
113.	Niger Towers S.A.
114.	Partnership Investments Sprl
115.	Pastel Limited
116.	Rwanda Towers Limited
117.	Societe Malgache de Telephone Cellulaire S.A.
118.	Tanzania Towers Limited
119.	Tchad Towers S.A.
120.	Towers Support Nigeria Limited
121.	Uganda Towers Limited
122.	Viridian Limited
123.	Wireless Broadband Business Services (Delhi) Private Limited
124.	Wireless Broadband Business Services (Haryana) Private Limited
125.	Wireless Broadband Business Services (Kerala) Private Limited
126.	Wireless Business Services Private Limited
127.	Zambian Towers Limited
128.	Zap Trust Company Nigeria Ltd.
129.	Zebrano (Mauritius) Limited
130.	ZMP Limited

GROUP COMPANIES

Besides our Subsidiary, the following companies are promoted by our Promoter (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus, are our Group Companies:

Except for Celtel Zambia Plc ("Celtel Zambia"), no equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

A. Top five Group Companies (based on turnover)

The details of our top five Group Companies (based on turnover) are provided below:

1. Celtel Zambia

Corporate Information

Celtel Zambia was incorporated as a public company under the laws of Zambia on April 24, 1997. Celtel Zambia is engaged in the business of providing telecommunication services. Celtel Zambia is currently listed on Lusaka Stock Exchange.

Our Promoter indirectly holds approximately 96.36% of the issued, subscribed and paid up capital of Celtel Zambia.

Financial Performance

The financial information derived from the audited financial results of Celtel Zambia for the fiscal years ended March 31, 2012, December 31, 2010 and 2009 are set forth below:

(Figures in ZMK million except per share data)

	Year ended		
	March 31, 2012	**December 31, 2010**	**December 31, 2009**
Equity capital	1,040	1,040	1,040
Reserves and surplus (excluding revaluation)	1,238,580	1,027,965	914,532
Sales/Turnover (Income)	1,944,806	1,462,875	1,383,497
Profit/(Loss) after tax	314,615	215,279	268,886
Earnings per share (Basic) (in ZMK)	60.5	41.4	51.7
Earnings per share (Diluted) (in ZMK)	60.5	41.4	51.7
Net asset value per share (in ZMK)	238.4	197.9	176.0

Celtel Zambia reports its financial information in ZMK. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

Share Price Information

The ordinary shares of Celtel Zambia having a face value of ZMK 0.20 each ("Celtel Zambia Shares") are listed on Lusaka Stock Exchange.

The monthly high and low of the market price of the Celtel Zambia Shares for last three months is set forth below:

Month*	High (ZMK)	Low (ZMK)
August 2012	710	704
September 2012	704	700
October 2012	700	640

* *Trading of Celtel Zambia Shares on Lusaka Stock Exchange was suspended until July 31, 2012 pursuant to notice dated March 7, 2011 issued by Lusaka Stock Exchange in relation to acquisition of certain Celtel Zambia Shares by its shareholder, Celtel Zambia Holdings B.V. (now known as Bharti Airtel Zambia Holdings B.V.). Celtel Zambia Shares re-commenced trading on August 1, 2012.*

Previous public issues or rights issues

Celtel Zambia has not undertaken any public issue or rights issue of securities in the preceding three years.

Promise v/s Performance

Celtel Zambia undertook an initial public offer in April 2008. The particulars of the initial public offer including promise versus performance are set forth below.

Issue details	Objects of the issue	Performance
Issue of 1,040,000,000 ordinary shares of ZMK 0.20 each, at a premium of ZMK 639.80 per ordinary share aggregating ZMK 665,600,000,000	(i) afford members of the public to participate; (ii) encourage wider ownership; (iii) enhance public image; and (iv) support development of Zambian capital market.	N.A.

Investor Complaints

Other than three litigations described in "Outstanding Litigation and Material Developments – Litigation against Celtel Zambia Plc" on page 531, one investor complaint is pending against Celtel Zambia as on the date of this Red Herring Prospectus.

2. Airtel Networks Limited ("**Airtel Networks**")

Corporate Information

Airtel Networks was incorporated as a private company under the laws of Nigeria on December 21, 2000. Airtel Networks is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds approximately 65.70% of the issued, subscribed and paid up capital of Airtel Networks.

Financial Performance

The financial information derived from the audited financial results of Airtel Networks for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in NGN million except per share data)

	Year ended		
	December 31, 2011*	**December 31, 2010****	**December 31, 2009**
Equity capital	201	201	201
Reserves and surplus (excluding revaluation)	48,941	67,303	98,590
Sales/Turnover (Income)	203,752	176,115	189,294
Profit/(Loss) after tax	(18,362)	(31,287)	(17,362)
Earnings per share (Basic) (in NGN)	(91.2)	(155.4)	(86.5)
Earnings per share (Diluted) (in NGN)	(91.2)	(155.4)	(86.5)
Net asset value per share (in NGN)	244.1	335.3	490.7

[#] Airtel Networks reports its financial information in NGN. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** In the financial statements for the year ended December 31, 2011, auditors drew attention to Note 27 of the financial statements which indicated that Airtel Networks reported a net loss of NGN 18.36 billion for year ended December 31, 2011 and as at that date the current liabilities exceeded its current assets by NGN 144.63 billion. The auditors also gave emphasis of matter on the ability of Airtel Networks to continue as a going concern. Airtel Networks has received a letter of support from the parent company, Bharti Airtel International (Netherlands) B.V., undertaking that it will continue to provide and maintain such financials support and assistance as may be needed to enable business activities of Airtel Networks to continue to be conducted as a going concern and to satisfy the debts and obligations of Airtel Networks as they respectively become due for settlement.*

***In the financial statements for the year ended December 31, 2010, qualified opinion was given by the auditors on Airtel Networks' change in its accounting policies relating to inventory and activation revenue during the year. The auditors also drew attention to Note 27 of the financial statements which indicated that Airtel Networks reported a net loss of NGN 31.29 billion for year ended December 31, 2010 and as at that date* *the current liabilities exceeded its current assets by NGN 144.23 billion. The auditors also gave emphasis of matter on the ability of Airtel Networks to continue as a going concern.*

3. **Bharti Hexacom Limited** (“**Bharti Hexacom**”)

Corporate Information

Bharti Hexacom was incorporated as a public company under the Companies Act on April 20, 1995. Bharti Hexacom is engaged in the business of providing telecommunication services.

Our Promoter directly holds approximately 70.00% of the issued, subscribed and paid up capital of Bharti Hexacom.

Financial Performance

The financial information derived from the audited financial results of Bharti Hexacom for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(₹ in million except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**March 31, 2010**
Equity capital	2,500	2,500	2,500
Reserves and surplus (excluding revaluation)	29,391	23,954	18,879
Sales/Turnover (Income)	33,791	30,066	26,415
Profit/(Loss) after tax	6,018	5,075	6,243
Earnings per share (Basic) (in ₹)	24.1	20.3	25.0
Earnings per share (Diluted) (in ₹)	24.1	20.3	25.0
Net asset value per share (in ₹)	127.6	105.8	85.5

4. **Celtel Congo (RDC) S.a.r.l.** (“**Celtel Congo**”)

Corporate Information

Celtel Congo was incorporated as a private company under the laws of Democratic Republic of Congo on December 28, 1999. Celtel Congo is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds approximately 98.50% of the issued, subscribed and paid up capital of Celtel Congo.

Financial Performance

The financial information derived from the audited financial results of Celtel Congo for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in Franc congolais (CDF) million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	100	100	100
Reserves and surplus (excluding revaluation)	129,243	122,674	233,262
Sales/Turnover (Income)	330,579	203,635	204,518
Profit/(Loss) after tax	(64,012)	(126,771)	(119,209)
Earnings per share (Basic) (in CDF)	(640,115.6)	(1,267,706.7)	(1,192,085.1)
Earnings per share (Diluted) (in CDF)	(640,115.6)	(1,267,706.7)	(1,192,085.1)
Net asset value per share (in CDF)	1,293,433.3	1,227,742.0	2,333,618.5

 # Celtel Congo reports its financial information in CDF. For exchange rate for conversion into ₹, please see section “Presentation of Financial, Industry and Market Data” on page 14.

5. Airtel Gabon S.A. (“**Airtel Gabon**”)

Corporate Information

Airtel Gabon was incorporated as a private company under the laws of Gabon on May 13, 1999. Airtel Gabon is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds approximately 90.00% of the issued, subscribed and paid up capital of Airtel Gabon.

Financial Performance

The financial information derived from the audited financial results of Airtel Gabon for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in XAF million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	6,000	6,000	6,000
Reserves and surplus (excluding revaluation)	73,052	32,703	78,383
Sales/Turnover (Income)	136,463	121,843	106,103
Profit/(Loss) after tax	40,349	(45,680)	2,809
Earnings per share (Basic) (in XAF)	67,248.3	(76,133.0)	4,682.0
Earnings per share (Diluted) (in XAF)	67,248.3	(76,133.0)	4,682.0
Net asset value per share (in XAF)	131,753.8	64,505.0	140,638.0

 # Airtel Gabon reports its financial information in XAF. For exchange rate for conversion into ₹, please see section “Presentation of Financial, Industry and Market Data” on page 14.

B. Group Companies under winding up

The details of our Group Companies under winding up are provided below:

6. Bharti Airtel (Canada) Limited (“Airtel Canada”)

Corporate Information

Airtel Canada was incorporated as a private company under the laws of Canada on October 26, 2006. Airtel Canada is engaged in the business of providing telecommunication services.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Airtel Canada.

*Financial Performance**

The financial information derived from the audited financial results of Airtel Canada for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(Figures in CAD million except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**March 31, 2010**
Equity capital	0.1	0.1	0.1
Reserves and surplus (excluding revaluation)	(1.3)	(1.2)	(0.9)
Sales/Turnover (Income)	0.0	0.2	0.3
Profit/(Loss) after tax	(0.1)	(0.4)	(0.3)
Earnings per share (Basic) (in CAD)	(1.2)	(4.7)	(4.1)
Earnings per share (Diluted) (in CAD)	(1.2)	(4.7)	(4.1)
Net asset value per share (in CAD)	(16.4)	(15.2)	(10.5)

 # Airtel Canada reports its financial information in CAD. For exchange rate for conversion into ₹, please see section “Presentation of Financial, Industry and Market Data” on page 14.

**Airtel Canada also has negative net-worth as per the last audited financials.*

7. Bharti Airtel Cameroon Holdings B.V. ("Airtel Cameroon Holdings")

Corporate Information

Airtel Cameroon Holdings was incorporated as a private company under the laws of Netherlands on September 3, 1998. Airtel Cameroon Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Cameroon.

Financial Performance

The financial information derived from the financial results of Airtel Cameroon Holdings for the fiscal years ended October 26, 2010, December 31, 2009 and December 31, 2008 are set forth below:**

(Figures in USD in `000, except per share data)

	Year ended		
	October 26, 2010	**December 31, 2009**	**December 31, 2008**
Equity capital	25.0	25.0	25.0
Reserves and surplus (excluding revaluation)	(19.3)	(7.4)	(8.0)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(11.8)	-	-
Earnings per share (Basic) (in USD)	(0.7)	-	-
Earnings per share (Diluted) (in USD)	(0.7)	-	-
Net asset value per share (in USD)	0.3	1.0	0.9

[#] *Airtel Cameroon Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.*

** *These selected financial statements are unaudited as Airtel Cameroon Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

8. Bharti Airtel Nigeria Holdings B.V. ("Airtel Nigeria Holdings")

Corporate Information

Airtel Nigeria Holdings was incorporated as a private company under the laws of Netherlands on January 13, 1998. Airtel Nigeria Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Nigeria Holdings.

Financial Performance

The financial information derived from the financial results of Airtel Nigeria Holdings for the fiscal years ended March 31, 2012, 2011, December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25.0	25.0	25.0
Reserves and surplus (excluding revaluation)	29.4	35.0	36.0
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(5.4)	(0.4)	-
Earnings per share (Basic) (in USD)	(0.30)	(0.02)	-
Earnings per share (Diluted) (in USD)	(0.30)	(0.02)	-
Net asset value per share (in USD)	3.0	3.3	3.4

[#] *Airtel Nigeria Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.*

* *These selected financial statements are unaudited as Airtel Nigeria Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

9. MSI-Celtel Nigeria Limited ("MSI Celtel")

Corporate Information

MSI Celtel was incorporated as a private company under the laws of Nigeria on January 24, 2000. MSI Celtel is engaged in the business of making investment.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of MSI Celtel.

Financial Performance

The financial information derived from the unaudited financial results of MSI Celtel for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in NGN million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	30.0	30.0	30.0
Reserves and surplus (excluding revaluation)	NA	NA	NA
Sales/Turnover (Income)	NA	NA	NA
Profit/(Loss) after tax	NA	NA	NA
Earnings per share (Basic) (in NGN)	NA	NA	NA
Earnings per share (Diluted) (in NGN)	NA	NA	NA
Net asset value per share (in NGN)	1.0	1.0	1.0

\# *MSI Celtel reports its financial information in NGN. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.*

10. Airtel DTH Services Gabon S.A. ("Services Gabon")

Corporate Information

Services Gabon was incorporated as a private company under the laws of Gabon on May 26, 2011. Services Gabon is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Gabon.

Financial Performance

The financial information derived from the audited financial results of Services Gabon for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in XAF million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	10	NA	NA
Reserves and surplus (excluding revaluation)	-		
Sales/Turnover (Income)	-		
Profit/(Loss) after tax	-		
Earnings per share (Basic) (in XAF)	-		
Earnings per share (Diluted) (in XAF)	-		
Net asset value per share (in XAF)	10,000.0		

\# *Services Gabon reports its financial information in XAF. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.*

11. Airtel DTH Services Niger S.A. ("Services Niger")

Corporate Information

Services Niger was incorporated as a private company under the laws of Niger on November 29, 2010. Services Niger is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Niger.

Financial Performance

The financial information derived from the audited financial results of Services Niger for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in XOF million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	10	10	NA
Reserves and surplus (excluding revaluation)	-	-	
Sales/Turnover (Income)	-	-	
Profit/(Loss) after tax	-	-	
Earnings per share (Basic) (in XOF)	-	-	
Earnings per share (Diluted) (in XOF)	-	-	
Net asset value per share (in XOF)	10,000.0	10,000.0	

 # Services Niger reports its financial information in XOF. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

12. Airtel DTH Services Tchad S.A. ("Services Tchad")

Corporate Information

Services Tchad was incorporated as a private company under the laws of Chad on February 18, 2011. Services Tchad is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Tchad.

Financial Performance

The financial information derived from the audited financial results of Services Tchad for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in XAF million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	10	10	NA
Reserves and surplus (excluding revaluation)	-	-	
Sales/Turnover (Income)	-	-	
Profit/(Loss) after tax	-	-	
Earnings per share (Basic) (in XAF)	-	-	
Earnings per share (Diluted) (in XAF)	-	-	
Net asset value per share (in XAF)	10,000.0	10,000.0	

 # Services TChad reports its financial information in XAF. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

13. Airtel DTH Services Malawi Limited ("Services Malawi")

Corporate Information

Services Malawi was incorporated as a private company under the laws of Malawi on November 26, 2010. Services Malawi is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Malawi.

Financial Performance

The financial information derived from the audited financial results of Services Malawi for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in MWK million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	10	10	NA
Reserves and surplus (excluding revaluation)	-	-	
Sales/Turnover (Income)	-	-	
Profit/(Loss) after tax	-	-	
Earnings per share (Basic) (in MWK)	-	-	
Earnings per share (Diluted) (in MWK)	-	-	
Net asset value per share (in MWK)	10.0	10.0	

 # Services Malawi reports its financial information in MWK. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

14. Airtel DTH Services (SL) Limited ("Services SL")

Corporate Information

Services SL was incorporated as a private company under the laws of Sierra Leone on January 19, 2011. Services SL is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services SL.

Financial Performance

The financial information derived from the audited financial results of Services SLfor the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in SLL million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	10	NA	NA
Reserves and surplus (excluding revaluation)	-		
Sales/Turnover (Income)	-		
Profit/(Loss) after tax	-		
Earnings per share (Basic) (in SLL)	-		
Earnings per share (Diluted) (in SLL)	-		

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Net asset value per share (in SLL)	100,000.0		

 # Services SL reports its financial information in MWK. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

15. Airtel DTH Services Uganda Limited ("Services Uganda")

Corporate Information

Services Uganda was incorporated as a private company under the laws of Uganda on November 26, 2010. Services Uganda is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Uganda.

Financial Performance

The financial information derived from the audited financial results of Services Uganda for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in UGS million except per share data)

	Year ended		
	December 31, 2011	**Decembe 31, 2010**	**December 31, 2009**
Equity capital	2	2	NA
Reserves and surplus (excluding revaluation)	-	-	
Sales/Turnover (Income)	-	-	
Profit/(Loss) after tax	-	-	
Earnings per share (Basic) (in UGS)	-	-	
Earnings per share (Diluted) (in UGS)	-	-	
Net asset value per share (in UGS)	1,000.0	1,000.0	

 # Services Uganda reports its financial information in UGS. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

16. Airtel Direct-to-Home Services (K) Limited ("Services K")

Corporate Information

Services K was incorporated as a private company under the laws of Kenya on January 18, 2011. Services K is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services K.

Financial Performance

The financial information derived from the audited financial results of Services K for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in KES million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	0.1	NA	NA
Reserves and surplus (excluding revaluation)	-		

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Sales/Turnover (Income)	-		
Profit/(Loss) after tax	-		
Earnings per share (Basic) (in KES)	-		
Earnings per share (Diluted) (in KES)	-		
Net asset value per share (in KES)	100.0		

 # Services K reports its financial information in KES. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

C. Group Companies with negative net-worth:

The details of our Group Companies with negative net-worth are provided below:

17. Bharti Airtel Services Limited ("Airtel Services")

Corporate Information

Airtel Services was incorporated as a public company under the Companies Act on December 5, 1997. Airtel Services is engaged in *inter alia* providing information technology services.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Airtel Services.

Financial Performance

The financial information derived from the audited financial results of Airtel Services for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(₹ in million except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Equity capital	1	1	1
Reserves and surplus (excluding revaluation)	(601)	(445)	3.6
Sales/Turnover (Income)	4,400	3,770	4,215
Profit/(Loss) after tax	(156)	(449)	152
Earnings per share (Basic) (in ₹)	(1,560.0)	(4,490.0)	1,517.0
Earnings per share (Diluted) (in ₹)	(1,560.0)	(4,490.0)	1,517.0
Net asset value per share (in ₹)	(6,000.0)	(4,440.0)	45.6

18. Bharti Airtel Madagascar Holdings B.V. ("Madagascar Holdings")

Corporate Information

Madagascar Holdings was incorporated as a private company under the laws of Netherlands on March 30, 2004. Madagascar Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Madagascar Holdings.

Financial Performance

The financial information derived from the audited financial results of Madagascar Holdings for the fiscal years ended March, 2012, 2011 and December 31, 2009 are set forth below:

(Figures in USD `000 except per share data)

	Year ended

	March 31, 2012	March 31, 2011	December 31, 2009
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(2,561)	237	2,009
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(2,799)	(1,772)	0
Earnings per share (Basic) (in USD)	(155.5)	(98.5)	0.0
Earnings per share (Diluted) (in USD)	(155.5)	(98.5)	0.0
Net asset value per share (in USD)	(140.9)	14.6	113.0

Madagascar Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

19. Bharti Telemedia Limited ("Bharti Telemedia")

Corporate Information

Bharti Telemedia was incorporated as a public limited company under the Companies Act on November 30, 2006. Bharti Telemedia is engaged in the business of DTH broadcasting services.

Our Promoter directly holds 95.00% of the issued, subscribed and paid up capital of Bharti Telemedia.

Financial Performance

The financial information derived from the audited financial results of Bharti Telemedia for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(₹ in million except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Equity capital	102	102	102
Reserves and surplus (excluding revaluation)	(19,805)	(12,194)	(7,148)
Sales/Turnover (Income)	12,959	7,760	2,870
Profit/(Loss) after tax	(7,611)	(5,046)	(4,672)
Earnings per share (Basic) (in ₹)	(746.0)	(495.0)	(458.0)
Earnings per share (Diluted) (in ₹)	(746.0)	(495.0)	(458.0)
Net asset value per share (in ₹)	(1,932.0)	(1,185.0)	(691.0)

20. Bharti Airtel (Hong Kong) Limited ("Airtel Hong Kong")

Corporate Information

Airtel Hong Kong was incorporated as a private company under the laws of Hong Kong on October 12, 2006. Airtel Hong Kong is engaged in the business of providing telecommunication services.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Airtel Hong Kong.

Financial Performance

The financial information derived from the audited financial results of Airtel Hong Kong for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(Figures in HKD million except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Equity capital	5.0	5.0	5.0
Reserves and surplus (excluding revaluation)	(21.1)	(5.7)	(8.7)
Sales/Turnover (Income)	5.0	13.4	2.0
Profit/(Loss) after tax	(15.4)	2.9	(3.3)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Earnings per share (Basic) (in HKD)	(3.1)	0.6	(0.7)
Earnings per share (Diluted) (in HKD)	(3.1)	0.6	(0.7)
Net asset value per share (in HKD)	(3.3)	(0.2)	(0.7)

 # Airtel Hong Kong reports its financial information in HKD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

21. Bharti Airtel Nigeria B.V. ("Nigeria BV")

Nigeria BV was incorporated as a private company under the laws of Netherlands on November 1, 2001. Nigeria BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Nigeria BV.

Financial Performance

The financial information derived from the financial results of Nigeria BV for the fiscal years ended March 31, 2012, 2011and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	December 31, 2009
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(314,396)	(277,952)	(239,377)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(36,445)	(38,575)	(40,283)
Earnings per share (Basic) (in USD)	(2,024.7)	(2,143.1)	(2,237.9)
Earnings per share (Diluted) (in USD)	(2,024.7)	(2,143.1)	(2,237.9)
Net asset value per share (in USD)	(17,465.1)	(15,440.4)	(13,297.3)

 # Nigeria BV reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Nigeria BV is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

22. Bharti Airtel Lanka (Private) Limited ("Airtel Lanka Private")

Corporate Information

Airtel Lanka Private was incorporated as a private company under the laws of Sri Lanka on March 29, 2007. Airtel Lanka Private is engaged in the business of providing telecommunication services.

Our Promoter directly holds approximately 100% of the issued, subscribed and paid up capital of Airtel Lanka Private.

Financial Performance

The financial information derived from the audited financial results of Airtel Lanka Private for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(Figures in LKR million except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Equity capital	5,256	5,256	5,256
Reserves and surplus (excluding revaluation)	(23,876)	(17,644)	(11,492)
Sales/Turnover (Income)	6,274	4,639	2,382
Profit/(Loss) after tax	(6,232)	(6,152)	(7,460)
Earnings per share (Basic) (in LKR)	(11.9)	(11.7)	(14.2)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Earnings per share (Diluted) (in LKR)	(11.9)	(11.7)	(14.2)
Net asset value per share (in LKR)	(35.4)	(23.6)	(11.9)

 # Airtel Lanka Private reports its financial information in LKR. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

23. Bharti Airtel Burkina Faso Holdings B.V. ("Burkina Faso BV")

Corporate Information

Burkina Faso BV was incorporated as a private company under the laws of Netherlands on April 29, 1998. Burkina Faso BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Burkina Faso BV.

Financial Performance

The financial information derived from the financial results of Burkina Faso BV for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	December 31, 2009
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(3,124)	(2,627)	(1,686)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(497)	(941)	12,237
Earnings per share (Basic) (in USD)	(27.4)	(51.9)	674.1
Earnings per share (Diluted) (in USD)	(27.4)	(51.9)	674.1
Net asset value per share (in USD)	(170.7)	(143.4)	(91.5)

 # Burkina Faso BV reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Burkina Faso BV is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

24. Bharti Airtel Ghana Holdings B.V. ("Ghana Holdings")

Corporate Information

Ghana Holdings was incorporated as a private company under the laws of Netherlands on March 25, 2004. Ghana Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Ghana Holdings.

Financial Performance

The financial information derived from the financial results of Ghana Holdings for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	December 31, 2009
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(21,445)	(8,087)	(1)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(13,357)	(8,086)	-

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Earnings per share (Basic) (in USD)	(742.1)	(449.2)	-
Earnings per share (Diluted) (in USD)	(742.1)	(449.2)	-
Net asset value per share (in USD)	(1,190.0)	(447.9)	1.3

 # Ghana Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Ghana Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

25. Bharti Airtel Kenya B.V. ("Kenya BV")

Corporate Information

Kenya BV was incorporated as a private company under the laws of Netherlands on July 1, 1993. Kenya BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Kenya BV.

Financial Performance

The financial information derived from the financial results of Kenya BV for the fiscal years ended March 31, 2012, 2011and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	27	27	27
Reserves and surplus (excluding revaluation)	(17,313)	(17,314)	(2,886)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	0.4	(14,428.0)	(20,382.0)
Earnings per share (Basic) (in USD)	0.0	(721.4)	(1,019.1)
Earnings per share (Diluted) (in USD)	0.0	(721.4)	(1,019.1)
Net asset value per share (in USD)	(864.3)	(864.4)	(143.0)

 # Kenya BV reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Kenya BV is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

26. Bharti Airtel Kenya Holdings B.V. ("Kenya Holdings")

Corporate Information

Kenya Holdings was incorporated as a private company under the laws of Netherlands on November 1, 2001. Kenya Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Kenya Holdings.

Financial Performance

The financial information derived from the financial results of Kenya Holdings for the fiscal years ended March 31, 2012, 2011and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(30,652)	(10,486)	(552)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(20,167)	(9,934)	823
Earnings per share (Basic) (in USD)	(1,120.4)	(551.9)	45.7
Earnings per share (Diluted) (in USD)	(1,120.4)	(551.9)	45.7
Net asset value per share (in USD)	(1,701.5)	(581.2)	(29.3)

 # Kenya BV reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Kenya Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

27. Bharti Airtel Malawi Holdings B.V. ("Malawi Holdings")

Corporate Information

Malawi Holdings was incorporated as a private company under the laws of Netherlands on April 29, 1998. Malawi Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Malawi Holdings.

Financial Performance

The financial information derived from the financial results of Malawi Holdings for the fiscals ended March 31, 2012, 2011and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(3,345)	(4,071)	(4,241)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	725	170	3,960
Earnings per share (Basic) (in USD)	39.9	9.3	218.2
Earnings per share (Diluted) (in USD)	39.9	9.3	218.2
Net asset value per share (in USD)	(182.9)	(222.9)	(232.3)

 # Malawi Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Malawi Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

28. Bharti Airtel Nigeria Holdings II B.V. ("Nigeria Holdings")

Corporate Information

Niger Holdings was incorporated as a private company under the laws of Netherlands on April 29, 1998. Nigeria Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Nigeria Holdings.

Financial Performance

The financial information derived from the financial results of Nigeria Holdings for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(1,811)	(1,805)	(1,805)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(6)	-	-
Earnings per share (Basic) (in USD)	(0.3)	-	-
Earnings per share (Diluted) (in USD)	(0.3)	-	-
Net asset value per share (in USD)	(98.4)	(98.1)	(98.1)

 # Nigeria Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Nigeria Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

29. Bharti Airtel RDC Holdings B.V. ("RDC Holdings")

Corporate Information

RDC Holdings was incorporated as a private company under the laws of Netherlands on December 14, 1999. RDC Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of RDC Holdings.

Financial Performance

The financial information derived from the financial results of RDC Holdings for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(9,735)	(6,050)	(656)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(3,684)	(5,394)	(204)
Earnings per share (Basic) (in USD)	(203.0)	(297.2)	(11.2)
Earnings per share (Diluted) (in USD)	(203.0)	(297.2)	(11.2)
Net asset value per share (in USD)	(534.9)	(331.9)	(34.8)

 # RDC Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as RDC Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

30. Bharti Airtel Sierra Leone Holdings B.V. ("Leone Holdings BV")

Corporate Information

Leone Holdings BV was incorporated as a private company under the laws of Netherlands on August 5, 1998. Leone Holdings BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Leone Holdings BV.

Financial Performance

The financial information derived from the financial results of Leone Holdings BV for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(4,647)	(3,633)	(2,246)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(1,014)	(1,387)	(447)
Earnings per share (Basic) (in USD)	(55.9)	(76.4)	(24.6)
Earnings per share (Diluted) (in USD)	(55.9)	(76.4)	(24.6)
Net asset value per share (in USD)	(254.6)	(198.8)	(122.4)

 # Leone Holdings BV reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

** These selected financial statements are unaudited as Leone Holdings BV is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

31. Bharti Airtel Tanzania B.V. ("Tanzania BV")

Corporate Information

Tanzania BV was incorporated as a private company under the laws of Netherlands on November 3, 1998. Tanzania BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Tanzania BV.

Financial Performance

The financial information derived from the audited financial results of Tanzania BV for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(34,523)	(34,816)	(32,371)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	293	(2,445)	591
Earnings per share (Basic) (in USD)	16.1	(134.7)	32.6
Earnings per share (Diluted) (in USD)	16.1	(134.7)	32.6
Net asset value per share (in USD)	(1,900.5)	(1,916.6)	(1,782.0)

 # Tanzania BV reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

**These selected financial statements are unaudited as Leone Holdings BV is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

32. Bharti Airtel Uganda Holdings B.V. ("Uganda Holdings")

Corporate Information

Uganda Holdings was incorporated as a private company under the laws of Netherlands on August 5, 1998. Uganda Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Uganda Holdings.

Financial Performance

The financial information derived from the financial results of Uganda Holdings for the fiscal years ended March 31, 2012, 2011 and December 31, 2009 are set forth below:*

(Figures in USD `000 except per share data)

	Year ended		
	March 31, 2012	**March 31, 2011**	**December 31, 2009**
Equity capital	25	25	25
Reserves and surplus (excluding revaluation)	(46,896)	(38,115)	(31,491)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(8,780)	(6,624)	(3,403)
Earnings per share (Basic) (in USD)	(483.7)	(364.9)	(187.5)
Earnings per share (Diluted) (in USD)	(483.7)	(364.9)	(187.5)
Net asset value per share (in USD)	(2,582.1)	(2,098.42)	(1,733.5)

Uganda Holdings reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

* *These selected financial statements are unaudited as Uganda Holdings is not required to prepare audited financial statements under its applicable laws as it meets certain conditions prescribed under applicable laws.*

33. Airtel Tchad S.A. ("Tchad SA")

Corporate Information

Tchad SA was incorporated as a private company under the laws of Chad on September 22, 1999. Tchad SA is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Tchad SA.

Financial Performance

The financial information derived from the audited financial results of Tchad SA for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in XAF in million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	3,800	3,800	3,800
Reserves and surplus (excluding revaluation)	(15,760)	(4,485)	9,387.7
Sales/Turnover (Income)	49,215	54,300	59,746.1
Profit/(Loss) after tax	(11,276)	(12,327)	2,060.4
Earnings per share (Basic) (in XAF)	(29,673.2)	(32,439.5)	5,422.1
Earnings per share (Diluted) (in XAF)	(29,673.2)	(32,439.5)	5,422.1
Net asset value per share (in XAF)	(31,474.8)	(1,801.7)	34,704.4

Tchad SA reports its financial information in F CFA. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

34. Airtel Ghana Limited ("Airtel Ghana")

Corporate Information

Airtel Ghana was incorporated as a private company under the laws of Ghana on November 28, 1996. Airtel Ghana is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 75.00% of the issued, subscribed and paid up capital of Airtel Ghana.

Financial Performance

The financial information derived from the audited financial results of Airtel Ghana for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(LC in million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	7	7	7
Reserves and surplus (excluding revaluation)	(457)	(336)	(190)
Sales/Turnover (Income)	293	158	81
Profit/(Loss) after tax	(120)	(146)	(115)
Earnings per share (Basic) (in LC)	(46.4)	(56.6)	(44.4)
Earnings per share (Diluted) (in LC)	(46.4)	(56.6)	(44.4)
Net asset value per share (in LC)	(174.1)	(127.2)	(70.6)

 # Airtel Ghana reports its financial information in LC. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

35. Airtel Networks Kenya Limited ("Networks Kenya")

Corporate Information

Networks Kenya was incorporated as a private company under the laws of Kenya on November 11, 1999. Networks Kenya is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Networks Kenya.

Financial Performance

The financial information derived from the audited financial results of Networks Kenya for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in KES in '000 except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	2,625,000	2,625,000	2,625,000
Reserves and surplus (excluding revaluation)	(33,697,896)	(26,503,858)	(16,054,279)
Sales/Turnover (Income)	11,250,645	9,807,364	9,569,068
Profit/(Loss) after tax	(7,194,037)	(10,424,814)	(4,894,567)
Earnings per share (Basic) (in KES)	(2,740.6)	(3,971.4)	(1,864.6)
Earnings per share (Diluted) (in KES)	(2,740.6)	(3,971.4)	(1,864.6)
Net asset value per share (in KES)	(11,837.3)	(9,096.7)	(5,115.9)

 # Networks Kenya reports its financial information in KES. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

36. Airtel Madagascar S.A. ("Airtel Madagascar")

Corporate Information

Airtel Madagascar was incorporated as a private company under the laws of Madagascar on June 27, 1997. Airtel Madagascar is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Madagascar.

Financial Performance

The financial information derived from the audited financial results of Airtel Madagascar for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in Ariarys (As.) million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	821	821	821
Reserves and surplus (excluding revaluation)	(67,816)	(56,730)	(34,845)
Sales/Turnover (Income)	175,242	156,117	139,338
Profit/(Loss) after tax	(11,086)	(9,623)	(34,439)
Earnings per share (Basic) (in As.)	(2,700,023.6)	(2,343,630.5)	(8,387,564.2)
Earnings per share (Diluted) (in As.)	(2,700,023.6)	(2,343,630.5)	(8,387,564.2)
Net asset value per share (in As.)	(16,316,311.8)	(13,616,288.2)	(8,286,404.9)

 # Airtel Madagascar reports its financial information in Ariarys. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

37. Airtel Mobile Commerce Madagascar S.A. ("Commerce Madagascar")

Commerce Madagascar was incorporated as a private company under the laws of Madagascar on April 5, 2011. Commerce Madagascar is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Madagascar.

Financial Performance

The financial information derived from the audited financial results of Commerce Madagascar for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in Ariarys (As.) million except per share data)

	Year ended		
	December 31, 2011	**December 31, 2010**	**December 31, 2009**
Equity capital	2.0	NA	NA
Reserves and surplus (excluding revaluation)	(107)		
Sales/Turnover (Income)	-		
Profit/(Loss) after tax	(107)		
Earnings per share (Basic) (in As.)	(1,066,706.3)		
Earnings per share (Diluted) (in As.)	(1,066,706.3)		
Net asset value per share (in As.)	(1,046,706.3)		

 # Commerce Madagascar reports its financial information in MGA. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

38. Airtel (SL) Limited ("Airtel SL")

Corporate Information

Airtel SL was incorporated as a private company under the laws of Sierra Leone on November 30, 1998. Airtel SL is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel SL.

Financial Performance

The financial information derived from the audited financial results of Airtel SL for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in Leones in million except per share data)

	Year ended

	December 31, 2011	December 31, 2010	December 31, 2009
Equity capital	8,000	8,000	8,000
Reserves and surplus (excluding revaluation)	(67,170)	(156,903)	(24,443)
Sales/Turnover (Income)	258,303	144,927	145,533
Profit/(Loss) after tax	89,733	(132,460)	(65,330)
Earnings per share (Basic) (in Leones)	112,166.0	(165,575.0)	(81,663.0)
Earnings per share (Diluted) (in Leones)	112,166.0	(165,575.0)	(81,663.0)
Net asset value per share (in Leones)	(73,963.0)	(186,129.0)	(20,554.0)

[#] *Airtel SL reports its financial information in* Leones. *For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.*

39. Airtel Tanzania Limited ("Airtel Tanzania")

Corporate Information

Airtel Tanzania was incorporated as a private company under the laws of Tanzania on May 7, 2001. Airtel Tanzania is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 60.00% of the issued, subscribed and paid up capital of Airtel Tanzania.

Financial Performance

The financial information derived from the audited financial results of Airtel Tanzania for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in Tshs million except per share data)

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Equity capital	41,000	41,000	41,000
Reserves and surplus (excluding revaluation)	(63,262)	27,576	153,714
Sales/Turnover (Income)	362,198	306,511	359,333
Profit/(Loss) after tax	(90,838)	(126,138)	5,919
Earnings per share (Basic) (in Tshs)	(2,216.0)	(3,077.0)	144.0
Earnings per share (Diluted) (in Tshs)	(2216.0)	(3,077.0)	144.0
Net asset value per share (in Tshs)	(543.0)	1,673.0	4,749.0

[#] *Airtel Tanzania reports its financial information in Tshs. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.*

40. Airtel Uganda Limited ("Airtel Uganda")

Corporate Information

Airtel Uganda was incorporated as a private company under the laws of Uganda on July 17, 1992. Airtel Uganda is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Uganda.

Financial Performance

The financial information derived from the audited financial results of Airtel Uganda for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in UGX million except per share data)

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Equity capital	1,408	1,408	1,408
Reserves and surplus (excluding revaluation)	(127,272)	(94,451)	(3,948)
Sales/Turnover (Income)	256,760	169,716	196,880
Profit/(Loss) after tax	(76,756)	(131,343)	(8,585)
Earnings per share (Basic) (in UGX)	(5,451.4)	(9,328.3)	(609.7)
Earnings per share (Diluted) (in UGX)	(5,451.4)	(9,328.3)	(609.7)
Net asset value per share (in UGX)	(8,939.2)	(6,608.2)	(180.4)

Airtel Uganda reports its financial information in UGX. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

41. Zebrano (Mauritius) Limited ("Zebrano")

Corporate Information

Zebrano was incorporated as a private company under the laws of Mauritius on September 2, 2008. Zebrano is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Zebrano.

Financial Performance

The financial information derived from the audited financial results of Zebrano for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in USD)

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Equity capital	40,001	1	1
Reserves and surplus (excluding revaluation)	(88,091)	(61,346)	(41,695)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(26,745)	(19,651)	(41,695)
Earnings per share (Basic) (in USD)	(0.7)	(19,651.0)	(41,695.0)
Earnings per share (Diluted) (in USD)	(0.7)	(19,651.0)	(41,695.0)
Net asset value per share (in USD)	(1.2)	(61,346.0)	(41,694.0)

Zebrano reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

42. Montana International ("Montana")

Corporate Information

Montana was incorporated as a private company under the laws of Mauritius on August 18, 1997. Montana is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Montana.

Financial Performance

The financial information derived from the audited financial results of Montana for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in USD)

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Equity capital	100	100	100

	Year ended		
	December 31, 2011	December 31, 2010	December 31, 2009
Reserves and surplus (excluding revaluation)	(118,717)	(98,337)	(78,432)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(20,380)	(19,905)	(62,472)
Earnings per share (Basic) (in USD)	(204.0)	(199.1)	(624.7)
Earnings per share (Diluted) (in USD)	(204.0)	(199.1)	(624.7)
Net asset value per share (in USD)	(1,186.2)	(982.4)	(783.3)

 # Montana reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

43. Alcatel Lucent Network Management Services India Limited ("Alcatel Lucent")

Corporate Information

Alcatel Lucent was incorporated as a public company under the Companies Act on June 26, 2009. Alcatel Lucent is engaged in the business of providing managed services to fixed line business of Bharti Airtel and providing network transformation related services.

Our Promoter directly holds 26.00% of the issued, subscribed and paid up capital of Alcatel Lucent.

Financial Performance

The financial information derived from the audited financial results of Alcatel Lucent for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(₹ in million except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Equity capital	346.2	346.2	346.2
Reserves and surplus (excluding revaluation)	(1,155.9)	(975.2)	(283.7)
Sales/Turnover (Income)	3,986	3,533	2,160
Profit/(Loss) after tax	(180.7)	(691.5)	(283.7)
Earnings per share (Basic) (in ₹)	(5.2)	(20.0)	(9.6)
Earnings per share (Diluted) (in ₹)	(5.2)	(20.0)	(9.6)
Net asset value per share (in ₹)	(23.4)	(18.2)	1.8

44. Bharti Airtel (USA) Limited ("Airtel USA")

Corporate Information

Airtel USA was incorporated as a private company under the laws of the United States on September 12, 2006. Airtel USA is engaged in the business of providing telecommunication services.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Airtel USA.

Financial Performance

The financial information derived from the audited financial results of Airtel USA for the fiscal years ended March 31, 2012, 2011 and 2010 are set forth below:

(Figures in USD million except per share data)

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Equity capital	0.000001	0.000001	0.000001
Reserves and surplus (excluding revaluation)	(5.9)	(5.0)	(5.2)
Sales/Turnover (Income)	8.3	15.8	16.7

	Year ended		
	March 31, 2012	March 31, 2011	March 31, 2010
Profit/(Loss) after tax	(1.0)	0.2	(0.7)
Earnings per share (Basic) (in USD)	(3,262.0)	694.0	(2,202.0)
Earnings per share (Diluted) (in USD)	(3,262.0)	694.0	(2,202.0)
Net asset value per share (in USD)	(19,789.0)	(16,527.0)	(17,221.0)

 # Airtel USA reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

45. Societe Malgache De Telephone Cellulaire S.A. ("Societe Malgache")

Corporate Information

Societe Malgache was incorporated as a private company under the laws of Mauritius on December 23, 1997. Societe Malgache is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Societe Malgache.

Financial Performance

The financial information derived from the audited financial results of Societe Malgache for the fiscal years ended December 31, 2011, 2010 and 2009 are set forth below:

(Figures in USD)

	Fiscal Year		
	December 31, 2011	December 31, 2010	December 31, 2009
Equity capital	40,000	40,000	40,000
Reserves and surplus (excluding revaluation)	(117,061)	(90,167)	(62,492)
Sales/Turnover (Income)	-	-	-
Profit/(Loss) after tax	(26,894)	(27,675)	(37,229)
Earnings per share (Basic) (in USD)	(0. 7)	(0.7)	(0.9)
Earnings per share (Diluted) (in USD)	(0. 7)	(0.7)	(0.9)
Net asset value per share (in USD)	(1.9)	(1.3)	(0.6)

 # Societe Malgache reports its financial information in USD. For exchange rate for conversion into ₹, please see section "Presentation of Financial, Industry and Market Data" on page 14.

D. Other Group Companies

The details of the rest of our Group Companies are provided below:

46. Airtel Mobile Commerce (Kenya) Limited ("Commerce Kenya")

Commerce Kenya was incorporated as a private company under the laws of Kenya on February 25, 2009. Commerce Kenya is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Kenya.

47. Africa Towers Services Limited ("Africa Towers")

Africa Towers was incorporated as a private company under the laws of Kenya on September 8, 2011. Africa Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Africa Towers.

48. Airtel Rwanda Limited ("Airtel Rwanda")

Airtel Rwanda was incorporated as a private company under the laws of Rwanda on September 2, 2011. Airtel Rwanda is engaged in the business of providing telecommunications services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Rwanda.

49. Airtel Congo S.A. ("Congo SA")

Congo SA was incorporated as a private company under the laws of Congo Brazzaville on May 14, 1999. Congo SA is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 90.00% of the issued, subscribed and paid up capital of Congo SA.

50. Airtel Bangladesh Limited ("Airtel Bangladesh")

Airtel Bangladesh was incorporated as a public company under the laws of Bangladesh on December 1, 2004. Airtel Bangladesh is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 70.00% of the issued, subscribed and paid up capital of Airtel Bangladesh.

51. Airtel M Commerce Services Limited ("Airtel M Commerce")

Airtel M Commerce was incorporated as a public company under the Companies Act on April 1, 2010. Airtel M Commerce is engaged in the business of providing mobile commerce services.

Our Promoter directly holds approximately 100.00% of the issued, subscribed and paid up capital of Airtel M Commerce.

52. Bharti Airtel International Netherlands B.V ("International Netherlands")

International Netherlands was incorporated as a private company under the laws of Netherlands on March 19, 2010. International Netherlands is engaged in the business of making investments.

Our Promoter directly holds 51.00% and indirectly holds 49.00% of the issued, subscribed and paid up capital of International Netherlands.

53. Bharti International (Singapore) Pte. Limited ("International Singapore")

International Singapore was incorporated as a private company under the laws of Singapore on March 18, 2010. International Singapore is engaged in the business of providing telecommunication services.

Our Promoter directly holds 50.91% and indirectly holds 49.09% of the issued, subscribed and paid up capital of International Singapore.

54. Bharti Airtel (Japan) KK ("Airtel Japan")

Airtel Japan was incorporated as a private company under the laws of Japan on April 5, 2010. Airtel Japan is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Japan.

55. Bharti Airtel Chad Holdings B.V. ("Chad Holdings")

Chad Holdings was incorporated as a private company under the laws of Netherlands on December 14, 1999. Chad Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Chad Holdings.

56. Bharti Teleports Limited ("Bharti Teleports")

Bharti Teleports was incorporated as a public company under the Companies Act on October 6, 2008. Bharti Teleports is engaged in the business of operating uplinking hub.

Our Promoter directly holds 49.00% of the issued, subscribed and paid up capital of Bharti Teleports.

57. Gabon Towers S.A. ("Gabon Towers")

Gabon Towers was incorporated as a private company under the laws of Gabon on May 17, 2011. Gabon Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Gabon Towers.

58. Bharti Airtel (UK) Limited ("Airtel UK")

Airtel UK was incorporated as a private company under the laws of the United Kingdom on August 29, 2006. Airtel UK is engaged in the business of providing telecommunication services.

Our Promoter directly holds 37.03% and indirectly holds 62.97% of the issued, subscribed and paid up capital of Airtel UK.

59. Bharti Airtel Gabon Holdings B.V. ("Gabon Holdings")

Gabon Holdings was incorporated as a private company under the laws of Netherlands on August 5, 1998. Gabon Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Gabon Holdings.

60. Bharti Airtel Services B.V. ("Services BV")

Corporate Information

Services BV was incorporated as a private company under the laws of Netherlands on April 29, 1998. Services BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services BV.

61. Congo Towers S.A. ("Congo Towers")

Congo Towers was incorporated as a private company under the laws of Congo Brazzavile on March 7, 2011. Congo Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Congo Towers.

62. Bharti Airtel International (Mauritius) Limited ("Airtel International Mauritius")

Airtel International Mauritius was incorporated as a private company under the laws of Mauritius on April 6, 2010. Airtel International Mauritius is engaged in the business of making investments.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Airtel International Mauritius.

63. Niger Towers S.A. ("Niger Towers")

Niger Towers was incorporated as a private company under the laws of Niger on March 29, 2011. Niger Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Niger Towers.

64. Africa Towers N.V ("Africa Towers")

Africa Towers was incorporated as a public company under the laws of Netherlands on October 5, 2010. Africa Towers is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Africa Towers.

65. Channel Sea Management Company (Mauritius) Limited ("Sea Management")

Sea Management was incorporated as a private company under the laws of Mauritius on June 14, 1997. Sea Management is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Sea Management.

66. Indian Ocean Telecom Limited ("Indian Ocean")

Indian Ocean was incorporated as a private company under the laws of Jersey-Channel Islands on November 7, 1997. Indian Ocean is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Indian Ocean.

67. Airtel Mobile Commerce (Ghana) Limited ("Commerce Ghana")

Commerce Ghana was incorporated as a private company under the laws of Ghana on August 7, 2009. Commerce Ghana is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Ghana.

68. Airtel Mobile Commerce B.V. ("Commerce BV")

Commerce BV was incorporated as a private company under the laws of Netherlands on January 8, 2010. Commerce BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce BV.

69. Bharti Airtel Mali Holdings B.V. ("Mali Holdings")

Mali Holdings was incorporated as a private company under the laws of Netherlands on November 1, 2001. Mali Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Mali Holdings.

70. Bharti Airtel Holdings (Singapore) Pte. Limited ("Airtel Holdings Singapore")

Airtel Holdings Singapore was incorporated as a private company under the laws of Singapore on October 1, 2007. Airtel Holdings Singapore is engaged in the business of making investments.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Airtel Holdings Singapore.

71. Network i2i Limited ("**Network i2i**")

Network i2i was incorporated as a private company under the laws of Mauritius on November 30, 2000. Network i2i is engaged in the business of submarine cable systems.

Our Promoter directly holds 100% of the issued, subscribed and paid up capital of Network i2i.

72. Bharti Airtel (France) SAS ("Airtel France")

Airtel France was incorporated as a private company under the laws of France on June 9, 2010. Airtel France is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel France.

73. Bharti Infratel Lanka (Private) Limited ("Infratel Lanka")

Infratel Lanka was incorporated as a private company under the laws of Sri Lanka on March 4, 2008. Infratel Lanka is engaged in the business of providing passive infrastructure services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Infratel Lanka.

74. Bangladesh Infratel Networks Limited ("Bangladesh Infratel")

Bangladesh Infratel was incorporated as a public company under the laws of Bangladesh on June 26, 2011. Bangladesh Infratel is engaged in the business of providing passive infrastructure services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Bangladesh Infratel.

75. Airtel (Seychelles) Limited ("Airtel Seychelles")

Airtel Seychelles was incorporated as a private company under the laws of Seychelles on October 24, 1997. Airtel Seychelles is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Seychelles.

76. Bharti Airtel Africa B.V. ("Africa BV")

Africa BV was incorporated as a private company under the laws of Netherlands on January 13, 1998. Africa BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Africa BV.

77. Bharti Airtel Acquisition Holdings B.V. ("Acquisition Holdings")

Acquisition Holdings was incorporated as a private company under the laws of Netherlands on November 1, 2001. Acquisition Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Acquisition Holdings.

78. Bharti Airtel Congo Holdings B.V. ("Congo Holdings")

Congo Holdings was incorporated as a private company under the laws of Netherlands on April 29, 1998. Congo Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Congo Holdings.

79. Bharti Airtel Niger Holdings B.V. ("Niger Holdings")

Niger Holdings was incorporated as a private company under the laws of Netherlands on October 18, 2000. Niger Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Niger Holdings.

80. Bharti Airtel Zambia Holdings B.V. ("Zambia Holdings")

Zambia Holdings was incorporated as a private company under the laws of Netherlands on January 13, 1998. Zambia Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Zambia Holdings.

81. Airtel Mobile Commerce Holdings B.V. ("Commerce Holdings")

Commerce Holdings was incorporated as a private company under the laws of Netherlands on February 9, 2010. Commerce Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Holdings.

82. Bharti Airtel DTH Holdings B.V. ("DTH Holdings")

DTH Holdings was incorporated as a private company under the laws of Netherlands on September 28, 2010. DTH Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of DTH Holdings.

83. Airtel Burkina Faso S.A. ("Burkina Faso SA")

Burkina Faso SA was incorporated as a private company under the laws of Burkina Faso on April 13, 2000. Burkina Faso SA is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Burkina Faso SA.

84. Airtel Malawi Limited ("Airtel Malawi")

Airtel Malawi was incorporated as a private company under the laws of Malawi on September 3, 1998. Airtel Malawi is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Airtel Malawi.

85. Celtel Niger S.A. ("Celtel Niger")

Celtel Niger was incorporated as a private company under the laws of Niger on November 6, 2000. Celtel Niger is engaged in the business of providing telecommunication services.

Our Promoter indirectly holds 90.00% of the issued, subscribed and paid up capital of Celtel Niger.

86. Partnership Investments Sprl ("Partnership Investments")

Partnership Investments was incorporated as a private company under the laws of Democratic Republic of Congo on June 26, 2001. Partnership Investments is engaged in the business of making of investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Partnership Investments.

87. Celtel (Mauritius) Holdings Limited ("Mauritius Holdings")

Mauritius Holdings was incorporated as a private company under the laws of Mauritius on July 14, 1997. Mauritius Holdings is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Mauritius Holdings.

88. Airtel DTH Service Burkina Faso S.A. ("Service Burkina Faso")

Service Burkina Faso was incorporated as a private company under the laws of Burkina Faso on March 30, 2011. Service Burkina Faso is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Service Burkina Faso.

89. Airtel DTH Services Congo S.A. ("Services Congo")

Services Congo was incorporated as a private company under the laws of Congo Brazzavile on November 26, 2010. Services Congo is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Congo.

90. Airtel DTH Services Congo (RDC) S.P.R.L. ("Congo RDC")

Congo RDC was incorporated as a private company under the laws of Democratic Republic of Congo on April 6, 2011. Congo RDC is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Congo RDC.

91. Airtel DTH Services Ghana Limited ("Services Ghana")

Services Ghana was incorporated as a private company under the laws of Ghana on November 2, 2010. Services Ghana is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Ghana.

92. Airtel DTH Services Nigeria Limited ("Services Nigeria")

Services Nigeria was incorporated as a private company under the laws of Nigeria on January 27, 2011. Services Nigeria is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Nigeria.

93. Airtel DTH Services Tanzania Limited ("Services Tanzania")

Services Tanzania was incorporated as a private company under the laws of Tanzania on January 27, 2011. Services Tanzania is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Tanzania.

94. Bharti DTH Services Zambia Limited ("Services Zambia")

Services Zambia was incorporated as a private company under the laws of Zambia on February 11, 2011. Services Zambia is engaged in the business of providing DTH broadcasting services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Services Zambia.

95. Airtel Towers (Ghana) Limited ("Towers Ghana")

Towers Ghana was incorporated as a private company under the laws of Ghana on December 2, 2010. Towers Ghana is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Towers Ghana.

96. Uganda Towers Limited ("Uganda Towers")

Uganda Towers was incorporated as a private company under the laws of Uganda on December 30, 2010. Uganda Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Uganda Towers.

97. Malawi Towers Limited ("Malawi Towers")

Malawi Towers was incorporated as a private company under the laws of Malawi on December 15, 2010. Malawi Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Malawi Towers.

98. Congo RDC Towers S.P.R.L. ("RDC Towers")

RDC Towers was incorporated as a private company under the laws of Democratic Republic of Congo on April 6, 2011. RDC Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of RDC Towers.

99. Burkina Faso Towers S.A. ("Burkina Faso Towers")

Burkina Faso Towers was incorporated as a private company under the laws of Burkina Faso on March 30, 2011. Burkina Faso Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Burkina Faso Towers.

100. Kenya Towers Limited ("Kenya Towers")

Kenya Towers was incorporated as a private company under the laws of Kenya on March 16, 2011. Kenya Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Kenya Towers.

101. Madagascar Towers S.A. ("Madagascar Towers")

Madagascar Towers was incorporated as a private company under the laws of Madagascar on March 15, 2011. Madagascar Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Madagascar Towers.

102. Tanzania Towers Limited ("Tanzania Towers")

Tanzania Towers was incorporated as a private company under the laws of Tanzania on March 15, 2011. Tanzania Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Tanzania Towers.

103. Airtel Towers (SL) Company Limited ("Towers SL")

Towers SL was incorporated as a private company under the laws of Sierra Leone on February 2, 2011. Towers SL is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Towers SL.

104. Zambian Towers Limited ("Zambian Towers")

Zambian Towers was incorporated as a private company under the laws of Zambia on February 7, 2011. Zambian Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Zambian Towers.

105. Towers Support Nigeria Limited ("Support Nigeria")

Support Nigeria was incorporated as a private company under the laws of Nigeria on March 7, 2011. Support Nigeria is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Support Nigeria.

106. Tchad Towers S.A. ("Tchad Towers")

Tchad Towers was incorporated as a private company under the laws of Chad on February 3, 2011. Tchad Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Tchad Towers.

107. Bharti Airtel Developers Forum Limited ("BADFL")

BADFL was incorporated as a private company under the laws of Zambia on February 11, 2010. BADFL is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of BADFL.

108. Zap Trust Company Nigeria Limited ("Zap Trust")

Zap Trust was incorporated as a private company under the laws of Nigeria on May 26, 2010. Zap Trust is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Zap Trust.

109. Airtel Mobile Commerce Tchad S.a.r.l. ("Commerce Tchad")

Commerce Tchad was incorporated as a private company under the laws of Chad on April 2, 2010. Commerce Tchad is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Tchad.

110. Airtel Money (RDC) S.P.R.L. ("Money RDC")

Money RDC was incorporated as a private company under the laws of Democratic Republic of Congo on June 3, 2010. Money RDC is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Money RDC.

111. ZMP Limited ("ZMPL")

ZMPL was incorporated as a private company under the laws of Zambia on August 21, 2009. ZMPL is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of ZMPL.

112. Airtel Mobile Commerce Limited ("Commerce Malawi")

Commerce Malawi was incorporated as a private company under the laws of Malawi on June 11, 2009. Commerce Malawi is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Malawi.

113. Airtel Money Niger S.A. ("Money Niger")

Money Niger was incorporated as a private company under the laws of Niger on August 21, 2009. Money Niger is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Money Niger.

114. Airtel Mobile Commerce (SL) Limited ("Commerce SL")

Commerce SL was incorporated as a private company under the laws of Sierra Leone on November 30, 2009. Commerce SL is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce SL.

115. Airtel Mobile Commerce Uganda Limited ("Commerce Uganda")

Commerce Uganda was incorporated as a private company under the laws of Uganda on October 7, 2010. Commerce Uganda is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Uganda.

116. Airtel Mobile Commerce Burkina Faso S.A. ("Commerce Burkina Faso")

Commerce Burkina Faso was incorporated as a private company under the laws of Burkina Faso on September 27, 2010. Commerce Burkina Faso is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Burkina Faso.

117. Airtel Mobile Commerce (Tanzania) Limited ("Commerce Tanzania")

Commerce Tanzania was incorporated as a private company under the laws of Tanzania on November 11, 2010. Commerce Tanzania is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Tanzania.

118. Airtel Money S.A. ("Money Gabon")

Money Gabon was incorporated as a private company under the laws of Gabon on October 28, 2010. Money Gabon is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Money Gabon.

119. Mobile Commerce Congo S.A. ("Commerce Congo")

Commerce Congo was incorporated as a private company under the laws of Congo Brazzavile on November 11, 2009. Commerce Congo is engaged in the business of providing mobile commerce services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Commerce Congo.

120. Bharti Airtel Cameroon B.V. ("Cameroon BV")

Cameroon BV was incorporated as a private company under the laws of Netherlands on August 15, 2011. Cameroon BV is engaged in the business of making investments.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Cameroon BV.

121. Rwanda Towers Limited ("Rwanda Towers")

Rwanda Towers was incorporated as a private company under the laws of Rwanda on September 12, 2011. Rwanda Towers is engaged in the business of providing infrastructure sharing services.

Our Promoter indirectly holds 100% of the issued, subscribed and paid up capital of Rwanda Towers.

122. Wireless Broadband Business Services (Delhi) Private Limited ("Wireless Broadband Delhi")

Wireless Broadband Delhi was incorporated as a private company under the Companies Act on July 6, 2010. Wireless Broadband Delhi is engaged in the business of providing internet and broadband services along with other specified telecommunication and computer services including transmission of data using fiber optic cable and is also engaged in research and development of all types of internet services.

Our Promoter directly holds 49% of the issued, subscribed and paid up capital of Wireless Broadband Delhi.

123. Wireless Broadband Business Services (Haryana) Private Limited ("Wireless Broadband Haryana")

Wireless Broadband Haryana was incorporated as a private company under the Companies Act on July 6, 2010. Wireless Broadband Haryana is engaged in the business of providing internet and broadband services along with other specified telecommunication and computer services including transmission of data using fiber optic cable and is also engaged in research and development of all types of internet services.

Our Promoter directly holds 49% of the issued, subscribed and paid up capital of Wireless Broadband Haryana.

124. Wireless Broadband Business Services (Kerala) Private Limited ("Wireless Broadband Kerala")

Wireless Broadband Kerala was incorporated as a private company under the Companies Act on July 6, 2010. Wireless Broadband Kerala is engaged in the business of providing internet and broadband services along with other specified telecommunication and computer services including transmission of data using fiber optic cable and is also engaged in research and development of all types of internet services.

Our Promoter directly holds 49% of the issued, subscribed and paid up capital of Wireless Broadband Kerala.

125. Wireless Business Services Private Limited ("Wireless Business Services")

Wireless Business Services was incorporated as a private company under the Companies Act on October 25, 2007. Wireless Business Services is engaged in the business of providing internet and broadband services along with other specified telecommunication and computer services including transmission of data using fiber optic cable and is also engaged in research and development of all types of internet services.

Our Promoter directly holds 49% of the issued, subscribed and paid up capital of Wireless Business Services.

Loss making Group Companies:

The following table sets forth the details of our Group Companies which have incurred loss in the last fiscal year and profit/(loss) made by them in the last three fiscal years:

S. No.	Name of the entity	Currency	Profit/(Loss) (Amount in million)			
			Fiscal 2012	**Fiscal 2011**	**Fiscal 2010**	**Fiscal 2009**
1.	Airtel Bangladesh Limited	BDT	(6,894.33)	(5,515.48)	(5,302.69)	-
2.	Airtel Congo S.A.(1)	XAF	(19,351)	(18,115)	5,929	-
3.	Airtel Ghana Limited(1)	GHC	(120.08)	(146.24)	(114.9)	-
4.	Airtel M Commerce Services Limited	INR	(443.85)	(21.61)	NA	-
5.	Airtel Madagascar S.A.(1)	MGA	(11,086)	(9,623)	(34,439)	-
6.	Airtel Mobile Commerce B.V.(3)	USD	-	(0)	NA	NA
7.	Airtel Mobile Commerce Holdings B.V.(3)	USD	-	(0)	NA	NA
8.	Airtel Mobile Commerce Madagascar S.A(1) (3)	MGA	(106.67)	NA	NA	-
9.	Airtel Networks Kenya Limited(1)	KES	(7,194.03)	(10,424.81)	(4,894.57)	-
10.	Airtel Networks Limited(1)	NGN	(18,361.89)	(31,287.16)	(17,362.80)	-
11.	Airtel Tanzania Limited(1)	TZS	(90,838)	(126,138)	5,919	-
12.	Airtel TChad S.A(1)	XAF	(11,275.81)	(12,327.02)	2,060.39	-
13.	Airtel Uganda Limited(1)	UGS	(76,756)	(131,343)	(8,585)	-
14.	Alcatel Lucent Network Management Services India Limited	INR	(180.69)	(691.52)	(283.69)	-
15.	Bharti Airtel (Canada) Limited	CAD	(0.09)	(0.35)	(0.26)	-
16.	Bharti Airtel (Hong Kong) Limited	HKD	(15.41)	2.93	(3.29)	-
17.	Bharti Airtel (Japan) KK	JPY	(26.76)	32.81	NA	-
18.	Bharti Airtel (UK) Limited	GBP	(1.08)	0.67	0.87	-
19.	Bharti Airtel (USA) Limited	USD	(0.98)	0.21	(0.66)	-
20.	Bharti Airtel Burkina Faso Holdings B.V.(2)(3)	USD	(0.50)	(0.94)	12.24	-
21.	Bharti Airtel Gabon Holdings B.V. (2)(3)	USD	(0.68)	(4.12)	(1.99)	-
22.	Bharti Airtel Ghana Holdings B.V. (2)(3)	USD	(13.36)	(8.09)	0	-
23.	Bharti Airtel International (Mauritius) Limited	INR	(0.35)	(3.83)	NA	-
24.	Bharti Airtel International Netherlands B.V	USD	(122.19)	(87.5)	NA	-

S. No.	Name of the entity	Currency	Profit/(Loss) (Amount in million)			
			Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
25.	Bharti Airtel Kenya Holdings B.V. (2)(3)	USD	(20.17)	(9.93)	0.82	-
26.	Bharti Airtel Lanka (Private) Limited	LKR	(6,231.86)	(6,152.28)	(7,459.83)	-
27.	Bharti Airtel Madagascar Holdings B.V. (2)(3)	USD	(2.80)	(1.77)	0	-
28.	Bharti Airtel Mali Holdings B.V(2)(3)	USD	(0)	0	0	-
29.	Bharti Airtel Nigeria B.V. (2)(3)	USD	(36.45)	(38.58)	(40.28)	-
30.	Bharti Airtel Nigeria Holdings B.V. (2)(3)	USD	(0.01)	(0)	0	-
31.	Bharti Airtel RDC Holdings B.V. (2)(3)	USD	(3.68)	(5.39)	(0.20)	-
32.	Bharti Airtel Nigeria Holdings II B.V.(2)(3)	USD	(0.01)	0	0	-
33.	Bharti Airtel Services Limited	INR	(156)	(449.17)	151.73	-
34.	Bharti Airtel Sierra Leone Holdings B.V. (2)(3)	USD	(1.01)	(1.39)	(0.45)	-
35.	Bharti Airtel Uganda Holdings B.V. (2)(3)	USD	(8.78)	(6.62)	(3.40)	-
36.	Bharti International (Singapore) Pte. Limited	USD	(36.04)	(63.67)	(9.10)	-
37.	Bharti Telemedia Limited	INR	(7,611)	(5,045.62)	(4,672.38)	-
38.	Bharti Teleports Limited	INR	(101.79)	(80.40)	(7.30)	-
39.	Celtel Congo (RDC) S.A.R.L.(1)	CDF	(6,4011.56)	(126,770.67)	(199,208.51)	-
40.	Channel Sea Management Company Mauritius Limited(1)	USD	(0.03)	(0.04)	(0.03)	-
41.	Indian Ocean Telecom Limited(1)(3)	USD	(0.01)	(0)	(0.01)	-
42.	Montana International(1)	USD	(0.02)	(0.02)	(0.06)	-
43.	Societe Malgache De Telephone Cellulaire S.A.(1)	USD	(0.03)	(0.03)	(0.04)	-
44.	Zebrano Mauritius Limited(1)	USD	(0.03)	(0.02)	(0.04)	-

(1) *Last three audited financial statements are available for December 31, 2011, 2010 and 2009.*
(2) *Last three audited financial statements are available for March 31, 2012, 2011 and December 31, 2009.*
(3) *Not required to be audited under applicable laws.*

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants in India and as reported in the restated financial statements, please see the sections "Financial Statements of the Company – Annexure XIX – Restated Unconsolidated Statement of Related Party Transactions" and "Financial Statements of the Company – Annexure XV – Restated Consolidated Statement of Related Party Transactions" on pages 316 and 382, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of the Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual restrictions and overall financial position of the Company.

Subject to the statutory provisions, as applicable, the Company intends to have a total dividend payout (including dividend distribution and other taxes, cess, levies, if any relating to the dividend) between 30% to 50% of the net profit of the Company for the year or 100% of any dividend received by the Company from its investee company(ies), whichever is higher, subject to adequate liquidity available at the Company to take care of planned business activities and expansion plans, capital expenditure and other uses of such funds including, but not limited to, any debt servicing requirements, acquisitions, and ensuring an acceptable credit rating, as may be determined, by the Board from time to time.

The declaration of dividend will always however be at the sole discretion of the Board (subject to approval by the shareholders of the Company) who will review this policy at least once every three financial years keeping in mind the business environment and requirements of the Company, its subsidiaries and joint ventures.

The Board has declared interim dividend for Fiscal 2013 as set forth below:

Face value per Equity Share:	₹ 10
Dividend declared per Equity Share:	₹ 2.5*
Rate of dividend:	25%

* *Includes an interim dividend of ₹ 1.50 per Equity Share aggregating to ₹ 2,613.6 million to be paid out of the accumulated profits of the Company earned up to March 31, 2012 and an interim dividend of ₹ 1.00 per Equity Share aggregating to ₹ 1,742.4 million to be paid out of the profits of the Company for Fiscal 2013, declared by the Board of Directors pursuant to resolutions passed through circulation on September 7, 2012. This dividend will be paid prior to the Issue.*

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS OF THE COMPANY

Restated Unconsolidated Summary Statement of Assets and Liabilities as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and Statement of profit and loss and Cash Flows for six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 for Bharti Infratel Limited (collectively the "Restated Unconsolidated Summary Statements")

Auditor's Report as required by Part II of Schedule II to the Companies Act, 1956

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

Dear Sirs,

1. We have examined the restated unconsolidated financial information of Bharti Infratel Limited (the "Company") as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and for six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 annexed to this report for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares of Rs.10 each at such premium, arrived at by the 100% book building process (referred to as the "Issue"), as may be decided by the Board of Directors of the Company. Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

   a. paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the "Act"); and

   b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

2. We have examined such restated financial information taking into consideration:

   a. the terms of our engagement agreed with you vide our engagement letter dated August 8, 2012, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and

   b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

3. The restated unconsolidated financial information has been compiled by the management from the audited unconsolidated financial statements of the Company as at and for the three and six months period ended September 30, 2012 and audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 which have been audited by us, and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Unconsolidated Summary Statements under the requirements of the revised schedule VI of the Act, in relation to the years ended March 31, 2011, 2010, 2009 and 2008.

4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we report that:

   We have examined the restated unconsolidated summary statements of assets and liabilities of the Company as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and the related restated unconsolidated summary statement of profit and loss and cash flows for six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 (collectively, the "Restated Unconsolidated Summary Statements") as set out in Annexures I to III.

5. Based on our examination , we further report that:

   a) The restated unconsolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Note 3 of Annexure IV to this report;

   b) The impact arising on account of changes in accounting policies adopted by the Company as at and for the six months period ended September 30, 2012 is applied with retrospective effect in the Restated Unconsolidated Summary Statements;

   c) Adjustments for the material amounts in the respective financial years / period to which they relate have been adjusted in the attached Restated Unconsolidated Summary Statements;

   d) There are no extraordinary items which need to be disclosed separately in the Restated Unconsolidated Summary Statements;

   e) There are no qualifications in the auditor's reports on the unconsolidated financial statements of the Company as at and for the three and six months period ended September 30, 2012, and each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 which require any adjustments to the Restated Unconsolidated Summary Statements;

   f) Emphasis of Matter included in Auditor's report for the financial year ended March 31, 2008 which does not require adjustment to the Restated Unconsolidated Summary Statements is stated as below -

   Without qualifying our opinion, we draw attention to Note 1 (a) on Schedule 16 to the financial statements relating to the accounting pursuant to the Scheme of Arrangement ('the Scheme') for the transfer of the passive infrastructure of Bharti Airtel Limited ('Bharti Airtel') ('the transferor Company') to the Company, approved by the Hon'ble High Court of Delhi effective from January 31, 2008. The transfer has been accounted for in accordance with the purchase method referred to Accounting Standard 14- Accounting for Amalgamation ('AS 14'). In accordance with the Scheme, the passive infrastructure transferred from Bharti Airtel has been recorded at its fair value of Rs. 82,359.7 Mn and a similar amount has been credited to the general reserve. In accordance with the generally accepted accounting principles, the capital reserve is lower by Rs. 82,359.7 Mn, general reserve is higher by Rs. 81,971.4 Mn and depreciation charge is higher by Rs. 388.2Mn.

   Note 1 (a) on Schedule 16 to the financial statements mentioned above reads as follows:

   <u>Scheme of Arrangement between Bharti Airtel Limited and Bharti Infratel Limited</u>

   The Scheme of Arrangement ("the Scheme") under sections 391 to 394 of the Companies Act, 1956, between Bharti Airtel Limited (BAL) and BIL for transfer of telecom infrastructure undertaking from BAL to BIL was approved by the Hon'ble High Court of Delhi vide order dated November 26, 2007 and filed with the Registrar of Companies, Delhi & Gurgaon on January 31, 2008 i.e. the Effective Date of the Scheme. Pursuant to the scheme, the telecom infrastructure undertaking were transferred to and vested in the Company with effect from January 31, 2008, the Effective Date, accordingly, the Scheme has been given effect to in these financial statements.

   Pursuant to the terms of the Scheme, the Telecom Infrastructure undertaking, comprising of wireless and broadcast towers, all rights, titles, deposits, interest over the land on which such towers have been or are proposed to be constructed or erected or installed, current assets and current liabilities (including contingent liabilities) relating to the towers and related telecom assets/liabilities, whether movable, immovable or incorporeal and all plant and equipment as forming part of telecom infrastructure including electrical power connections are recorded by the Company at their respective fair values and an equivalent amount is credited to General Reserve.

The General Reserve shall constitute free reserve available for all purposes of the Company and to be utilised by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company. The additional depreciation means depreciation provided, charged or suffered by the Company on the respective assets transferred by BAL under the Scheme in excess of that which would be chargeable on the original book value of these assets, as if there had been no revaluation or transfer of these assets under the aforesaid scheme sanctioned by the Hon'ble Delhi High Court.

The assets and liabilities have been recorded at following fair values [based on independent fair valuation report for fixed assets and capital work-in progress and management estimate for current assets, liabilities and deferred tax liability] and the amount of the General Reserve is computed as below:

Particulars	**Amount (Rs. Mn)**
Fair Value of Assets and Liabilities	
Fixed Assets	89,600.7
Capital Work-in-progress (Including Capital Advances)	2,502.3
Current Assets	2,423.0
Current Liabilities	(10,608.2)
Deferred Tax Liability	(1,558.1)
Amount Transferred to General Reserve	**82,359.7**

Had the Scheme not provided for the above accounting, the general reserve would have been lower & capital reserve would have been higher by Rs. 82,359.7 Mn, in accordance with Accounting Standard 14 'Accounting for Amalgamation' and depreciation charge for the period from February 1, 2008 to March 31, 2008 would have been higher by Rs. 388.2 Mn being the additional depreciation, in accordance with Accounting Standard 6 issued by the Institute of Chartered Accountants of India.

g) Audit qualification in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2003 (as amended), for the financial year ended March 31, 2011 which has been adjusted in the Restated Unconsolidated Summary Statement is as follows-

Clause xxi -According to the information and explanations furnished by 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 for few cases of fraud by employees estimated at Rs. 41.6 Mn* and detected by the Management for which appropriate steps were taken to strengthen controls, out of which estimated amount of Rs. 4.4 Mn, has been recovered by the Company during the year.

h) As discussed in Note 3.3 of the Restated Summary Statements other audit qualifications in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2003 (as amended) for the financial years ended March 31, 2012, 2010, 2009 and 2008 which do not require any corrective adjustment in the financial information pertained to:

- delayed deposit of certain statutory dues in respect of the financial years ended March 31, 2012, March 31, 2009 and March 31, 2008; and

- certain cases of fraud amounting to Rs. 12.0 Mn and Rs. 7.9 Mn detected by the management during the year ended March 31, 2012 and March 31, 2010 respectively

i) In our opinion, the Restated Summary Statements as disclosed in the Annexures to this report, read with the notes disclosed in Annexure IV, and after making adjustments and re-groupings as considered appropriate and disclosed in Note 3 of Annexure IV, have been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

6. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2012. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to September 30, 2012.

Other Financial Information:

7. At the Company's request, we have also examined the following unconsolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008:

   i. Restated Unconsolidated Statement of Fixed Assets, enclosed as Annexure V
   ii. Restated Unconsolidated Statement of Non-Current Investments, enclosed as Annexure VI
   iii. Restated Unconsolidated Statement of Current Investments, enclosed as Annexure VII
   iv. Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure VIII
   v. Restated Unconsolidated Statement of Long-term Loans and Advances, enclosed as Annexure IX
   vi. Restated Unconsolidated Statement of Short-term Loans and Advances, enclosed as Annexure X
   vii. Restated Unconsolidated Statement of Long-term borrowings enclosed as Annexure XI
   viii. Restated Unconsolidated Statement of Short-term borrowings, enclosed as Annexure XII
   ix. Restated Unconsolidated Statement of Revenue, enclosed as Annexure XIII
   x. Restated Unconsolidated Statement Other income, enclosed as Annexure XIV
   xi. Capitalisation Statement, as appearing in Annexure XV
   xii. Restated Unconsolidated Statement of Tax Shelters, enclosed as Annexure XVI
   xiii. Restated Unconsolidated of Dividend, enclosed as Annexure XVII
   xiv. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XVIII
   xv. Restated Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XIX

8. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

per Prashant Singhal
Partner

Membership No: 93283
Place: Gurgaon
Date: November 23, 2012

ANNEXURE – I

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

₹ Million

	Particulars	As at					
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
A	**Non-current assets**						
	Fixed assets						
	Tangible assets (V)	72,021.5	72,924.3	80,467.7	80,517.2	140,745.9	115,391.5
	Intangible assets (V)	38.3	65.0	133.4	78.8	25.5	-
	Capital work-in-progress	874.4	659.4	1,579.9	1,940.2	4,280.8	4,015.5
		72,934.2	**73,648.7**	**82,181.0**	**82,536.2**	**145,052.2**	**119,407.0**
	Non-current investments (VI)	59,921.5	59,921.5	59,921.5	59,921.5	1.0	1.0
	Long-term loans and advances (IX)	4,886.4	4,404.4	5,102.6	3,633.1	3,620.1	2,944.7
	Other non-current assets	11,103.2	9,989.7	7,704.1	5,058.5	2,116.0	286.0
		148,845.3	**147,964.3**	**154,909.2**	**151,149.3**	**150,789.3**	**122,638.7**
B	**Current assets**						
	Current investments (VII)	1,000.0	801.2	250.0	3,634.9	2,870.7	31,930.4
	Trade receivables (VIII)	849.9	2,415.7	3,534.5	3,792.1	1,715.9	859.1
	Cash and bank balances (III)	436.0	178.1	42.9	6,606.1	132.9	1,476.5
	Short-term loans and advances (X)	29,247.5	27,873.6	23,129.3	8,713.4	21,313.4	3,750.7
	Other current assets	1,478.5	745.1	310.5	100.7	1,379.8	0.4
		33,011.9	**32,013.7**	**27,267.2**	**22,847.2**	**27,412.7**	**38,017.1**
C	**Total assets (C = A + B)**	**181,857.2**	**179,978.0**	**182,176.4**	**173,996.5**	**178,202.0**	**160,655.8**
D	**Non-current liabilities**						
	Long-term borrowings (XI)	-	0.6	-	4,800.0	6,000.0	30,255.8
	Deferred tax liabilities (net)	4,167.2	4,246.7	3,985.7	2,982.3	3,230.3	1,830.6
	Other long-term liabilities	4,609.5	5,354.4	9,486.4	6,484.9	6,663.6	1,395.2
	Long-term provisions	1,952.8	1,883.3	1,943.4	1,801.8	8,136.1	5,223.8
		10,729.5	**11,485.0**	**15,415.5**	**16,069.0**	**24,030.0**	**38,705.4**
E	**Current liabilities**						
	Short-term borrowings (XII)	-	-	-	-	3,000.0	1,091.5
	Trade payables	1,643.0	1,442.1	1,550.8	991.1	1,134.6	2,562.2
	Other current liabilities	20,752.9	19,548.4	21,616.8	16,507.7	45,426.3	15,660.7
	Short-term provisions	75.1	70.8	79.6	67.2	21.3	11.1
		22,471.0	**21,061.3**	**23,247.2**	**17,566.0**	**49,582.2**	**19,325.5**

	Particulars	As at					
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
F	**Total liabilities (F = D + E)**	**33,200.5**	**32,546.3**	**38,662.7**	**33,635.0**	**73,612.2**	**58,030.9**
	Net Worth (C - F)	**148,656.7**	**147,431.7**	**143,513.7**	**140,361.5**	**104,589.8**	**102,624.9**
	Net Worth represented by						
G	**Shareholders' funds**						
	Share capital						
	Equity share capital	17,424.1	5,808.0	5,808.0	5,808.0	5,405.0	0.5
	Total Share capital	**17,424.1**	**5,808.0**	**5,808.0**	**5,808.0**	**5,405.0**	**0.5**
H	**Reserves and surplus**						
	Securities premium account	35,968.9	47,585.0	47,585.0	47,585.0	15,952.5	20,170.5
	Stock option outstanding account	1,301.7	1,320.3	1,071.6	700.9	225.0	-
	General Reserve	80,394.1	78,653.8	79,458.9	80,264.1	79,615.6	82,015.2
	Surplus in the statement of profit and loss	13,567.9	14,064.6	9,590.2	6,003.5	3,391.7	438.7
	Total Reserves and surplus	**131,232.6**	**141,623.7**	**137,705.7**	**134,553.5**	**99,184.8**	**102,624.4**
	Net Worth (G + H)	**148,656.7**	**147,431.7**	**143,513.7**	**140,361.5**	**104,589.8**	**102,624.9**

NOTE:

The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows as appearing in Annexure – IV.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place: New Delhi
Date: November 23, 2012

ANNEXURE II

RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Incomes						
Revenue from operations (XIII)	21,490.2	41,581.6	37,804.8	30,912.3	42,489.4	7,051.0
Other income (XIV)	4,880.8	1,110.6	889.9	1,482.8	1,602.0	6.4
	26,371.0	**42,692.2**	**38,694.7**	**32,395.1**	**44,091.4**	**7,057.4**
Expenses						
Power and fuel	8,075.3	15,647.8	14,000.9	10,912.5	16,253.1	2,581.7
Rent	1,178.1	2,184.4	2,107.2	1,754.6	3,620.6	674.4
Employee benefits expenses	1,042.7	2,003.4	1,918.2	1,758.9	970.2	167.9
Other expenses	2,766.5	5,377.4	5,364.9	4,673.5	6,971.5	991.9
Charity and donation	0.2	1.0	0.7	1.1	0.2	-
	13,062.8	**25,214.0**	**23,391.9**	**19,100.6**	**27,815.6**	**4,415.9**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**13,308.2**	**17,478.2**	**15,302.8**	**13,294.5**	**16,275.8**	**2,641.5**
Depreciation and amortization expenses	5,824.8	11,433.3	10,596.3	9,361.4	13,849.6	2,029.2
Less: Adjusted with General Reserve in accordance with the BAL Scheme (refer note 4)	(402.4)	(805.1)	(805.2)	(843.1)	(2,399.6)	(397.7)
	5,422.4	**10,628.2**	**9,791.1**	**8,518.3**	**11,450.0**	**1,631.5**
Finance cost	3.0	10.2	360.7	652.5	467.1	341.4
	5,425.4	**10,638.4**	**10,151.8**	**9,170.8**	**11,917.1**	**1,972.9**
Restated profit before tax	**7,882.8**	**6,839.8**	**5,151.0**	**4,123.7**	**4,358.7**	**668.6**
Tax expense/ (income)						
Current tax	1,322.8	2,104.4	1,165.0	773.9	450.9	72.0
Less: MAT credit entitlement	-	-	(604.1)	(773.9)	(450.9)	(72.0)
Deferred tax	(79.5)	261.0	1,003.4	1,431.3	1,399.7	227.2
Fringe benefit tax	-	-	-	-	6.0	2.6
Total tax expense	**1,243.3**	**2,365.4**	**1,564.3**	**1,431.3**	**1,405.7**	**229.8**
Restated profit after tax	**6,639.5**	**4,474.4**	**3,586.7**	**2,692.4**	**2,953.0**	**438.8**

NOTE:

The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows as appearing in Annexure – IV.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place: New Delhi
Date: November 23, 2012

ANNEXURE – III

RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A. CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit before tax	7,882.8	6,839.8	5,151.0	4,123.7	4,358.7	668.6
Non cash adjustments to reconcile profit before tax to net cash flows						
Interest expenses	0.4	0.4	328.3	633.6	448.6	336.1
Provision for doubtful debts and advances	114.1	399.1	377.2	183.3	327.0	1.4
Rent equalization	106.1	199.5	239.5	179.9	643.3	115.0
Revenue equalization	(1,040.4)	(2,160.7)	(2,515.8)	(2,441.6)	(1,830.0)	(286.0)
Interest income	(785.0)	(1,077.4)	(721.0)	(1,436.3)	(924.9)	(0.6)
Depreciation and amortization expense	5,422.4	10,628.2	9,791.1	8,518.3	11,450.0	1,631.5
Employee stock compensation expense	50.7	248.8	370.8	475.9	225.0	-
Fixed assets written off/ provision for capital work-in-progress	-	23.0	190.5	103.2	133.0	6.7
Loss/(profit) on sale of fixed assets (net)	(50.2)	(38.9)	69.1	109.2	20.2	34.0
Dividend income from mutual fund investments	-	-	-	-	(431.9)	(5.2)
Loss/(profit) on sale of current investments (net)	(44.0)	(26.4)	(159.6)	(39.2)	(233.9)	(0.5)
Dividend income	(4,050.0)	-	-	-	-	-
Operating profit before working capital changes (as restated)	**7,606.9**	**15,035.4**	**13,121.1**	**10,410.0**	**14,185.1**	**2,501.0**
Movements in working capital						
(Increase)/decrease in trade receivables	1,471.4	580.3	(100.9)	(2,201.9)	(1,169.5)	(149.8)
(Increase)/decrease in short-term loans and advances	(441.4)	315.8	(6,063.2)	12,545.3	(17,577.0)	(3,299.9)
(Increase)/decrease in long-term loans and advances	(24.4)	(49.5)	(189.5)	(124.5)	923.5	(1,456.4)
(Increase)/decrease in other non-current assets	(73.1)	(124.9)	(129.8)	(510.3)	-	-
(Increase)/decrease in other current assets	(695.5)	(507.7)	(62.5)	567.8	(665.2)	-

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Increase/(decrease) in trade payables	200.9	(108.7)	559.7	(143.5)	(1,427.6)	2,367.4
Increase/(decrease) in other current liabilities	1,142.7	(490.5)	7,086.7	4,018.9	2,235.7	1,426.0
Increase/(decrease) in other long-term liabilities	(851.0)	252.9	2,762.0	1,064.6	4,625.1	-
Increase/(decrease) in long-term provisions	8.4	22.5	9.5	10.6	2.8	0.7
Increase/(decrease) in short-term provisions	4.3	(8.8)	12.4	45.9	10.2	3.4
Cash flow from operations	**8,349.2**	**14,916.8**	**17,005.5**	**25,682.9**	**1,143.1**	**1,392.4**
Direct taxes paid (including fringe benefit tax paid) (net of refunds)	(1,534.5)	(1,761.4)	(2,412.1)	(1,276.2)	(1,613.8)	(65.7)
Net cash generated from/ (used in) operating activities (A)	**6,814.7**	**13,155.4**	**14,593.4**	**24,406.7**	**(470.7)**	**1,326.7**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible assets including capital work-in-progress	(5,049.2)	(7,818.2)	(11,324.5)	(15,868.7)	(41,296.8)	(19,106.9)
Purchase of intangible assets	(0.1)	(2.9)	(113.7)	(76.0)	(27.2)	-
Proceeds from sale of tangible assets	114.4	145.9	310.5	210.2	82.3	-
Investment in joint venture company	-	-	-	-	-	(0.5)
Purchase of current investments	(14,412.3)	(17,205.0)	(41,642.0)	(37,093.9)	(117,516.1)	(33,125.2)
Sale of current investments	14,257.5	16,680.2	45,186.5	36,368.9	146,809.7	1,195.3
Loans given to parent company	(3,500.0)	(11,460.0)	(12,250.0)	-	-	-
Loans repaid by parent company	2,870.0	6,100.0	4,450.0	-	-	-
Loans given to subsidiary company	(570.0)	(610.1)	(0.2)	(0.3)	-	-
Investment in subsidiary company	-	-	-	-	-	(0.5)
Interest received	747.1	1,150.5	573.7	2,147.6	210.7	0.2
Dividend received	4,050.0	-	-	-	431.9	5.2
Net cash (used in) investing activities (B)	**(1,492.6)**	**(13,019.6)**	**(14,809.7)**	**(14,312.2)**	**(11,305.5)**	**(51,032.4)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Long-term borrowings taken	-	-	-	-	6,000.0	-
Repayments of long-term borrowings	(1.1)	-	(6,000.0)	-	-	-
Receipts from issuance of equity shares (including premium)	-	-	-	-	1,186.5	20,170.5
Receipts from issuance of debentures	-	-	-	-	1,779.7	30,255.8

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Short-term borrowings taken	-	-	-	-	3,000.0	1,091.5
Repayments of Short-term borrowings	-	-	-	(3,000.0)	(1,091.5)	-
Interest paid	(0.4)	(0.4)	(347.1)	(621.3)	(442.1)	(336.1)
Interim dividend paid	(4,356.0)	-	-	-	-	-
Tax on Interim dividend paid	(706.7)	-	-	-	-	-
Net cash generated from/ (used in) financing activities (C)	**(5,064.2)**	**(0.4)**	**(6,347.1)**	**(3,621.3)**	**10,432.6**	**51,181.7**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**257.9**	**135.4**	**(6,563.4)**	**6,473.2**	**(1,343.6)**	**1,476.0**
Cash and cash equivalents at the beginning of the year/ period	**178.1**	**42.7**	**6,606.1**	**132.9**	**1,476.5**	**0.5**
Cash and cash equivalents at the end of the year/ period	**436.0**	**178.1**	**42.7**	**6,606.1**	**132.9**	**1,476.5**

₹ Million

Components of cash and bank balances	Period ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash and cash equivalents						
Cash on hand	-	-	-	-	0.1	0.4
Balance with scheduled banks:						
Current account	219.8	78.1	17.5	80.3	26.5	8.3
Cheques in hand	26.0	-	25.2	25.8	106.3	0.3
Fixed deposit less than three months	190.2	100.0	-	6,500.0	-	1,467.5
Total cash and cash equivalents	**436.0**	**178.1**	**42.7**	**6,606.1**	**132.9**	**1,476.5**
Other bank balances						
Deposit in margin money accounts	-	-	0.2	-	-	-
Total Cash and bank balances	**436.0**	**178.1**	**42.9**	**6,606.1**	**132.9**	**1,476.5**

NOTES:

1. Restated Unconsolidated Cash Flows statement of Bharti Infratel Limited has been prepared under the 'Indirect method' as set out in Accounting Standard – 3 on Cash Flow Statements as notified by Companies (Accounting Standards) Rules, 2006.

2. The above statement should be read with the Notes to the Restated Unconsolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows as appearing in Annexure – IV.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place: New Delhi
Date: November 23, 2012

ANNEXURE – IV

NOTES TO THE RESTATED UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFIT AND LOSS AND CASH FLOWS

1. BACKGROUND

a) Bharti Infratel Limited ("the Company") was incorporated in November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company has entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in certain specified telecom circles of India and formed Indus Towers Limited for such purpose.

b) The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and the related Restated Unconsolidated Summary Statement of Profit and Loss and Restated Unconsolidated Statement of Cash Flows for the six months period ended September 30, 2012, year ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (hereinafter collectively referred to as "Restated Unconsolidated Summary Statements") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of its equity shares.

These Restated Unconsolidated Summary Statements have been prepared to comply in all material respects with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on September 3, 2009 as amended from time to time.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS AS AT AND FOR PERIOD ENDED SEPTEMBER 30, 2012

a) Basis of Preparation

The Restated Unconsolidated Summary Statements have been prepared by applying the necessary adjustments to the financial statements of Bharti Infratel Limited. The financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the Companies Act, 1956 and the accounting principles generally accepted in India ('Indian GAAP') and comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended), to the extent applicable. The accounting policies have been consistently applied by the Company for all the years presented and are consistent with those used for the purpose of preparation of financial statements as at and for the six months ended September 30, 2012.

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Accordingly the Company has presented the financial statements as at September 30, 2012, March 31, 2012 and for the period/year then ended along with the comparatives as at March 31, 2011 and for the year then ended following the requirement of revised Schedule VI. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures pertaining to year ended March 31, 2010, March 31, 2009 and March 31, 2008 in accordance with the requirements of revised Schedule VI.

The Company has prepared these Restated Unconsolidated Summary Statements along with related notes in accordance with the requirements of the Guidance Note on revised Schedule VI and has reclassified previous year figures accordingly.

b) Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles and 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 period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible fixed assets

Fixed Assets are stated at cost of acquisition, except for assets acquired under the Scheme of Arrangement from Bharti Airtel Limited, which are stated at fair values as per the Bharti Airtel Limited Scheme (Refer note 4), net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses related to acquisition and installation.

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used the following useful lives to provide depreciation on its fixed assets:

	Useful lives
Plant and machinery	3 to 20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipments	2 years/ 5 years
Computers	3 years
Leasehold improvements	Period of lease or useful life, whichever is less

The site restoration cost obligation capitalised as part of plant and machinery is depreciated over the period of the useful life of the related asset.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of licence, generally not exceeding three years.

Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The amortization period and the amortization method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the inception of the lease term at the lower of the fair value of the leased asset and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the non-cancellable lease term.

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the non-cancellable lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

g) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Impairment of tangible and intangible assets

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

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

i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost, except for investment in Bharti Infratel Ventures Limited, which is stated at fair value as per the Bharti Infratel Demerger Scheme of arrangement (Refer note 3.1.3). However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Revenue recognition and receivables

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenues

Revenues include revenue from the use of sites and energy charges received from customers. Revenue is recognized as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognized on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the terms of agreement with the customers. The Company collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Provision for doubtful debts

The Company provides for amounts outstanding for more than 105 days from the invoice date in case of site sharing debtors other than from the parent company or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

k) Foreign currency transactions and balances

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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on 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, or reported in previous financial statements, are taken to the statement of profit and loss.

l) Retirement and other employee benefits

Short-term employee benefits are recognized in the period during which the services have been rendered.

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

The Company's contributions to both these schemes are expensed in the statement of profit and loss as and when they are due. The Company has no further obligations under these plans beyond its monthly contributions.

The Company provides for Gratuity obligations through a defined benefit retirement plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

The Company also provides other benefits in the form of deferred compensation and compensated absences. The employees of the Company are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Company records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company discloses the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m) Income taxes

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted for the year/ period. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to statement of the profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement”. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n) Employee stock compensation cost

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for options to buy equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Black-Scholes / Lattice Valuation option pricing model and the fair value is recognized as an expense over the period in which the options vest, on a straight line basis, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of options to buy equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

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

s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. MATERIAL ADJUSTMENTS

3.1 Summary of results of restatements made in audited financial statements of the Company for the respective years and their impact on the profits/ (losses) of the Company is as under:

Figures in bracket represent decrease in profits

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
(A) Net Profit as per audited financial statements	**6,643.4**	**4,492.0**	**3,481.9**	**2,055.0**	**2,963.4**	**418.6**
Adjustments due to						

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
change in accounting policy						
Change in accounting policy (refer note no 3.1.1 below)	-	-	-	-	131.9	173.3
Depreciation on above (refer note no 3.1.1 below)	(5.8)	(11.6)	(11.6)	(11.6)	(17.4)	(2.9)
Other adjustments						
Prior period items (Refer note no 3.1.2 below)	-	(14.5)	27.0	(14.9)	(130.2)	(139.9)
Demerger (Refer note no 3.1.3 below)	-	-	240.3	942.0	-	-
(B) Total adjustments	**(5.8)**	**(26.1)**	**255.7**	**915.5**	**(15.7)**	**30.5**
(C) Tax impact of adjustments	**1.9**	**8.5**	**(150.9)**	**(278.1)**	**5.3**	**(10.3)**
(D) Total adjustments net of taxes (B+C)	**(3.9)**	**(17.6)**	**104.8**	**637.4**	**(10.4)**	**20.2**
(E) Restated Profit (A+D)	**6,639.5**	**4,474.4**	**3,586.7**	**2,692.4**	**2,953.0**	**438.8**

3.1.1 Change in accounting policy

In the audited financial statements for the year ended March 31, 2010, the Company had changed its accounting policy to capitalize rent and security expenses incurred during the construction period with effect from April 1, 2009. The change in accounting policy was given effect to prospectively in the statutory financial statements of the Company. For the purpose of Restated Unconsolidated Summary Statements, the Company has capitalized such expenses retrospectively with corresponding impact in Rent and Other expenses amounting to ₹ 131.9 Mn and ₹ 173.3 Mn for the years ended March 31, 2009 and March 31, 2008 respectively. The consequent impact of above on depreciation has been considered as deduction from the respective years profits.

Further, during the year ended March 31, 2012, the Company transferred passive infrastructure assets in specified telecom circles to BIVL. For the purpose of Restated Unconsolidated Summary Statements such transfer has been considered as on April 1, 2009 (Refer Note 3.1.3). The impact of change in accounting policy as considered above during the year ended March 31, 2008 and March 31, 2009 include ₹ 130.5 Mn pertaining to assets transferred to BIVL as on April 1, 2009. Accordingly the written down value of directly attributable cost capitalized as at April 1, 2009 amounting to ₹ 80.6 Mn (net of tax) has been transferred to BIVL. The depreciation adjustment as above does not include depreciation on such assets post April 1, 2009.

3.1.2 Prior period items

In the financial statements for the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, certain items of income/ expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. However, for the purpose of Restated Unconsolidated Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years to which the transactions pertain to. The details of such prior period adjustments are as under:

Figures in bracket represent decrease in profits

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Revenues	-	-	(33.8)	33.8	-	-
Rent	-	-	21.6	(4.8)	57.9	(28.8)
Employee benefit expenses	-	-	-	(21.6)	21.6	-
Other expenses	-	12.7	28.3	(34.1)	(318.6)	(6.7)
Depreciation and amortization	-	(27.2)	10.9	11.8	108.9	(104.4)
Total	**-**	**(14.5)**	**27.0**	**(14.9)**	**(130.2)**	**(139.9)**

Adjustment to Rent and Other expenses include expense amounting to ₹ 45.9 Mn (net of tax - ₹ 30.2 Mn) and amounts written back ₹ 318.4 Mn (net of tax - ₹ 210.2 Mn), which have been adjusted with the reserves created pursuant to the BAL Scheme (Refer note 4) as these pertained to period before appointed date of BAL Scheme. Other expenses include adjustments for audit qualification in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2003 (as amended), as discussed in, note 3.1.5 below.

3.1.3 Scheme of arrangement for transfer of passive telecom infrastructure in certain specific telecom circles ("Bharti Infratel Demerger Scheme")

i) The Scheme of arrangement for transfer of passive telecom infrastructure (Bharti Infratel Demerger Scheme) in certain specified telecom circles was approved by the Hon'ble High Court of Delhi on March 29, 2011 and became effective on May 05, 2011 on filing of the High Court order with the Registrar of Companies. As per the terms of the Scheme, the Company transferred the following telecom infrastructure assets to BIVL at Nil value by debiting to profit and loss account on the appointed date (April 1, 2009). Further, in accordance with the scheme, Investment in BIVL was recorded considering the fair value of the assets transferred and accordingly the investments were valued at ₹ 59,920.5 Mn with a corresponding credit to Reserve for Business Restructuring.

Fair value of assets:

₹ Million

Particulars	As at April 1, 2009
Fixed assets	60,931.9
Long-term loans and advances	1,375.9
Short-term loans and advances	18.6
Deferred tax liabilities (net)	(2,405.9)
Total	**59,920.5**

ii) The Reserve for Business Restructuring arising there on has been transferred to the profit and loss as on the appointed date. Further, lease equalization reserve pertaining to demerged passive infrastructure amounting to ₹ 939.4 Mn (net of deferred tax asset of ₹ 483.7 Mn) and asset retirement obligations amounting to ₹ 552.1 Mn (net of deferred tax asset of ₹ 284.3 Mn) respectively, have been transferred to free reserve. Further, the adjustment to reserves earlier considered by the Company, with respect to depreciation on the excess fair values over the original book value of assets transferred by Bharti Airtel Limited and pertaining to the telecom infrastructure transferred to BIVL for the period April 1, 2009 till March 31, 2011 amounting to ₹ 2,947.3 Mn has been reversed in the books of the Company. The cumulative net impact of the above amounting to ₹ 4,438.9 Mn has been disclosed in the statutory financial statements of the Company as at and for the year ended March 31, 2012 as amount arising under the Scheme of Arrangement under General Reserve.

iii) Losses for the period April 1, 2009 till March 31, 2011 pertaining to the operations of the passive telecom infrastructure assets transferred to Bharti Infratel Ventures Limited amounting to ₹ 747.0 Mn have been disclosed in the statutory financial statements of the Company as at and for the year ended March 31, 2012 as amount arising under the Scheme of Arrangement under opening balance of net surplus in statement of profit and loss.

The above treatment has been followed in accordance with the treatment prescribed in the Scheme sanctioned by the Hon'ble High Court of Delhi. Generally Accepted Accounting Principles in India (Indian GAAP) do not permit fair valuation of investment, creation of Reserve for Business Restructuring and the transfer of same to Profit and Loss Account and adjusting the asset retirement obligation and lease equalization reserve with Reserve for Business Restructuring. Accordingly, had the Company accounted for above as per generally accepted accounting principles, instead of as per the Scheme, the value of Investments, General Reserve and net surplus in the statement of profit and loss in the financial statements as at and for the year ended March 31, 2012, would have been lower by ₹ 59,920.5 Mn, ₹ 1,491.5 Mn (net of deferred tax of ₹ 768.0 Mn) and ₹ 58,429.0 Mn respectively.

iv) The statutory financial statements of the Company as at and for the years ended March 31, 2010 and March 31, 2011 were approved by the Board of Directors before the effective date of the Scheme and accordingly, the effect of the Scheme was given in the financial statements as at and for the year ended March 31, 2012 as adjustment to the opening reserves. For the purpose of Restated Unconsolidated Summary Statements, the impact of above demerger has been recorded as on April 1, 2009 and the years ended March 31, 2010 and March 31, 2011 as follows:

a) Statement of profit and loss

Loss after tax of ₹ 654.8 Mn and ₹ 92.2 Mn for the year ended March 31, 2010 and March 31, 2011 respectively pertaining to BIVL has been transferred to BIVL and accordingly the Restated Unconsolidated Statement of Profit and Loss of the Company for the respective years exclude the following amounts:

₹ Million

Particulars	Year ended		Total
	31-Mar-10	31-Mar-11	
Incomes			
Revenue from operations	4,546.9	4,546.9	9,093.8
Expenses			
Rent	296.2	311.8	608.0
Other expenses	154.2	(10.1)	144.1
Earnings before interest, tax, depreciation and amortization (EBITDA)	4,096.5	4,245.2	8,341.7
Depreciation and amortization expense	6,535.7	5,935.7	12,471.4
Less: amount drawn from General Reserve as per the Scheme	(1,497.2)	(1,450.2)	(2,947.4)
	5,038.5	**4,485.5**	**9,524.0**
Loss before tax	**(942.0)**	**(240.3)**	**(1,182.3)**
Current tax	-	-	-
Deferred tax	(287.2)	(148.1)	(435.3)

Particulars	**Year ended**		**Total**
	31-Mar-10	**31-Mar-11**	
Total tax expense	**(287.2)**	**(148.1)**	**(435.3)**
Loss after tax	**(654.8)**	**(92.2)**	**(747.0)**

b) **Statement of Asset and Liabilities**

Transfer of assets amounting to ₹ 59,920.5 Mn and adjustment to reserve as discussed in Note 3.1.3 (ii) have been recorded as at April 1, 2009 and the respective years.

v) Considering the impact of demerger recorded as above, the figures as at March 31, 2008 and March 31, 2009 are not comparable to other periods.

3.1.4 Certain errors, including errors in computation of depreciation on the fair value component of assets transferred to the Company consequent to BAL Scheme (Refer Note 4) have been restated in the reserves of the respective years as follows:

₹ Million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Certain errors, including errors in computation of depreciation on fair value component of assets	-	117.3	(35.3)	2.8	51.4	(136.2)

3.1.5 Audit qualification in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2003 (as amended) for the financial year ended March 31, 2011 which has been adjusted in the Restated Unconsolidated Summary Statement is as follows-

Clause xxi - According to the information and explanations furnished by 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 for few cases of fraud by employees estimated at ₹ 41.61 Mn* and detected by the Management for which appropriate steps were taken to strengthen controls, out of which estimated amount of ₹ 4.38 Mn, has been recovered by the Company during the year.

As this matter related to the year ended March 31, 2010 appropriate adjustments have been made in this regard in the Restated Unconsolidated Summary Statements in respect of the year ended March 31, 2010, though recorded in the year ended March 31, 2011 and disclosed in 3.1.2 above. The above has been adjusted in the Restated Unconsolidated Summary Statements by recording the expense for the year ended March 31, 2010.

3.2 Material regroupings

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profit and Loss and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company as at and for the six months period ended September 30, 2012. The material regroupings made in the Restated Unconsolidated Summary Statement of Assets and Liabilities are as under:-

3.2.1 Intangible assets were included under Computer Software as part of Tangible assets as at March 31, 2010 and March 31, 2009 which have been regrouped under Intangible assets in the Restated Unconsolidated Summary Statement of Assets and Liabilities.

3.2.2. In the balance sheet of the Company as at March 31, 2012, taxes deducted at source was classified as current and non-current based on the management's assessment of the realization of income-tax refunds from income-tax authorities. However, in presenting these restated consolidated financial statements, entire balance has been classified as non-current.

3.3 Non-adjusting items

Certain qualifications in the Annexure to the Auditor's report on Companies (Auditor's Report) Order, 2003 (as amended) on the financial statements for the years ended March 31, 2012, March 31, 2010, March 31, 2009 and March 31, 2008 which do not require any corrective adjustment in the financial information pertained to:

- delayed deposit of certain statutory dues in respect of the financial years ended March 31, 2012, March 31, 2009 and March 31, 2008; and
- certain cases of fraud amounting to ₹ 12 Mn and ₹ 7.9 Mn detected by the management during the year ended March 31, 2012 and March 31, 2010 respectively.

3.3.1 Change in estimates

a) Useful life of asset

During the year ended March 31, 2008, the Company has reassessed the economic lives of certain fixed assets, and based thereon changed the depreciable lives of these assets effective October 1, 2007. Had this change in estimate not been done depreciation charged for the year ended March 31, 2008 and accumulated depreciation as at March 31, 2008 with respect to the fixed assets other than those acquired through the Scheme of Arrangement would have been higher by ₹ 100.0 Mn and profit before tax would have been lower by the same amount.

During the year ended March 31, 2009, the Company has reassessed the economic useful lives and residual value of fixed assets and based thereon has changed the depreciable life and depreciable value of certain assets effective January 1, 2009. Had this change in estimate not been done, depreciation charged for the year ended March 31, 2009 and accumulated depreciation as at March 31, 2009 would have been lower by ₹ 132.2 Mn and profit would have been higher by the same amount.

b) Asset retirement obligation

During the year ended March 31, 2010, the Company, effective October 01, 2009, has revised its estimates of provision for asset retirement obligation and consequently has reversed provision amounting to ₹ 2,460.0 Mn with corresponding reduction in gross block of assets. The change in estimates resulted in lower depreciation and higher profit before tax by ₹ 99.4 Mn for the year ended March 31, 2010.

The above being in the nature of change in estimate has not been considered for restatement.

4. SCHEME OF ARRANGEMENT BETWEEN BHARTI AIRTEL LIMITED AND BHARTI INFRATEL LIMITED ('BAL SCHEME')

The Scheme of Arrangement ("BAL Scheme") under sections 391 to 394 of the Companies Act, 1956, between Bharti Airtel Limited (BAL) and the Company for transfer of telecom infrastructure undertaking from BAL to the Company was approved by the Hon'ble High Court of Delhi vide order dated November 26, 2007 and filed with the Registrar of Companies, Delhi & Gurgaon on January 31, 2008 i.e. the Effective Date of the Scheme. Pursuant to the scheme, the telecom infrastructure undertaking were transferred to and vested in the Company with effect from January 31, 2008, the Effective Date, accordingly, the Scheme has been given effect to in the audited financial statements of the Company as at and for the year ended March 31, 2008.

Pursuant to the terms of the Scheme, the Passive Telecom Infrastructure undertaking, comprising of wireless and broadcast towers, all rights, titles, deposits, interest over the land on which such towers have been or are proposed to be constructed or erected or installed, current assets and current liabilities (including contingent liabilities) relating to the towers and related telecom assets/liabilities, whether movable, immovable or incorporeal and all plant and equipment as forming part of telecom infrastructure including electrical power connections are recorded by the Company at their respective fair values and an equivalent amount is credited to General Reserve.

The General Reserve constitute free reserve available for all purposes of the Company and is to be utilized by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company. The additional depreciation means depreciation provided, charged or suffered by the Company on the respective assets transferred by Bharti Airtel Limited under the Scheme in excess of that which would be chargeable on the original book value of these assets, as if there had been no revaluation or transfer of these assets under the aforesaid scheme sanctioned by the Hon'ble High Court of Delhi. Accordingly depreciation amounting to ₹ 402.4 Mn, ₹ 922.5 Mn, ₹ 768.9 Mn, ₹ 845.9 Mn, ₹ 2,324.2 Mn and ₹ 388.3 Mn for the period ended September 30, 2012 and years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, respectively, has been adjusted with the reserves. Had the Group followed Generally Accepted Accounting Principles in India (IGAAP), General Reserve as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and depreciation for the respective period/ years would have been higher by such amounts and profit after tax for the respective period/ years been lower by ₹ 402.4 Mn, ₹ 922.5 Mn, ₹ 768.9 Mn, ₹ 845.9 Mn, ₹ 2,324.2 Mn and ₹ 388.3 Mn.

The assets and liabilities have been recorded at following fair values based on independent fair valuation report for fixed assets and capital work-in progress and management estimate for current and non-current assets and liabilities and deferred tax liabilities (net):

₹ Million

Particulars	As at Jan 31, 2008
Fair value of assets	
Fixed assets	90,295.2
Capital work-in-progress	2,360.8
Non-current assets	1,416.3
Current assets	1,161.5
Non-current liabilities	(6,224.6)
Current liabilities	(4,992.6)
Deferred tax liabilities (net)	(1,603.7)
Total	**82,412.9**

5. INVESTMENT IN JOINT VENTURE

The Company entered into a joint venture agreement on December 8, 2007 with Vodafone India Limited and Idea Cellular Limited to form an independent tower company ("Indus Towers Limited") to provide passive telecom infrastructure services in certain specified telecom circles. Pursuant to the aforesaid agreement, the Company has acquired 500,000 equity shares of ₹ 1 each on December 17, 2007 for an aggregate value of ₹ 0.5 Mn.

The Company's share of the restated assets, liabilities, income and expenses of the Joint Venture Company are as follows:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Non-current assets (A)						
Fixed assets						
Tangible assets	49,882.1	47,693.2	46,453.7	39,360.3	21,521.2	1.7

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Intangible assets	202.9	203.7	193.6	164.6	14.3	-
Capital work-in progress	1,449.8	1,196.8	1,295.3	1,649.8	5,253.4	-
	51,534.8	**49,093.7**	**47,942.6**	**41,174.7**	**26,788.9**	**1.7**
Deferred tax assets	-	-	-	212.1	514.6	6.3
Long-term loans and advances	7,220.2	6,945.0	6,176.3	2,952.9	1,133.6	1.3
Other non-current assets	2,130.0	2,182.9	1,737.2	989.5	128.5	-
	9,350.2	**9,127.9**	**7,913.5**	**4,154.5**	**1,776.7**	**7.6**
Current assets (B)						
Current investments	-	2,562.0	2,205.0	315.0	-	-
Trade receivables	1,235.6	2,373.1	3,683.7	5,474.7	2,765.3	-
Cash and bank balances	1,307.5	300.7	94.3	207.5	1,958.9	0.8
Short-term loans and advances	2,109.6	1,658.8	821.9	1,709.0	1,545.2	0.4
Other current assets	5,538.1	5,050.7	3,948.6	4,701.1	1,814.0	-
	10,190.8	**11,945.3**	**10,753.5**	**12,407.3**	**8,083.4**	**1.2**
Total assets (C = A + B)	**71,075.8**	**70,166.9**	**66,609.6**	**57,736.5**	**36,649.0**	**10.5**
Non-current liabilities (D)						
Long-term borrowings	26,565.0	23,887.5	37,170.0	34,860.0	8,425.6	5.5
Deferred tax liabilities	1,830.8	1,801.8	749.3	-	-	-
Other long-term liabilities	5,658.7	8,309.5	8,138.9	6,768.7	1,840.0	-
Long-term provisions	2,770.3	1,362.6	1,231.4	2,140.7	1,857.2	-
	36,824.8	**35,361.4**	**47,289.6**	**43,769.4**	**12,122.8**	**5.5**
Current liabilities (E)						
Short-term borrowings	10,668.0	12,768.0	10,025.0	5,779.6	15,416.1	-
Trade payables	7,486.5	4,633.8	866.1	3,458.2	520.1	0.4
Other current liabilities	14,450.1	12,951.1	6,766.2	5,082.0	9,589.5	16.8
Short-term provisions	15.5	24.7	18.0	9.7	6.7	-
	32,620.1	**30,377.6**	**17,675.3**	**14,329.5**	**25,532.4**	**17.2**
Total liabilities (F = D + E)	**69,444.9**	**65,739.0**	**64,964.9**	**58,098.9**	**37,655.2**	**22.7**
Net Worth (C - F)	**1,630.9**	**4,427.9**	**1,644.7**	**(362.4)**	**(1,006.2)**	**(12.2)**
Net Worth represented by						
Shareholders' funds						
Share capital						
Equity share capital (G)	0.5	0.5	0.5	0.5	0.5	0.5
Reserve and surplus(H)	1,630.4	4,427.4	1,644.2	(362.9)	(1,006.7)	(12.7)
Total Reserves and	**1,630.9**	**4,427.9**	**1,644.7**	**(362.4)**	**(1,006.2)**	**(12.2)**

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
surplus						
Net Worth (G + H)	**1,630.9**	**4,427.9**	**1,644.7**	**(362.4)**	**(1,006.2)**	**(12.2)**

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Incomes						
Revenue from operations	26,886.7	50,480.6	44,800.9	37,245.2	8,523.0	-
Other income	399.8	353.2	286.9	20.2	62.2	-
	27,286.5	**50,833.8**	**45,087.8**	**37,265.4**	**8,585.2**	**-**
Expenses						
Power and fuel	10,414.3	17,935.3	16,150.3	14,339.2	3,211.3	-
Rent	5,026.6	10,234.6	9,417.2	8,722.6	2,143.7	-
Employee benefits expenses	531.7	973.4	936.2	644.8	338.5	7.6
Other expenses	3,244.3	6,725.0	5,849.9	5,152.6	2,401.1	11.4
	19,216.9	**35,868.3**	**32,353.6**	**28,859.2**	**8,094.6**	**19.0**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**8,069.6**	**14,965.5**	**12,734.2**	**8,406.2**	**490.6**	**(19.0)**
Depreciation and amortization expenses	3,369.2	6,656.8	5,894.9	4,028.6	921.9	-
Finance cost	1,878.7	4,061.0	3,965.7	3,489.3	1,064.7	-
	5,247.9	**10,717.8**	**9,860.6**	**7,517.9**	**1,986.6**	**-**
Restated profit before tax	**2,821.7**	**4,247.7**	**2,873.6**	**888.3**	**(1,496.0)**	**(19.0)**
Tax expense/ (income)						
Current tax	883.7	903.0	527.1	172.6	-	-
Less: MAT credit entitlement	-	(594.7)	(527.1)	(172.6)	-	-
Deferred tax	28.6	1,052.5	961.4	302.5	(508.3)	(6.3)
Fringe benefit tax	-	-	-	-	6.3	-
Total tax expense	**912.3**	**1,360.8**	**961.4**	**302.5**	**(502.0)**	**(6.3)**
Restated profit after tax	**1,909.4**	**2,886.9**	**1,912.2**	**585.8**	**(994.0)**	**(12.7)**
Contingent liabilities	1,613.6	1,536.8	107.9	9.7	-	-
Capital commitments	607.7	912.2	3,832.5	2,604.4	10,160.6	7.6

6. OTHER SIGNIFICANT NOTES

a) Capital commitments

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
(i) Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances)	2,343.0	1,762.9	3,105.4	7,731.1	10,449.5	15,232.4
(ii) Under IT outsourcing agreement, the Company has commitment to pay capex and related service charges	1,804.8	1,916.5	2,208.2	2,469.7	-	-
Total	**4,147.8**	**3,679.4**	**5,313.6**	**10,200.8**	**10,449.5**	**15,232.4**

b) Contingent liabilities

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
1. Guarantees issued by banks and financial institutions on behalf of the Company	**87.0**	**119.3**	**56.3**	**55.9**	**1.2**	**-**
2. Claims against the Company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote):-						
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)						
- Sales Tax (Refer to a below)	252.6	252.3	8.2	5.8	2.9	2.9
- Stamp Duty (Refer to b below)	265.9	265.9	225.6	221.3	237.7	266.4
- Entry Tax (Refer to c below)	1,187.9	1,113.9	900.2	725.0	438.6	455.3
- Municipal Taxes (Refer to d below)	649.9	511.5	265.3	0.3	0.3	0.3
(ii) Claims under legal cases including arbitration matters (Refer to f below)	171.1	140.1	133.7	102.9	105.8	49.0

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
(iii) Income tax matters (Refer to e below)	83.1	81.3	67.2	-	-	-
Total	**2,610.5**	**2,365.0**	**1,600.2**	**1,055.3**	**785.3**	**773.9**

Management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

(a) Sales tax - The claims for sales tax comprise of the cases relating to the right to use and sales tax demand on purchase of equipments against 'C' Form.

(b) Stamp duty - The Company has received demand in certain states for stamp duty on execution of Lease and License Agreement of Cell Sites.

(c) Entry tax - In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the constitution. Classification issues have been raised whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

(d) Municipal taxes - The Company is in the process of assessing the applicability and tenability of certain municipal levies which is an industry wide phenomenon and will also be representing to the authorities wherever required. The management does not consider the impact of such assessment to be material.

(e) Income tax - The Company has received assessment order for the Assessment year 2008-2009, wherein an initial demand of ₹ 13.0 Mn has been raised by the authority. The Company has filed an appeal against the same. The contingent liability amount stated above further includes ₹ 70.1 Mn relating to various TDS related matters.

(f) Others - Others mainly include site related legal disputes.

c) Leases

Operating lease – Company as a lessee

The lease rentals paid under non-cancellable leases relating to rent of building premises and sites as per the agreements with escalation rates ranging from 0% to 7% per annum and the maximum obligation on long-term non-cancellable operating leases are as follows:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Lease rental debited to statement of profit and loss	1,178.1	2,184.4	2,107.2	1,754.6	3,620.6	674.4
Obligation on non-cancellable leases:						
Not later than one year	2,087.2	1,947.8	1,966.0	1,665.4	4,108.3	3,348.2
Later than one year but not later than five years	8,656.7	8,137.3	8,021.7	6,830.8	16,737.2	13,638.0
Later than five years	17,340.9	17,063.0	19,319.5	18,168.2	37,697.4	32,856.1
Total	**28,084.8**	**27,148.1**	**29,307.2**	**26,664.4**	**58,542.9**	**49,842.3**

Operating lease – Company as a lessor

The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. Net book value of passive telecom infrastructure assets given on operating lease is as follows:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Plant and machinery	71,730.7	72,610.5	80,018.6	80,159.3	140,672.1	115,376.4

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Revenue from rent excluding IRU consideration	13,632.5	26,853.3	24,418.4	20,239.5	25,146.0	4,470.8
Future minimum lease payments receivable:						
Obligation on non-cancellable leases:						
Not later than one year	24,562.5	23,729.1	23,115.9	19,070.2	14,035.9	7,844.1
Later than one year but not later than five years	104,268.8	100,614.9	97,160.4	79,883.6	56,513.3	33,387.1
Later than five years	132,935.8	139,016.2	159,107.7	131,902.3	131,889.9	99,428.7
Total	**261,767.1**	**263,360.2**	**279,384.0**	**230,856.1**	**202,439.1**	**140,659.9**

The Company has entered into a non-cancellable lease arrangement to provide access to the passive infrastructure located at certain specified telecom circles on indefeasible right of use (IRU) basis for a period of two years to its Joint Venture Company, Indus Towers Limited from January 1, 2009. The term has been further extended till June 30, 2013. The IRU has been assigned to Bharti Infratel Ventures Limited pursuant to the Bharti Infratel Demerger Scheme effective from April 1, 2009. The Company has credited lease rental to the statement of profit and loss on a straight-line basis over the lease term amounting to ₹ 206.3 Mn for the year ended March 31, 2012, ₹ 275.0 Mn for the years ended March 31, 2011 and March 31, 2010 and ₹ 1,205.5 Mn for the year ended March 31, 2009.

Revenue from rent includes revenue equalization as follows:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Revenue equalization	1,040.4	2,160.7	2,515.8	2,441.6	1,830.0	286.0

d) Asset retirement obligation

The Company uses various premises on lease to install the passive telecom infrastructure. 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 on 'Provisions, Contingent liabilities and Contingent Assets' as per Companies Accounting Standard Rules, 2006, is given below:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Opening Balance	1,831.8	1,914.4	1,782.3	8,127.2	5,208.8	-
Additions during the year	61.1	28.0	132.1	315.8	2,918.4	1,114.7
Add: acquired in accordance with the BAL Scheme (Refer note 4)	-	-	-	-	-	4,094.1
Less: reversed in accordance with the Bharti Infratel Demerger Scheme (Refer note 3.1.3)	-	-	-	(4,200.7)	-	-
Less: change in estimate (Refer note 3.3.2 (b))	-	-	-	(2,460.0)	-	-
Less: transferred to subsidiary company (Refer note 6 (m))	-	(110.6)	-	-	-	-
Closing Balance	**1,892.9**	**1,831.8**	**1,914.4**	**1,782.3**	**8,127.2**	**5,208.8**

e) Employee benefits

The Company has recognized the following amounts in the statement of profit and loss:

Defined contribution plans

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Employer's contribution to Provident Fund	28.8	53.0	44.9	32.8	13.2	5.2
Employer's contribution to ESI	0.1	0.2	0.1	0.1	-	-
Total	**28.9**	**53.2**	**45.0**	**32.9**	**13.2**	**5.2**

Defined benefit obligations

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year/ period. The plan is not funded by the Company.

Other employee benefits

Leave encashment is a long term employee benefit and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year/ period.

Gratuity

(i) Amount charged to the statement of profit and loss:

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current service cost	10.6	18.4	15.7	10.7	5.3	2.6
Interest cost	2.4	2.8	1.7	0.9	0.5	-
Actuarial (gain)/	4.4	4.8	5.3	3.8	0.1	4.8

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
loss						
Net gratuity cost	**17.4**	**26.0**	**22.6**	**15.4**	**5.9**	**7.3**

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

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Discount Rate	8.50%	8.00%	7.50%	7.50%	7.50%	7.50%
Expected Rate of increase in compensation levels	10.00%	9.00%	9.00%	8.00%		7.00%
First three years					15.00%	
Thereafter					7.00%	
Expected average remaining working lives of employees (years)	24.95 years	25.07 years	25.15 years	24.54 years	24.28 years	24.36 years

(iii) Reconciliation of opening and closing balances of benefit obligations:

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Projected benefit obligation at beginning of the year/ period	52.5	35.3	22.1	12.1	7.3	-
Current service cost	10.6	18.4	15.7	10.7	5.3	2.6
Interest cost	2.4	2.8	1.7	0.9	0.2	-
Benefits paid	(1.8)	(8.8)	(9.4)	(5.5)	(0.8)	-
Actuarial (gain)/ loss	4.4	4.8	5.3	3.8	0.1	4.8
Projected benefit obligation at end of year/ period	**68.1**	**52.5**	**35.3**	**22.1**	**12.1**	**7.3**
Net amount recognized	**(68.1)**	**(52.5)**	**(35.3)**	**(22.1)**	**(12.1)**	**(7.3)**

(iv) The discount rate is based on the average yield on government bonds at the accounting date with a term that matches that of the liabilities.

(v) 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.

(vi) Estimated amounts of benefits payable within next year are set out in table below:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Estimated amounts of benefits payable within next year	39.0	25.5	21.1	14.6	1.0	0.9

(vii) The table below discloses experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard - 15, "Employee Benefits"

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Defined benefit obligation	68.1	52.5	35.3	22.1	12.1	7.3
Surplus/ (deficit)	(68.1)	(52.5)	(35.3)	(22.1)	(12.1)	(7.3)
Experience adjustments on plan liabilities (loss)/ gain	(4.4)	(4.7)	(4.7)	(3.8)	-	(5.0)
Experience adjustments on plan assets (loss)/ gain	-	-	-	-	-	-

(viii) Movement in provision for deferred bonus plan

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Opening balance	17.7	36.7	40.0	8.0	2.6	-
Add: acquired under the BAL Scheme (Refer note 4)		-	-	-	-	2.4
Add: addition during the year/ period	2.5	13.7	44.7	55.0	6.4	0.2
Less: utilized during the year/ period	(20.2)	(32.7)	(47.9)	(23.0)	(1.0)	-
Closing balance	**-**	**17.7**	**36.7**	**40.0**	**8.0**	**2.6**

f) Employee stock option plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Plan. The Company has granted additional stock options in the ratio of two options for every one option pursuant to bonus issue on August 23, 2012. The total number of additional options granted is 6,165 thousand.

Under the Plan 9,947 thousand options have been awarded to directors, officers and employees of the Company (including Group Companies) till date including the additional grants pursuant to bonus issue, out of which 34 thousand options have been granted during the six months period ended September 30, 2012.

Type of arrangement	Date of grant	Number granted (in thousand)	Options outstanding as at 30-Sep-12*	Contractual life	Vesting conditions

Type of arrangement	Date of grant	Number granted (in thousand)	Options outstanding as at 30-Sep-12*	Contractual life	Vesting conditions
Senior management stock option					
A	September 1, 2008	2,000	6,000	7 years	Date of appointment
B	January 1, 2009	257	636	7 years	
C	July 1, 2010	338	860	7 years	
Executive stock option					
A	January 1, 2009	49	-	7 years	Date of appointment
B	July 6, 2009	31	-	7 years	
C	July 10, 2009	31	-	7 years	
D	December 6, 2009	30	90	7 years	
E	July 1, 2010	3	3	7 years	
F	August 1, 2010	49	146	7 years	
G	August 8, 2011	30	91	7 years	
General employee stock option					
A	January 1, 2009	208	182	7 years	One year of continuous employment
B	July 1, 2009	143	140	7 years	
C	January 1, 2010	295	484	7 years	
D	July 1, 2010	234	467	7 years	
E	August 1, 2011	50	148	7 years	
Long term incentive plan					
A	August 28, 2012	34	34	7 years	Band 3 or above, performance based

* Represents the number of options outstanding as on September 30, 2012 after considering the impact of bonus issue on August 23, 2012.

The weighted average fair value per option based on Black Scholes / Lattice Valuation model is ₹ 475 on the original grants. The fair value is being amortized over the vesting period of 36 and 60 months, respectively on a graded vesting basis.

All 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. However, in case the Company does not get listed by March 31, 2013, the employees will have the option to cash settle the option in June 2013. The options under this plan have an exercise price of ₹ 329 per equity share and vest on a graded basis. The exercise price of ₹ 329 per equity share has been diluted to one third pursuant to the bonus issue in August 2012. Further the options granted under 'Long term incentive plan' are exercisable at ₹ 10 per equity share.

	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%

	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%
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%

The exercise price of the options granted has been changed from ₹ 340 to ₹ 329 during the year the ended March 31, 2011, resulting in an additional employee compensation expense for the year amounting to ₹ 26.7 Mn.

Information concerning the stock options granted and outstanding at the year/ period end is as follows:

Particulars	As at											
	30-Sep-12		31-Mar-12		31-Mar-11		31-Mar-10		31-Mar-09		31-Mar-08	
	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)
Number of shares under option:												
Outstanding at beginning of the year/ period (a)	3,333.0	329.0	3,336	329.0	2,898	329.0	2,494	340.0	-	-	-	-
Cancelled or expired or forfeited upto the date of bonus issue (b)	250.4	329.0	-	-	-	-	-	-	-	-	-	-
Options outstanding as at the date of bonus issue (a-b)	3,082.6	329.0	-	-	-	-	-	-	-	-	-	-
Bonus issue in the ratio of 1:2	6,165.2	109.7	-	-	-	-	-	-	-	-	-	-
Granted	33.6	10.0	80	329.0	654	329.0	501	340.0	2,494	340.0	-	-
Exercised	-	-	-	-	-	-	-	-	-	-	-	-
Cancelled or expired or forfeited	-	-	83	-	216	-	97	-	-	-	-	-
Outstanding at the year/ period end	9,281.4	109.7	3,333	329.0	3,336	329.0	2,898	340.0	2,494	340.0	-	-
Exercisable at end of the year/ period	6,195.0	109.7	1,631	329.0	988	329.0	-	-	-	-	-	-

Particulars	As at											
	30-Sep-12		31-Mar-12		31-Mar-11		31-Mar-10		31-Mar-09		31-Mar-08	
	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)
Weighted average grant date fair value per option for options granted during the year/ period at less than market value	34	258.1	80	475.2	654	468.0	501	478.1	2,494	374.8	-	-

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	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Risk free interest rates	8.37% to 8.62%	8.37% to 8.62%	7.18% to 8.16%	5.40% to 8.13%	7.80% to 8.24%	-
Expected life	36 to 60 months	48 to 60 months	48 to 60 months	48 to 60 months	48 to 72 months	-
Weighted average remaining contractual life	36 months	42 months	54 months	66 months	78 months	-
Volatility	52.42% to 52.43 %	52.42% to 52.43 %	49.26% to 52.69%	49.26% to 52.69%	49.26%	-
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	-

The balance of deferred stock compensation and total employee compensation recognized is set out in table below:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Deferred stock compensation outstanding	136.4	232.0	463.0	664.4	716.0	-

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Total employee compensation recognized	50.7	248.8	370.8	475.9	225.0	-

NOTE:

Bharti Airtel Limited has given stock options to certain employees of the Company. Bharti Airtel Limited has not charged to the Company the compensation cost relating to such stock options granted. Besides this, the Company has also given stock options to certain employees of Bharti Airtel Limited and has considered the related compensation cost in its books.

g) **Expenditure in foreign currency (accrual basis)**

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Legal and professional	-	19.0	-	-	-	-
Information technology expenses	-	5.0	-	-	-	-
Total	**-**	**24.0**	**-**	**-**	**-**	**-**

h) **CIF value of imports**

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Capital goods	-	-	18.0	101.7	-	-
Total	**-**	**-**	**18.0**	**101.7**	**-**	**-**

i) Since the Company's business activity falls within a single business and geographical segment of providing passive infrastructure, there are no additional disclosure to be provided under Accounting Standard – 17 'Segment reporting' other than those already provided in the financial statements.

j) **Significant changes in share capital:**

During the year ended March 31, 2008 and March 31, 2009 leading international investors invested an amount of ₹ 53,392.5 Mn in aggregate, towards 4,050 Equity Shares of ₹ 10 each (of which 3,825 shares issued as of March 31, 2008 and 225 shares were issued on April 2, 2008) and 3,203,550 fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures of ₹ 10,000 each (of which 3,025,575 Debentures issued as on March 31, 2008 and 177,975 Debentures were issued on April 2, 2008).

As on August 21, 2008, the Company issued 540,445,950 fully paid up bonus shares in ratio of 1:9,999 shares (face value of ₹ 10 each) with an equivalent withdrawal from securities premium account.

As on August 23, 2012, the Company further issued 1,161,605,820 fully paid up bonus shares in ratio of 1:2 shares (face value of ₹ 10 each) with an equivalent withdrawal from securities premium account.

During the year ended March 31, 2010, the Company has converted 118,650 Interest Free Unsecured Convertible Debentures into 1,182,270 equity shares of ₹ 10 each at a premium of ₹ 993.578 per share. The remaining 3,084,900 Interest Free Unsecured Convertible Debentures have been converted into 39,120,640 equity shares of ₹ 10 each at a premium of ₹ 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.

k) **Other notes:**

1. Pursuant to the framework agreement, the Company during the year ended March 31, 2010 had received ₹ 2,568.8 Mn from Indus Towers Limited on account of interim sites settlement. During the year ended March 31, 2011, the Company further received ₹ 2,275.5 Mn towards the final settlement for interim sites including interest amounting to ₹ 308.3 Mn. As per the terms of the framework agreement the amounts received by the Company, including interest, are to be considered as a liability towards Indus to be paid in case the scheme of demerger of passive infrastructure assets is not approved by the Hon'ble High Court of Delhi (Bharti Infratel Demerger Scheme). Accordingly, the interest received of ₹ 308.3 Mn has also been considered as a liability as at March 31, 2011.

2. During the year ended March 31, 2012, the Company has entered into an agreement with Bharti Infratel Ventures Limited for transfer of certain assets and liabilities relating to certain specified telecom circles. Pursuant to this the following assets and liabilities have been transferred to Bharti Infratel Ventures Limited as at December 31, 2011:-

₹ Million

Particulars	As at Dec 31, 2011
Other long-term liabilities	4,584.4
Long-term provisions	110.6
Fixed assets	(3,226.7)
Trade receivables	(137.5)
Short-term loans and advances	(1,319.8)
Other current liabilities	(11.0)

3. As on August 23, 2012, the Company further issued 1,161,605,820 fully paid up bonus shares in ratio of 1:2 shares (face value of ₹ 10 each) with an equivalent withdrawal from securities premium account.

4. During the period ended September 30, 2012, the Company has declared and paid interim dividend for the financial year 2012-13 at the rate of ₹ 2.5 per equity share to all the existing shareholders as on September 6, 2012.

ANNEXURE – V: RESTATED UNCONSOLIDATED STATEMENT OF FIXED ASSETS

₹ Million

Particulars	Land	Plant and Machinery	Office furniture and equipment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
Cost									
As at April 1, 2007	-	-	-	-	-	-	-	-	-
Additions	-	27,139.1	1.8	0.8	14.3	2.6	27,158.6	-	-
Disposals	-	(51.4)	-	-	-	-	(51.4)	-	-
Acquired under the BAL Scheme (refer note 4)	3.9	90,291.3	-	-	-	-	90,295.2	-	-
As at March 21, 2008	**3.9**	**117,379.0**	**1.8**	**0.8**	**14.3**	**2.6**	**117,402.4**	**-**	**-**
Accumulated Depreciation									
As at April 1, 2007	-	-	-	-	-	-	-	-	-
Charge for the year	-	2,020.9	0.2	-	8.1	-	2,029.2	-	-
Disposals	-	(18.3)	-	-	-	-	(18.3)	-	-
As at March 31, 2008	**-**	**2,002.6**	**0.2**	**-**	**8.1**	**-**	**2,010.9**	**-**	**-**
Cost									
As at April 1, 2008	**3.9**	**117,379.0**	**1.8**	**0.8**	**14.3**	**2.6**	**117,402.4**	**-**	**-**
Additions	-	39,205.1	25.4	4.2	50.1	20.3	39,305.1	27.2	27.2
Disposals	-	(140.9)	(0.4)	-	-	-	(141.3)	-	-
As at March 31, 2009	**3.9**	**156,443.2**	**26.8**	**5.0**	**64.4**	**22.9**	**156,566.2**	**27.2**	**27.2**
Accumulated Depreciation									
As at April 1, 2008	**-**	**2,002.6**	**0.2**	**-**	**8.1**	**-**	**2,010.9**	**-**	-
Charge for the year	-	13,806.9	2.3	-	36.6	2.1	13,847.9	1.7	1.7
Disposals	-	(38.4)	-	-	-	(0.1)	(38.5)	-	-
As at March 31, 2009	**-**	**15,771.1**	**2.5**	**-**	**44.7**	**2.0**	**15,820.3**	**1.7**	**1.7**
Cost									
As at April	**3.9**	**156,443.2**	**26.8**	**5.0**	**64.4**	**22.9**	**156,566.2**	**27.2**	27.2

Particulars	Land	Plant and Machinery	Office furniture and equipment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
1, 2009									
Additions	1.1	15,400.4	15.7	-	352.7	64.2	15,834.1	76.0	76.0
Disposals	-	(401.9)	(1.5)	(0.8)	-	(2.6)	(406.8)	-	-
Adjustment [refer note 3.3.2 (b)]	-	(2,460.0)	-	-	-	-	(2,460.0)	-	-
Transfer/ Adjustment under Bharti Infratel Demerger Scheme (refer note 3.1.3)	-	(71,468.0)	-	-	-	-	(71,468.0)	-	-
As at March 31, 2010	**5.0**	**97,513.7**	**41.0**	**4.2**	**417.1**	**84.5**	**98,065.5**	**103.2**	**103.2**
Accumulated Depreciation									
As at April 1, 2009	**-**	**15,771.1**	**2.5**	**-**	**44.7**	**2.0**	**15,820.3**	**1.7**	1.7
Charge for the year	-	9,193.9	8.8	0.8	126.9	8.2	9,338.6	22.7	22.7
Disposals	-	(85.0)	-	-	-	-	(85.0)	-	-
Transfer/ Adjustment under Bharti Infratel Demerger Scheme (refer note 3.1.3)	-	(7,525.6)	-	-	-	-	(7,525.6)	-	-
As at March 31, 2010	**-**	**17,354.4**	**11.3**	**0.8**	**171.6**	**10.2**	**17,548.3**	**24.4**	**24.4**
Cost									
As at April 1, 2010	**5.0**	**97,513.7**	**41.0**	**4.2**	**417.1**	**84.5**	**98,065.5**	**103.2**	103.2
Additions	-	10,420.4	11.2	-	154.7	126.7	10,713.0	113.7	113.7
Disposals	-	(409.1)	-	-	-	-	(409.1)	-	-
As at March 31, 2011	**5.0**	**107,525.0**	**52.2**	**4.2**	**571.8**	**211.2**	**108,369.4**	**216.9**	**216.9**
Accumulated Depreciation									
As at April 1, 2010	**-**	**17,354.4**	**11.3**	**0.8**	**171.6**	**10.2**	**17,548.3**	**24.4**	24.4
Charge for the year	-	10,335.6	10.1	0.8	165.1	25.4	10,537.0	59.1	59.1

Particulars	Land	Plant and Machinery	Office furniture and equipment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
Disposals	-	(183.6)	-	-	-	-	(183.6)	-	-
As at March 31, 2011	**-**	**27,506.4**	**21.4**	**1.6**	**336.7**	**35.6**	**27,901.7**	**83.5**	**83.5**
Cost									
As at April 1, 2011	**5.0**	**107,525.0**	**52.2**	**4.2**	**571.8**	**211.2**	**108,369.4**	**216.9**	216.9
Additions	-	7,059.2	16.3	1.8	50.6	24.9	7,152.8	2.9	2.9
Disposals (refer note 2 below)	-	(5,104.5)	-	-	-	-	(5,104.5)	-	-
As at March 31, 2012	**5.0**	**109,479.7**	**68.5**	**6.0**	**622.4**	**236.1**	**110,417.7**	**219.8**	**219.8**
Accumulated Depreciation							-		-
As at April 1, 2011	**-**	**27,506.4**	**21.4**	**1.6**	**336.7**	**35.6**	**27,901.7**	**83.5**	83.5
Charge for the year	-	11,133.4	14.2	1.0	182.2	31.5	11,362.3	71.3	71.3
Disposals (refer note 2 below)	-	(1,770.6)	-	-	-	-	(1,770.6)	-	-
As at March 31, 2012	**-**	**36,869.2**	**35.6**	**2.6**	**518.9**	**67.1**	**37,493.4**	**154.8**	**154.8**
Cost									
As at April 1, 2012	**5.0**	**109,479.7**	**68.5**	**6.0**	**622.4**	**236.1**	**110,417.7**	**219.8**	**219.8**
Additions	-	4,896.1	24.0	-	9.0	31.0	4,960.1	0.1	0.1
Disposals	-	(514.1)	-	-	-	-	(514.1)	-	-
As at September 30, 2012	**5.0**	**113,861.7**	**92.5**	**6.0**	**631.4**	**267.1**	**114,863.7**	**219.9**	**219.9**
Accumulated Depreciation							-		-
As at April 1, 2012	**-**	**36,869.2**	**35.6**	**2.6**	**518.9**	**67.1**	**37,493.4**	**154.8**	**154.8**
Charge for the period	-	5,711.0	10.0	1.0	57.0	19.0	5,798.0	26.8	26.8
Disposals	-	(449.2)	-	-	-	-	(449.2)	-	-
As at September 30, 2012	**-**	**42,131.0**	**45.6**	**3.6**	**575.9**	**86.1**	**42,842.2**	**181.6**	**181.6**
Net block									

Particulars	Land	Plant and Machinery	Office furniture and equipment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
As at March 31, 2008	**3.9**	**115,376.4**	**1.6**	**0.8**	**6.2**	**2.6**	**115,391.5**	**-**	**-**
As at March 31, 2009	**3.9**	**140,672.1**	**24.3**	**5.0**	**19.7**	**20.9**	**140,745.9**	**25.5**	**25.5**
As at March 31, 2010	**5.0**	**80,159.3**	**29.7**	**3.4**	**245.5**	**74.3**	**80,517.2**	**78.8**	**78.8**
As at March 31, 2011	**5.0**	**80,018.6**	**30.8**	**2.6**	**235.1**	**175.6**	**80,467.7**	**133.4**	**133.4**
As at March 31, 2012	**5.0**	**72,610.5**	**32.9**	**3.4**	**103.5**	**169.0**	**72,924.3**	**65.0**	**65.0**
As at September 30, 2012	**5.0**	**71,730.7**	**46.9**	**2.4**	**55.5**	**181.0**	**72,021.5**	**38.3**	**38.3**

NOTE:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. Disposals under 'Plant and Machinery' for the year ended March 31, 2012 includes assets transferred to the subsidiary company, BIVL, amounting to ₹ 3,226.7 Mn (net of accumulated depreciation of ₹1,408.4 Mn). Refer note 6 (k) (2) of Annexure IV.

ANNEXURE – VI: RESTATED UNCONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS

₹ Million

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Non-current investments												
Trade investments (at cost)												
Investment in equity, Unquoted												
Subsidiary - Bharti Infratel Ventures Limited: 50,000 equity shares of ₹ 10 each fully paid up	50,000	50,000	50,000	50,000	50,000	50,000	59,921.0	59,921.0	59,921.0	59,921.0	0.5	0.5
Joint venture - Indus Towers Limited: 500,000 equity shares of ₹ 1 each fully paid up	500,000	500,000	500,000	500,000	500,000	500,000	0.5	0.5	0.5	0.5	0.5	0.5
Total Non-current investments							**59,921.5**	**59,921.5**	**59,921.5**	**59,921.5**	**1.0**	**1.0**

NOTES:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. These investments are in the name of the Company.
3. Pursuant to the Bharti Infratel Demerger Scheme the investment in Subsidiary (BIVL) as at April 1, 2009 has been valued as per the requirement of the Scheme (refer note 3.1.3).

ANNEXURE – VII: RESTATED UNCONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

₹ Million

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current investments												
Current investments in mutual funds (valued at lower of cost and fair value) (other than trade, unquoted)												
ICICI Prudential Liquid Super Institutional Plan - Growth	-	1,893,593	-	-	-	-	-	300.0	-	-	-	-
Religare Liquid Fund - Super Institutional Growth	-	237,674	-	-	-	-	-	350.0	-	-	-	-
TATA Liquid Super High Inv.Fund - Appreciation	96,390	76,587	138,120	-	-	-	200.0	151.2	250.0	-	-	-
Birla Sun Life Cash Plus-Institutional Premium Plan - Growth	1,111,159	-	-	-	-	-	200.0	-	-	-	-	-
JP Morgan India Liquid Fund Growth Plan	13,730,888	-	-	-	-	-	200.0	-	-	-	-	-
JM High Liquidity Fund -Super Institutional Plan Growth(94)	11,352,542	-	-	-	-	-	200.0	-	-	-	-	-
Birla Sun Life Savings Fund Instl-Growth	-	-	-	42,926,597	-	-	-	-	-	750.0	-	-
DWS Ultra Short Term Fund-Instiutional Growth	-	-	-	18,482,379	-	-	-	-	-	200.1	-	-
Fidelity Ultra Short Term Debt Fund Super Institutional-Growth	-	-	-	19,679,502	-	-	-	-	-	234.4	-	-
IDFC Cash Fund-Super Inst Plan C-Growth	-	-	-	17,868,630	28,013,297	-	-	-	-	200.0	300.0	-
IDFC Money Manager Fund-Treasury Plan Super Inst Plan C-Growth	-	-	-	45,817,149	-	-	-	-	-	500.1	-	-
Kotak Liquid(Institutional Premium)-Growth	8,773,238	-	-	10,719,550	-	-	200.0	-	-	200.0	-	-
Reliance Medium Term Fund-Retail Plan-Growth Plan-Growth Option	-	-	-	20,972,421	-	-	-	-	-	400.1	-	-
Religare Ultra Short Term Fund - Institutional Growth	-	-	-	15,801,786	-	-	-	-	-	200.0	-	-
TATA Floater Fund-Growth	-	-	-	40,066,820	-	-	-	-	-	550.1	-	-
UTI Treasury Advantage Fund Inst Plan Growth Option	-	-	-	323,556	169,895	-	-	-	-	400.1	200.0	-
Bharti Axa Liquid Fund-Super Institutional Growth Plan	-	-	-	-	95,902	-	-	-	-	-	100.7	-
Birla Sun Life Cash Plus-Institutional Premium Plan-Growth	-	-	-	-	39,107,774	-	-	-	-	-	550.0	-
DWS Insta Cash Plus Fund Super Institutional-Growth Plan	-	-	-	-	29,784,833	-	-	-	-	-	340.0	-
HDFC Liquid Fund-Premium Plan-Growth	-	-	-	-	10,215,606	-	-	-	-	-	180.0	-
ICICI Prudential Institutional Liquid Plan-Super Institutional Growth	-	-	-	-	15,400,253	-	-	-	-	-	200.0	-
K Liquid-Institutional Plan-Premium Growth	-	-	-	-	22,437,246	-	-	-	-	-	400.0	-
Reliance Liquidity Fund-Growth	-	-	-	-	15,100,722	-	-	-	-	-	200.0	-
Tata Liquid Super High Inv.Fund-Appreciation	-	-	-	-	122,952	-	-	-	-	-	200.0	-
UTI Money Market Fund-Growth	-	-	-	-	8,126,315	-	-	-	-	-	200.0	-
AIG India Liquid Fund Super Institutional Daily Dividend	-	-	-	-	-	1,099,307	-	-	-	-	-	1,100.2

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Birla Sun Life Cash Plus-Institutional Premium Plan-Daily Dividend	-	-	-	-	-	224,605,248	-	-	-	-	-	2,250.5
DBS Chola Liquid Institutional Plus - Cumulative	-	-	-	-	-	610,180	-	-	-	-	-	10.0
DSP Blockrock Liquid Fund-Daily Dividend	-	-	-	-	-	749,987	-	-	-	-	-	750.1
DWS Insta Cash Plus Fund Super Institutional-Daily Dividend Plan	-	-	-	-	-	124,768,898	-	-	-	-	-	1,250.2
Fidelity Ultra Short Term Debt Fund Super Institutional-Daily Dividend	-	-	-	-	-	75,004,273	-	-	-	-	-	750.1
HDFC Liquid Fund Premium Plan-Dividend Daily Reinvest	-	-	-	-	-	183,562,576	-	-	-	-	-	2,250.4
HSBC Cash Fund- Institutional Plus Daily Dividend	-	-	-	-	-	124,952,797	-	-	-	-	-	1,250.2
ICICI Prudential Institutional Liquid Plan-Super Institutional Daily Dividend	-	-	-	-	-	250,041,434	-	-	-	-	-	2,500.5
IDFC Liquidty Manager Plus Daily Dividend	-	-	-	-	-	2,000,026	-	-	-	-	-	2,000.4
ING Liquid Fund Super Institutional - Weekly Dividend	-	-	-	-	-	175,000,000	-	-	-	-	-	1,750.0
JM High Liquidy Fund-Super Institutional Plan - Daily Dividend	-	-	-	-	-	99,852,709	-	-	-	-	-	1,000.2
JP Morgan India Liquid Fund Dividend Plan	-	-	-	-	-	49,970,712	-	-	-	-	-	500.1
K Liquid-Institutional Plan-Premium Daily Dividend	-	-	-	-	-	122,693,951	-	-	-	-	-	1,500.3
Kotak Floater Short Term-Daily Dividend	-	-	-	-	-	99,594,358	-	-	-	-	-	1,000.2
Magnum Insta Cash Fund - Daily Dividend Option	-	-	-	-	-	29,855,451	-	-	-	-	-	500.1
Principal Cash Management Fund Liquid Option- Inst Premium Plan-Dividend	-	-	-	-	-	250,030,257	-	-	-	-	-	2,500.5
Principal Floating Rate Fund SMP - Inst option Dividend payout Daily	-	-	-	-	-	100,011,919	-	-	-	-	-	1,000.2
Reliance Floating Rate Fund-Daily Dividend Reinvestment Plan	-	-	-	-	-	99,327,038	-	-	-	-	-	1,000.2
Reliance Money Manager Fund-Institutional Option - Growth Plan	-	-	-	-	-	915,671	-	-	-	-	-	1,000.2
Religare India Liquid Fund Institutional Plus Daily Dividend	-	-	-	-	-	100,003,496	-	-	-	-	-	1,000.2
TATA Liquid Super High Investment fund- Daily Dividend	-	-	-	-	-	282,689	-	-	-	-	-	315.4
Templeton Floating Rate Income Fund Short Term Institutional - Weekly Dividend	-	-	-	-	-	99,380,857	-	-	-	-	-	1,000.0
Templeton India Treasury Management Account Super Institutional- Daily Dividend	-	-	-	-	-	1,249,947	-	-	-	-	-	1,250.0
UTI Liquid Cash Plan Institutional - Daily Dividend	-	-	-	-	-	2,452,792	-	-	-	-	-	2,500.2
Total	**35,064,217**	**2,207,854**	**138,120**	**232,658,390**	**168,574,795**	**2,218,016,573**	**1,000.0**	**801.2**	**250.0**	**3,634.9**	**2,870.7**	**31,930.4**
Aggregate book value of unquoted investments	**35,064,217**	**2,207,854**	**138,120**	**232,658,390**	**168,574,795**	**2,218,016,573**	**1,000.0**	**801.2**	**250.0**	**3,634.9**	**2,870.7**	**31,930.4**
Aggregate market value of unquoted investments	**81,925,734**	**2,207,854**	**138,120**	**232,658,390**	**168,574,795**	**2,218,016,573**	**1,000.7**	**802.3**	**251.1**	**3,636.0**	**2,872.3**	**31,933.0**

NOTES:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. These investments are in the name of Company.

ANNEXURE – VIII: RESTATED UNCONSOLIDATED STATEMENT OF TRADE RECEIVABLES

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured, considered good	57.9	80.7	192.5	212.8	372.2	0.0
Unsecured, considered doubtful	955.7	848.5	451.1	259.9	309.2	-
Less: Provision for doubtful debts	(955.7)	(848.5)	(451.1)	(259.9)	(309.2)	-
	57.9	**80.7**	**192.5**	**212.8**	**372.2**	**0.0**
Other trade receivables						
Unsecured, considered good	792.0	2,335.0	3,342.0	3,579.3	1,343.7	859.1
Unsecured, considered doubtful	336.6	349.4	345.8	178.5	3.5	-
Less: Provision for doubtful debts	(336.6)	(349.4)	(345.8)	(178.5)	(3.5)	-
	792.0	**2,335.0**	**3,342.0**	**3,579.3**	**1,343.7**	**859.1**
Total	**849.9**	**2,415.7**	**3,534.5**	**3,792.1**	**1,715.9**	**859.1**

Notes:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.
2. The figures disclosed above do not include unbilled receivables forming part of 'Other current assets'.

Amounts outstanding (including unbilled receivables forming part of 'Other Current Assets') from Parent company / Group company / Joint Venture company:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
From Parent company (refer note 1)	1,208.1	1,722.9	2,023.9	2,172.6	675.7	-
From Joint Venture company	11.0	11.0	-	-	-	-
From Group company (refer note 2)	127.3	176.6	164.2	127.5	144.2	-
Total	**1,346.4**	**1,910.5**	**2,188.1**	**2,300.1**	**819.9**	**-**

Note:

1. Amount outstanding from Parent company includes ₹ 814.0 Mn, ₹ 157.8 Mn, ₹ 177.8 Mn, ₹ 157.3 Mn and ₹ 339.0 Mn as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, respectively being unbilled receivable forming part of 'Other current assets'.

2. Amount outstanding from Group Company represents dues from fellow subsidiary 'Bharti Hexacom Limited' as disclosed in Annexure XIX and includes ₹ 61.3 Mn, Nil, ₹ 51.8 Mn, ₹ 63.0 Mn and ₹ 53.0 Mn as at

September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, respectively being unbilled receivable forming part of ‘Other current assets’.

ANNEXURE – IX: RESTATED UNCONSOLIDATED STATEMENT OF LONG-TERM LOANS AND ADVANCES

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Unsecured, considered good unless otherwise stated						
Capital advances						
Unsecured, considered good	49.1	72.4	162.1	109.6	151.2	1,390.1
Unsecured, considered doubtful	14.4	14.4	14.4	11.8	-	-
Less Provisions	(14.4)	(14.4)	(14.4)	(11.8)	-	-
	49.1	**72.4**	**162.1**	**109.6**	**151.2**	**1,390.1**
Security deposits						
Unsecured, considered good	897.7	850.0	710.8	576.4	1,798.0	1,482.6
Unsecured, considered doubtful	-	-	-	-	-	-
Less Provisions	-	-	-	-	-	-
	897.7	**850.0**	**710.8**	**576.4**	**1,798.0**	**1,482.6**
Other loans and advances, unsecured, considered good						
Mat credit receivable	-	356.1	1,332.3	1,296.8	522.9	72.0
Advance income-tax (net of provision for taxation)	3,938.0	3,124.3	2,895.8	1,648.7	1,147.4	-
Advance fringe benefit tax (net of provision)	1.6	1.6	1.6	1.6	0.6	-
Total long-term loans and advances	**4,886.4**	**4,404.4**	**5,102.6**	**3,633.1**	**3,620.1**	**2,944.7**

Amount outstanding from Parent Company (Promoter) / Joint Venture Company/ Subsidiary Company/ Directors/ Group company/ Other related parties:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
From Joint Venture company	-	27.0	27.0	27.0	-	-
From Parent company (Promoter)	-	-	-	-	-	-
From Directors	-	-	-	-	-	-
From Other related parties	-	-	-	-	-	-
	-	**27.0**	**27.0**	**27.0**	**-**	**-**

NOTE:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

ANNEXURE – X: RESTATED UNCONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Loans and advances to related parties						
Unsecured, considered good	25,689.6	24,496.3	19,013.0	6,012.8	17,511.1	12.6
Advances recoverable in cash or kind or for value to be received						
Secured, considered good	268.3	288.3	136.8	32.7	-	-
Unsecured, considered good	2,559.3	2,112.8	3,410.9	2,667.9	3,802.3	3,738.1
Unsecured, considered doubtful	133.2	104.2	105.8	87.1	27.0	16.0
Less: Provision for doubtful advances	(133.2)	(104.2)	(105.8)	(87.1)	(27.0)	(16.0)
	2,827.6	**2,401.1**	**3,547.7**	**2,700.6**	**3,802.3**	**3,738.1**
Other loans and advances, unsecured, considered good						
Mat credit receivable	730.3	976.2	568.6	-	-	-
Total Short-term loans and advances	**29,247.5**	**27,873.6**	**23,129.3**	**8,713.4**	**21,313.4**	**3,750.7**

Amount outstanding from Parent Company (Promoter) / Joint Venture Company/ Subsidiary Company/ Directors/ Group company/ Other related parties:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
From Parent company (Promoter)	13,790.0	13,160.0	7,800.0	-	73.7	-
From Joint Venture company	10,711.1	10,718.2	11,204.9	6,007.8	17,437.4	12.5
From Subsidiary company	1,181.6	611.0	1.0	0.3	-	0.1
From Group company	6.9	7.1	7.1	4.7	-	-
From Directors	-	-	-	-	-	-
From Other related parties	-	-	-	-	-	-
	25,689.6	**24,496.3**	**19,013.0**	**6,012.8**	**17,511.1**	**12.6**

NOTE:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. Amount due from Group company represents dues from fellow subsidiary 'Centum Learning Limited' as disclosed in Annexure XIX.

ANNEXURE – XI: RESTATED UNCONSOLIDATED STATEMENT OF LONG-TERM BORROWINGS

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Long-term borrowings						
Interest free, unsecured, non-cumulative, convertible debentures of ₹ 10,000 each	-	-	-	-	-	30,255.8
Loans from Banks:						
- Term loan, secured	-	-	-	4,800.0	6,000.0	-
Vehicle Loan:						
- Term loan, secured	-	0.6	-	-	-	-
Total	**-**	**0.6**	**-**	**4,800.0**	**6,000.0**	**30,255.8**

NOTES:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The Company had issued 3,025,575 fully and compulsorily convertible debentures of Rs. 10,000 each as on March 31, 2008. Further 177,975 debentures issued on April 2, 2008. During the year ended March 31, 2010, the Company has converted 118,650 Interest Free Unsecured Convertible Debentures into 1,182,270 equity shares of ₹ 10 each at a premium of ₹ 993.578 per share. The remaining 3,084,900 Interest Free Unsecured Convertible Debentures were converted into 39,120,640 equity shares of ₹ 10 each at a premium of ₹ 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 agreement with the investors.

3. The Company had availed term loan from IDFC Limited amounting to ₹ 6,000 Mn which was repaid during the year ended March 31, 2011. The loan was secured against first ranking pari passu charge amongst the senior secured creditors and second rank pari passu amongst the second secured creditors on all present and future tangible movable and immovable assets (excluding land) owned by the Company including plant and machinery, office equipment, furniture and fixtures, spares tools and accessories. The loan carried 7.71% per annum rate of interest as at March 31, 2010. The term loan was repayable in 10 equal semiannual installments commencing on the expiry of 18 months from the date of first installment of loan starting June 30, 2010.

4. Vehicle loan as at March 31, 2012 represents loan for purchase of vehicle taken during the year, secured against the hypothecation of vehicle and repayable in 36 equated monthly installment (EMI) of ₹ 51,765 on 10th day of every month till completion of loan. The rate of interest on vehicle loan is 10.1% per annum. The loan has been prepaid during the six months period ended September 30, 2012.

5. Amount repayable within 1 year has been disclosed under Other current liabilities, as under:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current portion of long-term borrowings, included under	-	0.5	-	1,200.0	32,035.5	-

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Other current liabilities						

6. There is no unsecured long-term loan outstanding from Directors / Promoters / Promoter Group Companies / Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies.

ANNEXURE – XII: RESTATED UNCONSOLIDATED STATEMENT OF SHORT-TERM BORROWINGS

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Short-term borrowings						
Loans from banks						
- term loan, unsecured	-	-	-	-	3,000.0	-
Loans from others						
- from related parties, unsecured	-	-	-	-	-	1,091.5
Total short-term borrowings	-	-	-	-	**3,000.0**	**1,091.5**

NOTES:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The Company has availed short-term loan from HDFC Bank Limited (Nil as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, ₹ 3,000 Mn as at March 31, 2009 and Nil as at March 31, 2008). The rate of interest on the loan is 9.25% per annum. The term loan is repayable in 3 months from the date of loan.

3. Loan from others amounting to ₹ 1,091.5 Mn as at March 31, 2008 comprise of amount repayable on demand to Parent company, Bharti Airtel Limited.

ANNEXURE – XIII: RESTATED UNCONSOLIDATED STATEMENT OF REVENUE

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Revenues						
Rent	13,304.2	26,082.4	23,897.6	19,990.5	26,351.6	4,487.8
Energy and other reimbursements	8,186.0	15,499.2	13,907.2	10,921.8	16,137.8	2,563.2
Total	**21,490.2**	**41,581.6**	**37,804.8**	**30,912.3**	**42,489.4**	**7,051.0**

NOTES:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profit and Loss of the Company.

ANNEXURE – XIV: RESTATED UNCONSOLIDATED STATEMENT OF OTHER INCOME

₹ Million

Particulars	Period ended	Year ended					Nature: Recurring/ non-recurring	Related/ Not related to business activity
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08		
Interest on bank deposits	1.3	0.6	186.7	3.2	2.2	0.4	Non-recurring	Not related
Interest on loans to Group companies	779.9	1,073.9	412.2	1,433.1	917.3	-	Non-recurring	Not related
Interest on others	3.8	2.9	122.1	-	5.4	0.2	Non-recurring	Not related
Dividend on equity shares (non-current investment)	4,050.0	-	-	-	-	-	Non-recurring	Not related
Dividend income on current investments (mutual funds)	-	-	-	-	431.9	5.2	Non-recurring	Not related
Net gain on sale of current investments	44.0	26.4	159.6	39.2	233.9	0.5	Non-recurring	Not related
Miscellaneous income	1.8	6.8	9.3	7.3	11.3	0.1	Non-recurring	Not related
Total Other Income	**4,880.8**	**1,110.6**	**889.9**	**1,482.8**	**1,602.0**	**6.4**		

NOTES:

1. The classification of other income as recurring/non-recurring, related/not-related to business activity is based on the current operations and business activities of the Company as determined by the management.

2. The amounts disclosed above are based on the Restated Unconsolidated Statement of Profit and Loss of the Company.

3. Interest on loans to Group Companies include interest income on loans to Parent Company, Subsidiary Company and Joint Venture Company. Refer Annexure XIX for details.

4. Interest on others for the year ended March 31, 2011 includes interest received on Income Tax refund amounting to ₹ 122.1 Mn.

5. Dividend on equity shares during the period ended September 30, 2012 represents interim dividend received from Joint Venture Company. Refer Annexure XIX for details.

ANNEXURE – XV: CAPITALISATION STATEMENT

₹ Million

Particulars	Pre IPO as at September 30, 2012	As adjusted for IPO (Refer note 2 below)
Debt:		
Short-term debt	-	
Long-term debt	-	
Current portion of long-term debt (included under Other current liabilities)	-	
Total debt (A)	**-**	
Shareholders' funds:		
Share Capital	17,424.1	
Reserves and Surplus, as restated		
Securities premium account	35,968.9	
Stock option outstanding account	1,301.7	
General reserve	80,394.1	
Surplus in the statement of profit and loss	13,567.9	
Total shareholders' funds (B)	**148,656.7**	
Total debt / equity (A/B)	**0.00 : 1**	

NOTE:

1. The above has been computed on the basis of the Restated Unconsolidated Summary Statements of the Company.

2. The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

ANNEXURE – XVI: STATEMENT OF TAX SHELTERS

₹ Million

	Particulars	Period ended	Year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	Restated profit before tax	7,882.8	6,839.8	5,151.0	4,123.7	4,358.7	668.6
B	Tax rate	32.445%	32.445%	33.218%	33.990%	33.990%	33.990%
C	**Tax thereon at the above rate (A x B)**	**2,557.6**	**2,219.2**	**1,711.0**	**1,401.6**	**1,481.5**	**227.2**
	Permanent differences						
	Expenses disallowed under Income Tax Act	0.6	1.0	1.7	3.5	23.9	0.1
	Dividend - exempt under Income Tax Act	(4,050.0)	-	-	-	(431.9)	(5.2)
	Dividend disallowance	-	-	7.0	5.1	43.2	0.5
	Assets written off/ provision for capital work in progress	-	440.1	190.5	91.7	132.2	-
D	**Total permanent differences**	**(4,049.4)**	**441.1**	**199.2**	**100.3**	**(232.6)**	**(4.6)**
	Timing differences						
	Difference in book depreciation and depreciation under Income Tax Act, 1961	929.8	576.4	(509.8)	(1,709.2)	(4,574.4)	(1,918.6)
	Expenses allowable on payment basis	21.0	13.8	25.3	20.5	7.4	4.3
	Provision for doubtful debts and advances	103.5	399.1	377.2	170.2	320.1	8.1
	Revenue equalization reserve	(1,044.7)	(2,160.7)	(2,515.8)	(2,441.6)	(1,830.0)	(286.0)
	Lease equalization reserve	108.9	199.5	239.5	179.8	643.3	115.0
	ESOP expenditure amortized	66.5	248.8	370.8	475.9	225.0	-
	Timing difference on account of unabsorbed depreciation	-	-	(1,599.7)	(875.3)	902.3	1,572.7
	Change in accounting policy	-	-	-	-	(131.9)	(173.3)
	Others	58.5	(71.7)	(49.0)	(44.2)	312.2	13.9
E	**Total timing differences**	**243.5**	**(794.8)**	**(3,661.5)**	**(4,223.9)**	**(4,126.0)**	**(663.9)**
F	**Net adjustments (D + E)**	**(3,805.9)**	**(353.7)**	**(3,462.3)**	**(4,123.6)**	**(4,358.6)**	**(668.5)**
G	**Deferred tax charge for the year/ period**	**(79.5)**	**261.0**	**1,003.4**	**1,431.3**	**1,399.7**	**227.2**
H	**Tax expense / (benefit)**	**(1,234.8)**	**(114.8)**	**(1,150.1)**	**(1,401.6)**	**(1,481.5)**	**(227.2)**

	Particulars	Period ended	Year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	(F x B)						
	Tax expense for the year/ period (C + G + H)	**1,243.3**	**2,365.4**	**1,564.3**	**1,431.3**	**1,399.7**	**227.2**
	As per restated financials						
	Current tax	1,322.8	2,104.4	1,165.0	773.9	450.9	72.0
	Less: MAT credit entitlement	-	-	(604.1)	(773.9)	(450.9)	(72.0)
	Deferred tax	(79.5)	261.0	1,003.4	1,431.3	1,399.7	227.2
	Total as per restated financials (excluding fringe benefit tax)	**1,243.3**	**2,365.4**	**1,564.3**	**1,431.3**	**1,399.7**	**227.2**

NOTE:

1. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Profit and Loss of the Company.

ANNEXURE – XVII: RESTATED UNCONSOLIDATED STATEMENT OF DIVIDEND

₹ Million

Particulars	Period Ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Issued, subscribed and fully paid-up						
Equity shares of ₹ 10 each	1,742,408,730	580,802,910	580,802,910	580,802,910	540,500,000	53,825
	1,742,408,730	**580,802,910**	**580,802,910**	**580,802,910**	**540,500,000**	**53,825**
Dividend on equity shares						
Interim dividend (₹ 2.5 per share)	4,356.0	-	-	-	-	-
Tax on interim dividend (including surcharge)	706.7	-	-	-	-	-
	5,062.7	**-**	**-**	**-**	**-**	**-**

NOTE:

1. As on August 23, 2012, the Company further issued 1,161,605,820 fully paid up bonus shares in ratio of 1:2 shares (face value of ₹ 10 each) with an equivalent withdrawal from securities premium account.

ANNEXURE – XVIII: STATEMENT OF ACCOUNTING RATIOS

₹ Million (except per share data in ₹)

Particulars		Period ended	Year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Basic earnings per share (₹) (refer note 1 (a) below)	A/B	3.811	2.568	2.058	1.657	1.821	0.272
Diluted earnings per share (₹) (refer note 1 (b) below)	A/C	3.802	2.562	2.055	1.617	1.786	0.267
Net Profit after tax as restated attributable to equity shareholders	A	6,639.5	4,474.4	3,586.7	2,692.4	2,953.0	438.8
Weighted average no. of equity shares outstanding at end of the year/ period (refer note 2 and 4 below)	B	1,742,408,730	1,742,408,730	1,742,408,730	1,624,613,877	1,621,500,000	1,614,750,000
Weighted average no. of equity shares (including ESOP and Convertible debentures) which should be considered for calculating Diluted EPS (refer note 2 and 4 below)	C	1,746,442,324	1,746,350,658	1,745,301,094	1,665,439,880	1,653,655,134	1,646,469,187
Net Worth at the end of the year/ period (refer note 3 below)	D	148,656.7	147,431.7	143,513.7	140,361.5	104,589.8	102,624.9
Total no. of equity shares outstanding at the end of the year/ period	E	1,742,408,730	580,802,910	580,802,910	580,802,910	540,500,000	53,825
Return on Net Worth (%) (Refer note 1 (c) below)	A / D *100	**4.5%**	**3.0%**	**2.5%**	**1.9%**	**2.8%**	**0.4%**
Net asset value per equity share (₹) (Refer note 1 (d) and 5 below)	D/E	**85.3**	**253.8**	**247.1**	**241.7**	**193.5**	**1,906,640.0**

NOTES:

1. The ratios have been computed as below:

(a) Basic earnings per share (₹) = Net profit after tax (as restated) attributable to shareholders / Weighted average number of equity shares outstanding at the end of the year/ period (after considering impact of bonus shares, refer note 4)

(b) Diluted earnings per share (₹) = Net profit after tax (as restated) attributable to shareholders / Weighted average number of dilutive equity shares outstanding at the end of the year/ period (after considering impact of bonus shares, refer note 4)

(c) Return on net worth (%) = Net profit after tax (as restated) / Net worth at the end of the year/ period

(d) Net assets value per share

$$\frac{\text{Net Worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year/ period}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/ period.

3. Net Worth for ratios mentioned in note 1(c) and 1(d) represents sum of Equity Share Capital, Reserves and Surplus (Securities Premium, General Reserve including those arising from BAL and Bharti Infratel Demerger Schemes, Stock options outstanding and Surplus in the Statement of Profit and Loss).

4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company on August 21, 2008 issued bonus shares in the ratio of 9,999 shares for every one share held and on August 23, 2012 issued bonus shares in the ratio of two shares for every one share held to the existing shareholders by way of capitalization of securities premium account. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. The net asset value per equity share is based on the total number of equity shares outstanding as at the end of the respective year/ period.

The net asset value per equity share adjusted for the proportionate change in the number of equity shares on account of the bonus issue is given below:

₹ Million (except per share data in ₹)

Particulars		**Period ended**	**Year ended**				
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Net Worth at the end of the year/ period	A	148,656.7	147,431.7	143,513.7	140,361.5	104,589.8	102,624.9
Total no. of equity shares outstanding at the end of the year/ period (adjusted for bonus issue)	B	1,742,408,730	1,742,408,730	1,742,408,730	1,742,408,730	1,621,500,000	1,614,750,000
Net asset value per equity share (₹)	**A/B**	**85.3**	**84.6**	**82.4**	**80.6**	**64.5**	**63.6**

6. The figures disclosed above are based on the Restated Unconsolidated Summary Statements of the Company.

ANNEXURE – XIX: RELATED PARTIES

Names of the Related Parties and Nature of Relationships as per the Accounting Standard – 18 "Related Party Disclosures"

List of related parties and transactions as per requirements of Accounting Standard - 18, 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
1. Related parties where control exists irrespective of whether transactions have occurred or not						
Holding company	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited
Subsidiary	Bharti Infratel Ventures Limited	Bharti Infratel Ventures Limited	Bharti Infratel Ventures Limited	Bharti Infratel Ventures Limited	Bharti Infratel Ventures Limited	Bharti Infratel Ventures Limited
Joint venture	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited
2. Key Management Personnel	Akhil Gupta	Akhil Gupta	Akhil Gupta	Akhil Gupta	Akhil Gupta	Manoj Kohli
3. Other related parties with whom transactions have taken place						
Entity having significant influence	Bharti Enterprises Limited	Bharti Enterprises Limited	Bharti Enterprises Limited	Bharti Enterprises Limited	Bharti Enterprises Limited	-
Fellow subsidiary	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited
Fellow subsidiary	Bharti Telemedia Limited	Bharti Telemedia Limited	Bharti Telemedia Limited	Bharti Telemedia Limited	Bharti Telemedia Limited	-
Fellow subsidiary	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited
Fellow subsidiary	Centum Learning Limited	Centum Learning Limited	Centum Learning Limited	Centum Learning Limited	Centum Learning Limited	-

Details of the transactions with Related Parties

₹ Million

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
1. Short-term loan and advances given to related party						
Bharti Airtel Limited	3,500.0	11,460.0	12,250.0	-	-	-
Bharti Infratel Ventures Limited	570.0	610.0	0.3	0.3	-	-
Indus Towers Limited	-	804.0	4,822.0	4,822.0	16,027.4	12.5
Total	**4,070.0**	**12,874.0**	**17,072.3**	**4,822.3**	**16,027.4**	**12.5**
2. Short-term loan and advances repaid by related party						
Bharti Airtel Limited	2,870.0	6,100.0	4,450.0	-	-	-
Indus Towers Limited	-	-	-	14,834.4	-	-
Total	**2,870.0**	**6,100.0**	**4,450.0**	**14,834.4**	**-**	**-**
3. Short-term borrowing taken from related party						
Bharti Airtel Limited	-	-	-	-	12,544.3	-
Total	**-**	**-**	**-**	**-**	**12,544.3**	**-**
4. Short-term borrowing repaid to related party						
Bharti Airtel Limited	-	-	-	-	12,544.3	-
Total	**-**	**-**	**-**	**-**	**12,544.3**	**-**
5. Purchase of tangible assets						
Bharti Airtel Limited	-	-	-	2.2	-	0.9
Indus Towers Limited	-	-	-	324.8	-	-
Bharti Hexacom Limited	-	28.0	-	-	-	-
Total	**-**	**28.0**	**-**	**327.0**	**-**	**0.9**
6. Sale of tangible assets						
Bharti Airtel Limited	-	-	-	-	10.6	37.7
Bharti Hexacom Limited	-	-	21.8	-	-	-
Indus Towers Limited	-	5.4	244.2	334.3	-	-
Total	**-**	**5.4**	**266.0**	**334.3**	**10.6**	**37.7**
7. Revenue from operations*						
Bharti Airtel Limited	13,430.6	25,908.4	23,517.8	20,798.1	35,484.2	6,376.9
Bharti Hexacom Limited	1,048.5	2,029.5	1,745.0	1,320.2	1,277.6	217.5
Indus Towers Limited	-	228.0	303.4	303.4	1,344.7	-

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Total	**14,479.1**	**28,165.9**	**25,566.2**	**22,421.7**	**38,106.5**	**6,594.4**
8. Other expenses						
Bharti Airtel Limited	86.1	131.4	69.2	-	-	-
Bharti Hexacom Limited	-	3.3	2.4	-	-	-
Bharti Enterprises Limited	-	-	-	-	57.5	-
Bharti Airtel Services Limited	-	-	-	-	0.6	1.2
Centum Learning Limited	15.5	31.3	27.8	20.0	-	-
Indus Towers Limited	185.5	374.7	416.1	943.4	91.3	-
Total	**287.1**	**540.7**	**515.5**	**963.4**	**149.4**	**1.2**
9. Expenses incurred on behalf of Company						
Bharti Airtel Limited	14.6	17.1	125.0	173.9	251.4	5,812.2
Bharti Hexacom Limited	-	-	-	0.9	-	258.7
Bharti Enterprises Limited	52.6	105.6	89.0	95.9	-	-
Bharti Telemedia Limited	0.8	2.0	2.0	0.9	0.3	-
Bharti Airtel Services Limited	-	-	1.8	-	-	-
Indus Towers Limited	-	-	-	-	2,048.7	-
Total	**68.0**	**124.7**	**217.8**	**271.6**	**2,300.4**	**6,070.9**
10. Expenses incurred by Company on behalf of others						
Bharti Airtel Limited	-	-	-	60.8	40.7	48.8
Bharti Hexacom Limited	-	-	-	-	0.8	38.8
Bharti Infratel Ventures Limited	1.0	-	-	-	-	0.1
Bharti Airtel Services Limited	-	-	-	-	-	0.8
Bharti Enterprises Limited	-	-	-	1.9	-	-
Bharti Telemedia Limited	-	-	-	-	0.2	-
Total	**1.0**	**-**	**-**	**62.7**	**41.7**	**88.5**
11. Key management personnel**						
Employee benefits expenses	35.6	65.3	67.9	50.4	39.1	-
Total	**35.6**	**65.3**	**67.9**	**50.4**	**39.1**	**-**
12. Advances received						
Bharti Airtel Limited	-	-	-	190.9	-	-
Bharti Hexacom Limited	-	-	-	18.2	-	-
Total	**-**	**-**	**-**	**209.1**	**-**	**-**

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
13. Security deposits received						
Bharti Airtel Limited	31.7	54.4	190.3	1,360.2	1,985.7	-
Bharti Hexacom Limited	3.6	10.0	25.7	93.9	54.0	-
Indus Towers Limited	-	-	2,275.5	-	2,568.8	-
Total	**35.3**	**64.4**	**2,491.5**	**1,454.1**	**4,608.5**	**-**
14. Security deposit refunded						
Bharti Airtel Limited	816.0	-	-	-	-	-
Bharti Hexacom Limited	61.7	-	-	-	-	-
Total	**877.7**	**-**	**-**	**-**	**-**	**-**
15. Other income						
(i) Interest income						
Bharti Airtel Limited	733.5	1,054.8	412.2	-	-	-
Bharti Infratel Ventures Limited	46.4	19.1	-	-	-	-
Indus Towers Limited	-	-	-	1,433.1	917.3	-
(ii) Dividend income						
Indus Towers Limited	4,050.0	-	-	-	-	-
Total	**4,829.9**	**1,073.9**	**412.2**	**1,433.1**	**917.3**	**-**
16. Finance cost						
Bharti Airtel Limited	-	-	-	-	415.1	335.1
Total	**-**	**-**	**-**	**-**	**415.1**	**335.1**
17. Dividend paid						
Bharti Airtel Limited	3,750.0	-	-	-		
Total	**3,750.0**	**-**	**-**	**-**	**-**	**-**

* Revenue from operations is inclusive of service tax and exclusive of revenue equalization.

** In addition 2,279,635 stock options have been granted, out of which 2,000,000 were granted during the year ended March 31, 2009 and 279,635 options were granted during the year ended March 31, 2011. Further 4,559,270 additional stock options have been granted pursuant to bonus issue on August 23, 2012.

Balances outstanding as at period/ year end

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
1. Short-term borrowings						
Bharti Airtel Limited	-	-	-	-	-	1,091.5
Total	**-**	**-**	**-**	**-**	**-**	**1,091.5**
2. Trade payables and Other						

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
current liabilities						
Bharti Airtel Limited	197.8	195.3	285.2	139.7	2,104.9	-
Bharti Hexacom Limited	36.6	37.0	4.1	2.6	54.0	2.4
Bharti Telemedia Limited	-	-	-	0.1	-	-
Bharti Airtel Services Limited	0.8	2.6	2.6	-	-	0.5
Bharti Enterprises Limited	9.9	10.0	7.8	9.1	-	-
Centum Learning Limited	5.2	9.0	6.5	-	-	-
Bharti Infratel Ventures Limited	9,650.3	9,650.9	8,897.2	4,157.3	-	-
Indus Towers Limited	553.2	531.0	577.4	287.4	-	-
Akhil Gupta	29.9	39.0	36.7	25.7	-	-
Total	**10,483.7**	**10,474.8**	**9,817.5**	**4,621.9**	**2,158.9**	**2.9**
3. Short-term loans and advances						
Bharti Airtel Limited	13,790.0	13,160.0	7,800.0	-	73.7	-
Bharti Infratel Ventures Limited	1,181.6	611.0	1.0	0.3	-	0.1
Centum Learning Limited	6.9	7.1	7.1	4.7	-	-
Indus Towers Limited	10,711.1	10,718.2	11,204.9	6,007.8	17,437.4	12.5
Total	**25,689.6**	**24,496.3**	**19,013.0**	**6,012.8**	**17,511.1**	**12.6**
4. Other current assets						
Bharti Airtel Limited	56.3	61.0	28.0	-	-	-
Bharti Infratel Ventures Limited	59.0	17.0	-	-	-	-
Total	**115.3**	**78.0**	**28.0**	**-**	**-**	**-**
5. Trade receivables*						
Bharti Airtel Limited	1,208.1	1,722.9	2,023.9	2,172.6	675.7	-
Bharti Hexacom Limited	127.3	176.6	164.2	127.5	144.2	-
Indus Towers Limited	11.0	11.0	-	-	-	-
Total	**1,346.4**	**1,910.5**	**2,188.1**	**2,300.1**	**819.9**	**-**
6. Long-term loans and advances						
Indus Towers Limited	-	27.0	27.0	27.0	-	-
Total	**-**	**27.0**	**27.0**	**27.0**	**-**	**-**
7. Security deposits received						
Bharti Airtel Limited	1,728.2	2,512.4	2,458.1	2,267.7	1,985.7	-
Bharti Hexacom Limited	125.5	183.6	173.6	147.9	52.9	-
Indus Towers Limited	308.0	308.0	4,844.3	2,568.8	2,568.8	-
Total	**2,161.7**	**3,004.0**	**7,476.0**	**4,984.4**	**4,607.4**	**-**

* Trade receivables include unbilled receivables

NOTES:

1. Refer Note 4 to Annexure IV for assets and liabilities transferred from Bharti Airtel Limited to the Company under the BAL Scheme.

2. Refer Note 3.1.3 (i) to Annexure IV for assets and liabilities transferred by the Company to Bharti Infratel Ventures Limited under the Bharti Infratel Demerger Scheme.

3. Bharti Airtel Limited has given stock options to certain employees of the Company. Bharti Airtel Limited has not charged to the Company the compensation cost relating to such stock options granted.

4. Security deposits received as at March 31, 2012 does not reflect amount payable to the Joint Venture, Indus Towers Limited of ₹ 4,536.0 Mn as this is now payable by the subsidiary company, Bharti Infratel Ventures Limited, while as per the related party statement of the Joint Venture this amount is recoverable from the Company.

Restated Consolidated Summary Statement of Assets and Liabilities as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and Statement of profit and loss and Cash Flows for six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 for Bharti Infratel Limited and its subsidiary company and joint venture company (collectively, the "Restated Consolidated Summary Statements")

Auditor's report as required by Part II of Schedule II to the Companies Act, 1956

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

Dear Sirs,

1. We have examined the restated consolidated financial information of Bharti Infratel Limited (the "Company") and its subsidiary Bharti Infratel Ventures Limited ("BIVL") and joint venture company, Indus Towers Limited ("Indus") (together referred to as (the "Group")), as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and for six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 annexed to this report for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

    a. paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the "Act"); and
    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

2. We have examined such restated financial information taking into consideration:

    a. the terms of our engagement agreed with you vide our engagement letter dated August 8, 2012, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
    b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

3. The Company proposes to make an IPO of equity shares of Rs.10 each at such premium, arrived at by the 100% book building process (referred to as the "Issue"), as may be decided by the Board of Directors of the Company.

4. The restated consolidated financial information has been compiled by the management from the audited financial statements of the Group as at September 30, 2012 and for the three and six months period then ended prepared under generally accepted accounting principles in India and approved by the Board of Directors on November 5, 2012, consolidated financial statements of the Group as at and for each of the years ended March 31, 2012, March 31, 2011 and March 31, 2008 prepared under generally accepted accounting principles in India and approved by the Board of Directors on September 4, 2012 and audited consolidated financial statements of the Group as at and for the years ended March 31, 2010, and March 31, 2009 prepared under generally accepted accounting principles in India and approved by the Board of Directors on April 26, 2010 and June 3, 2009 respectively (together, the "Historical period consolidated financial statements") which have been audited by us, and books of account underlying those financial

statements, financial and other records of the Group, to the extent considered necessary by us, for the presentation of the Restated Consolidated Summary Statements under the requirements of Revised Schedule VI of the Act;

For the purpose of audit of the historical period consolidated financial statements as defined above, we did not audit the financial statements of Indus as at September 30, 2012 and for the three and six months period then ended and as at and for each of the years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, whose financial statements reflected total assets of Rs. 164,383.0 million, total revenues of Rs. 33,102.0 million for the three months period and Rs. 64,016.0 million for the six months period and cash inflows amounting to Rs. 2,396 million as at September 30, 2012 and for six months period then ended, total assets of Rs. 162,220.0 million, total revenues before power and fuel charges recovered of Rs. 120,193.0 million and cash inflows amounting to Rs. 491.0 million as at and for the year ended March 31, 2012, total assets of Rs 118,071.0 million, total revenues before power and fuel charges recovered of Rs. 106,670.3 million and cash outflows amounting to Rs. 269.0 million as at and for the year ended March 31, 2011, total assets of Rs. 96,900.1 million, total revenues before power and fuel charges recovered of Rs. 87,713.4 million and cash outflows amounting to Rs.4,168.0 million as at and for the year ended March 31, 2010 and total assets of Rs. 56,767.4 million, total revenues before power and fuel charges recovered of Rs. 21,260.0 million and cash inflows amounting to Rs. 4,660.0 million as at and for the year ended March 31, 2009 and total assets of Rs. 13.7 million, total revenues before power and fuel charges recovered of Rs. Nil and cash inflows amounting to Rs. 2.0 million as at and for the year ended March 31, 2008, which were approved by the board of directors of Indus in their respective board meetings. Those financial statements of Indus have been audited by another firm of Chartered Accountants, whose auditors reports on those financial statements have been relied upon by us.

Our examination, in so far as it relates to the amounts related to Indus as at September 30, 2012 and for the six months period then ended and for each of the years as at and for the years ended March 31, 2012, 2011, 2010, 2009 and 2008, included in these Restated Consolidated Summary Statements, is based on the reports of the other auditors as mentioned above.

5. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we report that:

   Read with paragraph 4 above, we have examined the Restated Consolidated Summary Statements of assets and liabilities of the Group as at September 30, 2012, March 31, 2012, 2011, 2010, 2009, and 2008 and the related Restated Consolidated Summary Statement of profit and loss and cash flows for six months period ended September 30, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 (collectively, the "Restated Consolidated Summary Statements") as set out in Annexures I to III.

6. Based on our examination and the reliance placed on the reports of the auditors of Indus not audited by us as referred to in paragraph 4 above to the extent applicable, we report that:

   a) The restated consolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Note 3 of Annexure IV to this report;
   b) The impact arising on account of changes in accounting policies adopted by the Group as at and for the six months period ended September 30, 2012 is applied with retrospective effect in the Restated Consolidated Summary Statements;
   c) Adjustments for the material amounts in the respective financial years/period to which they relate have been adjusted in the attached Restated Consolidated Summary Statements;
   d) There are no extraordinary items which need to be disclosed separately in the Restated Consolidated Summary Statements;
   e) There are no qualifications in the auditor's reports on the consolidated financial statements of the Group as at and for the three and six months period ended September 30, 2012 and each of the years ended March 31, 2012, 2011, 2010,2009 and 2008, which require any adjustments to the Restated Consolidated Summary Statements;

f) Emphasis of Matter included in Auditor's report for the financial year ended March 31, 2008 which does not require adjustment to the Restated Consolidated Summary Statements is stated as below

Without qualifying our opinion, we draw attention to Note 2 (c) on Schedule 16 to the Consolidated financial statements relating to the accounting pursuant to the Scheme of Arrangement ('the Scheme') for the transfer of the passive infrastructure of Bharti Airtel Limited ('Bharti Airtel') ('the transferor Company') to Bharti Infratel Limited ('Company'), approved by the Hon'ble High Court of Delhi effective from January 31, 2008. The transfer has been accounted for in accordance with the purchase method referred to Accounting Standard 14- Accounting for Amalgamation ('AS 14'). In accordance with the Scheme, the passive infrastructure transferred from Bharti Airtel has been recorded at its fair value of Rs. 82,360 Mn and a similar amount has been credited to the general reserve, which is at variance from generally accepted accounting principles in India, consequent to which, the capital reserve is lower by Rs. 82,360 Mn, general reserve is higher by Rs. 81,971 Mn and depreciation charge is higher by Rs. 388 Mn.

Note 2 (c) on Schedule 16 to the financial statements mentioned above reads as follows:

Scheme of Arrangement between Bharti Airtel Limited and Bharti Infratel Limited

The Scheme of Arrangement ("the Scheme") under sections 391 to 394 of the Companies Act, 1956, between Bharti Airtel Limited (BAL) and Bharti Infratel Limited for transfer of telecom infrastructure undertaking from BAL to BIL was approved by the Hon'ble High Court of Delhi vide order dated November 26, 2007 and filed with the Registrar of Companies, Delhi & Gurgaon on January 31, 2008 i.e. the Effective Date of the Scheme. Pursuant to the scheme, the telecom infrastructure undertaking were transferred to and vested in the Company with effect from January 31, 2008, the Effective Date, accordingly, the Scheme has been given effect to in these financial statements.

Pursuant to the terms of the Scheme, the Telecom Infrastructure undertaking, comprising of wireless and broadcast towers, all rights, titles, deposits, interest over the land on which such towers have been or are proposed to be constructed or erected or installed, current assets and current liabilities (including contingent liabilities) relating to the towers and related telecom assets/liabilities, whether movable, immovable or incorporeal and all plant and equipment as forming part of telecom infrastructure including electrical power connections are recorded by the Company at their respective fair values and an equivalent amount is credited to General Reserve.

The General Reserve shall constitute free reserve available for all purposes of the Company and to be utilised by the Company at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company. The additional depreciation means depreciation provided, charged or suffered by the Company on the respective assets transferred by BAL under the Scheme in excess of that which would be chargeable on the original book value of these assets, as if there had been no revaluation or transfer of these assets under the aforesaid scheme sanctioned by the Hon'ble Delhi High Court.

The assets and liabilities have been recorded at following fair values [based on independent fair valuation report for fixed assets and capital work-in- progress and management estimate for current assets, liabilities and deferred tax liability] and the amount of the General Reserve is computed as below:

Particulars	**Amount (Rs. Mn)**
Fair Value of Assets and Liabilities	
Fixed Assets	89,600.7
Capital Work-in-progress (Including Capital Advances)	2,502.3
Current Assets	2,423.0
Current Liabilities	(10,608.2)
Deferred Tax Liability	(1,558.1)
Amount Transferred to General Reserve	**82,359.7**

Had the Scheme not provided for the above accounting, the general reserve would have been lower & capital reserve would have been higher by Rs. 82,359.7 Mn, in accordance with Accounting Standard 14 'Accounting for Amalgamation' and depreciation charge for the period from February 1, 2008 to March 31, 2008 would have been higher by Rs. 388.2 Mn being the additional depreciation, in accordance with Accounting Standard 6 issued by the Institute of Chartered Accountants of India.

g) In our opinion, the Restated Summary Statements as disclosed in the Annexures to this report, read with the notes disclosed in Annexure IV, and after making adjustments and re-groupings as considered appropriate and disclosed in Note 3 on Annexures IV, have been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

7. We have not audited any financial statements of the Group as of any date or for any period subsequent to September 30, 2012. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to September 30, 2012.

Other Financial Information:

8. At the Company's request, we have also examined the following consolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for six months period ended September 30, 2012 and as at and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008:

(a) Restated Consolidated Statement of Fixed Assets, enclosed as Annexure V
(b) Restated Consolidated Statement of Current Investments, enclosed as Annexure VI
(c) Restated Consolidated Statement of Trade Receivables, enclosed as Annexure VII
(d) Restated Consolidated Statement of Long-term Loans and Advances, enclosed as Annexure VIII
(e) Restated Consolidated Statement of Short-term Loans and Advances, enclosed as Annexure IX
(f) Restated Consolidated Statement of Long-term borrowings enclosed as Annexure X
(g) Restated Consolidated Statement of Short-term borrowings, enclosed as Annexure XI
(h) Restated Consolidated Statement of Revenue, enclosed as Annexure XII
(i) Restated Consolidated Statement Other income, enclosed as Annexure XIII
(j) Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XIV
(k) Restated Consolidated Statement of Related Party Transactions, enclosed as Annexure XV

9. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

per Prashant Singhal
Partner
Membership No: 93283
Place: Gurgaon
Date : November 23, 2012

ANNEXURE – I

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

₹ Million

	Particulars	As at					
		30-Sep- 12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	**Non-current assets**						
	Fixed assets						
	Tangible assets (V)	165,283.8	167,007.0	176,338.9	175,522.3	162,267.1	115,393.1
	Intangible assets(V)	240.9	268.7	327.0	231.2	39.8	-
	Capital work-in-progress	2,324.4	1,856.2	2,882.7	3,646.6	9,534.2	4,015.5
		167,849.1	**169,131.9**	**179,548.6**	**179,400.1**	**171,841.1**	**119,408.6**
	Deferred tax assets	-	-	-	212.1	376.7	6.3
	Long-term loans and advances(VIII)	12,336.9	11,295.9	10,808.8	6,980.9	4,753.7	2,946.0
	Other non-current assets	13,233.0	12,172.7	9,441.3	6,048.0	2,244.5	286.0
		193,419.0	**192,600.5**	**199,798.7**	**192,641.1**	**179,216.0**	**122,646.9**
B	**Current assets**						
	Current investments(VI)	1,000.0	3,363.2	2,455.0	3,949.9	2,870.7	31,930.4
	Trade receivables (VII)	5,697.0	6,825.7	6,986.5	9,014.9	4,051.7	859.1
	Cash and bank balances (III)	1,993.5	480.9	137.2	6,813.7	2,091.9	1,477.8
	Short-term loans and advances (IX)	26,954.2	25,679.1	19,257.6	7,900.7	16,121.8	3,745.6
	Other current assets	6,970.6	5,791.5	4,259.1	4,801.8	2,924.6	0.4
		42,615.3	**42,140.4**	**33,095.4**	**32,481.0**	**28,060.7**	**38,013.3**
C	**Total assets (C = A + B)**	**236,034.3**	**234,740.9**	**232,894.1**	**225,122.1**	**207,276.7**	**160,660.2**
D	**Non-current liabilities**						
	Long-term borrowings (X)	26,565.0	23,888.1	37,170.0	39,660.0	13,770.0	30,255.8
	Deferred tax liabilities	7,347.1	7,347.3	5,960.6	4,292.8	3,058.6	1,800.0
	Other long-term liabilities	15,189.5	18,521.0	17,734.5	14,044.9	8,602.9	1,485.0
	Long-term provisions	6,603.4	5,137.8	4,990.9	5,770.8	9,993.3	5,223.8
		55,705.0	**54,894.2**	**65,856.0**	**63,768.5**	**35,424.8**	**38,764.6**
E	**Current liabilities**						
	Short-term borrowings (XI)	5,604.4	7,704.4	5,468.2	3,248.1	12,065.7	1,091.5
	Trade payables	5,947.9	4,016.6	2,207.0	4,187.4	919.5	2,562.7
	Other current liabilities	25,637.5	22,788.1	19,316.1	17,565.5	55,321.8	15,677.7
	Short-term provisions	90.6	95.5	97.6	76.9	28.0	11.1
		37,280.4	**34,604.6**	**27,088.9**	**25,077.9**	**68,335.0**	**19,343.0**
F	**Total liabilities (F = D + E)**	**92,985.4**	**89,498.8**	**92,944.9**	**88,846.4**	**103,759.8**	**58,107.6**
	Net Worth (C - F)	**143,048.9**	**145,242.1**	**139,949.2**	**136,275.7**	**103,516.9**	**102,552.6**
	Net Worth represented by						
G	**Shareholders' funds**						
	Share capital						
	Equity share capital	17,424.1	5,808.0	5,808.0	5,808.0	5,405.0	0.5
	Total Share capital	**17,424.1**	**5,808.0**	**5,808.0**	**5,808.0**	**5,405.0**	**0.5**
H	**Reserves and surplus**						
	Securities premium account	35,968.9	47,585.0	47,585.0	47,585.0	15,952.5	20,170.5
	Stock option outstanding account	1,350.5	1,369.5	1,224.5	758.9	225.0	-

	Particulars	As at					
		30-Sep- 12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
	General Reserve	74,118.4	72,580.3	74,939.7	77,238.1	79,578.4	81,978.0
	Net surplus in the statement of profit and loss	14,187.0	17,899.3	10,392.0	4,885.7	2,356.0	403.6
	Total Reserves and surplus	**125,624.8**	**139,434.1**	**134,141.2**	**130,467.7**	**98,111.9**	**102,552.1**
	Net Worth (G + H)	**143,048.9**	**145,242.1**	**139,949.2**	**136,275.7**	**103,516.9**	**102,552.6**

NOTE:
The above statement should be read with the Notes to the Restated Consolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows as appearing in Annexure – IV.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place: New Delhi
Date: November 23, 2012

ANNEXURE – II

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

₹ Million

Particulars	Period ended	Year ended				
	30-Sep- 12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Incomes						
Revenue from operations (XII)	49,719.5	94,520.6	85,081.1	70,387.3	50,506.1	7,050.7
Other income (XIII)	1,189.4	1,450.0	1,176.8	901.1	1,266.6	6.3
	50,908.9	**95,970.6**	**86,257.9**	**71,288.4**	**51,772.7**	**7,057.0**
Expenses						
Power and fuel	18,489.7	33,583.1	30,151.2	25,251.7	19,464.4	2,581.7
Rent	5,279.8	10,581.0	9,772.7	8,799.7	5,267.5	707.5
Employee benefits expenses	1,575.4	2,976.8	2,854.4	2,403.7	1,308.7	175.5
Other expenses	5,937.2	11,987.7	11,014.0	9,746.6	9,362.4	1,003.7
Charity and donation	0.1	1.0	0.7	1.1	0.2	-
	31,282.2	**59,129.6**	**53,793.0**	**46,202.8**	**35,403.2**	**4,468.4**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**19,626.7**	**36,841.0**	**32,464.9**	**25,085.6**	**16,369.5**	**2,588.6**
Depreciation and amortization expenses	12,041.5	23,714.3	22,446.5	19,957.6	14,771.4	2,029.2
Less: Adjusted with General Reserve in accordance with the BAL and Bharti Infratel Demerger Scheme (refer note 4 and 3.1.3)	(1,106.6)	(2,251.9)	(2,255.4)	(2,340.3)	(2,399.6)	(397.7)
	10,934.9	**21,462.4**	**20,191.1**	**17,617.3**	**12,371.8**	**1,631.5**
Finance cost	1,881.8	4,072.0	4,326.4	3,539.9	1,144.8	341.3
	12,816.7	**25,534.4**	**24,517.5**	**21,157.2**	**13,516.6**	**1,972.8**
Restated profit before tax	**6,810.0**	**11,306.6**	**7,947.4**	**3,928.4**	**2,852.9**	**615.8**
Tax expense/ (income)						
Current tax	2,239.4	3,051.7	1,692.1	802.9	450.9	72.0
Less: MAT credit entitlement	(32.7)	(639.2)	(1,131.2)	(802.9)	(450.9)	(72.0)
Deferred tax	(1.3)	1,386.8	1,871.7	1,398.7	888.2	209.5
Fringe benefit tax	-	-	-	-	12.3	2.6
Total tax expense	**2,205.4**	**3,799.3**	**2,432.6**	**1,398.7**	**900.5**	**212.1**
Restated profit after tax	**4,604.6**	**7,507.3**	**5,514.8**	**2,529.7**	**1,952.4**	**403.7**

NOTE:

The above statement should be read with the Notes to the Restated Consolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows as appearing in Annexure – IV.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place: New Delhi
Date: November 23, 2012

ANNEXURE – III

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A.CASH FLOW FROM OPERATING ACTIVITIES						
Restated profit before tax	6,810.0	11,306.6	7,947.4	3,928.4	2,852.9	615.8
Non cash adjustments to reconcile profit before tax to net cash flows						
Interest expenses	1,688.8	3,803.6	4,193.8	3,389.3	1,101.1	336.0
Amortization of loan origination fee	188.2	254.1	90.5	118.7	18.9	-
Provision for doubtful debts and advances	168.8	639.2	388.0	350.9	327.0	1.4
Rent equalization	254.4	521.4	668.7	671.1	720.9	148.4
Revenue equalization	(1,234.0)	(2,676.9)	(3,154.2)	(3,007.8)	(2,025.3)	(286.0)
Interest income	(770.5)	(1,139.2)	(729.0)	(842.8)	(600.1)	(0.5)
Depreciation and amortization expense	10,934.9	21,462.4	20,191.1	17,617.3	12,371.8	1,631.5
Employee stock compensation expense	82.6	295.8	465.7	533.9	225.0	-
Fixed assets written off/provision for capital work-in-progress	56.3	150.4	319.1	200.4	133.0	6.7
Provisions no longer required written back	(53.8)	(157.6)	(210.7)	-	-	-
Loss/(profit) on sale of fixed assets (net)	(51.0)	53.1	98.1	115.3	20.2	34.0
Foreign exchange loss / (profit) (net)	-	-	(2.1)	(6.7)	46.2	-
Dividend income from mutual fund investments	(21.4)	-	-	-	(431.9)	(5.2)
Net gain on sale of current investments (net)	(207.4)	(145.3)	(224.3)	(51.0)	(233.9)	(0.5)
Operating profit before working capital changes (as restated)	**17,845.9**	**34,367.6**	**30,042.1**	**23,017.0**	**14,525.8**	**2,481.6**
Movements in working capital						
(Increase)/decrease in trade receivables	992.2	(397.6)	1,721.6	(5,256.5)	(3,505.3)	(149.8)
(Increase)/decrease in short-term loans and advances	(1,005.7)	(93.1)	(3,059.9)	8,183.7	(12,391.1)	(3,294.8)
(Increase)/decrease in long-term loans and advances	(126.0)	(428.7)	(196.5)	(115.1)	(103.8)	(1,457.7)
(Increase)/decrease in other non-current assets	92.2	(219.5)	(230.7)	(510.7)	-	-
(Increase)/decrease in other current assets	(1,215.8)	(1,638.9)	606.4	(2,272.6)	(2,311.1)	-
Increase/(decrease) in trade payables	1,931.3	1,809.6	(1,978.3)	3,274.6	(1,689.4)	2,367.9
Increase/(decrease) in other current liabilities	2,794.7	1,975.3	3,509.9	70.8	5,278.7	1,443.0

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Increase/(decrease) in other long-term liabilities	(3,585.8)	221.8	3,020.9	4,770.9	6,397.0	(0.4)
Increase/(decrease) in long-term provisions	26.8	41.5	30.5	28.3	17.0	0.7
Increase/(decrease) in short-term provisions	(4.9)	(2.1)	20.7	48.9	16.9	3.4
Cash flow from operations	**17,744.9**	**35,635.9**	**33,486.7**	**31,239.3**	**6,234.7**	**1,393.9**
Direct taxes paid (including fringe benefit tax paid) (net of refunds)	(2,793.2)	(3,627.1)	(4,770.5)	(2,122.9)	(1,724.5)	(65.7)
Net cash generated from operating activities (A)	**14,951.7**	**32,008.8**	**28,716.2**	**29,116.4**	**4,510.2**	**1,328.2**
B. CASH FLOW USED IN INVESTING ACTIVITIES						
Purchase of tangible assets including capital work-in-progress	(8,705.4)	(15,724.0)	(24,309.4)	(38,969.0)	(60,238.4)	(19,108.5)
Purchase of intangible assets	(35.5)	(74.3)	(208.2)	(239.7)	(41.9)	-
Proceeds from sale of tangible assets	258.8	535.8	310.7	128.5	-	-
Purchase of current investments	(42,379.0)	(63,527.0)	(100,920.0)	(61,788.3)	(117,516.1)	(33,125.2)
Sale of current investments	44,949.6	62,764.1	102,639.2	60,760.1	146,809.7	1,195.3
Loans given to parent company	(3,500.0)	(11,460.0)	(12,250.0)	-	-	-
Loans repaid by parent company	2,870.0	6,100.0	4,450.0	-	-	-
Interest received	773.4	1,229.6	581.7	1,284.9	155.1	0.1
Dividend received	21.4	-	-	-	431.9	5.2
Net cash (used in) investing activities (B)	(5,746.7)	(20,155.8)	(29,706.0)	(38,823.5)	(30,399.7)	(51,033.1)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES						
Long-term borrowings taken	29,190.0	-	2,310.0	34,860.0	13,770.0	-
Repayments of long-term borrowings	(27,300.7)	(9,870.4)	(6,000.0)	(7,770.0)	-	-
Receipts from issuance of equity shares (including premium)	-	-	-	-	1,186.5	20,170.5
Receipts from issuance of debentures	-	-	-	-	1,779.7	30,255.8
Proceeds from short-term borrowings	(2,100.0)	2,236.2	2,220.1	(8,817.6)	10,974.2	1,091.5
Loan origination fees paid	(73.0)	(73.0)	(15.3)	(459.8)	(120.2)	-
Interest paid	(1,689.4)	(3,802.7)	(4,211.8)	(3,384.6)	(1,087.0)	(336.0)
Interim dividend paid	(4,356.0)	-	-	-	-	-
Tax on interim dividend paid	(1,363.7)	-	-	-	-	-
Net cash generated from/(used in) financing activities (C)	**(7,692.8)**	**(11,509.9)**	**(5,697.0)**	**14,428.0**	**26,503.2**	**51,181.8**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,512.2**	**343.1**	**(6,686.8)**	**4,720.9**	**613.7**	**1,476.9**
Cash and cash equivalents at the beginning of the year/ period	**468.3**	**125.2**	**6,812.0**	**2,091.1**	**1,477.4**	**0.5**
Cash and cash equivalents at the end of the year/ period	**1,980.5**	**468.3**	**125.2**	**6,812.0**	**2,091.1**	**1,477.4**

₹ Million

Components of cash and bank balances	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash and cash equivalents						
Cash on hand	-	-	-	-	0.1	0.4
Balance with scheduled banks :						
Current account	295.0	159.6	100.1	103.5	466.8	9.2
Cheques in hand	28.1	44.1	25.2	51.4	110.1	0.3
Fixed deposit less than three months	1,657.4	264.6	(0.1)	6,657.1	1,514.1	1,467.5
Total cash and cash equivalents	**1,980.5**	**468.3**	**125.2**	**6,812.0**	**2,091.1**	**1,477.4**
Other bank balances						
Fixed deposit more than three months but less than twelve months	13.0	12.6	12.0	1.7	0.8	0.4
Total cash and bank balances	**1,993.5**	**480.9**	**137.2**	**6,813.7**	**2,091.9**	**1,477.8**

NOTES:

1. Restated Consolidated Cash Flow statement has been prepared under the ‘Indirect method’ as set out in Accounting Standard – 3 on Cash Flow Statements as notified by Companies (Accounting Standards) Rules, 2006.

2. The above statement should be read with the Notes to the Restated Consolidated Summary Statement of Assets and Liabilities, Profit and Loss and Cash Flows of Bharti Infratel Limited, as restated appearing in Annexure – IV.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Prashant Singhal
Partner
Membership No: 93283

Place: New Delhi
Date: November 23, 2012

ANNEXURE – IV

NOTES TO THE RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, PROFIT AND LOSS AND CASH FLOWS

1. BACKGROUND

a) Bharti Infratel Limited ("the Company") was incorporated in November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company has entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in certain specified telecom circles of India and formed Indus Towers Limited for such purpose.

The Company has following subsidiary and joint venture collectively referred as the 'Group'.

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at September 30, 2012*
Indus Towers Limited	India	Passive Infrastructure Services	Joint Venture	42%
Bharti Infratel Ventures Limited	India	Passive Infrastructure Services	Subsidiary	100%

* Also as at March 31, 2012, 2011, 2010, 2009 and 2008.

b) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and the related Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2012, years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 (hereinafter collectively referred to as "Restated Consolidated Summary Statements") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of its equity shares.

These Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on September 3, 2009 as amended from time to time.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE GROUP IN THE PREPARATION OF FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED SEPTEMBER 30, 2012

a) Basis of Preparation

The Restated Consolidated Summary Statements have been prepared by applying the necessary adjustments to the consolidated financial statements of Bharti Infratel Limited. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP'). The Consolidated financial statements have been prepared to comply in all material reflect with notified Accounting Standard by Companies (Accounting Standards) Rules, 2006 ('as amended') and the relevant provision 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' and ('AS-27') 'Financial Reporting of Interest in Joint Venture ' notified under Companies (Accounting Standards) Rules, 2006, ('as amended'). The accounting policies have been consistently applied by the Group for all the years presented and are consistent with those used for the purpose of preparation of consolidated financial statements as at and for six months ended September 30, 2012.

The Company interests in jointly controlled entities are accounted for by proportionate consolidation. The Company combines its share of the joint ventures' individual income, expenses, assets and liabilities on a line-by-line basis with similar items in the Group's financial statements.

Inter-company balances have been eliminated on consolidation of subsidiary. Elimination of transaction between joint venture and the Company is done to the extent of proportionate share. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Presentation and disclosure of consolidated financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Group, for preparation and presentation of its consolidated financial statements. Accordingly the Group has presented the financial statements as at September 30, 2012 and March 31, 2012 and for the period/year then ended along with the comparatives as at March 31, 2011 and for the year then ended following the requirement of revised Schedule VI. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of the consolidated financial statements. However, it has significant impact on presentation and disclosures made in the consolidated financial statements. The Group has also reclassified the previous year figures pertaining to year ended March 31, 2010, March 31, 2009 and March 31, 2008 in accordance with the requirements of revised Schedule VI.

The Group has prepared these Restated Consolidated Summary Statements along with related notes in accordance with the requirements of the Guidance Note on revised Schedule VI and has reclassified previous year figures accordingly.

b) Use of estimates

The preparation of consolidated financial statements is in conformity with generally accepted accounting principles and 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 period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible fixed assets

Fixed assets are stated at cost of acquisition, except for assets acquired under the Scheme of Arrangement from Bharti Airtel Limited, which are stated at fair values as per the BAL Scheme (Refer note 4), net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses related to acquisition and installation.

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

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Group has used the following useful lives to provide depreciation on its fixed assets:

Useful lives	
Plant and machinery	3 to 20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipments	2 years/ 5 years
Computers	3 years
Leasehold improvements	Period of lease or useful life, whichever is less

The site restoration cost obligation capitalized as a part of plant and machinery is depreciated over the period of the useful life of the related asset.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of licence, generally not exceeding three years.

Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The amortization period and the amortization method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

f) Leases

Where the Group is lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leases asset, are capitalized at the inception of the lease term at the lower of the fair value of the leased asset and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is lessor

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

g) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Impairment of tangible and intangible assets

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

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

i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Revenue recognition and receivables

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenues

Revenues include revenue from the use of sites and energy charges received from customers. Revenue is recognized as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognized on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the terms of agreement with the customers. The Company collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

Provision for doubtful debts

The Group provides for amounts outstanding for more than 105 days from the invoice date in case of site sharing debtors other than from the parent Group or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

k) Foreign currency transactions and balances

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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are taken to the statement of profit and loss.

l) Retirement and other employee Benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

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 recognized and administered by the Government of India.

The Group's contributions to both these schemes are expensed in the statement of profit and loss as and when they are due. The Group has no further obligations under these plans beyond its monthly contributions.

The Group provides for Gratuity obligations through a defined benefit retirement plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

The Group also provides other benefits in the form of deferred compensation and compensated absences. The employees of the Group are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group discloses the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m) Income taxes

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted for the year/ period. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to statement of the profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e, the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

n) Employee stock compensation cost

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for options to buy equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the Black-Scholes / Lattice Valuation option pricing model and the fair value is recognized as an expense over the period in which the options vest, on a straight line basis, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of option to buy equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

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

s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

3. MATERIAL ADJUSTMENTS

3.1 Summary of results of restatements made in audited financial statements of the Group for the respective years and their impact on the profits of the Group is as under:

Figures in bracket represent decrease in profit

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
(A) Net Profit as per audited financial statements	**4,611.4**	**7,490.5**	**5,394.3**	**2,372.9**	**2,239.6**	**402.6**
Adjustments due to changes in accounting policy						
Change in accounting policy (Refer note no. 3.1.1 below)	-	-	-	-	131.9	173.3
Depreciation on above (Refer note no. 3.1.1 below)	(10.2)	(20.3)	(20.3)	(20.3)	(17.4)	(2.9)
Other adjustments						
Prior period items (Refer note no. 3.1.2 below)	-	45.2	199.0	258.0	(548.1)	(170.4)
(B) Total adjustments	**(10.2)**	**24.9**	**178.7**	**237.7**	**(433.6)**	**-**
(C) Tax impact of adjustments	3.4	(8.1)	(58.2)	(80.9)	146.4	1.1
(D) Total adjustments net of taxes (B + C)	**(6.8)**	**16.8**	**120.5**	**156.8**	**(287.2)**	**1.1**
Restated Profit (A + D)	**4,604.6**	**7,507.3**	**5,514.8**	**2,529.7**	**1,952.4**	**403.7**

3.1.1 Change in accounting policy

In the audited consolidated financial statements for the year ended March 31, 2010, the Group had changed its accounting policy to capitalize rent and security expenses incurred during the construction period with effect from April 1, 2009. The change in accounting policy was given effect to prospectively in the consolidated financial statements of the Group. For the purpose of Restated Consolidated Summary Statements, the Group has capitalized such expenses retrospectively with corresponding impact in Rent and Other expenses amounting to ₹ 131.9 Mn and ₹ 173.3 Mn for the years ended March 31, 2009 and March 31, 2008 respectively. The consequent impact of above on depreciation has also been considered as an adjustment.

3.1.2 Prior period items

In the consolidated financial statements years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, certain items of income/ expenses have been identified as prior period adjustments. These adjustments were recorded in the year when identified. For the purpose of Restated Consolidated Summary Statements, such prior period adjustments have been appropriately adjusted in the respective years. The details of such prior period adjustments are as under:

Figures in bracket represent decrease in profits

₹ Million

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Revenues	-	-	92.6	313.1	(405.7)	-
Rent	-	30.0	85.4	0.7	48.4	(62.4)
Employee benefit expenses	-	-	-	(21.6)	21.6	-
Other expenses	-	19.8	21.0	(34.3)	(321.4)	(3.5)
Depreciation and amortization	-	(4.6)	-	0.1	109.0	(104.5)
Total	**-**	**45.2**	**199.0**	**258.0**	**(548.1)**	**(170.4)**

Adjustment to Rent and other expenses include expense amounting to ₹ 102.1 Mn (net of tax - ₹ 67.4 Mn expense) and amounts written back ₹ 318.4 Mn (net of tax - ₹ 210.2 Mn), which have been adjusted with the reserves created pursuant to the BAL Scheme (Refer note 4) as these pertained to period before appointed date of BAL Scheme.

3.1.3 Scheme of Arrangement for transfer of Telecom Infrastructure in 12 Circles ("Bharti Infratel Demerger Scheme")

The Scheme of Arrangement for transfer of passive telecom infrastructure undertaking (Bharti Infratel Demerger Scheme) in certain specified telecom circles to BIVL was approved by the Hon'ble High Court of Delhi on March 29, 2011 and became effective on May 05, 2011 on filing of the High court order with the Registrar of Companies. As per the terms of the Bharti Infratel Demerger Scheme, the Company transferred the passive telecom infrastructure in certain specified telecom circles to BIVL on the appointed date (April 1, 2009).

The specified passive telecom infrastructure assets were recorded by BIVL at fair value of ₹ 59,920.5 Mn with a corresponding credit to General Reserve. The consolidated financial statements of the Group do not have significant impact of the above demerger as BIVL is consolidated into the Company.

Pursuant to the Bharti Infratel Demerger Scheme, the General Reserve can be utilized for adjusting depreciation on fair value in excess of original historical carrying value, accordingly, depreciation, as restated, amounting to ₹ 704.7 Mn, ₹ 1,446.9 Mn, ₹ 1,450.1 Mn and ₹ 1,497.2 Mn for the six months period ended September 30, 2012 and years ended March 31, 2012, March 31, 2011 and March 31, 2010 respectively, has been adjusted with the Reserves. Had the Company accounted for the above as per Indian GAAP, depreciation charge for six months period ended September 30, 2012 and for the years ended March 31, 2012, March 31, 2011 and March 31, 2010 would have been higher by ₹ 704.7 Mn , ₹ 1,446.9 Mn, ₹ 1,450.1 Mn and ₹ 1,497.2 Mn respectively and profit and loss after tax would have been lower by such amounts for the respective periods.

3.1.4 Certain errors, including errors in computation of depreciation on the fair value component of assets transferred to the Group consequent to BAL Scheme (Refer note 4) have been restated in the reserves of the respective years as follows:

₹ Million

Particulars	**As at**					
	30- Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Certain errors, including	-	117.3	(35.3)	2.8	51.4	(136.2)

Particulars	As at					
	30- Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
errors in computation of depreciation on fair value component of assets						

3.2 Material regroupings

Appropriate adjustments have been made in the Restated Consolidated Summary Statements of Assets and Liabilities, Profit and Loss and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Group for the six months period ended September 30, 2012. The material regroupings made in the Consolidated Summary Statement of Assets and Liabilities, as restated, are as under:-

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Intangible assets (refer note 3.2.1)	-	-	-	78.8	25.5	-
Tangible assets (refer note 3.2.1)	-	-	-	(78.8)	(25.5)	-
Long-term loans and advances (refer note 3.2.2)	-	6,546.1	5,508.8	2,430.4	1,253.0	-
Short-term loans and advances (refer note 3.2.2)	-	(6,546.1)	(5,508.8)	(2,430.4)	(1,253.0)	-
Capital advances (refer note 3.2.3)	-	-	-	-	(607.3)	-
Advances recoverable in cash or kind (refer note 3.2.3)	-	-	-	-	607.3	-
Trade payables (refer note 3.2.4)	-	(133.1)	(134.8)	(215.0)	(394.4)	-
Equipment supply payables (refer note 3.2.4)	-	133.1	134.8	215.0	394.4	-

3.2.1 Intangible assets were included under Computer Software as part of Tangible assets as at March 31, 2010 and March 31, 2009 which have been regrouped under Intangible assets in the Restated Consolidated Summary Statement of Assets and Liabilities.

3.2.2. In the balance sheet of the Group as at March 31, 2012 taxes deducted at source was classified as current and non-current based on the management's assessment of the realization of income-tax refunds from income-tax authorities. However, in presenting these restated consolidated financial statements, entire balance has been classified as non-current. Previous year balances have also been reclassified accordingly.

3.2.3 As at March 31, 2009, capital advances amounting to ₹ 607.3 Mn of Joint Venture Company were disclosed under advances recoverable in cash or kind paid to suppliers. These have been regrouped under capital advances in the Restated Consolidated Summary Statement of Assets and Liabilities.

3.2.4 In the financial statements of Joint Venture Company for the year ended March 31, 2012, retention money payable for purchase of fixed assets and provision for loss of damaged assets were being disclosed as part of trade payables. In the balance sheet as at September 30, 2012, retention money payable for purchase of fixed assets and provision for loss of damaged assets have been classified under equipment supply payables. Accordingly, such balances have been reclassified under equipment supply payables as at March 31, 2012 and previous years in the Restated Consolidated Summary Statement of Assets and Liabilities.

3.3 Non-adjusting items – Changes in estimates

a) Useful life of asset

During the year ended March 31, 2008, the Company has reassessed the economic lives of certain fixed assets, and based thereon changed the depreciable lives of these assets effective October 1, 2007. Had this change in estimate not been done depreciation charged for the year ended March 31, 2008 and accumulated depreciation as at March 31, 2008 with respect to the fixed assets other than those acquired through the Scheme of Arrangement would have been higher by ₹ 100.0 Mn and profit before tax would have been lower by the same amount.

During the year ended March 31, 2009, the Company has reassessed the economic useful lives and residual value of fixed assets and based thereon has changed the depreciable life and depreciable value of certain assets effective January 1, 2009. Had this change in estimate not been done, depreciation charged for the year ended March 31, 2009 and accumulated depreciation as at March 31, 2009 would have been lower by ₹ 132.2 Mn and profit would have been higher by the same amount.

b) Asset retirement obligation

During the year ended March 31, 2010, the Group, effective October 01, 2009, has revised its estimates of provision for asset retirement obligation and consequently has reversed provision amounting to ₹ 5,449.0 Mn with corresponding reduction in gross block of assets. The change in estimates resulted in lower depreciation and higher profit before tax by ₹ 253.2 Mn for the year ended March 31, 2010.

During the year ended March 31, 2011, the Joint Venture Company, further revised its estimates of provision for asset retirement obligation and consequently has reversed provision amounting to ₹ 1,159.0 Mn with corresponding reduction in gross block of assets. The change in estimates resulted in lower depreciation and higher profit before tax by ₹ 71.4 Mn for the year ended March 31, 2011.

During the period ended September 30, 2012, the Joint Venture Company has further revised its estimate for site restoration obligation of sites which has resulted in increase in the estimated obligation by ₹ 1,309.1 Mn. Had the Joint Venture Company not changed its estimate regarding the cost to be incurred for restoration of sites, the depreciation for the period ended September 30, 2012 would have been lower by ₹ 18.1 Mn and the profit after tax for the period ended September 30, 2012 would have been higher by ₹ 12.2 Mn.

The above being in the nature of change in estimate has not been considered for restatement.

4. SCHEME OF ARRANGEMENT BETWEEN BHARTI AIRTEL LIMITED AND BHARTI INFRATEL LIMITED (‘BAL SCHEME’)

The Scheme of Arrangement ("BAL Scheme") under Sections 391 to 394 of the Companies Act, 1956, between Bharti Airtel Limited (BAL) and the Company for transfer of telecom infrastructure undertaking from BAL to the Company was approved by the Hon'ble High Court of Delhi vide order dated November 26, 2007 and filed with the Registrar of Companies, Delhi & Gurgaon on January 31, 2008 i.e. the effective date of the BAL Scheme. Pursuant to the BAL scheme, the telecom infrastructure undertaking were transferred to and vested in the Company with effect from January 31, 2008, the Effective Date, accordingly, the BAL Scheme was given effect to in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2008.

Pursuant to the terms of the BAL Scheme, the Passive Telecom Infrastructure undertaking, comprising of wireless and broadcast towers, all rights, titles, deposits, interest over the land on which such towers have been or are proposed to be constructed or erected or installed, current assets and current liabilities (including contingent liabilities) relating to the towers and related telecom assets/liabilities, whether movable, immovable or incorporeal and all plant and equipment as forming part of telecom infrastructure including electrical power connections were recorded by the Group at their respective fair values and an equivalent amount was credited to General Reserve.

The General Reserve constitute free reserve available for all purposes of the Group and is to be utilized by the Group at its own discretion as it considers proper including in particular for off-setting any additional depreciation that may be charged by the Company. The additional depreciation means depreciation provided, charged or suffered by the Group on the respective assets transferred by Bharti Airtel Limited under the BAL Scheme in excess of that which would be chargeable on the original book value of these assets, as if there had been no revaluation or transfer of these assets under the aforesaid scheme sanctioned by the Hon'ble High Court of Delhi. Accordingly depreciation amounting to ₹ 402.4 Mn, ₹ 922.5 Mn, ₹ 768.9 Mn, ₹ 845.9 Mn, ₹ 2,324.2 Mn and ₹ 388.3 Mn for the period ended September 30, 2012 and years ended March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008, respectively, has been adjusted with the Reserves. Had the Group followed Generally Accepted Accounting Principles in India (IGAAP), General Reserve as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 and depreciation for the respective period/ years would have been higher by such amounts and profit after tax for the respective period/ years been lower by ₹ 402.4 Mn, ₹ 922.5 Mn, ₹ 768.9 Mn, ₹ 845.9 Mn, ₹ 2,324.2 Mn and ₹ 388.3 Mn.

The assets and liabilities have been recorded at following fair values based on independent fair valuation report for fixed assets and capital work-in progress and management estimate for current and non-current assets and liabilities and deferred tax liabilities (net):

₹ Million

Particulars	As at Jan 31, 2008
Fair value of assets	
Fixed assets	90,295.2
Capital work-in-progress	2,360.8
Non-current assets	1,416.3
Current assets	1,161.5
Non-current liabilities	(6,224.6)
Current liabilities	(5,049.0)
Deferred tax liabilities (net)	(1,584.5)
Total	**82,375.7**

5. INVESTMENT IN JOINT VENTURE

The Company entered into a joint venture agreement on December 8, 2007 with Vodafone India Limited and Idea Cellular Limited to form an independent tower company ("Indus Towers Limited") to provide passive telecom infrastructure services in certain specified telecom circles. Pursuant to the aforesaid agreement, the Company has acquired 500,000 equity shares of ₹ 1 each on December 17, 2007 for an aggregate value of ₹ 0.5 Mn.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity considered in the Restated Consolidated Summary Statements are as follows:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Non-current assets (A)						
Fixed assets						
Tangible assets	49,882.1	47,693.2	46,453.7	39,360.3	21,521.2	1.7
Intangible assets	202.9	203.7	193.6	164.6	14.3	-
Capital work-in-progress	1,449.8	1,196.8	1,295.3	1,649.8	5,253.4	-
	51,534.8	**49,093.7**	**47,942.6**	**41,174.7**	**26,788.9**	**1.7**
Deferred tax assets	-	-	-	212.1	514.6	6.3
Long-term loans and advances	7,220.2	6,945.0	6,176.3	2,952.9	1,133.6	1.3

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Other non-current assets	2,130.0	2,182.9	1,737.2	989.5	128.5	-
	9,350.2	**9,127.9**	**7,913.5**	**4,154.5**	**1,776.7**	**7.6**
Current assets (B)						
Current investments	-	2,562.0	2,205.0	315.0	-	-
Trade receivables	1,235.6	2,373.1	3,683.7	5,474.7	2,765.3	-
Cash and bank balances	1,307.5	300.7	94.3	207.5	1,958.9	0.8
Short-term loans and advances	2,109.6	1,658.8	821.9	1,709.0	1,545.2	0.4
Other current assets	5,538.1	5,050.7	3,948.6	4,701.1	1,814.0	-
	10,190.8	**11,945.3**	**10,753.5**	**12,407.3**	**8,083.4**	**1.2**
Total assets (C = A + B)	**71,075.8**	**70,166.9**	**66,609.6**	**57,736.5**	**36,649.0**	**10.5**
Non-current liabilities (D)						
Long-term borrowings	26,565.0	23,887.5	37,170.0	34,860.0	8,425.6	5.5
Deferred tax liabilities	1,830.8	1,801.8	749.3	-	-	-
Other long-term liabilities	5,658.7	8,309.5	8,138.9	6,768.7	1,840.0	-
Long-term provisions	2,770.3	1,362.6	1,231.4	2,140.7	1,857.2	-
	36,824.8	**35,361.4**	**47,289.6**	**43,769.4**	**12,122.8**	**5.5**
Current liabilities (E)						
Short-term borrowings	10,668.0	12,768.0	10,025.0	5,779.6	15,416.1	-
Trade payables	7,486.5	4,633.8	866.1	3,458.2	520.1	0.4
Other current liabilities	14,450.1	12,951.1	6,766.2	5,082.0	9,589.5	16.8
Short-term provisions	15.5	24.7	18.0	9.7	6.7	-
	32,620.1	**30,377.6**	**17,675.3**	**14,329.5**	**25,532.4**	**17.2**
Total liabilities (F = D + E)	**69,444.9**	**65,739.0**	**64,964.9**	**58,098.9**	**37,655.2**	**22.7**
Net Worth (C - F)	**1,630.9**	**4,427.9**	**1,644.7**	**(362.4)**	**(1,006.2)**	**(12.2)**
Net Worth represented by						
Shareholders' funds						
Share capital						
Equity share capital	0.5	0.5	0.5	0.5	0.5	0.5
Reserve and surplus	1,630.4	4,427.4	1,644.2	(362.9)	(1,006.7)	(12.7)
Total Reserves and surplus	**1,630.9**	**4,427.9**	**1,644.7**	**(362.4)**	**(1,006.2)**	**(12.2)**
Net Worth	**1,630.9**	**4,427.9**	**1,644.7**	**(362.4)**	**(1,006.2)**	**(12.2)**

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Incomes						
Revenue from operations	26,886.7	50,480.6	44,800.9	37,245.2	8,523.0	-
Other income	399.8	353.2	286.9	20.2	62.2	-
	27,286.5	**50,833.8**	**45,087.8**	**37,265.4**	**8,585.2**	**-**
Expenses						
Power and fuel	10,414.3	17,935.3	16,150.3	14,339.2	3,211.3	-
Rent	5,026.6	10,234.6	9,417.2	8,722.6	2,143.7	-
Employee benefits expenses	531.7	973.4	936.2	644.8	338.5	7.6
Other expenses	3,244.3	6,725.0	5,849.9	5,152.6	2,401.1	11.4
	19,216.9	**35,868.3**	**32,353.6**	**28,859.2**	**8,094.6**	**19.0**

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Earnings before interest, tax, depreciation and amortization (EBITDA)	**8,069.6**	**14,965.5**	**12,734.2**	**8,406.2**	**490.6**	**(19.0)**
Depreciation and amortization expenses	3,369.2	6,656.8	5,894.9	4,028.6	921.9	-
Finance cost	1,878.7	4,061.0	3,965.7	3,489.3	1,064.7	-
	5,247.9	**10,717.8**	**9,860.6**	**7,517.9**	**1,986.6**	**-**
Restated profit before tax	**2,821.7**	**4,247.7**	**2,873.6**	**888.3**	**(1,496.0)**	**(19.0)**
Tax expense/ (income)						
Current tax	883.7	903.0	527.1	172.6	-	-
Less: MAT credit entitlement	-	(594.7)	(527.1)	(172.6)	-	-
Deferred tax	28.6	1,052.5	961.4	302.5	(508.3)	(6.3)
Fringe benefit tax	-	-	-	-	6.3	-
Total tax expense	**912.3**	**1,360.8**	**961.4**	**302.5**	**(502.0)**	**(6.3)**
Restated profit after tax	**1,909.4**	**2,886.9**	**1,912.2**	**585.8**	**(994.0)**	**(12.7)**
Contingent liabilities	1,613.6	1,536.8	107.9	9.7	-	-
Capital commitments	607.7	912.2	3,832.5	2,604.4	10,160.6	7.6

6. OTHER SIGNIFICANT NOTES

a) Capital commitments

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
(i) Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances)	2,950.7	2,675.1	6,937.9	10,335.5	20,610.1	15,240.0
(ii) Under IT outsourcing agreement, the Company has commitment to pay capex and related service charges	1,804.8	1,916.5	2,208.2	2,469.7	-	-
Total	**4,755.5**	**4,591.6**	**9,146.1**	**12,805.2**	**20,610.1**	**15,240.0**

b) Contingent liabilities

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
1.Guarantees issued by banks and financial instituions on behalf of the Group	**87.0**	**119.3**	**56.3**	**55.9**	**1.2**	**-**

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
2. Claims against the Group not acknowledged as debt (excluding cases where the possibility of any outflow in setlement is remote):-						
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)						
- Sales tax (Refer to a below)	252.6	252.3	8.2	82.5	2.9	2.9
- Stamp duty (Refer to b below)	267.1	267.0	226.6	221.3	237.7	266.4
- Entry tax (Refer to c below)	1,187.9	1,113.9	900.2	725.0	438.6	455.3
- Municipal taxes (Refer to d below)	878.3	640.5	352.4	0.3	0.3	0.3
- Service tax (Refer to e below)	1,384.2	1,384.3	-	-	-	-
(ii) Claims under legal cases including arbitration matters (Refer to g below)	171.1	162.8	153.5	112.4	105.8	49.0
(iii) Income tax matters (Refer to f below)	83.1	81.3	67.2	-	-	-
Total	**4,224.3**	**3,902.1**	**1,708.1**	**1,141.5**	**785.3**	**773.9**

Management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

(a) Sales tax - The claims for sales tax as of September 30, 2012 comprise of the cases relating to the right to use and sales tax demand on purchase of equipments against 'C' Form.

(b) Stamp duty - The Group has received demand in certain states for stamp duty on execution of Lease and License Agreement of Cell Sites.

(c) 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 is not covered under the specific category.

(d) Municipal taxes - The Group is in the process of assessing the applicability and tenability of certain municipal levies which is an industry wide phenomenon and will also be representing to the authorities wherever required. The management does not consider the impact of such assessment to be material.

(e) Service tax - The service tax demand relates to cenvat claimed on tower and related material.

(f) Income tax - The Company has received assessment order for the AY 2008-2009, wherein an initial demand of ₹ 13.0 Mn has been raised by the authority. The Company has filed an appeal against the same. The contingent liability amount as at September 30, 2012 stated above further includes ₹ 70.1 Mn relating to various TDS related matters.

(g) Others - Others mainly include site related legal disputes.

c) **Leases**

Operating lease – Group as a lessee

The lease rentals paid under non-cancellable leases relating to rent of building premises and sites as per the agreements with escalations rates ranging from 0% to 7 % per annum and the maximum obligation on long-term non-cancellable operating leases are as follows:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Lease rental debited to statement of profit and loss	5,279.8	10,581.0	9,772.7	8,799.7	5,267.5	707.5
Obligation on non-cancellable leases:						
Not later than one year	10,656.3	7,985.7	8,523.0	8,850.4	8,972.7	3,348.2
Later than one year but not later than five years	27,921.8	26,997.7	25,217.0	22,113.6	21,523.9	13,638.0
Later than five years	44,546.8	44,847.6	49,100.2	48,449.9	44,816.4	32,856.1
Total	**83,124.9**	**79,831.0**	**82,840.2**	**79,413.9**	**75,313.0**	**49,842.3**

Operating lease – Group as a lessor

The Group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. Net book value of passive telecom infrastructure assets given on operating lease is as follows:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Plant and machinery	164,761.0	166,430.0	175,578.6	174,906.5	162,022.4	115,376.4

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Revenue from rent excluding IRU consideration	30,151.8	60,174.8	54,140.6	43,704.5	30,462.0	4,470.8
Future minimum lease payments receivable:						
Obligation on non-cancellable leases:						
Not later than one year	55,023.4	40,139.1	44,811.8	43,310.5	36,310.9	7,844.1
Later than one year but not later than five years	144,376.6	139,996.4	131,309.7	117,408.3	89,732.6	33,387.1
Later than five years	157,760.1	166,749.2	189,572.0	153,426.5	146,602.9	99,428.7
Total	**357,160.1**	**346,884.7**	**365,693.5**	**314,145.2**	**272,646.4**	**140,659.9**

The Group has entered into a non-cancellable lease arrangement to provide access to the passive infrastructure located at certain specified telecom circles on indefeasible right of use (IRU) basis for a period of two years to its Joint Venture Company, Indus Towers Limited from January 1, 2009. The term has been further extended till September 30, 2013. The Group has credited lease rental to the statement of profit and loss on a straight-line basis over the lease term amounting to ₹ 1,398.4 Mn for the six months period ended September 30, 2012, ₹ 2,796.8 Mn for the years ended March 31, 2012, March 31, 2011 and

March 31, 2010 and ₹ 699.2 Mn for the year ended March 31, 2009.
Revenue from rent includes revenue equalization are as follows:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Revenue equalisation	1,234.0	2,676.9	3,154.2	3,007.8	2,025.3	286.0

d) Asset retirement obligation

The Group 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 on 'Provisions, Contingent liabilities and Contingent Assets' as per Companies Accounting Standard Rules, 2006, is given below:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Opening Balance	5,014.4	4,909.0	5,719.4	9,970.2	5,208.8	-
Additions during the year/ period	142.9	152.9	348.6	1,198.2	4,761.4	1,114.7
Add: acquired in accordance with the BAL Scheme (Refer note 4)	-	-	-	-	-	4,094.1
Add/ less: change in estimate (Refer note 3.3 (b))	1,309.1	-	(1,159.0)	(5,449.0)	-	-
Less: reversed during the year/ period	(13.2)	(47.5)	-	-	-	-
Closing Balance	**6,453.2**	**5,014.4**	**4,909.0**	**5,719.4**	**9,970.2**	**5,208.8**

e) Employee benefits

The Group has recognized the following amounts in the statement of profit and loss:

Defined contribution plans

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Employer's contribution to provident fund	46.9	85.3	70.9	51.7	24.5	5.2
Employer's contribution to ESI	0.1	0.2	0.1	0.1	-	-
Total	**47.0**	**85.5**	**71.0**	**51.8**	**24.5**	**5.2**

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year/ period. The plan is not funded by the Group.

Other employee benefits

Leave encashment is a long term employee benefit and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year/ period.

Gratuity

(i) Amount charged to the statement of profit and loss:

Gratuity	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current service cost	16.5	29.3	23.7	15.8	8.7	2.6
Interest cost	3.7	5.3	3.3	2.0	1.4	-
Actuarial (gain)/ loss	6.1	6.1	7.0	4.4	3.4	4.8
Past service cost	-	-	-	-	-	-
Curtailment and Settlement cost/ (credit)	-	-	-	-	-	-
Net gratuity cost	**26.3**	**40.7**	**34.0**	**22.2**	**13.5**	**7.4**

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

Company

Gratuity	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Discount rate	8.50%	8.00%	7.50%	7.50%	7.50%	7.50%
Expected rate of increase in compensation levels	10.00%	9.00%	9.00%	8.00%	-	7.00%
First three years	-	-	-	-	15.00%	-
Thereafter	-	-	-	-	7.00%	-

Joint Venture

Gratuity	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Discount Rate	8.40%	8.40%	7.90%	7.60%	7.60%	-
Expected Rate of increase in compensation levels	First 2 years - 10% and 7% thereafter	First 2 years - 10% and 7% thereafter	First 3 years - 10% and 7% thereafter	First 4 years - 10% and 7% thereafter	First 5 years - 10% and 7% thereafter	-

(iii) Reconciliation of opening and closing balances of benefit obligations:

₹ Million

Gratuity	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Projected benefit obligation at beginning of the year/ period	86.7	59.4	37.7	23.1	7.4	-
Current service cost	16.5	29.3	23.7	15.8	8.7	2.6
Interest cost	3.7	5.3	3.3	2.0	1.4	-
Benefits paid	(4.8)	(13.4)	(12.3)	(7.6)	(3.3)	-
Actuarial (gain)/ loss	6.1	6.1	7.0	4.4	3.4	4.8

Gratuity	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Liability taken over from venture	-	-	-	-	5.5	-
Projected benefit obligation at end of year/ period	**108.2**	**86.7**	**59.4**	**37.7**	**23.1**	**7.4**
Net amount recognized	**(108.2)**	**(86.7)**	**(59.4)**	**(37.7)**	**(23.1)**	**(7.4)**

(iv) The discount rate is based on the average yield on government bonds at the accounting date with a term that matches that of the liabilities.

(v) 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.

(vi) Estimated amounts of benefits payable within next year by the Company are set out in table below:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Estimated amounts of benefits payable within next year	39.0	25.5	21.1	14.6	1.0	0.9

(vii) The table below discloses experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard - 15, "Employee Benefits"

₹ Million

Gratuity	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Defined benefit obligation	108.2	86.7	59.4	37.7	23.1	7.4
Plan assets	-	-	-	-	-	-
Surplus/ (deficit)	(108.2)	(86.7)	(59.4)	(37.7)	(23.1)	(7.4)
Experience adjustments on plan liabilities (loss)/ gain	(5.7)	(7.0)	(6.6)	(3.2)	-	-

(viii) Movement in provision for deferred bonus plan

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Opening Balance	17.7	50.9	58.4	8.0	2.6	-
Add: acquired under the BAL Scheme (Refer note 4)	-	-	-	-	-	2.4
Add: addition during the year/ period	2.5	14.0	40.4	73.6	6.4	0.1
Less: utilized during the year/ period	(20.2)	(47.2)	(47.9)	(23.2)	(1.0)	(0.0)
Closing Balance	**-**	**17.7**	**50.9**	**58.4**	**8.0**	**2.6**

f) Employee stock option plans

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Plan. The Company has granted additional stock options in the ratio of two options for every one option pursuant to bonus issue on August 23, 2012. The total number of additional options granted is 6,165 thousand.

Under the Plan 9,947 thousand options have been awarded to directors, officers and employees of the Company (including Group Companies) till date including the additional grants pursuant to bonus issue, out of which 34 thousand options have been granted during the six months period ended September 30, 2012.

On September 1, 2009, the Joint Venture Company (Indus Towers Limited) announced an Employee stock option plan ('ESOP' or 'plan') for eligible employees

₹ Million

Type of arrangement	Date of grant	Number granted (in thousand)	Options outstanding as at 30-Sep-12*	Contractual life	Vesting conditions
Company					
Senior management stock option					
A.	1-Sep-08	2,000	6,000	7 Years	Date of appointment
B.	1-Jan-09	257	636	7 Years	
C.	1-Jul-10	338	860	7 Years	
Executive stock option					
A.	1-Jan-09	49	-	7 Years	Date of appointment
B.	6-Jul-09	31	-	7 Years	
C.	10-Jul-09	31	-	7 Years	
D.	1-Jul-10	3	90	7 Years	
E.	1-Aug-10	49	3	7 Years	
F.	8-Aug-11	30	146	7 Years	
G.	8-Aug-11	30	91	7 Years	
General employee stock option					
A.	1-Jan-09	208	182	7 Years	One year of continuous employment
B.	1-Jul-09	143	140	7 Years	
C.	1-Jan-10	295	484	7 Years	
D.	1-Jul-10	234	467	7 Years	
E.	1-Aug-11	50	148	7 Years	
Long term incentive plan					
A.	28-Aug-12	34	34	7 years	Band 3 or above, performance based
Joint Venture					
Indus plan	2009-10	0.9	0.9	7 Years	Date of appointment
Indus plan	2009-10	0.3	0.3	7 Years	
Indus plan	2011-12	0.1	0.1	7 Years	

* Represents the number of options outstanding as on September 30, 2012 after considering the impact of bonus issue on August 23, 2012.

Company

The weighted average fair value per option based on Black Scholes / Lattice Valuation model is ₹ 475 on the original grants. The fair value is being amortized over the vesting period of 36 and 60 months, respectively on a graded vesting basis.

All 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. However, in case the Company does not get listed by March 31, 2013, the employees will have the option to cash settle the option in June 2013. The options under this plan have an exercise price of ₹ 329 per equity share and vest on a graded basis. The exercise price of ₹ 329 per equity share has been diluted to one third pursuant to the bonus issue in August 2012. Further the options granted under 'Long term incentive plan' are exercisable at ₹ 10 per equity share.

Joint Venture

The weighted average fair value per option based on Black Scholes/ Lattice valuation model for the Joint Venture Company is ₹ 273,703. The fair value is being amortized over the vesting period of 48 months, respectively on a graded vesting basis.

All 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 options under this plan have an exercise price of ₹ 249,300 per equity share and vest on a graded basis. However, the Joint Venture Company will, subject to statutory provisions and rules, buy back the shares pursuant to exercise of Options in the manner specified in the ESOP scheme, since the Joint Venture Company was not listed by March 31, 2012. Hence, in accordance with the terms of the Employee Stock Option Plan ("the Plan"), the Joint Venture Company has classified share based payment award from equity settled to cash settled and recognized a liability of ₹ 151.2 Mn and ₹ 150.4 Mn as at September 30, 2012 and March 31, 2012, based on fair value of the option determined using Black Scholes Option Pricing Model. For the years ended March 31, 2011 and March 31, 2010 the said plan remains equity settled.

	Vesting period from the date of grant	**Vesting schedule**
Company		
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%
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%
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%
Joint Venture		
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%

Information concerning the stock options granted and outstanding at the year/ period end is as follows:

₹ Million

Particulars	As at											
	30-Sep-12		31-Mar-12		31-Mar-11		31-Mar-10		31-Mar-09		31-Mar-08	
	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)
Company												
Number of shares under option:												
Outstanding at beginning of the year/ period	3,333.1	329.0	3,336.1	329.0	2,898.0	329.0	2,494.0	340.0	-	-	-	-
Cancelled or expired or forfeited upto the date of bonus issue (b)	250.4	329.0										
Options outstanding as at the date of bonus issue (a-b)	3,082.7	329.0										
Bonus issue in the ratio of 1:2	6,165.2	109.7										
Granted	33.6	10.0	80.0	329.0	654.1	329.0	501.0	340.0	2,494.0	340.0	-	-
Exercised	-	-	-	-	-	-	-	-	-	-	-	-
Cancelled or expired or forfeited	-	-	83.0	-	216.0	-	97.0	-	-	-	-	-
Prior Period adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding at the year/ period end	9,281.5	109.7	3,333.1	329.0	3,336.1	329.0	2,898.0	340.0	2,494.0	340.0	-	-
Exercisable at end of the year/ period	6,195.0	109.7	1,631.0	329.0	988.0	329.0	-	-	-	-	-	-
Joint Venture												
Number of shares under option:												
Outstanding at beginning of the year/ period	0.9	249,300.0	1.0	249,300.0	0.8	249,300.0	-	-	-	-	-	-
Granted	0.1	249,300.0	0.1	249,300.0	0.3	249,300.0	0.9	249,300.0	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	As at											
	30-Sep-12		31-Mar-12		31-Mar-11		31-Mar-10		31-Mar-09		31-Mar-08	
	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)
Cancelled or expired or forfeited	0.1	249,300.0	0.2	249,300.0	0.1	249,300.0	0.1	249,300.0	-	-	-	-
Outstanding at the year/ period end	0.9	249,300.0	0.9	249,300.0	1.0	249,300.0	0.8	249,300.0	-	-	-	-
Exercisable at end of the year/ period	0.4	249,300.0	0.2	249,300.0	0.1	249,300.0	-	-	-	-	-	-

₹ Million

Particulars	As at											
	30-Sep-12		31-Mar-12		31-Mar-11		31-Mar-10		31-Mar-09		31-Mar-08	
	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)	Number of stock options (In '000)	Fair value (₹)
Company												
Weighted average grant date fair value per option for options granted during the year/ period at less than market value	33.6	258.1	80.0	475.2	654.0	468.0	501.0	478.1	2,494.0	374.8	-	-
Joint Venture												
Weighted average grant date fair value per option for options granted during the year/ period at less than market value	0.8	273,703.0	0.1	273,703.0	0.3	340,750.0	0.9	368,027.0	-	-	-	-

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	Period ended			Year ended		
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Company						
Risk free interest rates	8.37% to 8.62%	8.37% to 8.62%	7.18% to 8.16%	5.40% to 8.13%	7.80% to 8.24%	-
Expected life	36 to 60 months	48 to 60 months	48 to 60 months	48 to 60 months	48 to 72 months	-
Volatility	52.42% to 52.43 %	52.42% to 52.43 %	49.26% to 52.69%	49.26% to 52.69%	49.26%	-
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	-
Joint Venture						
Risk free interest rates	8.55%	8.86%	7.90%	8.50%	-	-
Expected life	4.520 years	4.925 years	4.925 years	5.425 years	-	-
Volatility	36.63%	35.88%	46.00%	58.00%	-	-
Dividend yield	0.00%	0.00%	0.00%	0.00%	-	-

The balance of deferred stock compensation and total employee compensation recognized is set out in table below:

₹ Million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Deferred stock compensation outstanding	136.4	232.0	463.0	664.4	716.0	-

₹ Million

Particulars	Period ended			Year ended		
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Total employee compensation recognized	82.6	295.8	465.7	533.9	225.0	-

Note:

Bharti Airtel Limited has given stock option to certain employees of the Group. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Group.

g) Expenditure in foreign currency (accrual basis)

₹ Million

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Legal and professional	-	19.0	-	-	-	-
Information technology expenses	-	5.0	-	-	-	-
Other expenses	11.3	13.0	18.9	0.2	2.6	
Total	**11.3**	**37.0**	**18.9**	**0.2**	**2.6**	**-**

h) CIF value of imports

₹ Million

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Capital Goods	-	6.3	261.7	644.5	1,469.6	-
Total	**-**	**6.3**	**261.7**	**644.5**	**1,469.6**	**-**

i) Since the Group's business activity falls within a single business and geographical segment of providing passive infrastructure, there are no additional disclosure to be provided under Accounting Standard – 17 "Segment reporting" other than those already provided in the financial statements.

j) Significant changes in Share capital:

Company

During the year ended March 31, 2008 and March 31, 2009 leading international investors invested an amount of ₹ 53,392.5 Mn in aggregate, towards 4,050 Equity Shares of ₹ 10 each (of which 3,825 shares issued as of March 31, 2008 and 225 shares were issued on April 2, 2008) and 3,203,550 fully and compulsory convertible, non-cumulative, unsecured and interest free Debentures of ₹ 10,000 each (of which 3,025,575 Debentures issued as on March 31, 2008 and 177,975 Debentures were issued on April 2, 2008).

As on August 21, 2008, the Company issued 540,445,950 fully paid up bonus shares in ratio of 1:9,999 shares (face value of ₹ 10 each) with an equivalent withdrawal from securities premium account.

During the year ended March 31, 2010, the Company has converted 118,650 Interest Free Unsecured Convertible Debentures into 1,182,270 equity shares of ₹ 10 each at a premium of ₹ 993.578 per share. The remaining 3,084,900 Interest Free Unsecured Convertible Debentures have been converted into 39,120,640 equity shares of ₹ 10 each at a premium of ₹ 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.

As on August 23, 2012, the Company issued 1,161,605,820 fully paid up bonus shares in ratio of 1:2 shares (face value of ₹ 10 each) with an equivalent withdrawal from securities premium account.

Joint Venture Company

The Joint Venture Company has done a stock split on July 14, 2009. The par value of the equity share was split from ₹ 10 per share to ₹ 1 per share. Following the share split, authorized number of equity shares stands increased from 50 million to 500 million and issued, subscribed and fully paid-up number of equity shares stands increased from 119,047 to 1,190,470.

There are no bonus issue and buy back of shares in the six months period ended September 30, 2012 and any of the previous years.

k) Other notes

1. In the financial statements of Joint Venture Company for the six months period ended September 30, 2012, certain disputed tax demand notices and queries relating to ₹ 17,174.6 Mn (as at March 31, 2012 - ₹ 16,541.7 Mn) have neither been acknowledged as claims nor considered as contingent liabilities, based on internal assessment and independent advice taken from tax experts. The Joint Venture Company is of the view that the possibility of any of these tax demands materializing is remote.

2. On May 31, 2011, the Subsidiary Company "Bharti Infratel Ventures Limited" filed a scheme of merger before Hon'ble High Court of Delhi whereby the Subsidiary Company will merge with Indus Towers Limited, with appointed date as April 1, 2009.

3. During the quarter ended September 30, 2012, the Company has declared and paid Interim dividend for the financial year 2012-2013 at the rate of ₹ 2.50 per equity share to all existing shareholders as on September 6, 2012.

4. During the quarter ended September 30, 2012, the Company has received Interim dividend for the financial year 2012-2013 from its Joint Venture Company amounting to ₹ 4050.0 Mn which has been eliminated during consolidation.

ANNEXURE – V: RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS

₹ Million

Particulars	Land	Plant and Machinery	Offiace furniture and equiptment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
Cost									
As at April 1, 2007	-	-	-	-	-	-	-	-	-
Additions	-	27,139.1	2.2	1.6	14.7	2.6	**27,160.2**	-	-
Disposals	-	(51.4)	-	-	-	-	**(51.4)**	-	-
Acquired under BAL Scheme (refer note 4 to Annexure IV)	3.9	90,291.3	-	-	-	-	**90,295.2**	-	-
As at March 21, 2008	**3.9**	**117,379.0**	**2.2**	**1.6**	**14.7**	**2.6**	**117,404.0**	**-**	**-**
Accumulated Depreciation									
As at April 1, 2007	-	-	-	-	-	-	-	-	-
Charge for the year	-	2,020.9	0.2	-	8.1	-	**2,029.2**	-	-
Disposals	-	(18.3)	-	-	-	-	**(18.3)**	-	-
As at March 31, 2008	**-**	**2,002.6**	**0.2**	**-**	**8.1**	**-**	**2,010.9**	**-**	**-**
Cost									
As at April 1, 2008	**3.9**	**117,379.0**	**2.2**	**1.6**	**14.7**	**2.6**	**117,404.0**	**-**	**-**
Additions	-	61,459.5	132.6	4.2	50.3	99.5	**61,746.1**	41.9	**41.9**
Disposals	-	(140.9)	(0.4)	-	-	-	**(141.3)**	-	-
As at March 31, 2009	**3.9**	**178,697.6**	**134.4**	**5.8**	**65.0**	**102.1**	**179,008.8**	**41.9**	**41.9**
Accumulated Depreciation									
As at April 1, 2008	**-**	**2,002.6**	**0.2**	**-**	**8.1**	**-**	**2,010.9**	**-**	**-**
Charge for the year	-	14,711.0	5.7	0.2	43.6	8.8	**14,769.3**	2.1	**2.1**
Disposals	-	(38.4)	-	-	-	(0.1)	**(38.5)**	-	-
As at March 31, 2009	**-**	**16,675.2**	**5.9**	**0.2**	**51.7**	**8.7**	**16,741.7**	**2.1**	**2.1**
Cost									
As at April 1, 2009	**3.9**	**178,697.6**	**134.4**	**5.8**	**65.0**	**102.1**	**179,008.8**	**41.9**	**41.9**
Additions	1.1	38,241.8	34.3	-	489.8	98.2	**38,865.2**	239.7	**239.7**
Disposals	-	(300.0)	(46.7)	(1.6)	-	(2.6)	**(350.9)**	-	-
Other adjustments (refer 3.3 (b) to Annexure IV)	-	(5,449.0)	-	-	-	-	**(5,449.0)**	-	-

Particulars	Land	Plant and Machinery	Offiace furniture and equiptment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
As at March 31, 2010	**5.0**	**211,190.4**	**122.0**	**4.2**	**554.8**	**197.7**	**212,074.1**	**281.6**	**281.6**
Accumulated Depreciation									
As at April 1, 2009	**-**	**16,675.2**	**5.9**	**0.2**	**51.7**	**8.7**	**16,741.7**	**2.1**	**2.1**
Charge for the year	-	19,707.5	23.8	0.9	149.4	27.7	**19,909.3**	48.3	**48.3**
Disposals	-	(98.8)	(0.2)	(0.2)	-	-	**(99.2)**	-	-
As at March 31, 2010	**-**	**36,283.9**	**29.5**	**0.9**	**201.1**	**36.4**	**36,551.8**	**50.4**	**50.4**
Cost									
As at April 1, 2010	**5.0**	**211,190.4**	**122.0**	**4.2**	**554.8**	**197.7**	**212,074.1**	**281.6**	**281.6**
Additions	1.0	24,209.6	45.0	1.0	187.1	209.0	**24,652.7**	208.2	**208.2**
Disposals	-	(695.2)	-	-	-	-	**(695.2)**	-	-
Other adjustments (refer 3.3 (b) to Annexure IV)	-	(1,159.0)	-	-	-	-	**(1,159.0)**	-	-
As at March 31, 2011	**6.0**	**233,545.8**	**167.0**	**5.2**	**741.9**	**406.7**	**234,872.6**	**489.8**	**489.8**
Accumulated Depreciation									
As at April 1, 2010	**-**	**36,283.9**	**29.5**	**0.9**	**201.1**	**36.4**	**36,551.8**	**50.4**	**50.4**
Charge for the year	-	22,035.5	33.0	1.0	205.6	59.0	**22,334.1**	112.4	**112.4**
Disposals	-	(352.2)	-	-	-	-	**(352.2)**	-	-
As at March 31, 2011	**-**	**57,967.2**	**62.5**	**1.9**	**406.7**	**95.4**	**58,533.7**	**162.8**	**162.8**
Cost									
As at April 1, 2011	**6.0**	**233,545.8**	**167.0**	**5.2**	**741.9**	**406.7**	**234,872.6**	**489.8**	**489.8**
Additions	-	14,907.3	25.0	3.0	57.7	71.0	**15,064.0**	74.3	**74.3**
Disposals	-	(1,589.5)	-	-	-	(4.0)	**(1,593.5)**	-	-
Other adjustments	-	(41.0)	-	-	-	-	**(41.0)**	-	-
As at March 31, 2012	**6.0**	**246,822.6**	**192.0**	**8.2**	**799.6**	**473.7**	**248,302.1**	**564.1**	**564.1**
Accumulated Depreciation							**-**		**-**
As at April 1, 2011	**-**	**57,967.2**	**62.5**	**1.9**	**406.7**	**95.4**	**58,533.7**	**162.8**	**162.8**
Charge for the year	-	23,242.7	40.0	1.0	223.0	75.0	**23,581.7**	132.6	**132.6**
Disposals	-	(817.3)	-	-	-	(3.0)	**(820.3)**	-	-
As at March 31, 2012	**-**	**80,392.6**	**102.5**	**2.9**	**629.7**	**167.4**	**81,295.1**	**295.4**	**295.4**
Cost									

Particulars	Land	Plant and Machinery	Offiace furniture and equiptment	Vehicles	Computers	Leasehold Improvements	Tangible Assets	Computer Software	Intangible Asset Total
As at April 1, 2012	**6.0**	**246,822.6**	**192.0**	**8.2**	**799.6**	**473.7**	**248,302.1**	**564.1**	**564.1**
Additions	-	10,550.7	37.8	-	21.0	31.0	**10,640.5**	36.8	**36.8**
Disposals	-	(1,134.3)	-	-	(10.0)	(5.0)	**(1,149.3)**	-	**-**
As at September 30, 2012	**6.0**	**256,239.0**	**229.8**	**8.2**	**810.6**	**499.7**	**257,793.3**	**600.9**	**600.9**
Accumulated Depreciation									
As at April 1, 2012	**-**	**80,392.6**	**102.5**	**2.9**	**629.7**	**167.4**	**81,295.1**	**295.4**	**295.4**
Charge for the period	-	11,835.2	21.0	1.0	76.0	45.0	**11,978.2**	63.3	**63.3**
Disposals	-	(749.8)	-	-	(10.0)	(4.0)	**(763.8)**	1.3	**1.3**
As at September 30, 2012	**-**	**91,478.0**	**123.5**	**3.9**	**695.7**	**208.4**	**92,509.5**	**360.0**	**360.0**
Net block									
As at March 31, 2008	**3.9**	**115,376.4**	**2.0**	**1.6**	**6.6**	**2.6**	**115,393.1**	**-**	**-**
As at March 31, 2009	**3.9**	**162,022.4**	**128.5**	**5.6**	**13.3**	**93.4**	**162,267.1**	**39.8**	**39.8**
As at March 31, 2010	**5.0**	**174,906.5**	**92.5**	**3.3**	**353.7**	**161.3**	**175,522.3**	**231.2**	**231.2**
As at March 31, 2011	**6.0**	**175,578.6**	**104.5**	**3.3**	**335.2**	**311.3**	**176,338.9**	**327.0**	**327.0**
As at March 31, 2012	**6.0**	**166,430.0**	**89.5**	**5.3**	**169.9**	**306.3**	**167,007.0**	**268.7**	**268.7**
As at September 30, 2012	**6.0**	**164,761.0**	**106.3**	**4.3**	**114.9**	**291.3**	**165,283.8**	**240.9**	**240.9**

NOTE:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

ANNEXURE – VI: RESTATED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

Company

₹ Million

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current investments												
Current investments in mutual funds (valued at lower of cost and fair value)												
ICICI Prudential Liquid super Institutional Plan - Growth	-	1,893,593	-	-	-	-	-	300.0	-	-	-	-
Religare Liquid Fund - Super Institutional Growth	-	237,674	-	-	-	-	-	350.0	-	-	-	-
TATA Liquid Super High Inv.Fund - Appreciation	96,390	76,587	138,120	-	-	-	200.0	151.2	250.0	-	-	-
Birla Sun life cash plus-Institutional Premium Plan – Growth	1,111,159	-	-	-	-	-	200.0	-	-	-	-	-
JP Morgan India Liquid Fund Growth Plan	13,730,888	-	-	-	-	-	200.0	-	-	-	-	-
JM High Liquidity Fund -Super Institutional Plan Growth(94)	11,352,542	-	-	-	-	-	200.0	-	-	-	-	-
Birla Sun Life Savings Fund Instl-Growth	-	-	-	42,926,597	-	-	-	-	-	750.0	-	-
DWS Ultra Short Term Fund-Instiutional Growth	-	-	-	18,482,379	-	-	-	-	-	200.1	-	-
Fidelity Ultra Short Term Debt	-	-	-	19,679,502	-	-	-	-	-	234.4	-	-

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Fund Super Institutional-Growth												
IDFC Cash Fund-Super Inst Plan C-Growth	-	-	-	17,868,630	28,013,297	-	-	-	-	200.0	300.0	-
IDFC Money Manager Fund-Treasury Plan Super Inst Plan C-Growth	-	-	-	45,817,149	-	-	-	-	-	500.1	-	-
Kotak Liquid(Institutional Premium)-Growth	8,773,238	-	-	10,719,550	-	-	200.0	-	-	200.0	-	-
Reliance Medium Term Fund-Retail Plan-Growth Plan-Growth Option	-	-	-	20,972,421	-	-	-	-	-	400.1	-	-
Religare Ultra Short Term Fund - Institutional Growth	-	-	-	15,801,786	-	-	-	-	-	200.0	-	-
TATA Floater Fund-Growth	-	-	-	40,066,820	-	-	-	-	-	550.1	-	-
UTI Treasury Advantage Fund Inst Plan Growth Option	-	-	-	323,556	169,895	-	-	-	-	400.1	200.0	-
Bharti Axa Liquid Fund-Super Institutional Growth Plan	-	-	-	-	95,902	-	-	-	-	-	100.7	-
Birla Sun Life Cash Plus-Institutional Premium Plan-Growth	-	-	-	-	39,107,774	-	-	-	-	-	550.0	-
DWS Insta Cash Plus Fund Super Institutional-Growth Plan	-	-	-	-	29,784,833	-	-	-	-	-	340.0	-
HDFC Liquid Fund-	-	-	-	-	10,215,606	-	-	-	-	-	180.0	-

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Premium Plan-Growth												
ICICI Prudential Institutional Liquid Plan-Super Institutional Growth	-	-	-	-	15,400,253	-	-	-	-	-	200.0	-
K Liquid-Institutional Plan-Premium Growth	-	-	-	-	22,437,246	-	-	-	-	-	400.0	-
Reliance Liquidity Fund-Growth	-	-	-	-	15,100,722	-	-	-	-	-	200.0	-
Tata Liquid Super High Inv.Fund-Appreciation	-	-	-	-	122,952	-	-	-	-	-	200.0	-
UTI Money Market Fund-Growth	-	-	-	-	8,126,315	-	-	-	-	-	200.0	-
AIG India Liquid Fund Super Institutional Daily Dividend	-	-	-	-	-	1,099,307	-	-	-	-	-	1,100.2
Birla Sun Life Cash Plus-Institutional Premium Plan-Daily Dividend	-	-	-	-	-	224,605,248	-	-	-	-	-	2,250.5
DBS Chola liquid institutional Plus-cumulative	-	-	-	-	-	610,180	-	-	-	-	-	10.0
DSP Blockrock Liquid Fund-Daily Dividend	-	-	-	-	-	749,987	-	-	-	-	-	750.1
DWS Insta Cash Plus Fund Super Institutional-Daily Dividend Plan	-	-	-	-	-	124,768,898	-	-	-	-	-	1,250.2
Fidelity Ultra Short Term Debt Fund Super	-	-	-	-	-	75,004,273	-	-	-	-	-	750.1

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Institutional-Daily Dividend												
HDFC Liquid Fund Premium Plan-Dividend Daily Reinvest	-	-	-	-	-	183,562,576	-	-	-	-	-	2,250.4
HSBC Cash Fund-Institutional Plus Daily Dividend	-	-	-	-	-	124,952,797	-	-	-	-	-	1,250.2
ICICI Prudential Institutional Liquid Plan-Super Institutional Daily Dividend	-	-	-	-	-	250,041,434	-	-	-	-	-	2,500.5
IDFC Liquidty Manager Plus Daily Dividend	-	-	-	-	-	2,000,026	-	-	-	-	-	2,000.4
ING Liquid Fund Super Institutional - Weekly Dividend	-	-	-	-	-	175,000,000	-	-	-	-	-	1,750.0
JM High Liquidy Fund-Super Institutinal Plan - Daily Dividend	-	-	-	-	-	99,852,709	-	-	-	-	-	1,000.2
JP Morgan India Liquid Fund Dividend Plan	-	-	-	-	-	49,970,712	-	-	-	-	-	500.1
K Liquid-Institutional Plan-Premium Daily Dividend	-	-	-	-	-	122,693,951	-	-	-	-	-	1,500.3
Kotak Floater short term- Daily Dividend	-	-	-	-	-	99,594,358	-	-	-	-	-	1,000.2
Magnum Insta Cash Fund - Daily Dividend Option	-	-	-	-	-	29,855,451	-	-	-	-	-	500.1
Principal	-	-	-	-	-	250,030,25	-	-	-	-	-	2,500.5

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash Management Fund Liquid Option- Inst Premium Plan-Dividend						7						
Principal Floating Rate Fund SMP - Inst option Dividend payout Daily	-	-	-	-	-	100,011,919	-	-	-	-	-	1,000.2
Reliance Floating Rate Fund- Daily Dividend Reinvestment Plan	-	-	-	-	-	99,327,038	-	-	-	-	-	1,000.2
Reliance Money Manager Fund- Institutional Option - Growth Plan	-	-	-	-	-	915,671	-	-	-	-	-	1,000.2
Religare India Liquid Fund Institutional Plus Daily Dividend	-	-	-	-	-	100,003,496	-	-	-	-	-	1,000.2
Tata Liquid Super High Investment fund- Daily Dividend	-	-	-	-	-	282,689	-	-	-	-	-	315.4
Templton Floating Rate Income Fund Short Term institutional - Weekly Dividend	-	-	-	-	-	99,380,857	-	-	-	-	-	1,000.0
Templton India Treasury Management Account Super Institutional- Daily Dividend	-	-	-	-	-	1,249,947	-	-	-	-	-	1,250.0
UTI Liquid Cash Plan Institutional - Daily Dividend	-	-	-	-	-	2,452,792	-	-	-	-	-	2,500.2

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Total	**35,064,217**	**2,207,854**	**138,120**	**232,658,390**	**168,574,795**	**2,218,016,573**	**1,000.0**	**801.2**	**250.0**	**3,634.9**	**2,870.7**	**31,930.4**
Aggregate book value of unquoted investments (A)	**35,064,217**	**2,207,854**	**138,120**	**232,658,390**	**168,574,795**	**2,218,016,573**	**1,000.0**	**801.2**	**250.0**	**3,634.9**	**2,870.7**	**31,930.4**
Aggregate market value of unquoted investments (B)	**35,064,217**	**2,207,854**	**138,120**	**232,658,390**	**168,574,795**	**2,218,016,573**	**1,001.7**	**802.3**	**251.1**	**3,636.0**	**2,872.3**	**31,933.0**
Joint Venture												
-												
Kotak Liquid (Institutional Premium)-Growth	-	13,523,547	5,280,893	2,250,490	-	-	-	294.0	105.0	42.0	-	-
Kotak Floater -Long term- Growth	-	-	-	4,312,379	-	-	-	-	-	63.0	-	-
Birla Sun Life Cash Plus-Installement Premium-Growth	-	1,223,962	33,458,031	2,852,873	-	-	-	210.0	525.0	42.0	-	-
Birla Sun Life Savings Fund Instl-Growth	-	-	-	3,603,975	-	-	-	-	-	63.0	-	-
UTI Liquid Cash Plan Institutional	-	238,874	-	27,790	-	-	-	420.0	-	42.0	-	-
UTI Treasury Advantage Fund Institutional Growth	-	-	-	50,934	-	-	-	-	-	63.0	-	-
UTI Liquid Cash Plan	-	-	65,239	-	-	-	-	-	105.0	-	-	-
ICICI Prudential Institutional Liquid Plan-Super Institutional Plan Growth	-	1,325,371	2,896,940	-	-	-	-	210.0	420.0	-	-	-

Particulars	No. of shares/units						As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**	**30-Sep-12**	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Reliance Liquid fund Cash Plan Growth Option	-	26,014,890	19,824,163	-	-	-	-	420.0	315.0	-	-	-
SBI Premier Liquid Fund – Super Institutional Growth mutual fund	-	124,588	-	-	-	-	-	210.0			-	-
IDFC Cash Fund	-	145,069	26,417,974	-	-	-	-	189.0	315.0	-	-	-
HDFC Cash Management Saving Plan	-	27,203,610	5,125,352	-	-	-	-	609.0	105.0	-	-	-
IDFC Fixed Maturity- Monthly Series 29- Growth	-	-	10,500,000	-	-	-	-	-	105.0	-	-	-
ICICI Prudential Interval Fund- Monthly Interval Plan- I Institutional Growth	-	-	9,968,197	-	-	-	-	-	105.0	-	-	-
Reliance Monthly Interval Fund- Series I- Institutional Growth option	-	-	7,921,420	-	-	-	-	-	105.0	-	-	-
Aggregate book value of unquoted investments (C)	**-**	**69,799,911**	**121,458,208**	**13,098,441**	**-**	**-**	**-**	**2,562.0**	**2,205.0**	**315.0**	**-**	**-**
Aggregate market value of unquoted investments(D)	**-**	**69,799,911**	**121,458,208**	**13,098,441**	**-**	**-**	**-**	**2,562.0**	**2,205.0**	**315.0**	**-**	**-**
Aggregate book value of total non-trade current investments (A+C)	**35,064,217**	**72,007,765**	**121,596,328**	**245,756,831**	**168,574,795**	**2,218,016,573**	**1,000.0**	**3,363.2**	**2,455.0**	**3,949.9**	**2,870.7**	**31,930.4**
Aggregate market value of total non-trade current	**35,064,217**	**72,007,765**	**121,596,328**	**245,756,831**	**168,574,795**	**2,218,016,573**	**1,001.7**	**3,364.3**	**2,456.1**	**3,951.0**	**2,872.3**	**31,933.0**

Particulars	No. of shares/units						As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
investments (B+D)												

NOTE:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

2. These investments are in the name of Group.

3. Joint Venture investment in units and value are stated at 42% of total investment.

ANNEXURE – VII: RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured, considered good	2,359.4	828.0	85.2	254.0	372.2	-
Unsecured, considered doubtful	1,080.9	969.0	508.6	306.1	309.2	-
Provision for doubtful debt	(1,080.9)	(969.0)	(508.6)	(306.1)	(309.2)	-
	2,359.4	**828.0**	**85.2**	**254.0**	**372.2**	**-**
Other trade receivables						
Unsecured, considered good	3,337.6	5,997.7	6,901.3	8,760.9	3,679.5	859.1
Unsecured, considered doubtful	526.9	502.2	404.2	299.9	3.5	-
Provision for doubtful debt	(526.9)	(502.2)	(404.2)	(299.9)	(3.5)	-
	3,337.6	**5,997.7**	**6,901.3**	**8,760.9**	**3,679.5**	**859.1**
Total	**5,697.0**	**6,825.7**	**6,986.5**	**9,014.9**	**4,051.7**	**859.1**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.
2. The figures disclosed above do not include unbilled receivables forming part of 'Other current assets'.

Amounts outstanding (including unbilled receivables forming part of 'Other Current Assets') from Parent Company/Group Company/Joint Venture Company:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
From Parent company (refer note 1)	3,311.2	3,760.0	4,060.0	5,071.0	2,819.5	-
From Group company (refer note 2)	214.5	363.0	164.0	127.5	190.9	-
From Joint Venture company	3,814.9	2,271.9	-	-	-	-
Total	**7,340.6**	**6,394.9**	**4,224.0**	**5,198.5**	**3,010.4**	**-**

NOTES:

1. Amount outstanding from Parent company includes ₹ 2,592.9 Mn, ₹ 1,711.0 Mn, ₹ 1,833.7 Mn, ₹ 2,091.4 Mn and ₹ 815.2 Mn as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, respectively being unbilled receivable forming part of 'Other current assets'.

2. Amount outstanding from Group Company represents dues from fellow subsidiary 'Bharti Hexacom Limited' as disclosed in Annexure XV and includes ₹ 147.4 Mn, ₹ 67.2 Mn, ₹121.2 Mn, ₹ 163.7 Mn and ₹ 53.0 Mn as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, respectively being unbilled receivable forming part of 'Other current assets'.

3. Amount due from Joint Venture Company is net of elimination of inter-company balance of 42%.

ANNEXURE – VIII: RESTATED CONSOLIDATED STATEMENT OF LONG-TERM LOANS AND ADVANCES

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Long-term loans and advances						
Unsecured, considered good unless otherwise stated						
Capital advances						
Unsecured, considered good	72.6	90.5	197.0	395.6	911.0	1,390.1
Unsecured, considered doubtful	14.4	14.4	14.4	11.8	-	-
Less Provisions	(14.4)	(14.4)	(14.4)	(11.8)	-	-
	72.6	**90.5**	**197.0**	**395.6**	**911.0**	**1,390.1**
Security deposits						
Unsecured, considered good	3,690.1	3,559.7	3,071.0	2,685.5	2,066.8	1,483.9
Unsecured, considered doubtful	65.4	53.5	7.0	-	-	-
Less Provisions	(65.4)	(53.5)	(7.0)	-	-	-
	3,690.1	**3,559.7**	**3,071.0**	**2,685.5**	**2,066.8**	**1,483.9**
Other loans and advances, unsecured, considered good						
Mat credit receivable	549.0	1,099.6	2,032.0	1,469.4	522.9	72.0
Advance tax and tax deducted at source (Net of provision for income-tax)	8,023.6	6,544.5	5,507.2	2,428.8	1,252.4	-
Advance fringe benefit tax (net of provision)	1.6	1.6	1.6	1.6	0.6	-
Total long-term loans and advances	**12,336.9**	**11,295.9**	**10,808.8**	**6,980.9**	**4,753.7**	**2,946.0**

Amounts due from Parent Company (Promoter) / Joint Venture Company / Directors/ Group Company / Other related parties:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
From Joint Venture company	-	15.7	15.7	15.7	-	-
From Parent company (Promoter)	-	-	-	-	-	-
From Directors	-	-	-	-	-	-
From Other		-				

related parties	-		-	-	-	-
	-	**15.7**	**15.7**	**15.7**	**-**	**-**

NOTES:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

2. Amount due from Joint Venture Company is net of elimination of inter-company balances of 42%.

ANNEXURE – IX: RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Short-term loans and advances						
Loans and advances to related parties						
Unsecured, considered good	21,261.3	20,769.7	14,305.9	3,489.2	10,187.3	7.3
Advances recoverable in cash or kind or for value to be received						
Secured, considered good	268.3	288.3	136.8	32.7	-	-
Unsecured, considered good	4,193.2	3,049.8	4,246.3	4,378.8	5,934.5	3,738.3
Unsecured, considered doubtful	150.4	121.0	107.1	87.1	27.0	16.0
Less: Provision for doubtful advances	(150.4)	(121.0)	(107.1)	(87.1)	(27.0)	(16.0)
	4,461.5	**3,338.1**	**4,383.1**	**4,411.5**	**5,934.5**	**3,738.3**
Other loans and advances, unsecured, considered good						
Minimum alternate tax recoverable	1,231.4	1,571.3	568.6	-	-	-
Total Short-term loans and advances	**26,954.2**	**25,679.1**	**19,257.6**	**7,900.7**	**16,121.8**	**3,745.6**

Amounts due from Parent Company (Promoter) / Joint Venture Company / Directors / Group Company / Other related parties:

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
From Parent company (Promoter)	13,790.0	13,160.0	7,800.0	-	73.7	-
From Joint Venture company	7,464.4	7,602.6	6,498.8	3,484.5	10,113.7	7.3
From Group company	6.9	7.1	7.1	4.7	-	-
From Directors	-	-	-	-	-	-
From Other related parties	-	-	-	-	-	-
	21,261.3	**20,769.7**	**14,305.9**	**3,489.2**	**10,187.3**	**7.3**

NOTES:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

2. Amounts due from Group company represents dues from fellow subsidiary ‘Centum Learning Limited’ as disclosed in Annexure XV.

3. Amount due from Joint Venture Company is net of elimination of inter-company balances of 42%.

ANNEXURE – X: RESTATED CONSOLIDATED STATEMENT OF LONG-TERM BORROWINGS

₹ Million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Long-term borrowings						
Interest free, unsecured, non-cumulative, convertible debentures of ₹ 10,000 each	-	-	-	-	-	30,255.8
Term loan, secured						
- from banks	7,875.0	17,949.5	27,930.0	31,680.0	11,880.0	-
- from others	18,690.0	5,938.0	9,240.0	7,980.0	1,890.0	-
Vehicle loan:						
- term loan, secured	-	0.6	-	-	-	-
Total	**26,565.0**	**23,888.1**	**37,170.0**	**39,660.0**	**13,770.0**	**30,255.8**

NOTES:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The Company had issued 3,025,575 fully and compulsorily convertible debentures of Rs. 10,000 each as on March 31, 2008. Further 177,975 debenture issued on April 2, 2008. During the year ended March 31, 2010, the Company has converted 118,650 Interest Free Unsecured Convertible Debentures into 1,182,270 equity shares of ₹ 10 each at a premium of ₹ 993.578 per share. The remaining 3,084,900 Interest Free Unsecured Convertible Debentures were converted into 39,120,640 equity shares of ₹ 10 each at a premium of ₹ 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 agreement with the investors.

3. The Company had availed term loan from IDFC Limited amounting to ₹ 6,000 Mn which was repaid during the year ended March 31, 2011. The loan was secured against first ranking pari passu charge amongst the senior secured creditors and second rank pari passu amongst the second secured creditors on all present and future tangible movable and immovable assets (excluding land) owned by the Company including plant and machinery, office equipment, furniture and fixtures, spares tools and accessories. The loan carried 7.71% per annum rate of interest as at March 31, 2010. The term loan was repayable in 10 equal semiannual installments commencing on the expiry of 18 months from the date of first installment of loan starting June 30, 2010.

4. Vehicle loan as at March 31, 2012 represents loan for purchase of vehicle taken during the year, secured against the hypothecation of vehicle and repayable in 36 equated monthly installments (EMI) of ₹ 51,765 on 10th day of every month till completion of loan. The rate of interest on vehicle loan is 10.1% per annum. The loan has been prepaid during the six months period ended September 30, 2012.

5. Loans from Banks and Others pertaining to the Joint Venture amounting to ₹ 26,565.0 Mn, ₹ 23,887.5 Mn, ₹ 37,170.0 Mn, ₹ 34,860.0 Mn, ₹ 7,770.0 Mn and ₹ Nil as of September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009 and March 31, 2008 respectively, excluding ₹ 2,625.0 Mn and ₹ 3,412.5 Mn at September 30, 2012 and March 31, 2012 respectively repayable within one year. The interest rate varies from approximately 10.25% per annum to 12% per annum on term loans from banks and others. The loan outstanding up to March 31, 2012 has been fully repaid during the six months period ended September 30, 2012. The Joint Venture company is in the process of de-registrations of charges on the loans outstanding as at March 31, 2012 and fully repaid during the six months period ended September 30, 2012. As per the agreement signed for the new loan facility, the JV Company is yet to create charge mentioned as above, as it has 180 days for the same from the date of signing of the agreement. Amounts repayable within one year have been disclosed

under other current liabilities. The loan is secured by:

(i) a mortgage and first charge of all the Joint Venture's freehold immovable properties and assets, present and future;

(ii) a first charge by way of hypothecation of the Joint Venture Company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;

(iii) a charge on Joint Venture Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject to prior charge in favour of working capital facilities with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities;

(iv) an assignment and first charge of (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Joint Venture Company in the IRU agreements, Master Services Agreements together with service contracts, all as amended, varied or supplemented from time to time duly acknowledged and consented to by the relevant counter-parties to such contracts (if required) and insurance Contracts, all as amended, varied or supplemented from time to time and subject to Applicable Law, all the rights, title, interest, benefits, claim and demands whatsoever of the JV Company in the Clearances and subject to Applicable Law;

(v) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

6. Amount repayable within 1 year has been disclosed under Other current liabilities, as under:

₹ Million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Current portion of long-term borrowings, included under Other current liabilities	2,625.0	3,413.0	0.4	1,200.0	32,035.5	-

ANNEXURE – XI: RESTATED CONSOLIDATED STATEMENT OF SHORT-TERM BORROWINGS

₹ Million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Short-term borrowings						
Unsecured						
- term loan, unsecured	-	2,100.0	-	-	3,000.0	-
Short-term foreign currency loan	-	-	33.6	128.1	-	-
Loans repayable on demand						
- from others	5,604.4	5,604.4	5,434.6	3,120.0	9,065.7	1,091.5
Total short-term borrowings	**5,604.4**	**7,704.4**	**5,468.2**	**3,248.1**	**12,065.7**	**1,091.5**

NOTES:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Group.

2. Unsecured term loan of ₹ 3,000 Mn as at March 31, 2009 comprise of short-term loan availed by the Company from HDFC Bank Limited at an interest rate of 9.25% per annum. The loan is repayable in 3 months from the date of loan and was accordingly repaid during December 2009.

3. Unsecured term loan of ₹ 2,100 Mn has been availed from banks by the Joint Venture Company and is repayable in full on the date falling at the end of 363 days from the date of first disbursement (i.e. August 02, 2011). The rate of interest on the loan is 10.5% per annum.

4. Unsecured short-term foreign currency loan has been availed by the Joint Venture Company at an interest rate of LIBOR+140 bps. The loan has been repaid during the year ended March 31, 2012.

5. Unsecured loan from related party amounting to ₹ 1,091.5 Mn as at March 31, 2008 comprise of amount repayable on demand to Parent company, Bharti Airtel Limited.

6. Loans repayable on demand as at March 31, 2010 and March 31, 2009 include interest bearing loan amounting to ₹ 2,373.5 Mn and ₹ 8,916.6 Mn respectively, taken by the Joint Venture Company from its promoters and promoter group companies. As per the agreement the loans to be repaid upon the earlier of: (a) 18 month from the date of the execution of the agreements (i.e. April 2008) and (b) the first drawdown of the external funding that may be procured by the Joint Venture Company, together with any prior external funding which is sufficient to repay all the outstanding loans. The rate of interest on these loans is 10.25% per annum. The rate of interest is reset every month and is 1.5% less than the prime lending rate prevailing on the first day of each month. Interest is payable in cash in every month or through capitalization into the outstanding loan account. The loan has been repaid.

7. Loans repayable on demand as at September 30, 2012, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009 include interest free loan amounting to ₹ 5,604.4 Mn, ₹ 5,604.4 Mn, ₹ 5,434.6 Mn, ₹ 746.5 Mn and ₹ 149.1 Mn respectively, taken by the Joint Venture Company from Vodafone India Limited, Vodafone Essar Limited, Idea Cellular Limited, Aditya Birla Telecom Limited and Idea Cellular Tower Infrastructure Limited. As per the terms of the agreements, till December 31, 2010, these loans were repayable to shareholders at a mutually agreed date between the shareholders and the Joint Venture Company. These loans are repayable at a mutually agreed date.

ANNEXURE – XII: RESTATED CONSOLIDATED STATEMENT OF REVENUE

₹ Million

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Revenues						
Rent	31,119.2	60,661.1	55,607.9	45,416.9	31,160.8	4,487.5
Energy and other reimbursements	18,600.3	33,859.5	29,473.2	24,970.4	19,345.3	2,563.2
Total	**49,719.5**	**94,520.6**	**85,081.1**	**70,387.3**	**50,506.1**	**7,050.7**

NOTES:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Group.

ANNEXURE – XIII: RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

₹ Million

Particulars	Period ended	Year ended					Nature: Recurring/ non-recurring	Related / Not related to business activity
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08		
Interest on bank deposits	5.9	5.9	186.7	3.2	2.2	0.3	Non-recurring	Not related
Interest on loans to Group Companies	733.5	1,054.8	412.2	831.2	530.3	-	Non-recurring	Not related
Interest on others	31.1	78.5	130.1	8.4	67.6	0.2	Non-recurring	Not related
Dividend income on current investments (mutual funds)	21.4	-	-	-	431.9	5.2	Non-recurring	Not related
Net gain on sale of current investments	207.4	145.3	224.3	51.0	233.9	0.5	Non-recurring	Not related
Miscellaneous income	190.1	165.5	223.5	7.3	0.7	0.1	Non-recurring	Not related
Total Other Income	**1,189.4**	**1,450.0**	**1,176.8**	**901.1**	**1,266.6**	**6.3**		

NOTES:

1. The classification of other income as recurring/non-recurring, related/not-related to business activity is based on the current operations and business activity of the Group as determined by the management.

2. The amounts disclosed above are based on the Restated Consolidated Statement of Profit and Loss of the Group.

3. Interest on loans to Group Companies includes interest income on loans to Parent Company, Subsidiary Company and Joint Venture Company. Refer Annexure XV for details.

4. Interest on others for the year ended March 31, 2011 includes interest received on Income Tax refund amounting to ₹ 122.1 Mn.

ANNEXURE – XIV: STATEMENT OF ACCOUNTING RATIOS

₹ Million (except per share data in ₹)

Particulars		Period ended	Year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Basic earnings per share (₹) (Refer note 1 (a) below)	A/B	2.643	4.309	3.165	1.557	1.204	0.250
Diluted earnings per share (₹) (Refer note 1 (b) below)	A/C	2.637	4.299	3.160	1.519	1.181	0.245
Net Profit after tax as restated attributable to equity shareholders	A	4,604.6	7,507.3	5,514.8	2,529.7	1,952.4	403.7
Weighted average no. of equity shares outstanding during the year/period (Refer note 2 and 4 below)	B	1,742,408,730	1,742,408,730	1,742,408,730	1,624,613,877	1,621,500,000	1,614,750,000
Weighted average no. of equity shares (including ESOP and Convertible debentures) which should be considered for calculating Diluted EPS (Refer note 2 and 4 below)	C	1,746,442,324	1,746,350,658	1,745,301,094	1,665,439,880	1,653,655,134	1,646,469,187
Net Worth at the end of the year/ period (Refer note 3 below)	D	143,048.9	145,242.1	139,949.2	136,275.7	103,516.9	102,552.6
Total no. of equity shares outstanding at the end of the year/ period	E	1,742,408,730	580,802,910	580,802,910	580,802,910	540,500,000	53,825
Return on Net Worth (%) (Refer note 1 (c) below)	A/D*100	**3.2%**	**5.2%**	**3.9%**	**1.9%**	**1.9%**	**0.4%**
Net asset value per equity share (₹) (Refer note 1 (d) below)	D/E	**82.1**	**250.1**	**241.0**	**234.6**	**191.5**	**1,905,307.5**

NOTES:

1. The ratios have been computed as below:

(a)	Basic earnings per share (₹)	Net profit after tax (as restated) attributable to shareholders / Weighted average number of equity shares outstanding during the year/ period (after considering impact of bonus shares, refer note 4)
(b)	Diluted earnings per share (₹)	Net profit after tax (as restated) attributable to shareholders / Weighted average number of dilutive equity shares outstanding during the year/ period (after considering impact of bonus shares, refer note 4)
(c)	Return on net worth (%)	Net profit after tax (as restated) / Net worth at the end of the year/ period
(d)	Net assets value per share	Net Worth at the end of the year/ period / Total number of equity shares outstanding at the end of the year/ period

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/ period adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/ period.

3. Net worth for ratios mentioned in note 1(c) and 1(d) represents sum of Equity share capital, Reserves and surplus (Securities Premium, General Reserve including those arising from BAL and Bharti Infratel Demerger Schemes, Stock options outstanding and Surplus in the Statement of Profit and Loss).

4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares, the number of equity shares/ potential equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company on August 21, 2008 issued bonus shares in the ratio of 9,999 shares for every one share held and on August 23, 2012 issued bonus shares in the ratio of two shares for every one share held to the existing shareholders by way of capitalization of securities premium account. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. The net asset value per equity share is based on the total number of equity shares outstanding as at the end of the respective year/ period.

The net asset value per equity share adjusted for the proportionate change in the number of equity shares on account of the bonus issue is given below:

₹ Million (except per share data in ₹)

Particulars		Period ended	Year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net Worth at the end of the year/ period	A	143,048.9	145,242.1	139,949.2	136,275.7	103,516.9	102,552.6
Total no. of equity shares outstanding at the end of the year/ period (adjusted for bonus issue)	B	1,742,408,730	1,742,408,730	1,742,408,730	1,742,408,730	1,621,500,000	1,614,750,000

Particulars		Period ended	Year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net asset value per equity share (₹)	**A/B**	**82.1**	**83.4**	**80.3**	**78.2**	**63.8**	**63.5**

6. The figures disclosed above are based on the Restated Consolidated Summary Statements of the Group.

ANNEXURE – XV: RELATED PARTIES

Names of the Related Parties and Nature of Relationships as per the Accounting Standard 18 "Related Party Disclosures"

Particulars	Period ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	-	-	-	-		
1. Related parties where control exists irrespective of whether transactions have occurred or not		-	-	-		
-	-	-	-	-		
Holding company	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited	Bharti Airtel Limited
Joint venture	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited	Indus Towers Limited
-						
2. Key Management Personnel	Akhil Gupta	Akhil Gupta	Akhil Gupta	Akhil Gupta	Akhil Gupta	Manoj Kohli
3. Other related parties with whom transactions have taken place						
Entity having significant influence	Bharti Enterprises Limited	Bharti Enterprises Limited	Bharti Enterprises Limited	Bharti Enterprises Limited	Bharti Enterprises Limited	-
Fellow subsidiary	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited	Bharti Hexacom Limited
Fellow subsidiary	Bharti Telemedia Limited	Bharti Telemedia Limited	Bharti Telemedia Limited	Bharti Telemedia Limited	Bharti Telemedia Limited	-
Fellow subsidiary	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited	Bharti Airtel Services Limited
Fellow subsidiary	Centum Learning Limited	Centum Learning Limited	Centum Learning Limited	Centum Learning Limited	Centum Learning Limited	-

Details of the transactions with Related Parties

₹ Million

Particulars	**Period ended**	**Year ended**				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
1. Short-term loan and advances given to related party						
Bharti Airtel Limited	3,500.0	11,460.0	12,250.0	-	-	-
Indus Towers Limited	-	1,205.0	4,822.0	4,822.0	16,027.4	12.5
Total	**3,500.0**	**12,665.0**	**17,072.0**	**4,822.0**	**16,027.4**	**12.5**
2. Short-term loan and advances repaid by related party						
Bharti Airtel Limited	2,870.0	6,100.0	4,450.0	-	-	-
Indus Towers Limited	-	-	-	14,834.4	-	-
Total	**2,870.0**	**6,100.0**	**4,450.0**	**14,834.4**	**-**	**-**
3. Short-term borrowing taken from related party						
Bharti Airtel Limited	-	-	-	-	12,544.3	-
Total	**-**	**-**	**-**	**-**	**12,544.3**	**-**
4. Short-term borrowing repaid to related party						
Bharti Airtel Limited	-	-	-	-	12,544.3	-
Total	**-**	**-**	**-**	**-**	**12,544.3**	**-**
5. Purchase of tangible assets						
Bharti Airtel Limited	-	-	-	2.2	-	0.9
Bharti Hexacom Limited	-	28.0	-	-	-	-
Indus Towers Limited	-	-	-	324.8	-	-
Total	**-**	**28.0**	**-**	**327.0**	**-**	**0.9**
6. Sale of tangible assets						
Bharti Airtel Limited	-	-	-	-	10.6	37.7
Bharti Hexacom Limited	-	-	21.8	-	-	-
Indus Towers Limited	129.9	654.0	244.2	334.3	-	-
Total	**129.9**	**654.0**	**266.0**	**334.3**	**10.6**	**37.7**
7. Revenue from operations *						
Bharti Airtel Limited	21,906.6	42,262.0	38,636.0	28,753.5	39,056.0	6,376.9
Bharti Hexacom Limited	1,458.7	2,777.0	1,744.0	1,320.2	1,440.4	217.5
Indus Towers Limited	2,708.8	5,319.0	5,319.0	5,319.0	1,329.7	-
Total	**26,074.1**	**50,358.0**	**45,699.0**	**35,392.7**	**41,826.1**	**6,594.4**
8. Other expenses						
Bharti Airtel Limited	86.1	131.0	69.0	-	-	-
Bharti Hexacom Limited	-	3.0	2.0	-	-	-
Bharti Enterprises Limited	-	-	-	-	57.5	-
Bharti Airtel Services Limited	-	-	2.0	-	0.6	1.2
Centum Learning Limited	15.5	31.0	28.0	20.0	-	-
Indus Towers Limited	185.5	374.7	416.1	943.4	-	-

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Total	**287.1**	**539.7**	**517.1**	**963.4**	**58.1**	**1.2**
9. Expenses incurred on behalf of Group						
Bharti Airtel Limited	14.6	17.1	125.0	173.9	251.4	5,812.2
Bharti Hexacom Limited	-	-	-	0.9	0.4	258.7
Bharti Enterprises Limited	52.6	105.6	89.0	95.9	-	-
Bharti Telemedia Limited	0.8	2.0	2.0	0.9	0.3	-
Bharti Airtel Services Limited	-	-	1.8	-	-	-
Indus Towers Limited	-	-	-	-	2,048.7	-
Total	**68.0**	**124.7**	**217.8**	**271.6**	**2,300.8**	**6,070.9**
10. Expenses incurred by Group on behalf of others						
Bharti Airtel Limited	-	-	-	60.8	40.7	48.8
Bharti Hexacom Limited	-	-	-	-	0.4	38.8
Bharti Airtel Services Limited	-	-	-	-	-	0.8
Bharti Enterprises Limited	-	-	-	1.9	-	-
Bharti Telemedia Limited	-	-	-	-	0.2	-
Total	**-**	**-**	**-**	**62.7**	**41.3**	**88.4**
11. Key management personnel**						
Employee benefits expenses	35.6	65.3	67.9	50.4	39.1	-
Total	**35.6**	**65.3**	**67.9**	**50.4**	**39.1**	**-**
12. Advances received						
Bharti Airtel Limited	-	-	-	190.9	-	-
Bharti Hexacom Limited	-	-	-	18.2	-	-
Total	**-**	**-**	**-**	**209.1**	**-**	**-**
13. Security deposit received						
Bharti Airtel Limited	85.4	125.0	549.0	3,085.7	2,668.6	-
Bharti Hexacom Limited	6.9	13.0	26.0	93.9	58.3	-
Indus Towers Limited	-	-	2,275.5	-	2,568.8	-
Total	**92.3**	**138.0**	**2,850.5**	**3,179.7**	**5,295.7**	**-**
14. Security deposit refunded						
Bharti Airtel Limited	1,731.6	-	414.0	-	-	-
Bharti Hexacom Limited	96.8	-	-	-	-	-
Total	**1,828.4**	**-**	**414.0**	**-**	**-**	**-**
15. Other income						
(i) Interest income						
Bharti Airtel Limited	733.5	1,054.8	412.2	-	-	-
Indus Towers Limited	-	-	-	1,433.1	917.3	-
(ii) Dividend income						
Indus Towers Limited	4,050.0	-	-	-	-	-
Total	**4,783.5**	**1,054.8**	**412.2**	**1,433.1**	**917.3**	**-**

Particulars	Period ended	Year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
16. Finance cost						
Bharti Airtel Limited	-	-	-	-	415.1	335.1
Total	**-**	**-**	**-**	**-**	**415.1**	**335.1**
17. Dividend paid						
Bharti Airtel Limited	3,750.0	-	-	-	-	-
Total	**3,750.0**	**-**	**-**	**-**	**-**	**-**

* Revenue from operations is inclusive of service tax and exclusive of revenue equalization.

** In addition 2,279,635 stock options have been granted, out of which 2,000,000 were granted during the year ended March 31, 2009 and 279,635 options were granted during the year ended March 31, 2011. Further 4,559,270 additional stock options have been granted pursuant to bonus issue on August 23, 2012.

Balances outstanding as at year/ period end

₹ Million

Particulars	Period ended	As at				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
1. Short-term borrowings						
Bharti Airtel Limited	-	-	-	-	-	1,091.5
Total	**-**	**-**	**-**	**-**	**-**	**1,091.5**
2. Trade payables and Other current liabilities						
Bharti Airtel Limited	207.8	195.3	285.2	142.1	2,112.5	-
Bharti Hexacom Limited	36.6	37.0	5.0	2.6	54.0	2.4
Bharti Telemedia Limited	-	-	-	0.1	0.0	-
Bharti Airtel Services Limited	0.8	2.6	2.6	-	-	0.5
Bharti Enterprises Limited	9.9	10.0	7.8	9.1	-	-
Centum Learning Limited	5.2	9.0	6.5	-	-	-
Indus Towers Limited	719.4	531.0	577.4	287.4	-	-
Akhil Gupta	29.9	39.0	36.7	25.7	-	-
Total	**1,009.6**	**823.9**	**921.2**	**467.0**	**2,166.6**	**2.9**
3. Short-term loans and advances						
Bharti Airtel Limited	13,790.0	13,160.0	7,800.0	-	73.7	-
Centum Learning Limited	6.9	7.1	7.1	4.7	-	-
Indus Towers Limited	12,869.7	13,108.0	11,204.9	6,007.8	17,437.4	12.5
Total	**26,666.6**	**26,275.1**	**19,012.0**	**6,012.5**	**17,511.1**	**12.5**
4. Other current assets						
Bharti Airtel Limited	56.3	61.0	28.0	-	-	-
Total	**56.3**	**61.0**	**28.0**	**-**	**-**	**-**
5. Trade receivables*						
Bharti Airtel Limited	3,311.2	3,760.0	4,060.0	5,071.0	2,819.5	-
Bharti Hexacom Limited	214.5	363.0	164.0	127.5	190.9	-

Particulars	Period ended	As at				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Indus Towers Limited	6,577.4	3,917.0	-	-	-	-
Total	**10,103.1**	**8,040.0**	**4,224.0**	**5,198.5**	**3,010.3**	**-**
6. Long-term loans and advances						
Indus Towers Limited	-	27.0	27.0	27.0	-	-
Total	**-**	**27.0**	**27.0**	**27.0**	**-**	**-**
7. Security deposits received						
Bharti Airtel Limited	3,270.2	4,916.0	4,792.0	2,267.7	1,985.7	-
Bharti Hexacom Limited	194.9	284.0	271.0	147.9	52.9	-
Indus Towers Limited	4,844.3	4,844.3	4,844.3	2,568.8	2,568.8	-
Total	**8,309.4**	**10,044.3**	**9,907.3**	**4,984.5**	**4,607.4**	**-**

* Trade receivables include unbilled receivables

NOTES:

1. Refer Annexure 4 for assets and liabilities transferred from Bharti Airtel Limited to the Group under the BAL Scheme.

2. Bharti Airtel Limited has given stock option to certain employees of the Group. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Group.

3. The transactions and balances with the Joint Venture Company are reflected at 100% before inter-company eliminations. The amounts represents the transactions entered by into by the Company and the Joint Venture as well as the corresponding transactions recorded by the Joint Venture pertaining to Short-term borrowings taken, Short-term borrowings repaid, Sale of tangible assets, Rent expense, Revenue from operations, Security deposits paid and Other expenses and balances pertaining to Trade receivables, Trade payables and Long-term borrowings and Security deposits paid.

4. Security deposits received as at March 31, 2012 does not reflect amount payable to the Joint Venture, Indus Towers Limited, of ₹ 4,536.0 Mn as this is now payable by the subsidiary company, Bharti Infratel Ventures Limited, while as per the related party statement of the Joint Venture this amount is recoverable from the Company.

FINANCIAL STATEMENTS OF INDUS

Report by the Auditors

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

1. We have examined the attached financial information of Indus Towers Limited ("the Company") comprising summary statement of profit and loss, as restated, summary statement of assets and liabilities, as restated, statement of cash flows, as restated and other financial information explained in paragraph 4(f) below, as approved by the Board of Directors of the Company, prepared in accordance with the requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ("the Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date ("SEBI Regulations"), accounting principles generally accepted in India ("Indian GAAP") and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 20 November 2012 in connection with the proposed issue of equity shares of Bharti Infratel Limited ("BIL").

2. The above financial information have been extracted by management from the audited financial statements of the Company, as of and for the six months ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008.

3. The financial statements of the Company as of and for the six months ended 30 September 2012, and the financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008 have been audited by us.

4. In accordance with the requirements of SEBI Regulations, and the guidance notes issued in this regard by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time, and in terms of our engagement as agreed with you, we further report that:

   (a) We have not audited any financial statements of the Company as of any date or for any period subsequent to 30 September 2012. Accordingly, we do not express any opinion on the financial position, results or cash flow of the Company as of any date or for any period subsequent to 30 September 2012.

   (b) The summary statement of assets and liabilities of the Company, as restated, as at 30 September 2012, 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008 as set out in Annexure I to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV-A to this report. As a result of these adjustments and regroupings, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements, mentioned in paragraph 2 above, for the relevant periods.

   (c) The summary statement of profit and loss of the Company, as restated, for the six months ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as set out in Annexure II to this report are after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV-A to this report. As a result of these adjustments and regroupings, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements, mentioned in paragraph 2 above, for the relevant periods.

(d) The statement of cash flows of the Company, as restated, for the six months ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as set out in Annexure III to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV-A to this report. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements, mentioned in paragraph 2 above, for the relevant periods.

(e) Based on above, we are of the opinion that the restated financial information, prepared by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:

(i) There are no changes in accounting policies of the Company during the six months period ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008; accordingly no adjustments are required in this regard;

(ii) As explained in Annexure IV-A to this report, material amounts relating to previous years have been adjusted in the restated financial information in the respective periods to which they relate;

(iii) There are no qualifications in the auditors' report which require any adjustments in the restated financial information. However, those qualifications in the auditors report which do not require any corrective adjustments in the restated financial information have been disclosed in Note 3 of Annexure IV to this report;

(iv) There are no extraordinary items which need to be disclosed separately in the restated financial information in the respective periods; and

(v) There are no revaluation reserves which need to be disclosed separately in the restated financial information in the respective periods.

(f) We have also examined the following other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the six months period ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008:

(i) Other significant notes and changes in the business of the Company during the six months period ended 30 September 2012 and for the last five years ended 31 March 2012, as appearing in Annexure IV-B to this report;

(ii) Statement of trade receivables, as restated, as at 30 September 2012, 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as appearing in Annexure V to this report;

(iii) Statement of secured and unsecured loans, as restated, as at 30 September 2012, 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, and details of terms and conditions, including interest rates, principal terms of security and repayment terms of the loans outstanding as at those dates, as appearing in Annexure VI to this report;

(iv) Statement of other income (for years where it exceeds 20% of net profit before tax), as restated, for the six months period ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as appearing in Annexure VII to this report;

(v) Statement of contingent liabilities, as restated, as at 30 September 2012, 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as appearing in Annexure VIII to this report;

(vi) Statement of accounting ratios, as restated, for the six months ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as appearing in Annexure IX to this report;

(vii) Statement of related party disclosures for the six months period ended 30 September 2012, financial years ended 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008, as per Accounting Standard 18 on Related Parties prescribed under Companies (Accounting Standards) Rules, 2006, as appearing in Annexure X to this report; and

(viii) As explained in note 32 of Annexure IV-B, there is no segmental information, as per Accounting Standard 17 on Segment Reporting prescribed under Companies (Accounting Standards) Rules, 2006, that is required to be reported in respect of the six months period ended 30 September 2012, financial years ended 31 March 2008, 31 March 2009, 31 March 2010, 31 March 2011 and 31 March 2012.

In our opinion, the above financial information of the Company read with significant accounting policies appearing in Annexure IV to this report, after making adjustments and regroupings as considered appropriate and as set out in Annexure IV-A to this report, has been prepared in accordance with Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, and the guidance notes issued in this regard by ICAI, as amended from time to time, and in terms of our engagement as agreed with you.

5. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the stand alone financial statements mentioned in paragraph 2 above.

6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

7. This report is intended solely for your information and use of management and for inclusion in the Red Herring Prospectus in connection with the proposed issue of equity shares of BIL and is not to be used, referred to or distributed for any other purpose without our consent in writing.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Place : Gurgaon
Date : November 22, 2012

Manish Gupta
Partner
Membership No.: 095037

Indus Towers Limited

Annexure I - Restated Summary Statement of Assets and Liabilities

Rs. in million

	Particulars	Note	As at					
			30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	**Non-current liabilities**							
	Long-term borrowings	3	63,250.0	56,875.0	88,500.0	83,000.0	20,060.9	12.5
	Deferred tax liabilities (net)	4	4,358.6	4,290.2	1,783.8	-	-	-
	Other long-term liabilities	5	8,627.6	14,939.6	14,533.5	13,546.5	4,380.7	-
	Long-term provisions	6	6,596.2	3,243.8	2,931.8	5,096.8	4,422.4	-
			82,832.4	**79,348.6**	**107,749.1**	**101,643.3**	**28,864.0**	**12.5**
B	**Current liabilities**							
	Short-term borrowings	7	25,399.3	30,399.3	23,868.0	13,760.1	36,705.4	-
	Trade payables	8	34,002.1	25,976.2	11,048.7	14,159.7	7,124.1	34.2
	Other current liabilities	9	18,265.0	15,951.7	7,169.7	6,198.1	16,960.3	6.7
			77,666.4	**72,327.2**	**42,086.4**	**34,117.9**	**60,789.8**	**40.9**
C	**Total liabilities (C= A + B)**		**160,498.8**	**151,675.8**	**149,835.5**	**135,761.2**	**89,653.8**	**53.4**
D	**Non-current assets**							
	Fixed assets							
	Tangible assets	10	118,766.9	113,556.1	110,604.3	93,714.1	51,241.7	3.6
	Intangible assets	10	483.3	484.5	460.3	391.7	34.5	-
	Capital work-in-progress	10	3,451.5	2,848.9	3,082.4	3,928.1	12,507.7	-
	Deferred tax assets (net)	4	-	-	-	505.4	1,225.8	15.5
	Long-term loans and advances	11	12,419.3	12,156.0	10,100.2	4,462.8	2,698.5	3.1
	Other non-current assets	12	4,998.2	4,731.8	3,895.0	2,356.6	306.6	-
			140,119.2	**133,777.3**	**128,142.2**	**105,358.7**	**68,014.8**	**22.2**
E	**Current assets**							
	Current investments	13	-	6,100.0	5,250.0	750.0	-	-
	Trade receivables	14	2,942.0	5,649.7	8,772.6	13,034.5	6,584.2	-
	Cash and bank balances	15	3,112.7	716.0	227.3	493.0	4,661.9	1.8
	Short-term loans and advances	16	5,416.5	3,951.3	1,959.6	4,069.6	3,678.3	0.3
	Other current assets	17	12,792.4	12,025.8	9,401.6	11,192.8	4,318.9	-
			24,263.6	**28,442.8**	**25,611.1**	**29,539.9**	**19,243.3**	**2.1**
F	**Total assets (F= D + E)**		**164,382.8**	**162,220.1**	**153,753.3**	**134,898.6**	**87,258.1**	**24.3**
	Net Worth (F - C)		**3,884.0**	**10,544.3**	**3,917.8**	**(862.6)**	**(2,395.7)**	**(29.1)**
	Net worth represented by							
	Shareholders' funds							
A	**Share capital**							
	Equity share capital	1	1.2	1.2	1.2	1.2	1.2	1.2
	Total Share capital		1.2	1.2	1.2	1.2	1.2	1.2
B	**Reserves and Surplus**							
	Surplus/(deficit) in Statement of Profit and Loss	2	2,518.8	10,426.2	3,552.7	(1,001.6)	(2,396.9)	(30.3)
	General reserve	2	1,247.5	-	-	-	-	-
	Employee stock options reserve	2	116.5	116.9	363.9	137.8	-	-
	Total Reserves and Surplus		**3,882.8**	**10,543.1**	**3,916.6**	**(863.8)**	**(2,396.9)**	**(30.3)**
	Net Worth (A + B)		**3,884.0**	**10,544.3**	**3,917.8**	**(862.6)**	**(2,395.7)**	**(29.1)**

The above statement should be read with the notes to the restated Summary Statement of Assets and Liabilities, restated Summary Statement of Profit and Loss and restated Statement of Cash Flows as appearing in Annexure IV, IVA and IVB.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Indus Towers Limited
Annexure II - Restated Summary Statement of Profit and Loss

Rs. in million

Particulars	Note	Six months ended	For the year ended				
		30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Income from operations							
Revenue from operations	18	64,016.7	120,192.7	106,670.3	87,713.4	21,260.0	-
Other income	19	951.5	841.0	688.2	63.8	148.4	-
Total revenue		**64,968.2**	**121,033.7**	**107,358.5**	**87,777.2**	**21,408.4**	-
Expenses							
Operating expenses	20	37,927.4	68,357.2	61,754.1	54,852.0	14,979.4	-
Employee benefits expense	21	996.1	1,786.1	1,648.4	1,166.5	650.1	14.9
Administrative and other expenses	22	1,704.6	3,584.6	2,777.1	1,979.6	965.1	30.4
Finance cost	23	4,467.2	9,666.9	9,437.1	8,309.2	2,534.6	0.2
Depreciation and amortisation expense	10	8,021.9	15,850.3	14,035.8	9,591.9	2,193.8	0.1
Rental (IRU charges)		5,131.6	11,674.3	10,862.3	10,728.0	2,682.0	-
Total Expenses		**58,248.8**	**110,919.4**	**100,514.8**	**86,627.2**	**24,005.0**	**45.6**
Profit/ (loss) before tax		**6,719.4**	**10,114.3**	**6,843.7**	**1,150.0**	**(2,596.6)**	**(45.6)**
Tax expense							
Current tax		2,103.8	-	-	-	-	-
Current tax (MAT)		-	2,150.3	1,254.7	411.2	-	-
Less: MAT credit entitlement		-	(1,415.9)	(1,254.7)	(411.2)	-	-
Net current tax		2,103.8	734.4	-	-	-	-
Deferred tax charge /(credit)		68.4	2,506.4	2,289.4	392.2	(882.1)	(15.5)
Fringe benefit tax		-	-	-	-	14.6	0.2
Total tax expense		**2,172.2**	**3,240.8**	**2,289.4**	**392.2**	**(867.5)**	**(15.3)**
Profit / (loss) after tax and before extraordinary items		**4,547.2**	**6,873.5**	**4,554.3**	**757.8**	**(1,729.1)**	**(30.3)**
Extraordinary items		-	-	-	-	-	-
Profit / (loss) after tax as per audited financial statements		**4,547.2**	**6,873.5**	**4,554.3**	**757.8**	**(1,729.1)**	**(30.3)**
Impact of material adjustments (Refer to Annexure IVA)		-	-	-	637.5	(637.5)	-
Restated profit / (loss) after tax		**4,547.2**	**6,873.5**	**4,554.3**	**1,395.3**	**(2,366.6)**	**(30.3)**

The above statement should be read with the notes to the restated Summary Statement of Assets and Liabilities, restated Summary Statement of Profit and Loss and restated Statement of Cash Flows as appearing in Annexure IV, IVA and IVB.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Indus Towers Limited
Annexure III - Restated Summary Statement of Cash Flows

Rs. in million

	Particulars	Six months ended	For the year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A.	**CASH FLOW FROM OPERATING**						
	ACTIVITIES						
	Net profit/(loss) before taxation (as restated, refer Note 4 below)	6,719.4	10,114.3	6,843.7	2,115.7	(3,562.3)	(45.6)
	Non cash adjustments to reconcile profit / (Loss) before tax to net cash flows						
	Depreciation and amortisation expense	8,021.5	15,850.3	14,035.8	9,591.9	2,193.8	0.1
	Employee stock compensation expense	75.9	111.7	226.1	137.8	-	-
	Provision for obsolescence of capital work-in-progress	-	224.7	248.7	-	-	-
	Fixed assets written off	131.8	279.8	210.9	42.4	-	-
	Gain on sale of mutual funds	(389.1)	(283.3)	(154.4)	(27.5)	-	-
	Provision for doubtful debts	100.4	424.3	9.1	399.1	-	-
	Provision for doubtful deposits/advances	19.9	49.0	-	-	-	-
	Amortisation of loan origination fees	447.8	605.0	165.2	266.3	44.5	-
	Provisions no longer required written back	(128.4)	(220.6)	(501.7)	-	-	-
	Dividend income	(50.7)	-	-	-	-	-
	Interest income	(64.8)	(180.2)	(18.6)	(20.3)	(148.4)	-
	Interest expense	4,015.2	9,053.1	9,249.2	8,011.6	2,475.2	0.2
	Operating profit before working capital changes (as restated)	**18,898.9**	**36,028.1**	**30,314.0**	**20,517.0**	**1,002.8**	**(45.3)**
	Movements in Working Capital						
	(Increase)/decrease in trade receivables	2,608.9	2,698.7	4,384.9	(6,849.4)	(6,584.2)	-
	(Increase)/decrease in loans and advances	(1,498.6)	(1,646.5)	1,283.8	(1,507.7)	(4,313.6)	(4.0)
	(Increase)/decrease in other assets	(1,806.5)	(3,393.6)	99.0	(8,340.8)	(4,448.6)	(1.0)
	Increase/(decrease) in liabilities and provisions	4,087.5	16,299.5	(1,725.7)	17,120.8	12,183.7	41.4
	Cash flow from operations	**22,290.2**	**49,986.2**	**34,356.0**	**20,939.9**	**(2,159.9)**	**(8.9)**
	Direct taxes paid (including fringe benefit taxes paid)	(2,340.5)	(3,222.6)	(5,411.1)	(1,774.5)	(265.0)	-
	Net cash generated from operating activities (A)	**19,949.7**	**46,763.6**	**28,944.9**	**19,165.4**	**(2,424.9)**	**(8.9)**
B.	**CASH FLOW USED IN INVESTING ACTIVITIES**						
	Purchase/construction of fixed assets (tangible and intangible fixed assets, capital work-in-	(8,798.4)	(19,197.3)	(31,231.9)	(53,748.4)	(47,139.2)	(3.6)

	Particulars	Six months ended	For the year ended				
		30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	progress)						
	Proceeds from sale of fixed assets	39.0	-	-	-	-	-
	Interest received	63.2	180.2	18.8	24.1	144.3	-
	Purchase of mutual funds	(66,586.9)	(110,291.0)	(141,138.0)	(58,796.0)	-	-
	Sale of mutual funds	73,626.7	109,224.3	136,792.4	58,073.5	-	-
	Net cash used in investing activities (B)	**(1,656.4)**	**(20,083.8)**	**(35,558.7)**	**(54,446.8)**	**(46,994.9)**	**(3.6)**
C.	**CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES**						
	Issue of share capital	-	-	-	-	-	1.2
	Dividends paid	(9,642.8)	-	-	-	-	-
	Dividends distribution tax	(1,564.3)	-	-	-	-	-
	Loans received	69,500	16,953.1	21,810.1	71,049.1	56,753.8	12.5
	Loans repaid	(70,000)	(33,921.8)	(6,202.7)	(31,054.1)	-	-
	Interest paid	(4,017)	(9,050.3)	(9,247.9)	(8,029.9)	(2,456.6)	-
	Loan origination cost paid	(173.7)	(173.5)	(36.2)	(854.3)	(218.7)	-
	Net cash generated from/(used in) financing activities (C)	**(15,897.3)**	**(26,192.5)**	**6,323.3**	**31,110.8**	**54,078.5**	**13.7**
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	**2,396.0**	**487.3**	**(290.5)**	**(4,170.6)**	**4,658.7**	**1.2**
	Cash and cash equivalents at the beginning of the year	**686.1**	**198.8**	**489.3**	**4,659.9**	**1.2**	**-**
	Cash and cash equivalents at the end of the year	**3,082.1**	**686.1**	**198.8**	**489.3**	**4,659.9**	**1.2**

NOTES:

1. Components of cash and cash equivalents

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current account	179.0	189.0	198.8	53.8	1,046.1	1.2
Deposit account	2,898.4	392.0	-	374.0	3,605.0	-
Cheques in hand	4.7	105.1	-	61.5	8.8	-
Cash and cash equivalents	**3,082.1**	**686.1**	**198.8**	**489.3**	**4,659.9**	**1.2**

2. The above restated statement of cash flows has been prepared under the indirect method set out in the Accounting Standard 3 "Cash Flow Statement" specified in the Companies (Accounting Standard) Rules 2006.

3. During the year ended 31 March 2008, the Company was a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956 (the laws governing companies in India). Accordingly, the Company had not presented statement of cash flows in the audited financial statements for the year ended 31 March 2008 as applicable to a Small and Medium Sized Company.

4. Net profit before tax, as restated is computed as under

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08

Particulars	Six months ended	For the year ended				
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Net profit before tax as per audited financial statements (A)	6,719.4	10,114.3	6,843.7	1,150.0	(2,596.6)	(45.6)
Adjustment on account of prior period items:[refer: Annexure IVA]						
Prior period expenses	-	-	-	965.7	(965.7)	-
Total adjustments (B)	-	-	-	965.7	(965.7)	-
Net profit before tax as restated (A+B)	**6,719.4**	**10,114.3**	**6,843.7**	**2,115.7**	**(3,562.3)**	**(45.6)**

The above statement should be read with the notes to the restated Summary Statement of Assets and Liabilities, restated Summary Statement of Profit and Loss and restated Statement of Cash Flows as appearing in Annexure IV, IVA and IVB.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure IV: Notes to the restated Summary Statement of Assets and Liabilities, restated Summary Statement of Profit and Loss and restated Summary Statement of Cash Flows for the period/year ended 30 September 2012, 31 March 2012, 31 March 2011, 31 March 2010, 31 March 2009, 31 March 2008

1. Company background

Indus Towers Limited ("the Company") was incorporated in India on 20 November 2007 as Indus Infratel Limited. The name of the Company has changed from "Indus Infratel Limited" to "Indus Towers Limited". A fresh certificate of incorporation consequent to the change in the name to Indus Towers Limited was issued by the Registrar of Companies, Delhi on 28 March 2008 under section 23(1) of the Companies Act, 1956. The Company was set-up with the object of, inter-alia, establishing, operating and maintaining wireless communication towers, providing network development services, engaging in video, voice, data and internet transmission business.

2. Summary of Significant Accounting Policies and Notes to Accounts

Significant accounting policies adopted for the period 1 April 2012 to 30 September 2012, consistent with which the restated summary statements are made, are set out below.

(i) Basis of preparation

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). Indian GAAP comprises mandatory accounting standards as specified under the Companies (Accounting Standards) Rules, 2006, presentation requirements of the Companies Act, 1956 and other accounting pronouncements of The Institute of Chartered Accountants of India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

(ii) Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the results of operation during the reporting period. Examples of such estimates include the useful life of fixed assets, retirement benefits, site restoration obligations, provision for doubtful debts, provision for doubtful advances, employee stock option compensation and provision for capital work in progress. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(iii) Revenue recognition

Service income from provision of telecommunication network passive infrastructure and for use of sites is recognised on an accrual basis as per the contractual terms with the telecom operators, net of service tax. Revenue is recognised as and when services are rendered. Fixed escalation clauses present in the customer contracts are recognised on a straight line basis over the term of the applicable contracts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend or other income from mutual fund investment is recognised on declaration of dividend or on redemption, as the case may be.

(iv) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes site restoration cost obligations, freight, duties (other than refundable duties), taxes and other incidental expenses incurred to bring the assets to their working condition for intended use.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Depreciation on fixed assets has been provided pro-rata to the period of use, on the straight line method, using rates determined based on management's assessment of useful economic lives of the asset. Assets individually costing Rs. 5,000 (amount in absolute figures) or less are depreciated fully in the year of purchase. Depreciation is provided at the rates equal to or higher than those prescribed in Schedule XIV to the Companies Act, 1956.

However, where an individual asset forms an integral part of another asset, it is added to the gross book value of the main asset and depreciated accordingly.

Following are the estimated useful life of various category of assets used:

Category of assets	***Life of asset***
Computers:	
- *Servers*	5 years
- *Others*	3 years
Furniture and fixtures	5 years
Office equipment:	
- *Mobile phones*	2 years
- *Other office equipment*	5 years
Motor vehicles	5 years
Plant and machinery:	
- *Towers*	20 years
- *Shelter*	15 years
- *Power equipment, Air conditioner, Electrical work*	10 years
- *Diesel generators*	7 years
- *Batteries*	3 years
Software	5 years

Leasehold improvements are amortised over the lower of useful life of leasehold improvements or the period of lease including the optional period, if any, available to the Company, where it is reasonably certain at the inception of lease that such option would be exercised by the Company. Leasehold improvements have useful life of 5 years.

(v) Foreign currency transactions

Transactions in foreign currency are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange gains or losses arising out of fluctuation in exchange rates on settlement during the period /year or on translation at the Balance Sheet date are recognised in the statement of profit and loss.

The Company takes forward contracts to hedge the foreign currency risk associated with monetary foreign currency liabilities. In case of such forward exchange contracts, the premium is amortised over the period of the contract. Any profit or loss arising on the cancellation or renewal of such forward exchange contract is recognised as income or expense for the period. Exchange differences on such forward contracts are recognised in the Statement of profit and loss in the reporting period in which the exchange rates change.

(vi) Impairment of assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not ready for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised in Statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is recorded only to the extent that the carrying amount of the assets does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

(vii) Leases

Where the Company is lessee, lease payments under operating leases are recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term.

Where the Company is lessor, assets given under operating lease are shown in the Balance Sheet under fixed assets and depreciated on a basis consistent with the depreciation policy of the Company. The lease income is recognised in the Statement of profit and loss on a straight-line basis over the lease term.

(viii) Employee benefits

The Company's obligation towards various employee benefits has been recognised as follows:

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short-term compensated absences and bonus etc. are recognised in the Statement of profit and loss in the period in which the employee renders the related service.

Defined contribution plan

In respect of retirement benefit in the form of the Provident Fund, the Company's contribution paid/ payable under the scheme is recognised as an expense in the period in which the employee renders the related service. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan and are charged to the Statement of profit and loss.

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the balance sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date.

Other long-term benefits

Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of availment of leave. Further, in respect of encashment of leave, the benefit is calculated taking into account all types of decrements and qualifying salary projected upto the assumed date of encashment. The present value of obligations towards availment and encashment under such long-term benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at year end.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Treatment of actuarial gains and losses

Actuarial gains and losses are recognised immediately in the Statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

(ix) Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings per Share, notified by the Companies (Accounting Standards) Rules, 2006. The basic and dilutive earnings per share is computed by dividing the net profit attributable to equity shareholders for the period/ year by the weighted average number of equity shares outstanding during the period/year. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

(x) Current and deferred taxes

Income-tax expense comprises current tax (i.e. the amount of tax for the period/ year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the year/ period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid 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 period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(xi) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company does not recognise assets which are of contingent nature until there is virtual certainty of the realisation of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the year in which the change occurs.

(xii) Investments

Long-term investments are stated at cost. Provision is made if there is a diminution, other than temporary, in the value of investments. Current investments are stated at lower of cost and market value.

(xiii) Employee stock options outstanding

The grant date fair value of options granted to employees is recognised as an employee expense, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

For cash-settled share-based payments, a liability is recognised for the services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in Statement of Profit and Loss for the year a corresponding increase in liabilities.

During the year ended 31 December 2011, the Company had changed the classification of the Options from equity settled to cash settled in accordance with the terms of Employee Stock Option Plan of the Company ('the Plan'), which provides that if the Company does get listed by 31 March 2012, the Company will, subject to statutory provisions and rules, buy back the options at the terms specified in the Plan. Accordingly, the amount expected to be settled has been transferred from 'Employee Stock Reserve' to 'Provision for Payment of Stock Options' as on 31 December 2011. The liability expected to be settled in respect options is remeasured for any change in fair value of the option as at each reporting date and at settlement date.

(xiv) Cash and cash equivalents

Cash and cash equivalents comprise cash and deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3. In addition to the audit opinion on the financial statements, the auditors are required to comment upon matters included in the Companies (Auditor's Report) Order, 2003 [CARO] issued by the Central Government of India under sub section (4A) of Section 227 of the Companies Act, 1956. The qualifications on matters included in CARO which do not require any adjustment in the financial information is reproduced below from the auditor's report on the financial statements for the financial years indicated:

(i) Financial year ended 31 March 2012

- According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis aggregating to Rs. 37,038 million have been used for long-term investment.

- The details of statutory dues that have not been deposited with the appropriate authorities on account of any dispute are as following:

Name of the statute	Nature of dues	Amount in Rupees million	Period to which the amount relates	Payment under protest in Rupees million	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax demand on C-Forms	963	Financial year 2008-09 and 2009-10	241	Appellate Deputy Commissioner, Commercial Tax, Andhra Pradesh
The Kerela Value Added Tax Act, 2003	VAT on service revenue	42	Financial year 2008-09	Nil	Assistant Commissioner, Commercial tax, Ernakulam, Kerela
The Karnataka Value Added Tax Act, 2003	VAT on service revenue	1,388	Financial year 2008-09, 2009-10 and 2010-2011	153	Karnataka High Court
The Andhra Pradesh, Value Added Tax Act, 2005	VAT on service revenue and sale of plant and machinery	11,794	Financial year 2008-09, 2009-10 and 2010-11	Nil	Assistant Commissioner, Commercial tax, Enforcement wing, Andhra Pradesh
The Tamil Nadu, Value Added Tax Act, 2006	VAT on service revenue	8,674	Financial year 2008-09 and 2009 -10	Nil	Assistant Commissioner, Commercial tax, Tamil Nadu
The Delhi, Value Added Tax Act, 2004	VAT on service revenue	271	Financial year 2008-09	Nil	Commercial tax officer, New Delhi
The Central Sales Tax Act, 1956	Sales Tax demand on C-Forms	1,182	Financial year 2008-09 and 2009-10	Nil	Assistant Commissioner, Commercial tax, Tamil Nadu

(ii) Financial year ended 31 March 2011

- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the Company has used the funds raised on short-term basis aggregating to Rs. 6,542 million for long-term investment.

- The details of statutory dues that have not been deposited with the appropriate authorities on account of any dispute are as following:

Name of the statute	Nature of dues	Amount in Rupees million	Period to which the amount relates	Payment under protest in Rupees million	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax demand on C-Forms	963	Financial year 2008-09 and 2009-10	241	Appellate Deputy Commissioner, Commercial Tax, Andhra Pradesh
The Kerela Value Added Tax Act, 2003	VAT on service revenue	33	Financial year 2008-09	Nil	Assistant Commissioner, Commercial tax, Ernakulam, Kerela
The Karnataka Value Added Tax Act, 2003	VAT on service revenue	1,388	Financial year 2008-09, 2009-10 and April – May 2010	Nil	Karnataka High Court

(iii) Financial year ended 31 March 2010

- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis aggregating to Rs. 701,842 million have been used for long term investment.

- The details of statutory dues that have not been deposited with the appropriate authorities on account of any dispute are as following:

Name of the Statute	Nature of the Dues	Amount in Rupees million	Period to which the amount relates	Payment under protest in Rupees million	Forum where dispute is pending
Uttar Pradesh Value Added Tax Act, 2008	Value added tax demand on provision and maintenance of telecommunication network passive infrastructur	12	June 2008 to February 2009	Nil	Commercial Tax Tribunal, Uttar Pradesh

Name of the Statute	Nature of the Dues	Amount in Rupees million	Period to which the amount relates	Payment under protest in Rupees million	Forum where dispute is pending
	e				
Central Sales Tax Act, 1956	Sales tax penalty demand on alleged misuse of C-Forms	171	Financial year 2008-09	43	Appellate Deputy Commissioner, Commercial Tax, Andhra Pradesh

(iv) Financial year ended 31 March 2009

- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis aggregating to Rs. 24,383 million have been used for long term investment.

Indus Towers Limited

Annexure-IVA-Notes on Material Adjustments

The summary of material adjustments/regroupings made in the audited statement of profit and loss for the respective years and impact of these material adjustments/regroupings on the profit/ (loss) of the Company is as follows:

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net profit/(loss) as per audited financial statements	**4,547.2**	**6,873.5**	**4,554.3**	**757.8**	**(1,729.1)**	**(30.3)**
Prior period adjustments						
Prior period revenue reversal [refer to note 2]	-	-	-	965.7	(965.7)	-
Deferred tax impact of the above adjustment	-	-	-	(328.2)	328.2	-
Restated Profit after tax	**4,547.2**	**6,873.5**	**4,554.3**	**1,395.2**	**(2,366.6)**	**(30.3)**
Presentation and Disclosure Changes						
Revenue from operations [refer to note 3]	-	41,804.5	37,062.2	33,449.2	7,637.0	-
Power and fuel expenses [refer to note 3]	-	41,804.5	37,062.2	33,449.2	7,637.0	-
Rental (IRU) charges [refer to note 4]	-	-	-	-	2,682.0	-
Cell site rent [refer to note 4]	-	-	-	-	(2,682.0)	-
Capital advances [refer to note 5]	-	-	-	-	(1,446.4)	-
Advances paid to suppliers [refer to note 5]	-	-	-	-	1,446.4	-
Trade payables [refer note 6]	-	(317.0)	(321.2)	(512.4)	(938.7)	-
Payable for purchase of fixed assets [refer note 6]	-	317.0	321.2	512.4	938.7	-
Trade payables [refer note 6]	-	(567.1)	(199.3)	-	-	-
Other liabilities [refer note 6]	-	567.1	199.3	-	-	-
Advance tax and tax deducted at source (current) [refer note 7]	-	(6,845.7)	(5,773.7)	-	-	-
Advance tax and tax deducted at source (non-current) [refer note 7]	-	6,845.7	5,773.7	-	-	-

1. A positive amount represents increase in the originally reported balance and a negative amount represents decrease in the originally reported balance irrespective of the nature of the item
2. The Company carries out reconciliation of balances with its customers on a regular basis. As a result of reconciliations carried out during the year ended 31 March 2010, the Company recorded reversal of revenue amounting to Rs. 965.7 million relating to the year ended 31 March 2009. Accordingly, the net profit as per the audited financial statements for the year ended 31 March 2010 has been increased by Rs. 965.7 million and the revenue reversal has been recorded in the financial year ended 31 March 2009 to which the same pertained.
3. The Company changed its policy for disclosure of recovery of power and fuel charges. Up to 31 March 2012, power and fuel charges were disclosed as a deduction from revenue from sale of services. With effect from 1 April 2012, the expenses incurred by the Company on power and fuel for maintenance of sites are being disclosed as a separate item under the head operating expenses. Accordingly, the amounts of previous years have also been reclassified in the presentation of restated summary Statement of Profit and Loss.

4. The Company changed its policy for disclosure of charges paid for the indefeasible right to use the passive infrastructure assets (IRU charges). Till the year ended 31 March 2009, IRU charges were being disclosed as cell site rent under the head operating expenses. With effect from 30 September 2009, IRU charges are being disclosed as separate items in the statement of profit and loss. Accordingly, IRU charges incurred during the financial year ended 31 March 2009 have been reclassified from operating expenses and disclosed separately in the restated summary statement of profit and loss.
5. As at 31 March 2009, capital advances was understated by Rs. 1,446.4 million with a corresponding impact on the advances paid to suppliers. Accordingly, the balances have been restated.
6. In the financial statements for the year ended 31 March 2012, retention money payable for purchase of fixed assets and provision for loss of damaged assets were being disclosed as part of trade payables/sundry creditors. In the balance sheet as at 30 September 2012, retention money payable for purchase of fixed assets and provision for loss of damaged assets have been classified under payable from purchase of fixed assets and other liabilities. Accordingly, such balances have been reclassified under payable from purchase of fixed assets and other liabilities as at 31 March 2012 and previous years.
7. In the balance sheet as at 31 March 2012, taxes deducted at source were classified as current and non-current based on the management's assessment of the realisation of income-tax refunds from income-tax authorities. However, in presenting these restated financial statements, based on the guidance note issued by the Institute of Chartered Accountants of India on the classification of tax recoverable, entire balance has been classified as non-current.
8. During the year ended 31 March 2012, the revised Schedule VI to the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The above summary does not include reclassifications made in the financial statements for the year ended 31 March 2011, 31 March 2010, 31 March 2009 and 31 March 2008 to comply with the requirements of the revised Schedule VI.

Annexure IVB: Notes to the restated summary statements of Assets and Liabilities, Profit and Loss and Cash Flows for the period/year ended 30 September 2012, 31 March 2012, 2011, 2010, 2009 and 2008
NOTE 1. Share capital

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Authorised						
Equity share capital	500.0	500.0	500.0	500.0	500.0	5.0
Number of equity shares	500,000,000	500,000,000	500,000,000	500,000,000	50,000,000	500,000
Issued, subscribed and fully paid-up						
Equity share capital	1.2	1.2	1.2	1.2	1.2	1.2
Number of equity shares	1,190,470	1,190,470	1,190,470	1,190,470	119,047	119,047
Face value of each fully paid-up equity share	1	1	1	1	10	10

Reconciliation of shares outstanding at the beginning and at the end of the reporting period/year

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Equity shares at the commencement of the period/ year	1,190,470	1,190,470	1,190,470	1,190,470	119,047	119,047
Add: movements during the period/year	-	-	-	-	-	-
Equity shares at the end of the period/ year	1,190,470	1,190,470	1,190,470	1,190,470	119,047	119,047

Particulars of shareholders holding more than 5% shares

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Bharti Infratel Limited (42%)	500,000	500,000	500,000	500,000	50,000	50,000
Vodafone India Limited (42%)	500,000	500,000	500,000	500,000	50,000	50,000
Idea Cellular Infrastructure Limited (16%)	-	-	-	-	-	19,047
Aditya Birla Telecom Limited (16%)	190,470	190,470	190,470	190,470	19,047	-
Total number of equity shares	**1,190,470**	**1,190,470**	**1,190,470**	**1,190,470**	**119,047**	**119,047**

The Company has done a stock split on 14 July 2009. The par value of the equity share was split from Rs. 10 per share to Re.1 per share. Following the share split, authorised number of equity shares stands increased from 50 million to 500 million and issued, subscribed and fully paid-up number of equity shares stands increased from 119,047 to 1,190,470.

Total number of shares reserved for issue under stock options are 5,952.40 which is 0.5% of the paid-up share capital.

There have been no bonus issue of equity shares or buy back of shares in the current period and any of the previous years.

The Company has one class of equity shares having a par value of Re.1 per share. Each shareholder is eligible for one vote per share held. Should the Company declare and pay dividends, such dividends shall be paid in Indian rupees or in foreign currency in case remitted outside India and will be paid for the full year irrespective of the period of holding of the shares. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the company, after distribution of all preferential amounts, if any. Such amount will be in proportion to the number of equity shares held by the stockholders.

NOTE 2. Reserves and Surplus

Rs. in million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Statement of Profit and Loss						
Opening balance	10,426.2	3,552.7	(1,001.6)	(2,396.9)	(30.3)	-
Add: Profit / (Loss) for the year/period	4,547.2	6,873.5	4,554.3	1,395.3	(2,366.6)	(30.3)
Net surplus in statement of Profit and Loss available for appropriation	**14,973.4**	**10,426.2**	**3,552.7**	**(1,001.6)**	**(2,396.9)**	**(30.3)**
Less: Appropriations						
Dividend on equity shares [amount Rs. 8,100 per share (previous year: Rs. Nil)]	9,642.8	-	-	-	-	-
Dividend distribution tax	1,564.3	-	-	-	-	-
Transfer to general reserve	1,247.5	-	-	-	-	-
	2,518.8	**10,426.2**	**3,552.7**	**(1,001.6)**	**(2,396.9)**	**(30.3)**
General Reserve						
Balance as at the beginning of the year	**-**	-	-	-	-	-
Add: Transferred from surplus in statement of profit and loss during the year	1,247.5	-	-	-	-	-
	1,247.5	**-**	**-**	**-**	**-**	**-**
Employee stock options reserve						
Opening balance	117.0	363.9	137.8	-	-	-
Add: Addition during the period	1.4	87.7	226.1	137.8	-	-
Less: Transferred to provision for payment of stock options	1.9	334.7	-	-	-	-
	116.5	**116.9**	**363.9**	**137.8**	**-**	**-**
Total	**3,882.8**	**10,543.1**	**3,916.6**	**(863.8)**	**(2,396.9)**	**(30.3)**

Employee stock option compensation

On 1 September 2009, the Company announced an employee stock option plan (‘ESOP’ or ‘plan’) for eligible employees. In accordance with this plan, the options are exercisable at 50% of the fair market value of the shares at a value indicated in the grant letter issued to the employees. The fair value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of options granted after applying an estimated forfeiture rate over the vesting period.

Inputs for measurement of grant date fair values

The grant date fair market value of the options granted through the employee stock option plan is measured based on Black Scholes options pricing model. Expected volatility is estimated by considering historic average share price volatility of basket of stocks in the same industry. The fair value of options determined as at the dates mentioned below is used for the fair valuation of the options granted subsequent to the date of valuation till the date next fair valuation is carried out. The inputs used in the measurement of the fair values at grant date of the share-based payment plans are following:

Particulars	Grants post	Grants till	Grants till
	30-Jun-12	30-Sep-11	30-Sep-10
Fair market value of option at grant date	0.283	0.276	0.368
Share price at grant date	0.422	0.423	0.499
Exercise price	0.249	0.249	0.249
Expected volatility (weighted average volatility)	36.63%	46.00%	46.00%
Option life (expected weighted average life)	4.925 years	4.925 years	4.925 years
Expected dividends	-	-	-
Risk-free interest rate (based on government bonds)	8.55%	7.90%	8.50%

The vesting pattern of each of the options granted by the Company is as follows:

Vesting pattern	% of Vesting
At the end of 1st year from grant date	15%
At the end of 2nd year from grant date	20%
At the end of 3rd year from grant date	30%
At the end of 4th year from grant date	35%

The particulars of number of options granted and forfeited in the respective period/years is as follows:

Particulars	Six months ended	During the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Outstanding at the beginning of the period	2,176	2,371	1,998	-	-	-
Granted	200	200	714	2,134	-	-
Exercised		-	-	-	-	-
Forfeited	234	395	341	136	-	-
Outstanding at the end of the period	2142	2,176	2,371	1,998	-	-
Exercisable at the end of the period	949	534	243	-	-	-
Weighted average remaining contractual life of options	4.440 years	4.982 years	5.799 years	6.546 years	-	-

As per the Employee Stock Option Plan of the Company, the options are granted on quarterly basis. The initial grant was made on 1 September 2009. The Company has granted employee stock options at different dates since the commencement of the Employee Stock Option plans.

Rs. in million

Particulars	Six months ended	Net compensation cost for the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net compensation cost	75.9	111.7	226.1	137.8	0.0	0.0

The Company also grants stock options as part of pay-packages offered to senior employees at the time of joining the Company. All other terms and conditions laid down in the share option programme established by the Company are applicable to such grants also.

Buy-back of shares pursuant to exercise of options

The Company will, subject to statutory provisions and rules, buy back the shares pursuant to exercise of Options in the manner specified in the ESOP scheme, since the Company was not listed by 31 March 2012. Hence, in accordance with the terms of the Employee Stock Option Plan, the Company has classified share based payment award from equity settled to cash settled and recognized a liability of Rs. 362 as of 30 September 2012 (As of 31 March 2012 Rs. 334.7), based on fair value of the option determined using Black Scholes Option Pricing Model done by external independent valuer.

NOTE 3. Long term-borrowings

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Secured Loans						
- from banks	18,750.0	42,737.0	66,500.0	64,000.0	14,000.0	-
- from other parties	44,500.0	14,138.0	22,000.0	19,000.0	4,500.0	-
Unsecured Loans						
- from related parties	-	-	-	-	1,560.9	12.5
	63,250.0	**56,875.0**	**88,500.0**	**83,000.0**	**20,060.9**	**12.5**

Out of the total amount of long-term borrowings Rs. 6,250 as at 30 September 2012 (as at 31 March 2012 Rs. 8,125, as at 31 March 2011 Rs. 1) has been disclosed under "other current liabilities", as it is repayable within one year.

NOTE 4. Deferred taxes (net)

Rs in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Deferred tax asset						
Disallowances under section 43 (b) of the Income-tax Act, 1961	130.0	148.7	127.4	767.1	524.9	4.2
Provision for doubtful debts	266.1	227.1	91.7	135.6	-	-
Carry forward unabsorbed depreciation and unabsorbed business losses	-	-	2,148.3	2,320.1	1,827.9	11.4
Lease rent equalisation reserve	470.6	405.3	290.2	171.3	55.1	-
Others	139.9	171.1	105.6	46.9	-	-
Total deferred tax asset (A)	**1,006.6**	**952.2**	**2,763.2**	**3,441.0**	**2,407.9**	**15.6**
Deferred tax liability						
Difference between written down value of fixed assets as per the Income-tax Act, 1961 and the Companies Act, 1956 (including site restoration obligation)	3,680.4	3,618.4	3,149.2	2,046.8	1,024.0	0.1
Revenue equalisation reserve	1,630.0	1,480.4	1,107.3	616.6	158.1	-
Unamortised loan origination fees	54.8	143.6	290.5	272.2	-	-
Total deferred tax liability (B)	**5,365.2**	**5,242.4**	**4,547.0**	**2,935.6**	**1,182.1**	**0.1**
Deferred tax (liability)/asset recognised (net) (C = (A-B))	**(4,358.6)**	**(4,290.2)**	**(1,783.8)**	**505.4**	**1,225.8**	**15.5**
Deferred tax charged/(credit) to statement of profit and loss	**68.4**	**2,506.4**	**2,289.4**	**720.4**	**(1,210.3)**	**(15.5)**

NOTE 5. Other long-term liabilities

Rs in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Deposit from customers	7,135.3	13,587.5	13,659.9	13,042.5	4,218.6	-
Lease rent equalisation reserve[1]	1,450.4	1,249.3	873.6	504.0	162.1	-
Provision for payment of stock	41.9	102.8	-	-	-	-

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
options						
	8,627.6	14,939.6	14,533.5	13,546.5	4,380.7	-

[1] Lease payments under an operating lease is recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit is derived from the use of the leased asset is diminished. Difference between the actual expense and expense on a straight line basis is recognised in lease equalisation reserve.

NOTE 6. Long-term provisions

Rs in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Provision for employee benefits (refer to Note 24)						-
- gratuity	78.4	58.4	40.9	27.3	17.3	
- compensated absences	136.5	112.6	84.6	48.7	17.1	-
Provision for site restoration obligation (refer to Note 33)	6,381.3	3,072.8	2,806.3	5,020.8	4,388.0	-
	6,596.2	**3,243.8**	**2,931.8**	**5,096.8**	**4,422.4**	**-**

NOTE 7. Short-term borrowings

Rs in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Unsecured						
Loans repayable on demand from:						
-from related parties	22,148.7	22,148.7	20,939.7	13,455.6	36,705.4	-
-from others	3,250.6	3,250.6	2,848.7	-	-	
Short-term foreign currency loan	-	-	79.6	304.5	-	-
Short-term loan from bank	-	5,000.0	-	-	-	-
	25,399.3	**30,399.3**	**23,868.0**	**13,760.1**	**36,705.4**	**-**

NOTE 8. Trade Payables

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Trade payables	34,002.1	25,976.2	11,048.7	14,159.7	7,124.1	34.2

(Also refer to Note 30 for disclosures in respect of amounts related to Micro and Samll enterprises)

NOTE 9. Other current liabilities

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Current maturities of long-term borrowings	6,250.0	8,125.0	1.0	-	-	-
Deposit from customers	731.7	288.0	231.0	71.0	-	-
Payables for purchases of fixed assets	7,129.5	5,218.2	5,624.2	4,631.0	16,255.3	-
Statutory liabilities[1]	1,587.4	110.2	612.2	988.1	549.4	6.7

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Other liabilities	1,590.6	1,549.0	382.8	-	-	-
Provision for payment of stock options	333.2	255.0	-	-	-	-
Book overdraft	420.5	91.0	30.1	293.0	-	-
Interest accrued but not due	3.1	4.4	2.4	0.3	18.6	-
Provision for employee benefits						
- gratuity	17.0	22.0	16.0	10.0	9.0	-
- compensated absences	20.0	37.0	27.0	13.0	7.0	-
- other employee related payables	182.0	251.9	243.0	191.7	121.0	-
	18,265.0	**15,951.7**	**7,169.7**	**6,198.1**	**16,960.3**	**6.7**

1 Statutory liability includes Service tax, Withholding Tax, Value Added Tax, TCS and CST payable.

NOTE 10. Tangible assets

Rs. in million

Particulars	Tangible Assets									Intangible Assets
	Freeh old land	Leasehold improvem ents	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipment	Computer s	Total	Capital work-in-progress	Computer Software
Cost										
Balance as at 1 April 2007										
Additions	-	-	-	0.1	2.0	1.0	0.6	3.7	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Assets capitalised during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 1 April 2008	**-**	**-**	**-**	**0.1**	**2.0**	**1.0**	**0.6**	**3.7**	**-**	**-**
Additions	-	181.2	52,954.8	58.8	-	75.0	161.1	53,430.9	61,550.1	35.5
Disposals	-	-	-	-	-	-	-	-	-	-
Assets capitalised during the year								-	49,042.4	-
Balance as at 1 April 2009	**-**	**181.2**	**52,954.8**	**58.9**	**2.0**	**76.0**	**161.7**	**53,434.6**	**12,507.7**	**35.5**
Additions	-	88.4	53,234.7	14.1	0.1	42.6	136.4	53,516.3	44,304.3	418.2
Disposals			1,518.0		2.0	-	-	1,520.0	-	-
Assets capitalised during the year	-	-	-	-	-	-	-	-	52,883.9	-
Balance as at 1 April 2010	**-**	**269.6**	**1,04,671.5**	**73.0**	**0.1**	**118.6**	**298.1**	**1,05,430.9**	**3,928.1**	**453.7**
Additions										

Particulars	Tangible Assets									Intangible Assets
	Freehold land	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipment	Computers	Total	Capital work-in-progress	Computer Software
	2.0	195.5	33,315.8	24.9	2.5	57.3	104.3	33,702.3	35,068.6	196.0
Disposals	-	-	2,950.0	-	-	-	2.0	2,952.0	-	-
Assets capitalised during the year	-	-	-	-	-	-		-	35,914.3	-
Balance as at 1 April 2011	**2.0**	**465.1**	**1,35,037.3**	**97.9**	**2.6**	**175.9**	**400.4**	**1,36,181.2**	**3,082.4**	**649.7**
Additions	-	113.1	18,582.0	8.2	2.8	13.5	21.4	18,741.0	18,208.0	169.6
Disposals	-	11.0	163.0	-	-	-	-	174.0	-	-
Assets capitalised during the year	-	-	-	-	-	-	-	-	18,441.5	-
Balance as at 31 March 2012	**2.0**	**567.2**	**1,53,456.3**	**106.1**	**5.4**	**189.4**	**421.8**	**1,54,748.2**	**2,848.9**	**819.3**
Additions	-	-	13,311.8	7.9	-	27.7	27.2	13,374.5	10,792.0	86.1
Disposals	-	13.0	668.9	-	-	-	23.9	705.7	-	-
Assets capitalised during the year	-	-	-	-	-	-	-	-	10,189.4	-
Balance as at 30 September 2012	**2.0**	**554.2**	**1,66,099.2**	**114.0**	**5.4**	**217.1**	**425.1**	**1,67,417.1**	**3,451.5**	**905.4**
Accumulated Depreciation										
Balance as at 1 April 2007										
Depreciation for the year	-	-	-	-	0.1	-	-	0.1		-
Disposals	-	-	-	-	-	-	-	-		-
Balance as at 1 April			-			-				

Particulars	Tangible Assets									Intangible Assets
	Freehold land	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipment	Computers	Total	Capital work-in-progress	Computer Software
2008	**-**	**-**		**-**	**0.1**		**-**	**0.1**	**-**	**-**
Depreciation for the year	-	16.3	2,151.5	3.7	0.4	4.3	16.6	2,192.8		1.0
Disposals	-	-	-	-	-	-	-	-		-
Balance as at 1 April 2009	**-**	**16.3**	**2,151.5**	**3.7**	**0.5**	**4.3**	**16.6**	**2,192.9**	**-**	**1.0**
Depreciation for the year	-	44.6	9,398.4	14.4	0.6	20.8	52.1	9,530.9		61.0
Disposals			6.0		1.0			7.0		-
Balance as at 1 April 2010	**-**	**60.9**	**11,543.9**	**18.1**	**0.1**	**25.1**	**68.7**	**11,716.8**	**-**	**62.0**
Depreciation for the year	-	82.0	13,673.7	20.4	0.4	35.1	96.8	13,908.4		127.4
Disposals			48.0				1.0	49.0		-
Balance as at 1 April 2011	**-**	**142.9**	**25,169.6**	**38.5**	**0.5**	**60.2**	**164.5**	**25,576.2**	**-**	**189.4**
Depreciation for the period	0.2	103.0	15,442.2	21.9	0.6	42.4	94.6	15,704.9		145.4
Disposals		8.0	81.0					89.0		-
Balance as at 31 March 2012	**0.2**	**237.9**	**40,530.8**	**60.4**	**1.1**	**102.6**	**259.1**	**41,192.1**	**-**	**334.8**
Depreciation for the period	**-**	62.7	7,799.9	3.6	-	21.0	47.2	7,934.3		87.2
Disposals	**-**	8.6	444.3	-	-	-	23.4	476.2		-
Balance as at 30 September 2012	**0.2**	**292.0**	**47,886.4**	**64.0**	**1.1**	**123.6**	**282.9**	**48,650.1**	**-**	**422.0**
Carrying amounts										

Particulars	Tangible Assets									Intangible Assets
	Freehold land	Leasehold improvements	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipment	Computers	Total	Capital work-in-progress	Computer Software
As at 31 March 2008	-	-	-	0.1	1.9	1.0	0.6	3.6	-	-
As at 31 March 2009	-	164.9	50,803.3	55.2	1.5	71.7	145.1	51,241.7	12,507.7	34.5
As at 31 March 2010	-	208.7	93,127.6	54.9	-	93.5	229.4	93,714.1	3,928.1	391.7
As at 31 March 2011	2.0	322.2	1,09,867.7	59.4	2.1	115.7	235.9	1,10,604.3	3,082.4	460.3
As at 31 March 2012	1.8	329.3	1,12,925.5	45.7	4.3	86.8	162.7	1,13,556.1	2,848.9	484.5
As at 30 September 2012	1.8	262.3	1,18,212.8	50.0	4.3	93.5	142.2	1,18,766.9	3,451.5	483.3

NOTE 11. Long-term loans and advances (unsecured, considered good)

Rs. in million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Security deposits						
Considered good	3,328.4	3,138.4	2,338.0	1,752.9	639.6	3.1
Considered doubtful	62.0	44.0	-	-	-	-
Less: Provision for doubtful security deposit	(62.0)	(44.0)	-	-	-	-
	3,328.4	3,138.4	2,338.0	1,752.9	639.6	3.1
Minimum alternate tax recoverable	1,113.1	1,664.2	1,665.9	411.2	-	-
Advance tax and tax deducted at source (Net of provision for income-tax)[1]	7,848.6	6,846.0	5,773.7	1,617.6	250.0	-
Other deposits[2]	72.5	464.5	240.0	-	-	-
Capital advances	56.7	42.9	82.6	681.1	1,808.9	-
	12,419.3	**12,156.0**	**10,100.2**	**4,462.8**	**2,698.5**	**3.1**

[1] Income-tax payable	1,337.6	-	-	-	-	-
[1] Minimum alternate tax liability	3,816.2	3,816.2	1,665.9	411.2	-	-
	5,153.8	**3,816.2**	**1,665.9**	**411.2**	**-**	**-**

[2] These amount have been paid to various regulatory authorities.

NOTE 12. Other non-current assets

Rs. in million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Unamortised loan origination fee	139.8	342.7	712.3	847.5	0.2	-
Revenue equalisation reserve[1]	4,858.4	4,389.1	3,182.7	1,509.1	306.4	-
	4,998.2	**4,731.8**	**3,895.0**	**2,356.6**	**306.6**	-

[1] Lease income under an operating lease are recognised in the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefit is derived from the use of the leased asset is diminished. The difference between the actual income and income on a straight line basis is recognised in revenue equalisation reserve.

NOTE 13. Current investments (unquoted)

Rs. in million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Investments in mutual funds	-	6,100.0	5,250.0	750.0	-	-

NOTE 14. Trade receivables (unsecured)

Rs. in million

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Considered good						
- outstanding for more than six months	403.0	425.7	117.6	251.5	0.2	-

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
- other debts	2,539.0	5,224.0	8,655.0	12,783.0	6,584.0	-
	2,942.0	5,649.7	8,772.6	13,034.5	6,584.2	-
Considered doubtful						
- outstanding for more than six months	298.2	287.0	137.0	110.0	-	-
- other debts	453.7	363.9	139.0	289.0	-	-
	751.9	650.9	276.0	399.0	-	-
Less: Provision for doubtful debts	(751.9)	(650.9)	(276.0)	(399.0)	-	-
	2,942.0	**5,649.7**	**8,772.6**	**13,034.5**	**6,584.2**	**-**

NOTE 15. Cash and bank balances

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash and cash equivalents						
Balances with scheduled banks:						
- on current accounts	179.0	189.0	198.8	53.8	1,046.1	1.2
- on deposit accounts	2,898.4	392.0	0.0	374.0	3,605.0	-
- Cheques in hand	4.7	105.1	-	61.5	8.8	-
	3,082.1	686.1	198.8	489.3	4,659.9	1.2
Other bank balances						
Fixed deposit with maturity more than 3 months but less than 12 months[1]	30.6	29.9	28.5	3.7	2.0	0.6
	3,112.7	**716.0**	**227.3**	**493.0**	**4,661.9**	**1.8**

1 The amount also includes fixed deposit of Rs. 28. million (as at 31 March 2012 Rs. 27.0 million, as at 31 March 2011 Rs. 25.2 million, 31 March 2010 Rs. Nil, 31 March 2009 Rs. Nil and 31 March 2008 Rs. Nil) issued in favour of Municipal Corporation of Delhi, which is not available for use by Company.

NOTE 16. Short-term loans and advances (unsecured, considered good)

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Advances paid to suppliers						
Considered good	549.4	488.4	359.7	591.8	417.2	0.3
Considered doubtful	9.0	7.9	3.0	-	-	-
Less: Provision for doubtful advances	(9.0)	(7.9)	(3.0)	-	-	-
	549.4	488.4	359.7	591.8	417.2	0.3
Prepaid expenses	1,322.9	997.9	674.9	704.3	117.2	-
Balance with custom, excise and other authorities	1,947.5	1,048.0	925.0	2,773.5	3,143.9	-
Minimum alternate tax recoverable[1]	1,202.7	1,417.0	-	-	-	-
Other deposits [2]	394.0	-	-	-	-	-
	5,416.5	**3,951.3**	**1,959.6**	**4,069.6**	**3,678.3**	**0.3**

1 Net of income-tax payable of Rs. 766.1 million as at 30 September 2012 (Previous years Rs. Nil)

2 These amounts have been paid to various regulatory authorities

Short-term advances (Note 16) includes following amounts due from Parent Company/ Directors/ Promoters / Group Company / Other related parties

Rs in million

Name of Entity	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Bharti Infratel Limited (Joint Venturer)	35.6	31.2	98.1	108.3	18.5	-
Bharti Infratel Ventures Limited (Subsidiary of Bharti Infratel limited)	401.4	175.3	-	-	-	-
Idea Cellular Limited (Joint Venturer)	24.0	18.8	11.6	67.1	-	-
Idea Cellular Tower Infrastructure Limited (Subsidiary of Idea Cellular Limited)	18.6	11.9	-	-	-	-
Idea Cellular Infrastructure Services limited (Subsidiary of Idea Cellular Limited)	-	-	-	-	0.9	-
Vodafone Infrastructure Limited (Subsidiary of Vodafone India limited)	0.7	-	-	-	-	-
Vodafone East Limited (Subsidiary of Vodafone India limited)	-	-	-	3.6	-	-
Total	**480.2**	**237.2**	**109.6**	**178.9**	**19.3**	**-**

List of entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

NOTE 17. Other current assets

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Unbilled revenue	11,063.4	9,351.6	8,605.8	10,623.1	2,844.5	-
Revenue equalisation reserve	165.4	173.8	151.3	304.8	159.0	-
Unamortised loan origination fee	29.1	100.3	161.5	156.0	174.0	-
Other receivable[1]	1,532.6	2,400.1	483.0	108.9	1,141.4	-
Interest accrued on fixed deposits	1.9	-	-	-	-	-
	12,792.4	**12,025.8**	**9,401.6**	**11,192.8**	**4,318.9**	**-**

1 Balance as at 31 March 2012 includes Rs. 500.0 million receivable from various mutual funds for which redemption requests had been filed on 30 March 2012.

NOTE 18. Revenue from operations

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Rental revenue	40,257.0	78,385.2	69,601.6	54,264.1	13,623.1	-
Energy charges	23,759.7	41,807.5	37,068.7	33,449.3	7,636.9	-
	64,016.7	**120,192.7**	**106,670.3**	**87,713.4**	**21,260.0**	**-**

NOTE 19. Other income

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Interest earned	64.8	180.2	18.6	20.3	148.4	-
Gain on sale of investments in mutual funds	389.1	283.3	154.4	27.5	-	-
Sale of scrap	279.7	154.7	8.1	-	-	-
Excess provision written back	128.4	220.6	501.7	-	-	-
Foreign exchange gain (net)	-	-	5.4	16.0	-	-
Miscellaneous	39.0	2.2	-	-	-	-
Dividend income	50.5	-	-	-	-	-
	951.5	**841.0**	**688.2**	**63.8**	**148.4**	**-**

NOTE 20. Operating expenses

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Rent	6,624.3	12,311.7	11,216.0	9,787.3	2,262.7	-
Cell site maintenance	5,499.3	10,891.3	9,008.2	7,724.8	3,620.7	-
Security charges	1,075.7	2,490.7	3,116.9	3,222.8	1,458.9	-
Power and fuel	24,728.1	42,663.4	38,413.0	34,117.1	7,637.1	-
	37,927.4	**68,357.1**	**61,754.1**	**54,852.0**	**14,979.4**	**-**

NOTE 21. Employee benefits expenses

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Salaries and wages	820.1	1,471.9	1,213.6	899.6	577.6	14.9
Employee stock option expense	75.9	111.7	226.1	137.8	-	-
Staff welfare	38.4	68.0	93.6	42.2	19.2	-
Contribution to provident and other funds	42.8	77.0	61.7	44.9	27.2	-
Compensated absence	18.9	57.5	53.4	42.0	26.1	-
	996.1	**1,786.1**	**1,648.4**	**1,166.5**	**650.1**	**14.9**

NOTE 22. Administrative and other expenses
(Refer to Note 24 for disclosures under AS 15)

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Rent - office and others	128.9	246.7	238.3	174.0	122.3	-
Travelling and conveyance	278.2	500.5	430.6	281.9	179.3	2.7
Legal and professional	450.2	810.5	854.9	452.7	270.9	23.0
Insurance	67.5	128.6	112.6	118.4	37.9	-
Warehouse charges	258.2	452.9	268.7	205.2	94.7	-
Office expenses	81.4	131.1	132.8	103.6	61.1	0.3
Rates and taxes	1.4	15.8	8.2	3.2	7.5	-
Recruitment	32.5	80.9	87.9	89.7	40.0	3.2
Repair and maintenance- others	23.5	42.2	37.4	23.4	10.4	-
Auditor's remuneration (refer to Note 28)	4.9	10.4	10.2	6.8	5.0	0.9
Power and fuel - office	27.5	39.3	38.2	24.1	10.0	-
Provision for doubtful debts	100.4	424.3	9.1	399.1	-	-
Provision for doubtful deposits/advances	19.9	49.0	-	-	-	-
Fixed assets written-off	131.8	279.8	210.9	42.4	-	-
Advertisements	4.5	27.4	36.2	8.1	2.2	-
Provision for obsolescence of capital work in progress/services	-	224.7	248.7	-	-	-
Foreign exchange loss (net)	-	-	-	-	109.2	-
Miscellaneous	93.8	120.5	52.4	47.0	14.6	0.3
	1,704.6	**3,584.6**	**2,777.1**	**1,979.6**	**965.1**	**30.4**

Certain regroupings have been made in administrative and other expenses however same has not been disclosed separately since not considered material.

NOTE 23. Finance cost

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Interest expense						
- on term loans (secured)	3,822.9	8,138.8	9,181.2	4,644.5	352.7	-
- on others (unsecured)	192.3	914.3	68.0	3,367.1	2,122.5	0.2
Amortisation of loan origination fee[1]	447.8	605.0	165.2	266.3	44.5	-
Bank charges	4.2	8.8	22.7	31.3	14.9	-
	4,467.2	**9,666.9**	**9,437.1**	**8,309.2**	**2,534.6**	**0.2**

[1] During the six months ended 30 September 2012 the Company additionally charged off Rs. 409.5 million due to prepayments of borrowings. During the financial year ended 31 March 2012 the Company additionally charged off Rs. 486.9 million due to surrender of undrawn borrowing facilities, prepayments and reset of interest rates.

NOTE 24. Disclosures in respect of employee benefits under Accounting Standard–15 notified under the Companies (Accounting Standards) Rules, 2006

(i) Defined Contributions Plan

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Employers’	42.8	77.3	61.6	44.9	27.1	-

contribution to provident fund						

(ii) Defined Benefit Obligation

In accordance with Payment of Gratuity Act, 1972, the Company provides for Gratuity, a defined benefit retirement plan ('the Gratuity plan') covering all employees. The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the date of actuarial valuation. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

Change in defined benefit obligation (gratuity) for the year ended

Rs. in million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Current service cost	14.3	25.7	19.2	12.0	8.1	-
Interest cost	3.4	5.9	3.9	2.6	1.5	-
Actuarial losses	3.0	2.9	3.8	1.3	8.3	-
Total amount recognised in statement of profit and loss	**20.7**	**34.5**	**26.9**	**15.9**	**17.9**	-

(iii) Amount recognised in the balance sheet

Rs. in million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Opening defined benefit obligation	80.4	56.9	37.2	26.3	-	-
Liability taken over from joint ventures		-	-	-	13.8	-
Total amount recognised in Statement of profit and loss	20.7	34.5	26.9	15.9	17.9	-
Benefits paid during the year	(5.8)	(11.0)	(7.2)	(4.9)	(5.4)	-
Amount recognised in the balance sheet	**95.3**	**80.4**	**56.9**	**37.3**	**26.3**	-

(iv) Experience adjustments

Rs. in million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Defined benefit obligation	95.4	80.4	56.9	37.3	26.3	-
Surplus / (Deficit)	(95.4)	(80.4)	(56.9)	(37.3)	(26.3)	-
Experience adjustments on Plan Liabilities	3.0	4.9	4.6	1.3	-	-

(v) Financial assumptions

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Discount rate	8.40%	8.40%	7.90%	7.60%	7.60%	-
Salary escalation rate	First 2 years—10% and 7% thereafter	First 2 years—10% and 7% thereafter	First 3 years—10% and 7% thereafter	First 4 years—10% and 7% thereafter	First 5 years—10% and 7% thereafter	-

The Company does not have any funded assets.

Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Discount rate is based on the prevailing market yields on government bonds for the estimated terms of defined benefit obligations.

(vi) Demographic Assumptions

Assumptions regarding future mortality are based on published statistics and mortality tables (LIC 1994-96 duly modified).

Retirement age: The employees of the Company are assumed to retire at the age of 58 years.

Leaving Service

Age (Years)	Rates on					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
21-30	25%	25%	25%	25%	-	-
31-40	21%	21%	21%	21%	-	-
41-50	15%	15%	15%	10%	-	-
51-57	10%	10%	10%	5%	-	-

General description of the gratuity plan: The Company operates the gratuity plan wherein every employee of the Company is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service with part thereof in excess of six months. The same is payable on termination of service or retirement or death whichever is earlier. The gratuity vests after one year of continuous service.

NOTE 25. Capital Commitments

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,447.2	2,171.6	9,125.3	6,200.9	24,192.3	18.4

NOTE 26. CIF value of capital goods imported

Rs. in million

Particulars	Six months ended	For the year ended 31 March 2012				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
CIF value of goods imported	-	15.1	580.2	1,292.4	3,499.0	-

NOTE 27

(a) Operating Leases — As a lessee: The Company has entered into non-cancellable lease arrangements to take office space, warehouses, tower sites and towers under operating leases. The lease rental is charged to the Statement of profit and loss on a straight line basis over the lease term. Lease rental expenses charged to Statement of profit and loss and the future minimum lease payments are as follows:

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Lease rent*	6,059.7	14,800.8	13,556.4	12,759.4	5,067.0	-

* Inclusive of rentals paid for indefeasible right to use (IRU) passive infrastructre. The Company has enetered into separate IRU agreements with the certain IRU grantor parties under which the Company is entitled to exclusive, unrestricted and indefeasible right to use the passive infrastructure located at each site for any legal purpose.

Future minimum lease payments	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Not later than one year	11,044.6	5,243.6	7,633.3	9,717.0	11,582.1	-
Later than one year but not later than five years	10,929.0	9,950.3	8,917.6	6,993.7	11,397.3	-
Later than five years	24,677.9	23,224.2	22,918.7	22,960.4	16,950.2	-
Total	**46,651.5**	**38,418.1**	**39,469.6**	**39,671.1**	**39,929.6**	-

(b) Straight-lining of infrastructure provisioning fees: The Company has entered into long term non-cancellable agreements to provide passive infrastructure services to telecom operators. The revenue from such service agreements is credited to the statement of profit and loss on a straight line basis over the agreement period. The revenue credited to statement of profit and loss and the minimum amounts receivable in future are as follows:

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Revenue credited to Statement of profit and loss	40,163.0	77,708.4	70,882.9	56,232.3	13,157.7	-

Rs. in million

Minimum amounts receivable in future under long term non-cancellable agreements	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Not later than one year	63,808.9	35,989.2	45,488.9	51,711.2	47,032.4	-
Later than one year but not later than five years	95,068.7	92,923.5	79,643.5	74,852.7	58,597.6	-
Later than five years	59,051.3	65,819.0	72,533.7	51,247.8	35,031.4	-
Total	**217,928.9**	**194,731.7**	**197,666.1**	**177,811.7**	**140,661.4**	-

NOTE 28. Auditors' remuneration (excluding service tax)

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
As auditor:						
Statutory audit fee	4.2	8.4	9.7	5.1	4.5	0.8
Tax audit fee	0.1	0.2	0.2	0.4	0.4	-
Other matters			-	0.5	-	-
Reimbursement of expenses	0.6	1.8	0.3	0.8	0.1	0.1
Total	**4.9**	**10.4**	**10.2**	**6.8**	**5.0**	**0.9**

NOTE 29. Disclosure in respect of hedged/ unhedged currency receivable/ payable:

Disclosure in respect of hedged currency payable:

Amounts in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Category of derivative instrument	-	-	*	*	-	-
Number of contracts	-	-	4	11	-	-
Purpose of the instrument	-	-	**	**	-	-
Sundry creditors (amount hedged)	-	-	-	USD 1.2 million	-	-
Short-term foreign currency loans (amount hedged)	-	-	USD 2 million	USD 6.6 million	-	-

* Forward exchange contracts

** To hedge against its foreign currency exposures relating to the underlying transactions

Disclosure in respect of un-hedged currency payable:

Amounts in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Sundry creditors:						
Amount (USD)	-	0.02	-	0.41	9.03	-
Amount (Rs.)	-	1.05	-	18.5	458.3	-
Interest on short-term foreign currency loan:						
Amount (USD)	-	-	0.02	-	-	-
Amount (Rs.)	-	-	0.45	-	-	-

NOTE 30. Disclosure in respect of the amounts payable to Micro and Small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
The principal amount remaining unpaid to any supplier as at the end of each period;	106.0	33.8	31.8	80.1	-	-

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
The interest due remaining unpaid to any supplier as at the end of each period;	16.0	0.5	-			
Interest paid in terms of Section 16 (at 3 times RBI rate) and the amount of delayed payments;	3.3	2.4	5.4	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of the period	1.4	-	-	25.3	-	-
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.	-	-	-	-	-	-

NOTE 31. Expenditure in foreign currency

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Expenditure in foreign currency towards purchase of capital goods	26.5	31.0	44.9	0.5	6.2	-

NOTE 32. Segment reporting

The Company was set-up with the object of, inter-alia, establishing, operating and maintaining wireless communication towers, provide network development services, engage in video, voice, data and internet transmission business. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, business segment is the primary segment. Further, as the Company does not operate in more than one business segment or geographical segment, disclosures for primary segment and secondary segment as specified under Accounting Standard 17 - 'Segment Reporting' prescribed by the Companies (Accounting Standards) Rules, 2006 are not applicable to the Company.

NOTE 33. Site restoration costs

Accounting Standard (AS) 29, Provisions, Contingent Liabilities and Contingent Assets, requires that a provision should be recognised when an enterprise has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The Company has erected its towers on leased land and leased buildings and has a legal obligation to carry out site restoration at the end of the lease term.

Under AS 29, the Company recognises site restoration obligations in the period in which they are incurred, if a reliable estimate can be made of the amount of the obligation. The associated restoration costs are capitalized as part of the carrying amount of the related towers. It is expected that these provisions would be utilised at the end of the lease term for the respective land and building.

The movement or provision in accordance with Accounting Standard 29, Provisions, Contingents Liabilities and Contingent Assets specified by the Companies (Accounting Standards) Rules, 2006 is as follows:

Rs. in million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Opening Balance	3,072.6	2,806.2	5,020.8	4,388.5	-	-
Addition during the period	3,312.3	296.7	544.9	2,100.5	4,388.5	-
Less: Provision utilized / adjusted during the period	(3.6)	(30.3)	(2,759.5)	(1,468.1)	-	-
Closing balance	**6,381.3**	**3,072.6**	**2,806.2**	**5,020.9**	**4,388.5**	**-**

Change in estimate of site restoration cost

During the quarter ended 30 September 2012, the Company has revised its estimate for site restoration obligation of sites which has resulted in increase in the estimated obligation by Rs. 3,117 million. Had the Company not changed its estimate regarding the cost to be incurred for restoration of sites, the depreciation for the six months ended 30 September 2012 would have been lower by Rs. 43 million and the reserves and surplus as at 30 September 2012 would have been higher by Rs. 29 million (net of tax).

During the year ended 31 March 2011, the Company updated its estimate regarding the cost to be incurred for restoration of sites, which resulted in a decrease in the estimated obligation by Rs. 2,759.5 million (for year 2010 Rs. 1,468.1 million) as at 1 April 2010. Had the company not changed its estimate regarding the cost to be incurred for restoration of sites, the depreciation for the year ended 31 March 2011 would have been higher by Rs. 170.4 million (for year 2010 Rs. 102.3 million)

NOTE 34. Scheme of Amalgmation

An application for sanctioning a scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 has been filed with Honorable High Court of Delhi on 31 May 2011. The scheme provides for transfer of all assets and liabilities of Vodafone India Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), Bharti Infratel Ventures Limited and Idea Cellular Tower Infrastructure Limited, wholly owned subsidiaries of Vodafone India Limited (formerly known as Vodafone Essar Limited), Bharti Infratel Limited and Aditya Birla Telecom Limited respectively, to Indus Towers Limited from 01 April 2009 (appointed date). The application for scheme of arrangement is pending with the Honorable High Court of Delhi.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure V - Restated Statement of Trade Receivables

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Considered good						
- outstanding for more than six months	403.0	425.7	117.6	251.5	0.2	-
- other debts	2,539.0	5,224.0	8,655.0	12,783.0	6,584.0	
	2,942.0	5,649.7	8,772.6	13,034.5	6,584.2	-
Considered doubtful						
- outstanding for more than six months	298.2	287.0	137.0	110.0		
- other debts	453.7	363.9	139.0	289.0		
	751.9	650.9	276.0	399.0	-	-
Less: Provision for doubtful debts	751.9	650.9	276.0	399.0	-	-
	2,942.0	5,649.7	8,772.6	13,034.5	6,584.2	-

Amounts due from Parent Company/Directors/Promoters/Group Company/other related parties

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Bharti Infratel Limited	295.6	414.5	513.2	392.9	-	-
Bharti Airtel Limited	266.9	780.8	643.8	1,489.3	3,623.6	-
Bharti Heaxcom Limited	2.7	11.3	-	10.4	-	-
Idea Cellular Limited	686.9	720.6	1,931.5	2,275.0	1,730.5	-
Idea Cellular Tower Infrastructure Limited	69.6	35.6	91.5	57.5	-	-
Vodafone Cellular Limited	0.9	545.9	337.9	1,521.5	231.0	-
Vodafone Digilink Limited	41.3	591.3	390.4	1,441.4	849.8	-
Vodafone East Limited	7.2	92.5	59.4	121.4	36.6	-
Vodafone West Limited	67.6	326.8	103.7	567.7	131.2	-
Vodafone India Limited	-	86.3	109.1	333.3	96.3	-
Vodafone Mobile Services Limited	-	122.4	35.2	454.3	131.5	-
Vodafone South Limited	-	754.2	1,208.1	2,809.5	1,006.2	-
	1,438.7	4,482.2	5,423.8	11,474.2	7,836.7	-

NOTE:

1. List of entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure VI- Restated Statement of Secured Loans and Unsecured Loans

Rs in million

(A) **Secured Loans**

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
- from banks	25,000.0	48,841.8	66,500.0	64,000.0	14,000.0	-
- from other financial institutions	44,500.0	16,158.2	22,000.0	19,000.0	4,500.0	-
Total	**69,500.0**	**65,000.0**	**88,500.0**	**83,000.0**	**18,500.0**	**-**
Non-current	63,250.0	56,875.0	88,500.0	83,000.0	18,500.0	-
Current	6,250.0	8,125.0	-	-	-	-
	69,500.0	**65,000.0**	**88,500.0**	**83,000.0**	**18,500.0**	**-**

(a) ***Secured loans of Rs. 18,500 million as at 31 March 2009***

Nature of Security

The loan was secured by pari passu first charge by way of hypothecation over the present and future movable assets (tower assets), machinery, spares, tools and accessories, excluding receivable and negative lien over the immovable assets.

Terms of Repayment

The loan was repayable in financial year ending 31 March 2010.

Interest Rates

The interest rate applicable on this loan was defined as the weighted average of the prime lending rates/12 month benchmark rates of three major banks/institutions that have advanced secured loans to the Company. The following are the rates at which interest was recognised during the financial years ended 31 March 2009 and 31 March 2010.

Particulars	Rate of Interest					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Secured loan	-	-	-	10% - 12.85%	10% - 12.85%	-
				per annum	per annum	

(b) ***Secured loans as at 31 March 2010 till 30 June 2012***

Nature of Security

The Company has entered into borrowing arrangements with several lenders. The security interest set out below ranks pari-passu amongst all secured lenders.

(i) a mortgage and first charge of all the Company's freehold immovable properties, present and future;

(ii) a first charge by way of hypothecation of the Company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;

(iii) a charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject to prior charge in favour of working capital facilities with working capital facility limits not exceeding 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 Company in the documents related to telecom tower rollout and upgradation of existing towers (except the Master Services Agreement), duly acknowledged and consented to by the relevant counter-parties to such documents, all as amended, varied or supplemented from time to time. (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Clearances and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents;

(v) a first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Master Services Agreements together with the Service Contracts, all as amended, varied or supplemented from time to time;

(vi) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.

The Company is in the process of de-registration of charges on the loans outstanding as at 30 June 2012 and fully re-paid during the six months ended 30 September 2012.

Terms of repayment

The Company has to repay the loan in 16 equated quarterly installments, first date for repayment would fall due on November 2012 as per repayment schedule specified in the loan agreement.

Terms of prepayments and prepayments made

The Company can make prepayments of the disbursed loans subject to certain terms and conditions as defined in the common loan agreement.

As per the above terms and conditions the Company had made prepayment amounting to Rs. 23,500 million during the financial year ended 31 March 2012. Due to prepayment of loan the Company charged off loan origination fee amounting to Rs. 84 million in the Statement of Profit and Loss for the year ended 31 March 2012.

As per the above terms and conditions the Company had made prepayment amounting to Rs. 65,000 million during the six months ended 30 September 2012. Due to prepayment of loan the Company charged off loan origination fee amounting to Rs. 409.5 million in the Statement of Profit and Loss for the six months ended 30 September 2012.

Interest rates (per annum)

Till 29 June 2011, the interest rate applicable on secured loans was defined as the weighted average of the prime lending rates/12 month benchmark rates of three major banks/ institutions that have advanced secured loans to the Company. The Company has renegotiated the interest rates with the consortium of lenders. As per the revised negotiation, the Company is required to pay interest at the base rate of individual banks plus agreed mark-ups. From 29 June 2011 onwards, the interest rate was agreed at 11.25% per annum till the next interest rate reset. The interest rates are reset after every six months period.

Particulars	For the six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Secured loan	-	10.25% - 11.00%	10.25% - 12.00%	10.25% - 12.00%	10.00% - 12.85%	-

(c) ***Secured loans of Rs. 69,500 million as at 30 September 2012***

Nature of Security

The Company has entered into borrowing arrangements with several lenders. The security interest set out below ranks pari-passu amongst all secured lenders.

(i) a mortgage and first charge of all the Company's freehold immovable properties and assets, both present and future;

(ii) a first charge by way of hypothecation of the Company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;

(iii) a charge on Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject only to prior charge in favour of working capital lenders with working capital facility limits not exceeding Rs. 1,000 crore (amount in absolute figures) including funded facilities;

(iv) an assignment and first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the IRU agreements, Master Service Agreements together with the service contracts, all as amended, varied or supplemented from time to time duly acknowledged and consented to by the relevant counter-parties to such Contracts, (if required) and Insurance Contracts, all as amended, varied or supplemented from time to time and subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances and subject to Applicable Law;

(v) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement;

The Company is yet to create a charge on its assets in favour of the lenders. As per the agreement signed for the new loan facility, the Company has to create a charge in favour of the lenders within 180 days of the first disbursement.

Terms of repayment

As per the repayment schedule in the Common loan agreement, the Company has to repay loans amounting to Rs 44,500 availed from other parties in 27 equated quarterly installments, with first date for repayment falling due in February 2014.

As per the repayment schedule in the Common loan agreement, the Company has to repay loans amounting to Rs. 25,000 availed from banks in 16 equated quarterly installments' with first date for repayment falling due in November 2012.

Terms of prepayments and prepayments made

The Company may voluntarily prepay all or any portion of the disbursed loan on certain specified clauses and subject to the condition laid out in the loan agreement.

Interest rates (per annum)

The interest rate varies from approximately 10.25% per annum to 12.00% per annum on term loans from banks and other financial institutions.

Particulars	For the six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Secured loan	10.25% - 12.00%	-	-	-	-	-

(B) **Unsecured loans**

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Interest bearing loan						
- From promoters	-	-	-	-	32,487.0	12.5
- From promoter group companies	-	-	-	5,651.2	4,218.4	-
Interest free loan						
- From promoters	22,148.7	22,148.7	20,939.7	6,027.5	1,205.5	
- From promoter group companies	3,250.6	3,250.6	2,848.7	1,776.9	355.4	
Foreign currency loan	-	-	79.6	304.5	**-**	**-**
From bank	-	5,000.0	-	-	-	-
	25,399.3	**30,399.3**	**23,868.0**	**13,760.1**	**38,266.3**	**12.5**
Non-current		-	-	-	1,560.9	12.5
Current	25,399.3	30,399.3	23,868.0	13,760.1	36,705.4	-
	25,399.3	**30,399.3**	**23,868.0**	**13,760.1**	**38,266.3**	**12.5**

Terms of Repayment

Interest bearing loan

As per the agreement the Company was required to repay the loans upon the earlier of: (a) 18 month from the date of the execution of the agreements (i.e. April 2008) and (b) the first drawdown of the external funding that may be procured by the Company, together with any prior external funding which is sufficient to repay all the outstanding loans.

Interest free loan

As per the terms of the agreements, till 31 December 2010, these loans were repayable to shareholders at a mutually agreed date between the shareholders and the Company. As at the date of these restated financial statements, these loans were repayable on or before 30 September 2012, subject to availability of borrowings to the Company.

Foreign currency loan

The loans were repayable in the financial year 2010-11

Short term bank loan

Unsecured short-term loan from bank is repayable in full on the date falling at the end of 363 days from the date of first disbursement (i.e. 2 August 2011).

Interest rates (per annum)

Particulars	For six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Interest bearing loan[1]	-	-	-	10.25%	10.25%	
Unsecured foreign currency loan	-	-	LIBOR+140 bps	LIBOR+140 bps	LIBOR+140 bps	-
Unsecured loan from bank	-	10.50%	-	-	-	-

[1] The rate of interest shall be reset every month and shall be 1.5% less than the prime lending rate prevailing on the first day of each month. Interest shall be payable in cash in every month or through capitalisation into the outstanding loan account.

Amounts due to Promoters / Promoter Group Companies

Rs in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Interest bearing loan						
Bharti Infratel Limited	-	-	-	-	15,475.4	12.5
Vodafone India Limited	-	-	-	-	15,535.9	-
Aditya Birla Telecom Limited	-	-	-	-	1,475.8	-
Idea Cellular Limited	-	-	-	5,651.2	4,218.4	-
Idea Cellular Tower Infrastructure Limited	-	-	-	-	-	-
Bharti Infratel Ventures Limited	-	-	-	-	-	-
Interest free loan						
Bharti Infratel Limited	11,653.2	11,653.2	10,849.5	6,027.5	1,205.5	-
Vodafone India Limited	10,495.5	10,495.5	10,090.2	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	355.4	-
Idea Cellular Tower Infrastructure Limited	2,848.7	2,848.7	2,848.7	1,776.9	-	-
Bharti Infratel Ventures Limited	401.8	401.8	-	-	-	-
	25,399.2	**25,399.2**	**23,788.5**	**13,455.6**	**38,266.4**	**12.5**

NOTE:

1. List of entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure VII - Restated Statement of Other Income

Rs. in million

Particulars	Six months ended			For the year ended			Nature:	Related /
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	Recurring/ non-recurring	Not related to business activity
Interest earned	64.8	180.2	18.6	20.3	148.4	-	Non-Recurring	Not related
Gain on sale of investment in mutual fund	389.1	283.3	154.4	27.5	-	-	Non-Recurring	Not related
Exchange difference (net)	-	-	5.4	16.0	-	-	Non- recurring	Not related
Sale of Scrap	279.7	154.7	8.1	-	-	-	Non- recurring	Related
Excess provision written back	128.4	220.6	501.7	-	-	-	Non- recurring	Related
Dividend income	50.5						Non- recurring	Not related
Insurance claim	39.0	-	-	-	-	-	Non- recurring	Related
Miscllaneous income	-	2.2	-	-	-	-	Non- recurring	Not related
Total Other Income	**951.5**	**841.0**	**688.2**	**63.8**	**148.4**	**-**		
% to restated profit/(loss) before tax	14.2%	8.3%	10.1%	5.5%	-5.7%	0.0%		

NOTES

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The amounts disclosed above are based on the restated Summary Statement of Profit and Loss of the Company.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure VIII - Restated Statement of Contingent Liabilities

Rs in million

Particulars	**As at**					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Claims against the Company not acknowledged as debts it represents amounts levied by various local authorities. The Company has challenged these levies in the court of law. In the event these levies are confirmed by law, the Company would recover these amounts from its customers in accordance with the Master Service Agreements.	518.5	284.1	182.0	22.5	-	-
Claims against the company on account of tax notices, pending adjudication, not acknowledged as debts	3,424.0	3,296.0	-	-	-	-
Claims against the company not acknowledged as Debts	28.0	79.0	75.2	-	-	-
	3,970.5	**3,659.1**	**257.2**	**22.5**	**-**	**-**
Certain disputed tax demand notices and show cause notices relating to Indirect taxes matters have neither been acknowledged as claims nor considered as contingent liabilities, based on internal assessment and independent advice taken from tax experts, the Company is of the view that the possibility of any of these tax demands materialising is remote. The total amount of such demand notices and show cause notices in the respective years is as follows:						
	40,892.4	39,385.8	2,383.6	182.7	-	-

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure IX - Restated Statement of Accounting Ratios

Rs. in million (except per share data in Rs.)

Particulars		**Six months ended**	**For the year ended**						
		30- Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**		**31-Mar-08**	
						Post Split	**Pre Split**	**Post Split**	**Pre Split**
Net Profit after tax as restated attributable to equity shareholders (as restated)	A	4,547.2	6,873.5	4,554.3	1,395.3	(2,366.6)	(2,366.6)	(30.3)	(30.3)
Weighted average number of equity shares outstanding during the year [Refer Note 2 and 4 below]	B	1,190,470	1,190,470	1,190,470	1,190,470	1,190,470	119,047	1,190,470	119,047
Weighted average number of equity shares (including ESOP) which should be considered for calculating Diluted EPS	C	1,190,854	1,190,711	1,190,672	1,190,520	1,190,470	119,047	1,190,470	119,047
Net worth at the end of the period/year	D	3,884.0	10,544.3	3,917.8	(862.6)	(2,395.7)	(2,395.7)	(29.1)	(29.1)
Total no. of equity shares outstanding at the end of the period/year	E	1,190,470	1,190,470	1,190,470	1,190,470	1,190,470	119,047	1,190,470	119,047
Basic earnings per share (Rs.) [Refer note 1(a)]	A/B	**3,819.5**	**5,773.8**	**3,825.0**	**1,172.1**	**(1,988.0)**	**(19,879.5)**	**(25.4)**	**(254.1)**
Diluted earnings per share (Rs.) [Refer note 1(b)]	A/C	**3,818.3**	**5,772.7**	**3,823.5**	**1,172.0**	**(1,988.0)**	**(19,879.5)**	**(25.4)**	**(254.1)**
Return on Net Worth (%) [Refer Note 1(c), 3 and 6 below]	A/D *100	**117%**	**65%**	**116%**	**162%**	**-**	**-**	**-**	**-**
Net asset value per equity share (Rs.) [Refer Note 1(d), 3 and 6 below]	D/E	**3,262.0**	**8,857.2**	**3,291.0**	**(724.6)**	**(2,012.4)**	**(20,124.0)**	**(24.4)**	**(244.4)**

NOTES

1. The Ratios have been computed as below:

a) Basic Earnings per share (Rs.) $\dfrac{\text{Net profit after tax (as restated) attributable to shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Diluted Earnings per share (Rs.) $\dfrac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$

c)	Return on net worth (%)	$\dfrac{\text{Net Profit after tax (as restated)}}{\text{Net worth at the end of the year}}$
d)	Net asset value per share (Rs.)	$\dfrac{\text{Net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3. Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (Employee Stock options Reserve and surplus in statement of Profit and Loss)

4. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. The Company has done a stock split on 14 July 2009. The par value of the equity share was split from Rs. 10 per share to Re.1 per share. Following the share split, authorised number of equity shares stands increased from 50 million to 500 million and issued, subscribed and fully paid-up number of equity shares stands increased from 119,047 to 1,190,470. Accordingly, the number of weighted average equity shares are adjusted retrospectively for the year ended 31 March 2009 and 31 March 2008 for the purpose of computation of basic and dilutive earnings per share.

6. The anuualised ratios based on the annualised profit after tax for the six months ended 30 September 2012 are as follows:

   Return on Net Worth (%) 107.9%

   Net asset value per equity share (Rs.) 7,082.2

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

Annexure X - Restated statement of Related Party Transactions

NOTE 35. Related party disclosures

Related party and nature of related party relationship

Joint Venturers

(a) Bharti Infratel Limited (holds 42% shares in the Company)

(b) Vodafone India Limited (holds 42% shares in the Company)*

(c) Aditya Birla Telecom Limited (holds 16% shares in the Company)

(d) Bharti Airtel Limited (ultimate holding company of Bharti Infratel Limited)

(e) Idea Cellular Limited (ultimate holding company of Aditya Birla Telecom Limited)

Transactions with Related Party

Rs. in million

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Rental Income(net)						
Bharti Infratel Limited	110.0	277.1	201.4	251.8	92.3	-
Vodafone India Limited	591.1	1,273.9	954.2	929.1	246.4	-
Bharti Airtel Limited	12,738.3	25,130.0	22,975.5	17,992.2	8,504.4	-
Idea Cellular Limited	7,726.9	15,292.3	12,714.2	9,840.4	3,661.2	-
Energy Charges						
Bharti Infratel Limited	64.2	118.6	247.7	681.5	2,042.6	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	312.0	528.5	446.1	541.8	152.3	-
Bharti Airtel Limited	7,625.6	14,109.6	13,142.7	10,601.5	346.8	-
Idea Cellular Limited	4,131.4	7,819.7	6,870.9	5,996.8	851.6	-
Absorbed energy costs						
Bharti Infratel Limited	(12.3)	3.6	38.0	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	0.2	-	-	-	-
Bharti Airtel Limited	49.7	336.7	294.2	173.7	-	-
Idea Cellular Limited	156.7	335.5	645.1	200.0	-	-
Reimbursement of expenses to related parties						
Bharti Infratel Limited	20.8	878.7	3,378.8	3,547.3	846.5	7.3
Vodafone India Limited	2.0	456.9	807.6	901.0	198.6	-
Bharti Airtel Limited	0.6	1.8	5.4	0.1	21.3	-
Idea Cellular Limited****	-	-	2,223.3	2,273.4	318.9	2.0
Transfer of material						
Bharti Infratel Limited	-	-	-	383.4	408.2	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	-	-	-	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	1.0	-
Receipt of material & services						

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Bharti Infratel Limited	-	3.3	244.2	35.5	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	29.4	5.6	-	-	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	20.4	17.8	-	131.4	-
Security deposits received						
Bharti Infratel Limited	-	-	-	26.8	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	2.9	8.3	0.6	109.6	61.9	-
Bharti Airtel Limited	128.0	170.2	853.4	4,108.5	1,626.0	-
Idea Cellular Limited	50.1	284.5	182.7	1,246.7	773.4	-
Security deposits refunded						
Bharti Infratel Limited	27.6	-	-	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	78.3	1.2	-	-	-	-
Bharti Airtel Limited	2,180.1	-	984.7	-	-	-
Idea Cellular Limited	1,586.7	-	-	-	-	-
Reimbursement of municipal taxes and expenses from related parties						
Bharti Infratel Limited	-	-	4.9	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	43.2	-	-	-
Bharti Airtel Limited	-	-	170.7	-	-	-
Idea Cellular Limited	-	-	131.5	-	-	-
Unsecured Loan received						
Bharti Infratel Limited	-	803.7	4,822.0	4,822.0	16,027.4	12.5
Aditya Birla Telecom Limited	-	-	-	-	1,462.4	-
Vodafone India Limited	-	405.3	10,090.2	-	14,834.4	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	1,421.5	4,544.2	-
Interest expense on unsecured loan						
Bharti Infratel Limited	-	-	-	1,433.1	921.3	-
Aditya Birla Telecom Limited	-	-	-	116.9	84.6	-
Vodafone India Limited	-	-	-	1,163.8	921.2	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	63.5	478.6	195.1	-
Repayment of Loans						
Bharti Infratel Limited	-	-	-	14,834.4	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	-	14,834.4	-	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	5,651.2	-	-	-
Rental-IRU charges						
Bharti Infratel Limited	-	803.7	4,822.0	4,822.0	1,205.5	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	9.3	111.1	111.1	27.8	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	355.4	-

Particulars	Six months ended	For the year ended				
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Settlement of interim sites						
Amount paid						
Bharti Infratel Limited	-	-	2,275.5	-	2,568.8	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	-	-	-	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	-	-
Amount received						
Bharti Infratel Limited	-	-	-	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	774.4	-
Vodafone India Limited	-	-	1,423.2	-	1,794.4	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	852.3	-	-	-
Gratuity liability taken over						
Bharti Infratel Limited	-	-	-	-	5.1	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	-	-	4.7	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	4.0	-

Annexure X - Restated statement of Related Party Transactions

Related Party Outstanding Balances

Rs. in million

Particulars	As at					
	30-Sep-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Unsecured loan (Interest bearing)						
Bharti Infratel Limited	-	-	-	-	15,475.4	12.5
Aditya Birla Telecom Limited	-	-	-	-	1,475.8	-
Vodafone India Limited	-	-	-	-	15,535.8	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	5,651.2	4,218.3	-
Unsecured loan (Interest free)						
Bharti Infratel Limited	11,653.2	11,653.2	10,849.5	6,027.5	1,205.5	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	10,495.5	10,495.5	10,090.2	-	-	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	355.4	-
Other receivables						
Bharti Infratel Limited	-	-	12.5	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	14.1	-	-	-
Bharti Airtel Limited	-	-	57.5	-	-	-
Idea Cellular Limited	-	-	23.3	-	-	-
Trade receivable						
Bharti Infratel Limited	536.3	549.9	577.4	363.6	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	37.1	137.9	163.2	494.4	178.5	-
Bharti Airtel Limited	4,915.6	4,818.9	4,848.2	6,900.9	5,104.2	-
Idea Cellular Limited	3,314.7	2,651.9	4,011.9	4,590.7	2,314.7	-
Trade Payable***						
Bharti Infratel Limited	293.5	336.4	315.3	8.2	1,022.7	7.3
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	21.1	-	52.4	156.5	191.9	-
Bharti Airtel Limited	24.0	-	-	5.7	18.2	-
Idea Cellular Limited	848.6	840.4	416.7	203.3	439.8	2.0
Advance given						
Bharti Infratel Limited	-	-	-	-	-	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	5.5	-	-	-	-
Bharti Airtel Limited	-	1.3	3.0	-	-	-
Idea Cellular Limited	-	-	-	-	-	-
Security deposit receivable						
Bharti Infratel Limited	4,844.3	4,844.3	4,844.3	2,568.8	2,568.8	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	-	-	-	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	-	-
Security deposit payable						
Bharti Infratel Limited	-	-	-	-	-	-
Aditya Birla Telecom Limited	-	1,626.7	1,626.7	774.4	774.4	-

Particulars	As at					
	30-Sep-12	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**	**31-Mar-08**
Vodafone India Limited	3,217.6	3,217.6	3,217.6	1,794.4	1,794.4	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited**	1,626.7	-	-	-	-	-
Gratuity liability taken over						
Bharti Infratel Limited	-	-	-	-	5.1	-
Aditya Birla Telecom Limited	-	-	-	-	-	-
Vodafone India Limited	-	-	-	-	4.7	-
Bharti Airtel Limited	-	-	-	-	-	-
Idea Cellular Limited	-	-	-	-	4.0	-

* Formerly known as Vodafone Essar Limited

** Prior to 30 June 2012, security deposit payable to Aditya Birla Telecom Limited (ABTL) was transferred by ABTL to Idea Cellular Limited in earlier years pursuant to a Scheme of Arrangement as approved by an order of Honorable Gujarat High Court and Honorable Bombay High Court. Accordingly, the security deposit has been disclosed as payable to Idea Cellular Limited as on 30 September 2012.

*** Net of short-term loans and advances

**** These transactions amounting to Rs. 754.4 million for the year ended 31 March 2012 earlier disclosed with Idea Cellular Limited instead of Idea Cellular Tower Infrastructre Limited (ICTIL). Now the same has been disclosed in the name of ICTIL.

For **B S R & Company**
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: Gurgaon
Date: November 22, 2012

STATEMENT OF QUALITATIVE DIFFERENCES BETWEEN INDIAN GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's audited financial statements are prepared and presented in accordance with Indian GAAP. The financial information included in the section "Financial Statements of the Company" on page 250 has been prepared on the basis of the Company's audited financial information, restated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations ('SEBI Regulations'). Many differences exist between Indian GAAP and International Financial Reporting Standards (IFRS) which might be material to the financial information. The matters described below summarize key differences between Indian GAAP and IFRS. The Company is responsible for preparing the Summary below. No numerical reconciliation of the financial position and results of operations under Indian GAAP and under IFRS have been included in the RHP. In absence of such reconciliation, we are not in a position to state as to how the financial position and the results of operations would be impacted when computed under IFRS.

In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS, and how those differences might affect the financial information included in the section "Financial Statements of the Company" on page 250.

The summary does not include various IFRS and Indian GAAP pronouncements issued for which the mandatory application dates are later than September 30, 2012.

This is not an exhaustive list of differences between Indian GAAP and IFRS; rather, it indicates only those key differences which are considered to be more relevant to the financial position and results of operations of the Company and does not cover all differences regarding presentation, classification and disclosure requirements applicable under Indian GAAP and IFRS.

IFRS	INDIAN GAAP
A. ACCOUNTING FRAMEWORK:	
A.1. HISTORICAL COST OR FAIR VALUATION	
Historical cost is the main accounting convention. However, IFRS permits the revaluation (class wise) of intangible assets, property, plant and equipment, investment property, inventories in certain industries (e.g. commodity broker/dealer). IFRS also requires certain categories of financial instruments and certain biological assets to be reported at fair value.	Historical cost is the main accounting convention. However, Indian GAAP permits the revaluation of property, plant and equipment. Derivatives are marked to market and losses, if any, are recognized in Statement of Profit and Loss. On adoption of AS 30 and AS 31, certain categories of financial instruments and derivatives will be reported at fair value.
A.2. FIRST-TIME ADOPTION OF ACCOUNTING FRAMEWORK	
IFRS includes a specific standard on how to apply IFRS for the first time. It introduces certain relief and imposes certain requirements and disclosures. First-time adoption of IFRS as the primary accounting basis requires full retrospective application of IFRS effective at the reporting date for an entity's first IFRS financials, with certain optional exemptions and limited mandatory exceptions.	Accounting principles should be consistent for financial information presented in comparative financial statements. Indian GAAP does not give specific guidance on first time adoption of its accounting principles. Hence, first -time adoption of Indian GAAP requires full retrospective application.

<table>
<tr><th>IFRS</th><th>INDIAN GAAP</th></tr>
<tr><td>Comparative information is prepared and presented on the basis of IFRS. Almost all adjustments arising from the first-time application of IFRS are adjusted against opening retained earnings of the first period presented on an IFRS basis. Some adjustments are made against goodwill or other classes of equity.

In an entity's first IFRS financials, it must present reconciliations of income statement in respect of the last period reported under previous GAAP, of equity at the end of that period and of equity at the start of the earliest period presented in comparatives in those first IFRS financial statements.</td><td></td></tr>
<tr><td>B. FINANCIAL STATEMENTS:</td><td></td></tr>
<tr><td colspan="2">B.1. COMPONENTS OF FINANCIAL STATEMENTS</td></tr>
<tr><td>A set of financial statements should contain:

• Statement of Financial Position;
• Statement of Comprehensive Income (SCI);
• Statement of Changes in Equity (SOCIE);
• Statement of Cash Flows; and
• Notes to the accounts.

There is no prescribed balance sheet format, and management may use judgment regarding the form of presentation in many areas. However, as a minimum, IFRS requires presentation of certain items on the face of the balance sheet.

One year of comparatives is required for all numerical information in the financial statements, with limited exceptions in disclosures.

A statement of financial position as at the beginning of the earliest comparative period has to be presented when an entity applies an accounting policy retrospectively, or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.</td><td>A set of financial statements should contain all the following:

• Balance sheet;
• Statement of profit and loss;
• Statement of cash flows; and
• Notes to accounts

The format of Balance Sheet and Statement of Profit and Loss is prescribed by Revised Schedule VI of the Indian Companies Act, 1956. The concept of SOCIE and OCI does not prevail under Indian GAAP, however, the information relating to appropriation of profits, movement in capital and reserves, etc., is presented in the captions of share capital and reserves and surplus in the balance sheet.

One year of comparatives is required for all numerical information in the financial statements, with limited exceptions in disclosures.

No requirement of third/opening Balance Sheet.</td></tr>
</table>

IFRS	INDIAN GAAP
B.2. BALANCE SHEET	
IAS 1 does not prescribe any rigid format for presentation of balance sheet. It, however, prescribes the minimum information to be presented on the face of the balance sheet. It requires an entity to present current and non-current assets, and current and non-current liabilities, as separate classifications in its balance sheet, except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity will present all assets and liabilities in order of liquidity.	Although AS 1 does not prescribe any minimum structure of the financial statements, Schedule VI to the Companies Act prescribes a detailed format for the balance sheet. Revised Schedule VI to be followed in Indian GAAP. The revised schedule requires entities to present current and non-current assets, and current and non-current liabilities, as separate classifications in the balance sheet. The criterion are similar to IFRS. However, due to ICAI Guidance Note and FAQs, differences may arise in practice.
B.2.1 MINORITY INTERESTS	
Non Controlling interests are presented as a component of equity.	Minority interests are presented separately from liabilities and equity.
B.3. STATEMENT OF PROFIT AND LOSS	
B.3.1. FORMAT	
No prescribed format for the income statement. Entities can present their expenses either by function or nature. Additional disclosure of expenses by nature is required if functional presentation is used for depreciation and employee benefits. An entity that discloses an operating result should include all items of an operating nature, including those that occur irregularly or infrequently or are unusual in amount within that caption.	With effect from financial year ending March 31, 2012, The Companies Act, 1956 prescribes a format for the preparation of Statement of profit and loss. The Statement of profit and loss should be prepared by nature of expense in accordance with the Companies (Accounting Standards) Rules 2006 (‘Accounting Standards Rules’) and the Revised Schedule VI of the Companies Act, 1956. Functional classification is prohibited.
The portion of income statement attributable to the non controlling interest and to the parent entity is separately disclosed on the face of the income statement as allocations of income statement for the period.	Amounts attributable to the minority interest are presented as allocations of income statement for the period.
No guidance for disclosure of EBITDA.	Revised Schedule VI, read with ICAI Guidance Note, allows Companies to disclose EBITDA as a separate line item.
B.3.2. EXCEPTIONAL (SIGNIFICANT) ITEMS	
The term exceptional items is not used or defined. However, separate disclosure is required (either on the face of the income statement or in the notes) of items of income and expense that are of such size, nature or incidence that their separate disclosure is necessary to explain the performance of the entity for the period.	Similar to IFRS, except that the Companies Act, 1956 uses the term non-recurring transactions or transactions of exceptional nature.
B.3.3. EXTRAORDINARY ITEMS	

IFRS	**INDIAN GAAP**
Disclosure of items as extraordinary item is prohibited.	These are defined as events or transactions clearly distinct from the ordinary activities of the entity and are not expected to recur frequently and regularly. Disclosure of the nature and amount of each extraordinary item is required in the income statement in a manner that its impact on current income statement can be perceived.
B.4. STATEMENT OF CHANGES IN EQUITY (SOCIE), STATEMENT OF OTHER COMPREHENSIVE INCOME	
STATEMENT OF CHANGES IN EQUITY (SOCIE)	
The statement must be presented as a primary statement. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity	No separate statement of changes in shareholders' equity is required. Movement in equity accounts are disclosed in separate note of 'Share Capital' and 'Reserves and Surplus'.
Statement of changes in shareholders' equity would present: (a) Total comprehensive income for the period; showing separately the total amounts attributable to owners of the parent and to minority interest (b) (b) For each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with IAS 8 (c) The amounts of transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and (d) For each component of equity, reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each change.	Same as above
STATEMENT OF OTHER COMPREHENSIVE INCOME	
The statement of comprehensive income presents all items of income and expense recognized in profit or loss, together with all other items of recognized income and expense. Entities may either present all items together in a single statement, or present two linked statements - one displaying the items of income and expense recognized in profit or loss (the income statement), and the other statement beginning with profit or loss, and displaying all the items included in	The concept of 'other comprehensive income' does not prevail under Indian GAAP. All items are recognized in the income statement in accordance with AS 5, unless required otherwise by any other accounting standard. Credits for certain items are directly taken to reserves and surplus, for e.g., revaluation of fixed assets. The transitional provisions of certain standards require first-time adjustment and their consequential

IFRS	INDIAN GAAP
'other comprehensive income' (the statement of comprehensive income).	tax effect to be made directly into reserves and surplus.
The components of other comprehensive income would include: (a) Changes in revaluation surplus (on account of PPE and intangibles) (b) Actuarial gains and losses on defined benefit plans recognised in full in equity, if the entity elects the option available under IAS19 (c) Gains and losses arising from translation of a foreign operation (d) Gains and losses on re- measuring available-for- sale financial assets (e) Effective portion of gains and losses on hedging instruments in a cash flow hedge.	Information relating to movement in reserves, etc., is generally presented in the caption reserves and surplus in the balance sheet.
B.5. CASH FLOW STATEMENT	
B.5.1. DEFINITION OF CASH AND CASH EQUIVALENTS	
Cash is cash on hand, and demand deposits and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date. Cash may also include bank overdrafts repayable on demand.	Similar to IFRS except bank overdrafts are not included in cash and cash equivalents; changes in the balances of overdrafts are classified as financing cash flows, rather than being included within cash and cash equivalents.
B.5.2 CLASSIFICATION OF SPECIFIC ITEMS	
Interest and dividend paid — Operating or financing activities. ii) Interest and dividend received — Operating or investing activities. iii) Taxes paid — Operating, unless specific identification with financing or investing.	(i) Interest and dividend paid. — Financing activities (ii) Interest and dividend received — Investing activities. (iii) Taxes paid — Similar to IFRS.
B.6. CHANGES IN ACCOUNTING POLICY AND OTHER ACCOUNTING CHANGES	
B.6.1. CHANGES IN ACCOUNTING POLICY	
Changes in accounting policy under IFRS are accounted for retrospectively. Comparative information is restated, and the amount of the adjustment relating to prior periods is adjusted against the opening balance of retained earnings of the earliest year presented. Effect	There is no specific guidance on how changes in accounting policies are dealt with, except few specific items, like change in the method of depreciation or change arising out of a new standard.

IFRS	INDIAN GAAP
of retrospective adjustments on equity items is presented separately in the SOCIE. When it is impracticable to determine the period-specific effects of changing an accounting policy on comparative information for one or more prior periods presented, the entity shall apply the new accounting policy to the carrying amounts of assets and liabilities as at the beginning of the earliest period for which retrospective application is practicable, which may be the current period, and shall make a corresponding adjustment to the opening balance of each affected component of equity for that period Policy changes made on the adoption of a new standard are accounted for in accordance with that standard's transition provisions.	Any change in an accounting policy having a material effect should be disclosed. The impact of, and the adjustments resulting from, such change, if material, should be shown in the financial statements of the period in which such change is made, to reflect the effect of such change. If a change is made in the accounting policies which has no material effect on the financial statements for the current period but is reasonably expected to have a material effect in later periods, the fact of such change should be appropriately disclosed in the period in which the change is adopted.
B.6.2. DISCLOSURE OF CRITICAL JUDGMENTS AND CAPITAL DISCLOSURES	
IAS 1 requires disclosure of critical judgments made by the management in applying accounting policies and key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It also requires disclosure of information that enables the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital.	There is no such disclosure requirement in AS 1, the existing Schedule VI or the revised Schedule VI.
B.6.3. CORRECTION OF ERRORS (PRIOR PERIOD ITEMS)	
The nomenclature used in IFRS is errors which covers all items in the financial statements including assets and liabilities. An entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. The reporting requirements are similar to changes in accounting policy.	Unlike IFRS, the definition of 'Prior period items' is restricted to income or expenses in current period occurring as a result of errors or omissions in the preparation of financial statements of prior period(s). Reported as a prior-period adjustment separately in the current period income statement in a manner that its impact on the income statement can be perceived. Restatement of comparatives is prohibited.
B.6.4. CHANGES IN ACCOUNTING ESTIMATES	
Changes in accounting estimates are accounted for in the income statement when identified. Change in depreciation method is considered a change	Similar to IFRS. However, the impact of change in depreciation method (considered as change in accounting policy under Indian GAAP) is determined

IFRS	INDIAN GAAP
in estimate and applied prospectively.	by retrospectively computing depreciation under the new method, and is recorded in the period of change whereas on revision of asset life, the unamortised depreciable amount is charged over the revised remaining asset life.
C. REVENUE RECOGNITION:	
Two primary revenue standards capture all revenue transactions within one of four broad categories: (a) Sale of Goods (b) Rendering of Services (c) Other's use of an entity's asset (yielding interest, royalties etc.) (d) Construction contracts. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction should be recognized by reference to the stage of completion of the transaction at the balance sheet date. IAS 18 does not allow completed contract method. Revenue recognition criteria for each of these categories includes a probability that the economic benefits associated with the transaction will flow to the entity and that the revenue and costs can be measured reliably. Additional recognition criteria apply within each broad category.	Similar to IFRS, except that in certain circumstances, revenue from the rendering of services is recognized only on completion of service. AS 9 recognizes both completed contract method and proportionate completion method for recognition of revenue arising from rendering of services. It provides that whichever method relates the revenue to the work accomplished should be used for recognition of revenue. . .
D. EXPENSE RECOGNITION – EMPLOYEE BENEFITS:	
D.1. EXPENSE RECOGNITION - ACTUARIAL GAINS AND LOSSES	
An entity can either (1) recognise immediately in the income statement or (2) amortise into income statement through the use of corridor approach (or any systematic method that result in faster recognition than corridor approach) or (3) recognise immediately outside of the income statement through SoRIE (or OCI under IAS 1R).	There is no option, but to recognise the actuarial gains/losses immediately (in full) in the income statement.
D.2. DISCOUNT RATE FOR OBLIGATIONS	
Based on market yields on high- quality corporate bonds with durations that are similar to those of the benefit obligation.	Based on government bond market-yields with durations that are similar to those of the benefit obligation.

IFRS	INDIAN GAAP
Government bond yields are used, where there is no deep market in high- quality corporate bonds.	
D.3. TERMINATION BENEFITS	
Termination benefits are recorded when the entity is demonstrably committed to: • Terminate the employment of an employee before the normal retirement date • Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.	Termination benefits arising from redundancies are accounted for provisions similar to restructuring provisions, i.e., when the entity has a present obligation as a result of past event and the liability is considered probable and can be reliably estimated. If an offer is made to encourage voluntary redundancy, the measurement of termination benefits is based on the actual number of employees accepting the offer and is immediately expensed.
E. ASSETS-NONFINANCIAL ASSETS	
E.1. PROPERTY, PLANT AND EQUIPMENT (PPE)	
E.1.1. INITIAL MEASUREMENT	
PPE, at initial measurement, comprises the purchase price plus costs directly attributable to bringing the asset to the location and working condition necessary for it to be capable of operating in the way management intends. Start-up and pre-production costs are not capitalised unless they are a necessary part of bringing the asset to its working condition. The following are also included in the initial measurement of the asset: • The costs of site preparation • Initial delivery and handling costs • Installation and assembly costs • Costs of employee benefits arising from construction or acquisition of the asset • Costs of testing whether the asset is functioning properly Professional fees • Fair value gains/losses on qualifying cash flow hedges relating to the purchase of PPE in a foreign currency and • The initial estimate of the costs of dismantling and removing the item and restoring the site on which PPE is located.	Similar to IFRS, except that there is no specific guidance on the measurement of gains/losses on qualifying cash flow hedges and Capitalisation of dismantling and site restoration costs. However, as per general practice asset retirement obligation (ARO) is capitalized without discounting where such obligations are accounted by Company. Indian GAAP requires the borrowing cost relating to qualifying assets to be capitalized if the criteria laid down in AS 16 are fulfilled.

IFRS	INDIAN GAAP
Further, the entity must include borrowing costs incurred for qualifying assets. Qualifying assets are those assets that require a substantial period of time to get ready for their intended use or sale. In accordance with IAS 23, borrowing cost includes exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. However, it does not provide any specific guidance on measurement of such amounts.	
E.1.2. SUBSEQUENT EXPENDITURE	
Routine maintenance expenditure and costs of day-to-day servicing are expensed as incurred. Replacement of parts may be capitalised when general recognition criteria are met. The cost of a major inspection or overhaul occurring at regular intervals is capitalised where the recognition criteria are satisfied. The net book value of any replaced component would be expensed at the time of overhaul.	Subsequent routine and non-routine maintenance expenditure, including the replacement of parts and major inspection or overhaul, are normally expensed immediately. Only expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value. There is no requirement as such for de-capitalizing the carrying amount of the replaced part under AS 10.
E.1.3. SUBSEQUENT MEASUREMENT	
PPE is accounted using either the cost model or the revaluation model a company needs to take a policy choice. PPE is carried at cost/revalued amount less accumulated depreciation and impairment. If revaluation model is adopted, an entire class of asset is revalued.	Revaluation is permitted. PPE is carried at cost/revalued amount less accumulated depreciation and impairment. If assets are revalued, an entire class of asset or selection of assets (e.g., assets of a unit) made on a systematic basis is revalued.
Revaluations have to be kept sufficiently up-to-date to ensure that the carrying amount does not differ materially from fair value.	Frequency of revaluation is not specified.
An increase on revaluation is credited directly to equity as revaluation surplus, unless it reverses a revaluation decrease for the same asset previously recognised as an expense. In this case it is recognised in the income statement. A decrease on revaluation is charged directly against any related revaluation surplus for the same asset; any excess is recognised as an expense.	Requirements concerning treatment of revaluation increase/ decrease are similar to IFRS, except the term used is revaluation reserve.
E.1.4. DEPRECIATION	
The depreciable amount of an item of PPE (cost or valuation less residual value) is allocated on a systematic basis over its useful life, reflecting the pattern in which the entity consumes the assets	The depreciable amount of an item of PPE is allocated on a systematic basis over its useful life, but a governing statute may provide rates for depreciation, where those rates would prevail. However, where the

IFRS	INDIAN GAAP
benefits. Additionally, an entity is required to depreciate separately the significant parts of PPE if they have different useful lives (component approach). For example, it may be appropriate to depreciate separately the airframe and engines of an aircraft. Depreciation on revalued portion cannot be recouped from the revaluation surplus.	useful life determined by management is shorter than that envisaged under the relevant statute, the depreciation is computed by applying a higher rate. For example, Schedule XIV of the Companies Act, 1956 provide minimum rate of depreciation for companies. Generally, a component approach is not required or followed for depreciation however, it is allowed under Indian GAAP. Depreciation on revalued portion can be recouped from the revaluation reserve.
E.1.5. CHANGE IN DEPRECIATION METHOD AND LIFE OF ASSET	
Both are treated as a change in accounting estimate, reflected in the depreciation charge for the current and prospective periods.	Change in depreciation method is determined by retrospectively computing depreciation under the new method and the impact is recorded in the period of change. However, on revision of asset life, the unamortised depreciable amount is charged prospectively over the revised remaining asset life.
E.1.6. PERIODIC REVIEWS	
The depreciation method is reviewed at each reporting date; residual values and useful lives are reviewed at each balance sheet date.	Periodic reviews of depreciation methods, residual values and useful lives are not specifically required.
E.3. INTANGIBLE ASSETS	
E.3.1. SUBSEQUENT MEASUREMENT - ACQUIRED AND INTERNALLY GENERATED INTANGIBLES	
Intangible assets are accounted using either the cost model or the revaluation model a company needs to take a policy choice. Intangible assets are carried at cost less accumulated amortization (only for finite life intangible) and impairment. If the revaluation model is adopted, subsequent revaluation of intangible assets to their fair value is based on prices in an active market. Revaluations are performed regularly and at the same time for all assets in the same class.	All intangible assets are carried at cost less accumulated amortisation and impairment. Revaluation model is prohibited.
E.3.2. AMORTISATION - ACQUIRED AND INTERNALLY GENERATED INTANGIBLES	
If the asset has a finite life, they are amortised, from the date when the asset is available for use, else the asset with an indefinite life are tested at least annually for impairment. There is no presumed maximum life.	All intangible assets are amortised over their estimated useful life, from the date when the asset is available for use, with a rebuttable presumption that the useful life does not exceed ten years.
E.4. IMPAIRMENT OF LONG-LIVED ASSETS HELD FOR USE	

IFRS	INDIAN GAAP
E.4.1. RECOGNITION AND MEASUREMENT	
An entity should assess at each reporting date whether there are any indications that an asset may be impaired. The asset is tested for impairment if there is any such indication. Irrespective of indication, an annual test is also required for intangible assets with indefinite useful lives or not yet ready for use.	Similar to IFRS, except that annual test is required only for intangible assets that are amortised for a period longer than ten years and for intangible assets not yet ready for use.
E.5. LEASES	
E.5.1. DETERMINATION WHETHER AN ARRANGEMENT CONTAINS A LEASE	
Under IFRS if a transaction or a series of transaction does not take the legal form of a lease but renders a right to use an asset in return for a payment or series of payments, it is required for an entity to determine whether such an arrangement is a lease e.g. outsourcing arrangements, take- or-pay contracts, arrangement to transfer right of capacity in telecom industry etc. Lease determination is based on the substance of the arrangement and an assessment of (1) whether a right to use the asset is conveyed and (2) whether fulfilment of the arrangement depends on the use of a specific asset.	Under Indian GAAP there is no specific guidance, however, in practice, some entities may look at IFRS for guidance.
E.5.2. EVALUATION OF THE SUBSTANCE OF TRANSACTIONS WITH LEGAL FORM OF A LEASE	
Under IFRS a series of interrelated transactions that involve the legal form of a lease is linked and accounted for as single transaction, if it is not possible to understand the overall economic effect without reference to the series of the transactions as a whole.	Under Indian GAAP, there is no specific guidance. In practice, a series of interrelated transaction may not be viewed as a single transaction, rather will be accounted separately based on terms of individual transaction.
E.5.3. LEASES INVOLVING LAND AND BUILDING	
Under IFRS, when a lease includes both land and building elements, an entity assesses the classification of each element as a finance or an operating lease separately in accordance with the criteria laid in the standard. In determining whether the land element is an operating or a finance lease, an important consideration is that land normally has an indefinite economic life.	AS 19 excludes lease of land from its scope. Consequent to this, disparate practices have emerged with regard to accounting for short-term and long-term leases of land as well composite leases of land and building. However, an opinion issued by the EAC provides guidance on long-term lease of land. In accordance with the opinion, a lease of land for very long period, say, 99 years with another renewal of similar period, has the effect of passing significant rights of ownership to the parties concerned. Thus, such a lease will be in the nature of sale and should be accounted for accordingly.
E 5.4 INITIAL DIRECT COST	
Initial direct cost incurred by a lessor to be included in the lease receivable amount in case of a finance lease. In the case of an operating lease, these costs are added	AS 19 requires initial direct cost incurred by a lessor with respect to a finance lease to be either charged off at the time of incurrence or to be amortized over the

IFRS	INDIAN GAAP
to the carrying amount of the underlying asset and recognized over the lease term on the same basis as the lease income. It does not mandate any accounting policy related disclosures in the financial statements.	lease period. It requires disclosure of the accounting policy in the financial statements of the lessor. Initial direct costs incurred specifically to earn revenues from an operating lease are either deferred and allocated to income over the lease term in proportion to the recognition of rent income, or are recognized as an expense in the statement of profit and loss in the period in which they are incurred.
F. LIABILITIES–NONFINANCIAL LIABILITIES	
F.1. LIABILITIES – TAXES	
F.1.1 GENERAL CONSIDERATIONS	
F.1.1 BASIS FOR DEFERRED TAX ASSETS AND LIABILITIES	
Temporary differences – i.e., the difference between carrying amount and tax base of assets and liabilities.	Timing differences i.e., the difference between accounting income and taxable income for a period that originate in one period and are capable of reversal in one or more subsequent periods.
F.1.2. MEASUREMENT OF DEFERRED TAX	
F.1.2.1. RECOGNITION OF DEFERRED TAX ASSETS	
Deferred tax assets are recognised when it is considered probable (defined as more likely than not) that sufficient taxable profits will be available to utilise the temporary difference or convincing evidence in loss scenario.	Deferred tax assets are recognised (a) if realisation is virtually certain for entities with tax losses/unabsorbed depreciation to carry-forward, whereas (b) If realisation is reasonably certain for entities with no tax losses carry forward.
F.1.2.2. RECOGNITION OF ASSET ON MINIMUM ALTERNATIVE TAX (MAT) CREDIT	
CARRY FORWARD.	
It is recognised as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.	It is considered as a prepaid tax and recognised as an asset (not as a deferred tax asset) when and to the extent there is convincing evidence that MAT credit will be used in future years to reduce the regular tax liability.
F.1.3. PRESENTATION OF DEFERRED TAX	
F.1.3.1. MINIMUM ALTERNATIVE TAX CREDIT CARRY FORWARD	
Disclosed along with any other deferred tax amount.	Disclosed as ―MAT credit entitlement‖ within ―Loans and Advances‖, with a corresponding credit to the income statement and presented as a separate line item therein. MAT credit utilised is shown as a deduction from ― Provision for Taxation‖ on the

IFRS	INDIAN GAAP
	liabilities side of the Balance Sheet.
F.2. LIABILITIES – OTHER	
F.2.1. MEASUREMENT	
The amount recognised as a provision is the best estimate of the expenditure required (the amount an entity would rationally pay to settle the obligation at the balance sheet date). Where there is a continuous range of possible outcomes and each point in that range is as likely as any other, the midpoint of the range is used. The anticipated cash flows are discounted using a pre-tax discount rate (or rates).	Similar to IFRS, except that discounting is not required. In practice, provisions are measured by using a substantial degree of estimation.
F.2.2. CONSTRUCTIVE OBLIGATION	
A provision is recognised when an entity has a present obligation (legal or constructive) as a result of a past event. A constructive obligation is an obligation that derives from an entity‘s actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	Constructive obligations are not considered for recognising provisions; however, provision is to be created in respect of obligations arising from normal business practice or to maintain good business relations or to act in an equitable manner.
G. FINANCIAL INSTRUMENT	
G.1 DEFINITION OF FINANCIAL INSTRUMENT, FINANCIAL ASSET AND FINANCIAL LIABILITY	
Under IFRS, there are specific standards which define and deal with financial instrument, financial asset and financial liability.	There is no notified accounting standard dealing with financial instruments in a comprehensive manner.
G.2 CLASSIFICATION OF FINANCIAL INSTRUMENTS BETWEEN LIABILITY AND EQUITY	
The issuer of a financial instrument will classify the instrument, or its components, on initial recognition as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. The instrument is an equity instrument if, and only if, all conditions mentioned below are met: • The instrument includes no contractual obligation to deliver cash or another financial asset to another entity.	There is no notified accounting standard dealing with financial instruments in a comprehensive manner. Classification is typically based on its legal form rather than true economic substance. For example, preference shares are generally treated as capital, even though, in many cases, in substance, they may be a liability. Consequent to this, any dividend on preference shares is treated as distribution of profit, as against charge to profit or loss.

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• The instrument includes no contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer. • If the instrument will or may be settled in the issuer's own equity instruments, it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments, or it is a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.	
G.3. TREASURY SHARES	
If an entity reacquires its own equity instruments, any consideration paid toward acquisition of those instruments will be deducted from equity. No gain or loss can be recognized in the profit or loss on purchase, sale, issue or cancellation of an entity's own equity instruments.	There is no specific standard dealing with financial instruments. In the absence of any specific guidance, various practices are prevalent with regard to recognition of gain/ loss arising on purchase, sale, issue or cancellation of an entity's own equity instruments. These include adjusting the premium payable on buy-back against the securities premium or recognition of gain/ loss on sale in profit or loss.
G.4. FINANCIAL ASSETS	
G.4.1 CLASSIFICATION AND MEASUREMENT	
Financial assets are classified in four categories: • Financial asset at fair value through profit or loss (FVPL) • Held to maturity investments • Loans and receivables • Available for sale financial assets	There is no notified accounting standard dealing with financial instruments in a comprehensive manner. AS 13 classifies investments in two categories, viz., long-term and current investments.
Financial assets classified as FVPL that includes investments held for trading and those designated as at FVPL are mark-to-market at each reporting date with changes taken to the statement of profit and loss.	Under AS 13, current investments are measured at lower of cost or market value.
For held-to-maturity investments, initial measurement is at fair value plus transaction cost. Subsequent measurement is at amortized cost using the effective interest method.	In accordance with AS 13, long-term investments are carried at cost less provision to recognize other than temporary decline in the value of investments. Interest, if any, is recognized on time proportion basis.
For loans and receivables, initial measurement is at fair value plus transaction cost. Subsequent measurement is at amortized cost using the effective interest method.	Loans and receivables are measured at cost, less provision to the extent considered doubtful of recovery. Interest income on loans is recognized on time-proportion basis at the rates mentioned in the loan

IFRS	INDIAN GAAP
	agreement.
For AFS investments, initial measurement is at fair value plus transaction cost. Subsequent measurement is at fair value and any change in the fair value is recognized directly in OCI and accumulated in equity. The amount so accumulated in equity is recycled to the statement of profit or loss when investments are sold or impaired.	There is no such classification under the notified standards. All investments are classified into long-term and current investments, based on AS 13 criteria.
G.4.2 IMPAIRMENT	
An entity will assess at each balance sheet date whether there is any objective evidence, that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred on financial assets carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future expected credit losses that have not yet been incurred). Where there is an objective evidence of impairment on AFS investments, the cumulative loss – measured as difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement – is removed from equity and recognized in the statement of profit and loss.	Current investments are recorded at lower of cost or market price. On long term investments, diminution other than temporary is recognized.
For assets carried at amortized cost and AFS debt securities, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss will be reversed. IAS 39 prohibits the reversal of an impairment loss on AFS equity securities through profit or loss. IAS 39 prohibits the reversal of impairment on unquoted equity instruments which are carried at cost because their fair value cannot be measured reliably.	Any reversal of reduction in impairment loss is credited to the statement of profit and loss.
G.4.3 DERECOGNITION	
An entity will derecognize a financial asset when either of the following conditions is met: • The contractual rights to the cash flows from the financial asset expire • The entity has transferred substantially all risks	The *ICAI Guidance Note on Accounting for Securitisation* required derecognition of financial asset if the originator loses control of the contractual rights that comprise the securitized assets. As per the ICAI Announcement, the said Guidance Note had been withdrawn from 1 April 2009.

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and rewards from the financial assets • The entity has neither transferred substantially all, nor retained substantially all, the risks and rewards from the financial asset, but has transferred control of the asset.	
G.5 FINANCIAL LIABILITY	
G.5.1 CLASSIFICATION AND MEASUREMENT	
Financial liabilities are classified into two categories: • Financial liability at fair value through profit or loss (FVPL) • other financial liabilities. Initial measurement is at fair value, less transaction cost in case of financial liabilities not at fair value thorough profit or loss. Subsequently, financial liabilities classified as FVPL are measured at fair value and the change is recognized in the statement of profit and loss for the period. All other (non-trading) liabilities are carried at amortized cost using the effective interest method. Gains or losses are recognized in the statement of profit and loss through the amortization process.	Liabilities are normally carried at amount received. Interest expense on liabilities is recognized on time-proportion basis at the rates mentioned in the loan agreement.
G.5.2 DERECOGNITION	
An entity will remove a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.	There is no notified standard dealing with financial instruments comprehensively.
G.5.3 MODIFICATION	
An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the	There is no notified standard dealing with financial instruments comprehensively.

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original financial liability and the recognition of a new financial liability. Gains/losses on such modification is accounted for in profit or loss.	
G.6 DERIVATIVES AND EMBEDDED DERIVATIVES	
Derivatives are initially recognized at fair value. After initial recognition, an entity will measure derivatives at their fair values, without any deduction for transaction costs. Changes in fair value are recognized in the statement of profit or loss unless it satisfies hedge criteria. Embedded derivatives need to be separated from the host contract if it is not closely related to the host contract and fair valued. If an entity is unable to measure the embedded derivative separately either at acquisition date or at the end of a subsequent financial reporting period, it will designate the entire hybrid (combined) contract as at fair value through profit and loss.	AS 11 deals with accounting forward exchange contracts, except contracts entered to hedge firm commitments and highly probable forecast transactions. As required by the ICAI Announcement on Accounting for Derivatives, entities that have not applied principles of AS 30 are required to recognize loss on all derivatives not covered under AS 11, keeping in view the principle of prudence as enunciated in AS 1. No specific guidance is available on accounting for embedded derivatives. Hence, diverse practices may exist on the matter.
G.7 HEDGING	
G.7.1 CRITERIA FOR HEDGE ACCOUNTING	
Hedge accounting is permitted if at the inception of the hedge and on an ongoing basis, the hedge will be highly effective within the 80% to 125% range. Stringent documentation criteria have also been prescribed.	Presently, AS 11 deals with forward exchange contracts entered into for hedging foreign currency risk of foreign currency assets and liabilities. AS 11 does not lay down any specific guidelines for determining hedge effectiveness, rather, the treatment is based on the purpose for which such contracts are entered into.
G.7.1 HEDGED ITEMS, HEDGING INSTRUMENTS AND HEDGE RELATIONSHIPS	
IAS 39 provides detailed guidance on hedged items, hedging instruments and hedge relationships.	There is no notified standard dealing with financial instruments comprehensively.
G.7.2 MEASUREMENT	
IAS 39 provides detailed guidance on hedge accounting, depending on nature of hedge relationship, viz., fair value hedge, cash flow hedge and hedge of net investment in a foreign operations. In a fair value hedge, any gain or loss from re-measuring the hedging instrument at fair value is be recognized in profit or loss. The gain or loss on the hedged item attributable to the hedged risk also adjusts the carrying amount of the hedged item and is recognized in profit or loss. This applies if the hedged item was otherwise measured at cost. In a cash flow hedge, the portion of the gain or loss on	Under AS 11, the premium or discount arising at the inception of a forward exchange contract entered into for hedging purposes should be amortized as expense or income over the life of the contract. Exchange differences on such a contract should be recognized in the statement of profit and loss of the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract should be recognized as income or as expense for the period.

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the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income (OCI). The amount so recognized in OCI is generally recycled to the profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (except where the entity applies basis adjustment).	
G.7.3 FINANCIAL INSTRUMENTS: DISCLOSURES	
IFRS 7 requires entities to provide detailed disclosures in their financial statements that enable users to evaluate both the following: • The significance of financial instruments for the entity's financial position and performance • The nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks The disclosures required under IFRS 7 include extensive quantitative as well as qualitative information.	The announcement on *"Disclosure regarding Derivative Instruments,"* issued by the ICAI, requires the following disclosures to be made in the financial statements: • Category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date • The purpose, viz., hedging or speculation, for which such derivative instruments have been acquired • The foreign currency exposures that are not hedged by a derivative instrument or otherwise. Further, the ICAI Announcement on "*Accounting for Derivatives*" requires an entity to disclose accounting policy followed with regard to accounting for derivatives. It also requires an entity to disclose the following: • If an entity has followed AS 30 with regard to accounting for derivatives, the amount of gain/ loss recognized in the financial statements in accordance with AS 30. • If an entity has not followed AS 30 with regard to accounting for derivatives, amount of losses provided for in the financial statements.
H. CONSOLIDATION	
H.1. INVESTMENTS IN SUBSIDIARIES	
H.1.1. PREPARATION	
Parent entities prepare consolidated financial statements that include all subsidiaries. A parent need not present consolidated financial statements if and only if: (a) the parent is itself a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its other owners, including those not	Financial statements are presented on a single-entity parent company (standalone) basis. Pursuant to the listing agreement with stock exchanges, public listed companies are required to present consolidated financial statements along with their standalone annual financial statements.

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otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements; (b) the parent's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); (c) the parent did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and (d) the ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.	
H.1.2. PRESENTATION OF NON-CONTROLLING OR MINORITY INTEREST	
Non controlling interests are presented as a separate component of equity in the balance sheet. In the income statement, the Non controlling minority interests are presented on the face of the statement, net earnings to equity holders is required.	Minority interest is presented separately from liability and equity on the balance sheet and presented separately as a component of net income or loss in the income statement.
H.2. INVESTMENTS IN JOINT VENTURES	
H.2.1 DEFINITIONS AND TYPES	
A joint venture is defined as a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an economic activity. Unanimous consent of the parties sharing control, but not necessarily all parties in the venture, is required. IFRS distinguishes between three types of joint ventures: a) Jointly Controlled Entities b) Jointly Controlled Operations c) Jointly Controlled Assets	Similar to IFRS However, sometimes though a contractual arrangement may suggest a joint venture, the investee is accounted as a subsidiary if the investor's share in the investee's equity is greater than 50%.
H.2.2. JOINTLY CONTROLLED ENTITIES	
Either the proportionate consolidation method or the equity method is allowed.	Only proportionate consolidation is allowed.

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H.2.3. CONTRIBUTIONS TO A JOINTLY CONTROLLED ENTITY	
A venturer that contributes non- monetary assets, such as shares, PPE or intangibles, to a jointly controlled entity in exchange for an equity interest in the jointly controlled entity recognises in its consolidated income statement the portion of the gain or loss attributable to the equity interests of the other venturers, except when: (a) The significant risks and rewards of the contributed assets have not been transferred to the jointly controlled entity. (b) The gain or loss on the assets contributed cannot be measured reliably. (c) The contribution transaction lacks commercial substance.	Similar to IFRS. However, the exceptions in IFRS have not been expressly clarified in the standard.
H.3. COMMON ISSUES (SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	
H.3.1. SCOPE EXCEPTION: FOR SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	
Investment in subsidiary, associate or joint venture that meets, on acquisition, the criteria to be classified as held for sale in accordance with IFRS 5, applies the presentation for assets held for sale (i.e., separate presentation of assets and liabilities to be disposed), rather than normal presentation (consolidation, equity method or proportionate consolidation).	Investment in subsidiary, associate or joint venture is exempted from consolidation, equity method or proportionate consolidation when: a) Control, significant influence or joint control is intended to be temporary because the investment is acquired and held exclusively with a view of subsequent disposal in the near future (not more than12 months). b) It operates under severe long term restrictions which significantly impair its ability to transfer funds to the parent.
A subsidiary is not excluded from consolidation simply because the investor is a venture capital organisation, mutual fund, unit trust or similar entity. Investment in an associate or joint venture held by venture capital organisations, mutual funds, unit trusts and similar entities including investments-linked insurance funds can be carried at fair value through profit and loss.	A subsidiary is not excluded from consolidation simply because the investor is a venture capital organisation, mutual fund, unit trust or similar entity. Investment in an associate or joint venture cannot be carried at fair value.
H.3.2. UNIFORM ACCOUNTING POLICIES	
Consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances for all of the entities in a group.	Similar to IFRS. However, if it is not practical to use uniform accounting policies that fact should be disclosed together with the proportions of the items to which different accounting policies have been applied.

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H.3.3. REPORTING PERIODS	
The consolidated financial statements of the parent, subsidiary, associate and joint venture are usually drawn up at the same reporting date. However, subsidiary / investee accounts of a different reporting date can be used, provided the difference between the reporting dates is no more than three months. Adjustments are made for significant transactions that occur in the gap period.	In the case of subsidiary, the difference in reporting dates should not be more than six months. There is no maximum gap mentioned relating to difference in reporting period by the standard for associates and joint ventures. However, in practice, it would be similar to consolidation of subsidiary requirements (no more than six months).
H.3.4. ACCOUNTING IN SEPARATE FINANCIAL STATEMENTS	
Separate financial statements need not be appended to, or accompany, the consolidated financial statements, unless required by law. IAS 27 requires that a parent's investment in a subsidiary should be accounted in the parent's separate financial statements at either of the following two amounts: • Cost • Fair value in accordance with IAS 39.	Under Indian GAAP, all entities are required to prepare and present separate financial statements, without any exception. In a parent's separate financial statements, investments in subsidiary should be accounted for in accordance with AS 13. AS 13 requires such investments to be valued at cost as adjusted for any diminution, other than temporary in the value of those investments.
H.4. BUSINESS COMBINATIONS	
All business combinations are treated as acquisitions except business combinations under common control transactions, formation of joint ventures and acquisition of assets/group of assets that does not constitute a business. Assets and liabilities acquired are measured at their fair values. Pooling of interest method is prohibited.	Amalgamations are accounted for by applying either the purchase method or the pooling of interest method. Acquisition accounting under AS 21, 23 and 27 are done on book value basis. Acquisition accounting under AS 10 for lump-sum purchase is normally done on fair value basis. Acquisition accounting under AS 14 in respect of "amalgamation in the nature of purchase" is done on the basis of either fair value or book value.
Goodwill is capitalised but not amortised. It is tested for impairment at least annually at the cash-generating unit level.	Treatment of goodwill differs in different accounting standards. Goodwill arising on amalgamation in nature of purchase is amortized to the statement of profit and loss over a period not exceeding five years. Goodwill arising under AS 10, AS 21, AS 23 and AS 27 need not be amortized though there is no prohibition. In case of amalgamation in nature of merger, excess consideration over net assets taken over is adjusted against the revenue reserves.
If the goodwill as computed per IFRS 3 is negative, the acquirer needs to reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. If negative goodwill remains, this should be recognized immediately in OCI and accumulated in equity as	After initial recognition, the acquirer will measure goodwill acquired in a business combination at cost less accumulated amortization, if any, and accumulated impairment losses. If the acquirer's interest in the net book/ fair value of the identifiable assets and liabilities recognized

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capital reserve. However, if there is no clear evidence of bargain purchase, entities will recognize the gain directly in equity as capital reserve, without routing the same through OCI. Prohibits the use of this method of accounting if the transaction meets the definition of a business combination and the combination is within the scope of the relevant standard.	exceeds the cost of the business combination, the excess will be disclosed as "capital reserve." Permits use of this method only on amalgamation when all the specified conditions are met.
I. OTHER ACCOUNTING AND REPORTING TOPICS	
I.1. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION	
Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rates.	For accounting period after April 1, 2011 the exchange differences arising on reporting of long term foreign currency monetary items in so far as they relate to acquisition of depreciable fixed assets can be adjusted in the carrying amount of the respective fixed assets and the amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets.
I.2. INTEGRAL AND NON-INTEGRAL FOREIGN OPERATIONS	
IAS 21 does not make distinction between integral and non-integral foreign operations. All entities are required to prepare their financial statements in their functional currency. Any exchange gain/loss to recognize a transaction in its functional currency is recognized in the profit or loss for the period. In translating the financial statements from functional currency to presentation currency, a reporting entity should use the following procedures: • Assets and liabilities, both monetary and non-monetary, should be translated at the closing rate. • Income and expense items should be translated at exchange rates at the dates of the transactions. • All resulting exchange differences should be accumulated in the foreign currency translation reserve, until the disposal of the net investment.	AS 11 distinguishes between integral and non-integral foreign operations and accordingly prescribes separate accounting treatment for integral and non-integral operations. The financial statements of an integral foreign operation should be translated using the principles and procedures as if the transactions of the foreign operation had been those of the reporting entity itself. In translating the financial statements of a non-integral foreign operation for incorporation in its financial statements, the translation procedures are similar to IFRS.
I.3. FUNCTIONAL CURRENCY	
Functional currency is defined as the currency of the primary economic environment in which the entity operates. In accordance with Ind-AS 21, when a reporting entity prepares financial statements, each individual entity included in the reporting entity - whether it is a stand-alone entity, an entity with foreign operations (such as a parent) or a foreign operation (such as a subsidiary or branch) - determines its functional currency, and measures its results, and	Foreign currency is defined as a currency other than the reporting currency of the entity. There is no concept of determining the functional currency by the entities. Each reporting entity follows the prescribed translation procedures for conversion based on integral or non-integral operations.

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financial position in that currency. Foreign currency is defined as a currency other than the functional currency of the entity.	
I.4. SEGMENT REPORTING (OPERATING SEGMENT)	
Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.
I.5. POST-BALANCE-SHEET EVENTS	
I.5.1. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE	
Non-adjusting events that occur after the balance sheet date are defined as events that are indicative of conditions that arose after the balance sheet date. Where material, the nature and estimated financial effects of such events are disclosed to prevent the financial statements from being misleading.	Non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Director‘s Report.
I.5.2. DECLARATION OF A DIVIDEND RELATING TO THE FINANCIAL YEAR JUST ENDED	
This is a non-adjusting event. Dividend declared after the balance sheet date but before the financial statements are authorised for issue is not recognised as liability at the balance sheet date.	Dividend proposed relating to the financial year just ended is adjusted in the financial statements even though it is subject to shareholders' approval at the balance sheet date.
I.6. INTERIM FINANCIAL REPORTING	
I.6.1. STOCK EXCHANGE REQUIREMENTS	
IFRS does not require public entities to produce interim statements but encourages interim reporting.	Similar to IFRS, the standard does not mandate interim financial reporting. However, if an entity is required or elects to present interim financial report, it needs to comply with AS 25. Pursuant to the listing agreement, all listed companies in India are required to furnish interim financial results (either consolidated or standalone) on a quarterly basis in a format prescribed in the listing agreement.
I.6.2. DISCLOSURE OF COMPLIANCE	
The basis of interim financial reporting primarily requires a discrete approach, though integral approach is followed in few cases. IAS 34 provides that an entity should disclose the fact that its Interim Financial Report complies with IAS 34, if it does so. The standard further states that if the interim financial report is described as complying with IAS 34, it must	Requires compliance with all the requirements of Indian GAAP as mentioned in AS 25.

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comply with all the requirements of IAS 34 including requirements relating to presentation and disclosure and also must comply with all the requirements of each applicable Standard/IFRIC so as to be described as complying with IFRS.	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of our financial condition and results of operations is based on, and should be read in conjunction with, our restated financial statements, the notes and significant accounting policies relating thereto and the reports thereon included in the section "Financial Statements of the Company" on page 250. The restated financial statements include our consolidated and unconsolidated restated financial statements and the restated summary statements of Indus as of and for the fiscal years ended March 31, 2008, 2009, 2010, 2011 and 2012 and as of and for the six month period ended September 30, 2012, which have been prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations and the Companies Act. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12 month period ended March 31 of that year. Results for the six month period ended September 30, 2012 are not representative of results for the full year.

Unless the context indicates otherwise, financial information in this section is derived from the audited consolidated and unconsolidated financial statements of the Company or the audited financial statements of Indus, each prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations, and each of which has been included in this Red Herring Prospectus.

Indian GAAP differs in certain respects from IFRS and U.S. GAAP. Accordingly, the degree to which the restated financial statements included in this Red Herring Prospectus will provide meaningful information is dependent on the reader's level of familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor have we provided a reconciliation of our financial statements to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For further details, see the section "Statement of Qualitative Differences Between Indian GAAP and International Financial Reporting Standards" on page 443.

References in this section to "Bharti Infratel" are to Bharti Infratel Limited whereas references to "we", "us", "our" and similar terms are to Bharti Infratel taken together with its wholly owned subsidiary, BIVL and Bharti Infratel's 42% equity interest in Indus.

Overview

Bharti Infratel is a provider of tower and related infrastructure and on a consolidated basis, we are one of the largest tower infrastructure providers in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus, that are represented by Bharti Infratel's 42% equity interest in Indus. The business of Bharti Infratel and Indus is to acquire, build, own and operate tower and related infrastructure. Bharti Infratel and Indus currently provide access to their towers primarily to wireless telecommunications service providers on a shared basis, under long-term contracts and we believe that there exists the possibility of providing additional services such as signal transmission and first level maintenance services in relation to customer equipment at their towers. Bharti Infratel's and Indus' three largest customers are Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, which are the three leading wireless telecommunications service providers in India by wireless revenue. *(Source: TRAI.)*

We have a nationwide presence with operations in all 22 telecommunications Circles in India, with Bharti Infratel's and Indus' operations overlapping in four telecommunications Circles. As of September 30, 2012, Bharti Infratel owned and operated 34,220 towers in 11 telecommunications Circles while Indus operated 110,561 towers in 15 telecommunications Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 80,656 towers in India as of September 30, 2012.

In order to capitalise on the opportunities for tower sharing in the Indian telecommunications market, Bharti Infratel, together with Vodafone India and Idea Cellular, entered into a joint venture by setting up Indus to operate their towers in 15 telecommunications Circles in India. Indus was incorporated in November 2007 and, as of September 30, 2012, Bharti Infratel, Vodafone India and Aditya Birla Telecom respectively held 42%, 42% and 16% of the equity interest in Indus.

According to TRAI, India is the second-largest and fastest-growing telecommunications market in the world, projected to reach a wireless subscriber base of 1 billion by 2014. It is expected that catch up coverage and additional capacity in urban areas will result in incremental tower deployment of 44,000 towers by March 2017. *(Source: Analysys Mason.)* While these projections suggest a significant growth opportunity for the tower infrastructure industry at large, success in this highly capital intensive industry requires margin growth, balance sheet strength and the ability to strictly manage operating and capital expenditure. Bharti Infratel and Indus intend to increase their revenues largely through a combination of increasing co-locations on their extensive existing portfolio of towers and promoting additional loading by their sharing operators. We expect that the increasing proliferation in India of 3G and 4G data services, and the higher tower density required to provide these services, will lead to demand for new towers from Bharti Infratel's and Indus' customers. We expect that the non-discriminatory nature of their service offering, whereby all wireless telecommunications service providers are offered substantially the same terms under their MSAs, will enhance Bharti Infratel's and Indus' ability to increase revenues both from existing towers and by expanding their respective tower portfolios. Further, there exists the possibility of offering transmission backhaul through optical fibre connectivity and microwave connectivity across towers in the future as well as providing first level maintenance services to the active infrastructure installed at towers.

On the cost side, Bharti Infratel and Indus have implemented several measures to reduce their operating expenses, including for example the automation of a number of processes, which has resulted in achieving efficiencies in monitoring performance at their towers. Additionally, in light of rising energy costs in India, Bharti Infratel and Indus are taking active steps towards achieving electrification of their towers, as well as capital expenditure and technology oriented initiatives such as pursing alternative energy sources, along with operational initiatives such as preventive maintenance, upkeep of towers and improved diesel consumption monitoring. Bharti Infratel and Indus are also undertaking various initiatives to limit their capital expenditure, including design technology to reduce costs for the erection of towers. Bharti Infratel and Indus intend to take active steps to rationalise their sole operator towers in order to achieve cost efficiencies. As of September 30, 2012, Bharti Infratel operates 15,553 towers where Bharti Airtel (together with Bharti Hexacom) is the sole operator, and Indus operates 41,855 towers where one of Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular is the sole operator. We believe that the consolidation of these towers and the addition of new sharing operators at these towers will enable Bharti Infratel and Indus to optimise their costs and improve margins.

The growth opportunity in the Indian tower industry also depends on the continued financial strength of Bharti Infratel's and Indus' customers, and the continued viability of their business models. Given that the Indian wireless telecommunications industry has one of the lowest tariff regimes in the world and that ARPU in India has been declining significantly, we believe that wireless telecommunications service providers have come under significant financial pressure in recent times. For some operators, this pressure has been exacerbated by their high levels of indebtedness, the large amounts paid to win spectrum auctions, as well as regulatory investigations and, in some cases, the cancellation of licences. While the challenging financial situation should encourage operators seeking to reduce expenditure and conserve cash to share infrastructure, any working capital problems faced by operators who are Bharti Infratel's and Indus' customers could result in adverse effects on their working capital. In this connection, Bharti Infratel and Indus benefit from their relationship with Bharti Airtel, Vodafone India and Idea Cellular who are the three largest operators in India in terms of wireless revenue. *(Source: TRAI.)*

Factors affecting our Financial Condition and Results of Operations

The following factors have a significant effect on our financial condition and results of operations:

Ability to maximise our revenues and cash flows

The primary factors affecting our revenues and cash flows are:

- recurring revenue, including energy cost billings, from providing wireless telecommunications service providers access to space at towers;
- the extent of tower sharing by service providers across towers;
- the amount of loading at towers;

- demand for new towers by service providers seeking to expand their existing 2G networks as well as their 3G and 4G network coverage, which requires higher tower density; and

- servicing of debt

Our revenues and cash flows are a function of the number of towers that Bharti Infratel and Indus operate, the location of these sites, the number of sharing operators that Bharti Infratel and Indus can host at these sites and the additional equipment load that each site can accommodate. Bharti Infratel's and Indus' MSAs include annual price escalation clauses, and the effect of such increases is recognised in our revenues on a straight-line basis over the term of the MSAs. Billings in respect of rental escalations are reflected in our cash flows as revenue equalisations. The incremental cost of adding new sharing operators or additional equipment at existing sites is relatively low compared to the increase in income over the life of the contract from the additional sharing operators and equipment at such sites. Accordingly, Bharti Infratel and Indus focus on attracting additional sharing operators at their existing towers as well as encouraging the addition of active telecommunications infrastructure at these sites by existing operators as they expand their networks and roll out new technologies. In addition, we expect that while Bharti Infratel's and Indus' customers may initially seek to add active telecommunications infrastructure at their existing sites to meet the demand for 3G and 4G services, they may need to establish active infrastructure at additional locations in order to maintain their network and provide coverage to their subscribers. We believe this will lead to a demand for new towers.

Sharing factor

Additional sharing operators at existing towers translate into higher operating profitability as the cost of adding new sharing operators or additional equipment is typically lower than the corresponding increase in revenues over the life of the contract. For further details see the section "Our Business" on page 142. We believe that a higher sharing factor at Bharti Infratel's and Indus' towers will have a positive impact on our results of operations. Certain details regarding Bharti Infratel's and Indus' towers and co-locations are set out below:

Number of towers				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	73,921	78,442	79,064	80,656
Bharti Infratel (unconsolidated)[2]	30,564	32,775	33,147	34,220
Indus[3]	103,230	108,732	109,325	110,561

Number of co-locations				
	As of March 31, 2010	As of March 31, 2011	As of March 31, 2012	As of September 30, 2012
Bharti Infratel (consolidated)[1]	124,819	142,086	149,908	154,296
Bharti Infratel (unconsolidated)[2]	49,999	57,621	60,160	62,027
Indus[3]	178,144	201,106	213,685	219,687

Average sharing factor[4]				
	Fiscal year 2010 (co-locations per tower)	Fiscal year 2011 (co-locations per tower)	Fiscal year 2012 (co-locations per tower)	For the six month period ended September 30, 2012 (co-locations per tower)
Bharti Infratel (consolidated)	1.57	1.75	1.85	1.90
Bharti Infratel (unconsolidated)	1.51	1.70	1.79	1.81
Indus	1.62	1.79	1.90	1.97

Sharing revenue per sharing operator per month[5]				
	Fiscal year 2010 (₹)	Fiscal year 2011 (₹)	Fiscal year 2012 (₹)	For the six month period ended September 30, 2012 (₹)
Bharti Infratel (consolidated)[6]	34,184	34,724	34,625	34,099
Bharti Infratel (unconsolidated)	38,051	37,009	36,908	36,295

Indus	28,373	30,587	31,496	30,964

(1) Represents, as of the dates indicated, the sum of the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel (as set forth in the second row of the table) and 42% of the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs (as set forth in the third row of the table). By providing this figure, no representation is being made that Bharti Infratel owns, operates or otherwise has any claims on Indus' towers.

(2) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Bharti Infratel and excludes the towers (and the co-locations thereat) operated by Indus pursuant to the BIVL IRU.

(3) Represents, as of the dates indicated, the number of towers (and the co-locations thereat) owned and operated by Indus and includes the towers (and the co-locations thereat) operated by Indus pursuant to the IRUs.

(4) Average sharing factor is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period.

(5) Sharing revenue per sharing operator per month is calculated on the basis of the rental revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period.

(6) See the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of preparation of our consolidated financial statements" on page 477 for details of Bharti Infratel's consolidated rental revenues.

Bharti Infratel's unconsolidated sharing revenue per sharing operator per month is higher than that of Indus as a result of the following: (a) Bharti Infratel's lower average sharing factor, resulting in higher rentals for the sharing operators at its towers; (b) Bharti Infratel's high proportion of GBTs compared to Indus, with higher base rental amounts; and (c) Bharti Infratel's towers being located in the Category B and C Circles, and in more difficult locations, resulting in higher premiums on the rental amounts.

Capital expenditure

The business of Bharti Infratel and Indus is capital intensive. Bharti Infratel and Indus incur several types of capital expenditure in relation to their business, including: (i) new site construction costs; (ii) replacement capital expenditure in relation to the infrastructure at existing sites, such as the replacement of batteries, DG sets, air conditioners or power equipment based on their useful life, technological obsolescence, on field support and performance and wear and tear; (iii) capital expenditure related to addition of new sharing operators or loading at an existing site; (iv) electrification-related capital expenditure at sites without an existing electricity board connection; and (v) capital expenditure in relation to energy-efficiency projects.

The cost of construction of a tower principally consists of steel costs, costs of acquiring and installing power generators, power storage devices (primarily batteries), air conditioners and other support equipment, design and construction charges, including transportation, material and labour, and licences and shelter construction charges. Bharti Infratel and Indus do not engage in speculative building of towers, and in general only construct new sites when they receive an order from a customer. We calculate depreciation on capital assets on a straight-line basis. As such, any incremental capital expenditure that we incur will result in an increase in our depreciation expenses and will impact our total expenses.

Bharti Infratel's and Indus' overall strategy is to reduce the ratio of their capital expenditure to their revenues, including through the use of design technology to reduce tower erection costs and, where applicable, the rationalisation of single-operator towers. We expect Bharti Infratel to develop lighter, smaller towers in the future, which require less steel and concrete, and integrate the electrical systems in a tower into a single cabinet, thereby lowering costs. These sites will primarily be built for outdoor needs with no air-conditioning, resulting in lower expenditure on equipment overall.

Operating expenses

Operating expenses primarily consist of energy costs, site running costs, site rentals and security expenses. Bharti Infratel and Indus seek to reduce the ratio of their operating expenses to their revenues, including through initiatives such as preventive maintenance, upkeep of towers and better diesel-consumption monitoring. Increases in rental costs and energy costs such as electricity and diesel prices may lead to an increase in Bharti Infratel's and Indus' operating expenses. To the extent that Bharti Infratel and Indus are unable to pass any increases in rental costs or other operating expenses through to their customers, this could in turn compress our margins.

MSA Terms

Bharti Infratel and Indus enter into a standard-form MSA with each of their customers, and execute long-term service contracts in relation to each tower under the MSA. The MSA specifies the standard configuration of active telecommunications infrastructure that a service provider is permitted to install at a site and the base rental applicable at each site, which depends on the location and the actual rent paid to the landlord. The MSA also sets out the applicable loading fees for additional equipment as well as the premiums applicable at each site, the service levels and uptimes to be maintained, electrification requirements and the governance process, along with an annual escalation in the rentals. Under the terms of the MSAs, some of Bharti Infratel's and Indus' operating expenses, such as energy costs, ground rents and taxes and statutory levies (beyond certain thresholds) are passed through to the customer.

A customer's monthly payment is determined on the basis of the basic rental charge, the premiums applicable for additional equipment at the site and operational cost pass-throughs, as described above. Further, the MSA incorporates certain term-based premiums (for shorter terms) and volume-based discounts to the customer. In the event that Bharti Infratel and Indus fail to meet applicable service levels, they are liable to the customer for specified service level credits. Specific termination penalties are applicable in the event a customer desires early termination of a service contract in respect of a tower.

Bharti Infratel and Indus have entered into certain arrangements with respect to energy charges with a number of their customers, aimed at (a) simplifying energy billing to ensure minimal disputes and deliver an improved experience to the customer as well as improved collection efficiency; and (b) reducing diesel consumption at towers, as the arrangement provides Bharti Infratel and Indus the flexibility to incur capital expenditure towards electrification and green initiatives at their sites, with the benefits accruing out of these investments shared with their customers. Any change in underlying energy rates will continue to be passed through to the customers.

Factors affecting our customers

Bharti Infratel's and Indus' operations and performance are affected by the performance of the Indian wireless telecommunications industry and their customers. The wireless telecommunications industry in India is growing at a fast pace and has seen the entrance of several new players as well as the introduction of various new technologies aimed at subscribers who desire data services. This has led to an expansion of network capacity requirements, and increased demand for the sharing of towers as well as construction of new towers. However, adverse industry conditions and any deterioration in the creditworthiness of Bharti Infratel's and Indus' customers could adversely affect their growth prospects and, in turn, our revenues and results of operations.

A substantial portion of Bharti Infratel's and Indus' revenues is derived from three key customers. For the fiscal year 2012 and the six month period ended September 30, 2012, respectively, Bharti Airtel (together with Bharti Hexacom) accounted for 62.9% and 62.1% of Bharti Infratel's unconsolidated rental revenues (as stated in Annexure XIII to Bharti Infratel's unconsolidated restated financial statements included in the section "Financial Statements of the Company" on page 250), while Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular together accounted for a majority of Indus' revenue from operations. Any adverse impact on the operations or financial condition of these key customers would have a direct impact on our revenues and results of operations.

Industry developments and policy considerations

The Indian telecommunications industry may face policy changes in response to recent industry developments, including the cancellation of 2G licences issued to certain wireless telecommunications service providers. The Supreme Court of India had in February 2012 cancelled 122 2G licences issued to various wireless telecommunications service providers. Pursuant to an order of the Supreme Court, the DoT was required to auction the relevant 2G spectrum. The wireless telecommunications service providers who have had their licences cancelled were required to participate in the auction process in order to regain the licenses, in absence of which their rollout plans could be significantly affected. In addition, the service providers holding valid 2G licences may be required to pay additional fees for the spectrum granted to them, leading to a potential impact on their financial condition and expansion and rollout plans. As a result of the cancellation of these 2G licences, Bharti Infratel had lost 1,393 co-locations as of September 30, 2012, whereas Indus had lost 627 co-locations as of that date. For further details, see "—Recent Developments" and the sections "Risk Factors—*Bharti Infratel and Indus are heavily dependent on factors affecting the wireless telecommunications industry in India, in particular the growth of their key customers*" and "Risk Factors—*We may be unable to collect some or all of the termination fees from the telecommunications service providers who have terminated their co-locations as a result of cancellation of their 2G licenses pursuant to an order of the Supreme Court of India, and may be affected by lower demand for new towers or co-locations at existing towers*" on pages 490, 19 and 19, respectively.

Further, in March 2012, the Cabinet Committee on Infrastructure approved the framework for using the harmonized master list of infrastructure sub-sectors, which was notified in the Official Gazette of India on March 28, 2012. The harmonized list of infrastructure sub-sectors includes 'telecommunication towers' under the "Communication" category. We believe that as a result of this development, the telecom towers industry will be entitled to certain benefits in the form of higher ECB limits, eligibility for viability gap funding, lower lending rates, lower import duties, certain excise exemptions, tax holidays and accelerated depreciation benefits. For further details, see the section "Regulations and Policies" on page 164.

Changes in regulations

Bharti Infratel's and Indus's operations are susceptible to regulatory change.

The towers built by Bharti Infratel are generally designed in accordance with the prevalent Indian codes of practice, and are approved by organizations such as the Structural Engineering Research Center, Chennai or the Department of Civil Engineering, Indian Institute of Technology, Delhi. The TRAI has issued several papers, including a paper titled "Recommendations on Telecommunications Infrastructure Policy" dated April 12, 2011 and a paper titled "Recommendations on Guidelines for Unified Licence/Class Licence and Migration of Existing Licences" dated May 12, 2012, in which it has recommended, among other things, that:

- standard designs be developed for all types of telecommunications towers;
- IP-I licensees and wireless telecommunications service providers be mandated to share in-building solutions and distributed antenna systems;
- An IP-I licence revenue-based fee be introduced;
- infrastructure providers be permitted to install and share certain active infrastructure;
- Universal Service Obligation funds be restricted to specific areas;
- camouflaging to be made mandatory in areas of heritage, environmental or architectural importance; and
- infrastructure sharing to be mandated in locations of heritage, security and environmental importance.

The standardisation of telecommunications tower designs could result in Bharti Infratel and Indus having to make modifications to their existing towers, which may be costly and could have an adverse effect on their cash flows and profitability. Mandatory sharing of in-building solutions and distributed antenna systems could result in increased competition and could reduce the demand for new towers. In addition, permitting the sharing of active infrastructure could incentivise operators to utilise each other's active infrastructure at existing towers and rationalise the towers they require rather than deploying their own active infrastructure or requesting new towers. This could adversely affect Bharti Infratel's or Indus' business by reducing co-locations of active infrastructure at their towers. Further, the changes recommended to the Universal Service Obligation rural development promotion scheme may limit the overall development of telecommunications towers and related assets within areas that are subject to the scheme. While beneficial to Bharti Infratel's and Indus' business in certain respects due to its promotion of tower sharing, the scheme could limit their opportunities to expand their business and may require their key customers to pursue their respective proposed network expansions principally through reliance on other operators' or companies' networks, as an alternative to commissioning Bharti Infratel or Indus to develop new sites, which would adversely affect Bharti Infratel's and Indus' growth prospects.

In addition to the "Recommendations on Telecommunications Infrastructure Policy", TRAI has also issued a paper titled "Recommendations on Guidelines for Unified Licence/Class Licence and Migration of Existing Licences" dated May 12, 2012, wherein TRAI has provided for the migration of the existing licences to a unified licensing regime. The Unified Licence Recommendations provides that IP-I Providers should also be brought under the unified licensing regime and that it should be mandated that the limit of foreign direct investment in such infrastructure providers should be brought down to 74% within a period of three years of a unified licensing regime coming into force. However, the DoT has clarified in its press release dated February 15, 2012 that a decision in this regard has been deferred for further examination.

Further, TRAI has released its "Recommendations on Approach towards Green Telecommunications" dated April 12, 2011 pursuant to which TRAI has highlighted the challenges posed by telecommunications, to the environment and ways to address the same. In relation to EMF radiation, the Inter Ministerial Committee ("**IMC**") had examined and issued recommendations in relation to the effect of EMF radiation from the base stations and mobile phone. The recommendations made by IMC were accepted by the Government and consequently directions in this regard were issued by DoT to the mobile operators on April 10, 2012 making the new norms applicable from September 1, 2012. As EMF generally relates to BTS stations, we believe that the directions issued by the DoT in relation to EMF radiation are applicable only to telecommunications service providers, and not to tower and related infrastructure. As of the date of this Red Herring Prospectus, the DoT has not issued any circular or directions to the providers of tower and related infrastructure in relation to regulation of EMF radiation.

The TRAI recommendations also identify potential areas of benefit to the business of Bharti Infratel and Indus, including:

- single window clearance for all tower-related approvals;
- uniform charges for these approvals;
- priority electricity board connections for towers; and
- potential tax benefits.

Competition

The tower infrastructure business in India is highly competitive in nature. Bharti Infratel and Indus face competition in the market from (a) tower infrastructure of wireless telecommunications service providers, (b) tower infrastructure companies backed by wireless telecommunications service providers and (c) independent tower infrastructure companies. Certain established wireless telecommunications service providers like BSNL and MTNL have their own telecommunications tower portfolio, and are contemplating transferring these to independent tower companies. Certain wireless telecommunications service providers like Reliance Communications Limited and Tata Teleservices Limited have spun off their towers into separate tower companies such as Reliance Infratel Limited and VIOM Networks Limited (formerly known as Wireless TT Infoservices Limited), respectively. Bharti Infratel and Indus also face competition from independent tower infrastructure service providers such as GTL Infrastructure Limited, American Tower Corporation and Tower Vision India Private Limited, as well as competition from power transmission operators such as Power Grid Corporation of India Limited, who may let their existing infrastructure be utilised by wireless telecommunications service providers for installation of their active telecommunications equipment.

Bharti Airtel (together with Bharti Hexacom) is a sharing operator at almost all of Bharti Infratel's towers, while one of the three leading wireless telecommunications service providers in India, namely, Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, is a sharing operator at almost all of Indus' towers. We believe that these strong relationships between Bharti Airtel and Bharti Infratel and between Indus and each of Bharti Airtel, Vodafone India and Idea Cellular provide Bharti Infratel and Indus a significant competitive strength, and that they will continue to benefit from these relationships. However, the tower industry in India may experience consolidation and investment by international companies, resulting in the emergence of stronger competitors. Bharti Infratel's and Indus' continued success and results of operations depend on their respective abilities to compete effectively against existing and new companies, obtain financing on equal or better terms, maintain independence from the wireless telecommunications business of their key shareholders and respond effectively to changing market conditions.

General economic conditions in India

Bharti Infratel and Indus derive all of their revenues from operations in India and consequently, their performance and growth is dependent on the state of the overall Indian economy. The Indian economy has shown signs of slowdown in growth over the last several years, with real GDP growth rate decreasing to 6.5% in the year ended March 31, 2012 from 6.7% in the year ended March 31, 2011, 7.4% in the year ended March 31, 2010 and 9.3% in the year ended March 31, 2009.

Further, the recent global financial crisis and the effects of the ongoing debt crisis in the European Union continue to be a cause of concern despite concerted efforts to contain the adverse impact of these events on global economic recovery. A failure to agree on recovery solutions may lead to significant disruptions in the global credit market, which could have a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India. As Bharti Infratel's and Indus' business operations and growth prospects mainly depend on demand from wireless telecommunications service providers in India, any adverse impact of recent economic conditions on Bharti Infratel's or Indus' ability to raise financing and secure additional customers could have a negative effect on our results of operations.

Critical Accounting Policies

Preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, as well as their restatement to reflect the guidance set out in the SEBI Regulations, requires our management to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in the section "Financial Statements of the Company" on page 250.

Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "critical accounting policies". Our management uses its historical experience and analyses the terms of existing contracts, historical cost conventions, global industry practices and information provided by outside sources, as appropriate, when forming its assumptions and estimates. Although the estimates are based upon management's best knowledge of current events and actions, actual results may differ from estimates.

While we believe that all aspects of our restated consolidated financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, the following critical accounting policies warrant particular attention. In addition, please see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of preparation of our consolidated financial statements" on page 477.

Revenue recognition and receivables

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured.

Revenues include revenue from the use of sites and energy charges received from sharing operators. Revenue is recognised as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognised on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognised from the last invoice raised to a sharing operator to the period end. These are billed in subsequent periods based on the terms of agreement with the sharing operators. Bharti

Infratel collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Bharti Infratel and is excluded from revenue.

Interest and dividends

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss. Dividend income is recognized when our right to receive dividend is established by the reporting date.

Provision for doubtful debts

We provide for amounts outstanding for more than 105 days from the invoice date in case of site sharing debtors other than from the parent group, or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

Tangible fixed assets

Fixed assets are stated at cost of acquisition, except for assets acquired by Bharti Infratel from Bharti Airtel pursuant to the Bharti Airtel Demerger Scheme, which are stated at fair values in accordance with the scheme, net of accumulated depreciation and accumulated impairment losses, if any.

The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses relating to acquisition and installation.

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

Subsequent expenditure related to a fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

In the fiscal year ended March 31, 2008, pursuant to the Bharti Airtel Demerger Scheme, the telecom infrastructure undertaking, comprising fixed assets, current assets and current liabilities were transferred by Bharti Airtel to the Company and recorded by the Company at a fair value of ₹82,375.7 million (restated) with corresponding credit to general reserves. The Bharti Airtel Demerger Scheme became effective on January 31, 2008 on filing of the order of the High Court of Delhi with the Registrar of Companies and accordingly, the Company recorded the assets and liabilities of telecom infrastructure undertaking having book value of ₹55,886.0 million at a fair value of ₹82,375.7 million (restated) during the fiscal year ended March 31, 2008. For further details, see Annexure IV—note 4 to the restated consolidated financial statements of our Company in the section “Financial Statements of the Company” on page 250.

Similarly, in the fiscal year ended March 31, 2012, pursuant to the Bharti Infratel Demerger Scheme, passive infrastructure assets including fixed assets and current assets in certain specified telecom circles were transferred to BIVL, and were recorded by BIVL at a fair value of ₹59,920.5 million with a corresponding credit to its general reserve. The Bharti Infratel Demerger Scheme became effective on May 5, 2011 on filing of the order of the High Court with the Registrar of Companies with effect from the appointed date of April 1, 2009, and accordingly, BIVL recorded passive infrastructure asset having book value of ₹45,302.8 million at a fair value of ₹59,920.5 million during the fiscal year ended March 31, 2012. For further details, see Annexure IV—note 3.1.3 to the restated unconsolidated financial statements of our Company in the section “Financial Statements of the Company” on page 250. The Bharti Infratel Demerger Scheme does not significantly impact the consolidated financial statements of the Company as BIVL is consolidated into the Company. The book values of the passive infrastructure assets of the Promoter and Bharti Infratel as described above cannot be derived directly from the restated financial statements.

Impairment of tangible and intangible assets

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

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

Retirement and other employee benefits

Short-term employee benefits are recognised in the period during which the services have been rendered.

All employees 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 employee's basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees are covered under the employees' state insurance schemes, which are also defined contribution schemes recognised and administered by the Government of India. Contributions to both these schemes are expensed in the statement of profit and loss as and when they are due. There are no further obligations under these plans beyond the monthly contributions.

Gratuity obligations are provided for through a defined retirement benefit plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Other benefits are also provided for in the form of deferred compensation and compensated absences. Employees are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. Liability is recorded based on actuarial valuation computed under the projected unit credit method. Actuarial gains or losses are immediately taken to the statement of profit and loss and are not deferred. Leave is disclosed in its entirety as a current liability in the balance sheet, since there is no unconditional right to defer settlement for 12 months after the reporting date.

Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Relationship with Indus

Background

In order to capitalise on the opportunities for tower sharing in the Indian telecommunications market, Bharti Airtel, Bharti Infratel, Vodafone India and Idea Cellular agreed to establish Indus as an independently managed joint venture that provides shared tower services to all wireless telecommunications service providers on a non-discriminatory basis. In furtherance of this joint venture, the parties also agreed to contribute certain identified towers to Indus and to use the services of Indus in the first instance for any new roll out of telecommunications towers or co-locations in 15 telecommunications Circles. In this context, Indus was incorporated in November 2007 and Bharti Airtel, Bharti Infratel and their joint venture partners entered into the Framework Agreement which set out, among other things, the basis on which towers were to be contributed to Indus by the respective parties. In accordance with the Framework Agreement, Bharti Infratel, Vodafone India and Aditya Birla Telecom hold a 42%, 42% and 16% shareholding interest in Indus, respectively.

In December 2007, Bharti Airtel, Bharti Infratel and their joint venture partners also entered into the Indus SHA setting out, among other things, the provisions for the governance and day-to-day operations of Indus.

Bharti Infratel entered into an indefeasible right to use agreement with Indus in December 2008. Pursuant to this agreement, Bharti Infratel granted Indus an IRU in relation to certain of its towers in the telecommunication Circles of Mumbai, Kolkata, Maharashtra, Tamil Nadu (including Chennai), Kerala, Gujarat, Delhi, Karnataka, Andhra Pradesh, Punjab and West Bengal, which it will contribute to Indus in accordance with the terms of the Framework Agreement. Consequent to the transfer of towers by Bharti Infratel to BIVL, this IRU agreement is currently operative between Indus and BIVL in respect of these towers. Similarly, the other joint venture partners in Indus had entered into similar IRU arrangements with Indus, which have since been transferred to their respective tower infrastructure entities, and on the basis of which Indus operates and derives revenues from the towers that are to be contributed to it. For further details, see the section "Our Business—Relationship with Indus" on page 150.

Basis of preparation of our consolidated financial statements

We consolidate the financial statements of Bharti Infratel's wholly-owned subsidiary, BIVL, which have been audited by its statutory auditor for the periods indicated. Further, under the terms of the various arrangements described above, Bharti Infratel, Vodafone India and Aditya Birla Telecom have a 42%, 42% and 16% equity interest in Indus, respectively. Our 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 and ('AS-27') 'Financial Reporting of Interest in Joint Venture'. Our interests in jointly controlled entities are accounted for by proportionate consolidation, and we combine our share of Indus' individual income, expenses, assets and liabilities on a line-by-line basis with similar items in our financial statements. Inter-company balances are eliminated on consolidation for our wholly-owned subsidiary, BIVL, while elimination of transactions between Bharti Infratel and Indus is carried out to the extent of the proportionate share.

A description of the consolidation of the key line items in our income statement is set out below:

(i) our revenues primarily comprise (i) rental revenues of Bharti Infratel's towers in 11 telecommunications Circles, (ii) energy cost billings attributable to those towers, (iii) consideration from Indus under the BIVL IRU, and (iv) 42% of Indus' rental revenues and energy cost billings in respect of the towers it has developed on an unconsolidated basis as well as the towers it operates pursuant to the IRUs granted to it.

(ii) our operating expenses comprise (i) operating expenses, including energy costs, of Bharti Infratel's towers in 11 telecommunications Circles, (ii) 42% of Indus' operating expenses, including energy costs and IRU consideration from Indus to BIVL, Vodafone Infrastructure Limited and Idea Cellular Tower Infrastructure Limited, and (iii) 100% of the operating expenses incurred by BIVL.

(iii) depreciation and amortization comprises (i) the depreciation and amortization applicable to: (a) Bharti Infratel's towers in 11 telecommunications Circles and (b) the towers Bharti Infratel has agreed to transfer to Indus, which are currently owned by BIVL, a wholly-owned subsidiary of Bharti Infratel, and (ii) a 42% consolidation of the depreciation and amortization applicable to: (x) the towers developed by Indus on an unconsolidated basis and (y) Indus' incremental capital expenditure in respect of the towers it operates pursuant to the IRUs granted to it.

Accounting treatment in the books of account of Indus upon the completion of the Indus Scheme

The accounting treatment of Indus upon the completion of the Indus Scheme shall be in accordance with the Indus Scheme as approved by the Delhi High Court and Indian GAAP. All assets, liabilities and reserves of the transferor companies as of April 1, 2009, are to be transferred to or vested in Indus at the following values:

Assets of the transferor companies	Fair value
Liabilities of the transferor companies	Book value
Reserves of the transferor companies	Book value

Pursuant to the terms of the Indus Scheme, the excess of the value of assets over the liabilities and reserves will be transferred to a general reserve account arising out of the scheme. Accordingly, Indus will create a general reserve account as of April 1, 2009.

In accordance with the Indus Scheme, the general reserve account is intended to be treated as a free reserve including, as may be decided by the board of directors of Indus, for amortization of any merger related expenses or losses; issuance of bonus shares; off-setting any additional or accelerated depreciation; lease equalization reserve; asset retirement obligations; deferred tax assets or liabilities, as the case may be; any other expenses, impairment, losses or write-offs; and any other permitted purposes, and will form part of the net worth of Indus.

The assets taken over from the transferor companies will be fair valued based on an independent fair valuation determined as of April 1, 2009 in accordance with the terms of the Indus Scheme. The difference between the book values in the respective transferor companies financial statements and the fair values as determined by Indus will be credited to the general reserve.

In accordance with the Indus Scheme, the excess of the depreciation charged on the above fixed assets for difference between their respective fair values and the original carrying values will be adjusted in the general reserve. The depreciation determined based on the original carrying values of such fixed assets taken over from the transferor companies will be charged to the profit and loss account. The term "original carrying value" refers to the original acquisition cost as reflected in the fixed assets register of each of the respective transferor companies or the companies which had transferred these assets to the transferor companies.

In addition, upon completion of the proposed merger, Indus will stop incurring IRU expenses (paid to the joint venture partners on account of each of the partners incurring depreciation and amortization expense with respect to the towers for which they have granted an indefeasible right to use, or IRU, to Indus) and instead will itself recognise depreciation and amortization expense with respect to such towers. Further, since BIVL will merge with Indus and cease to exist upon completion of the merger, Bharti Infratel will not recognise IRU income and IRU expense on a consolidated basis.

As a consequence of the above, it is expected that the impact of these adjustments or changes on the financial statements of Indus for periods after April 1, 2009 will have to be recorded in its financial statements in the fiscal year in which the Indus Scheme is completed. We are not currently able to quantify these changes; however, as of and for the fiscal year ended March 31, 2012 and the six months ended September 30, 2012, we expect that the contribution of towers to Indus by the joint venture parties and the fair valuation thereof will result in an increase in assets, liabilities, reserves and surplus with no material changes expected in revenue or expenses for those periods. These changes in the financial statements of Indus will be reflected in the financial statements of Bharti Infratel, in accordance with the consolidation principles outlined in Bharti Infratel's financial statements and discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 467. As required by these principles, Bharti Infratel will consolidate 42% of Indus' financial data while backing out 100% of BIVL's contribution to Bharti Infratel, in addition to certain inter-company eliminations. The nature and amount of such changes to Bharti Infratel's financial statements will depend upon various factors such as the differences arising out of the fair valuation exercise, accounting reconciliations and the inter-company eliminations referred to above. In accordance with Indian GAAP, the impact of these adjustments or changes on the financial statements of Bharti Infratel for periods after April 1, 2009 will be required to be recorded in Bharti Infratel's financial statements in the fiscal year in which the Indus Scheme is completed. We are not currently able to quantify these changes; however, we do not expect material changes to Bharti Infratel's balance sheets as of March 31, 2012 or September 30, 2012 because the 42% consolidation of Indus' assets is expected to be more or less offset by the backing out of BIVL, nor do we expect material changes in revenue or expenses for the periods then ended.

For further details, see "Risk Factors—*Following completion of the Indus Scheme, the impact on the financial statements of Indus and Bharti Infratel for periods after April 1, 2009 will have to be recorded in our financial statements in the fiscal year in which the Indus Scheme is completed in order to give effect to the accounting treatment under the Indus Scheme, and we cannot currently quantify the resulting adjustments that will be required*".

Results of Operations

The following table summarises our consolidated results of operations for the six month period ended September 30, 2012 and the fiscal years 2012, 2011 and 2010:

	Six month period ended September 30, 2012 (₹million)	**Percentage of Incomes (%)**	**Year ended March 31, 2012 (₹million)**	**Percentage of Incomes (%)**	**Year ended March 31, 2011 (₹million)**	**Percentage of Incomes (%)**	**Year ended March 31, 2010 (₹million)**	**Percentage of Incomes (%)**
Revenue from operations	49,719.5	97,7	94,520.6	98.5	85,081.1	98.6	70,387.3	98.7
Other income	1,189.4	2.3	1,450.0	1.5	1,176.8	1.4	901.1	1.3
Incomes	**50,908.9**		**95,970.6**		**86,257.9**		**71,288.4**	
Expenses	31,282.2	61.4	59,129.6	61.6	53,793.0	62.4	46,202.8	64.8
EBITDA*	**19,626.7**	**38.5**	**36,841.0**	**38.4**	**32,464.9**	**37.6**	**25,085.6**	**35.2**
Depreciation and amortization expenses (adjusted with General Reserve in accordance with the Bharti Airtel Demerger Scheme and the Bharti Infratel Demerger Scheme)	10,934.9	21.5	21,462.4	22.4	20,191.1	23.4	17,617.3	24.7
Finance cost	1,881.8	3.7	4,072.0	4.2	4,326.4	5.0	3,539.9	5.0
Restated profit before tax	**6,810.0**	**13.4**	**11,306.6**	**11.8**	**7,947.4**	**9.2**	**3,928.4**	**5.5**
Total tax expense	2,205.4	4.3	3,799.3	4.0	2,432.6	2.8	1,398.7	2.0
Restated profit after tax	**4,604.6**	**9.0**	**7,507.3**	**7.8**	**5,514.8**	**6.4**	**2,529.7**	**3.5**

**EBITDA presented in this Red Herring Prospectus is a supplemental measure of our performance and liquidity and, while permitted under the Guidance Note on the Revised Schedule VI to the Companies Act, is not a GAAP measure and should not be considered as an alternative to profit after tax or any other performance measure derived in accordance with Indian GAAP, or as an alternative to our cash flows or as a measure of our liquidity. In addition, EBITDA is not a standardised term and we calculate EBIDTA to include energy charges received from our customers. Hence a direct comparison between companies using such a term may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.*

In the discussion below, we present the results of operations of Bharti Infratel on a consolidated basis and also provide certain information relating to the results of operations of Bharti Infratel (on an unconsolidated basis) and our share of the results of operations of Indus (as provided in Annexure IV Note 5 to our restated consolidated summary statements, prior to inter-company eliminations). The sums of the financial statement items of Bharti Infratel (on an unconsolidated basis) and Indus may not equal our corresponding consolidated amounts as a result of BIVL and inter-company eliminations.

Six month period ended September 30, 2012

Revenue from operations

Our consolidated revenue from operations for the six month period ended September 30, 2012 was ₹49,719.5 million (including an adjustment for revenue equalisation of ₹1,234.0 million), or 97.7% of our consolidated incomes, comprising primarily of revenues from co-locations of Bharti Infratel and Indus and their energy cost billings, and revenues from BIVL. Additional towers and incremental co-locations added during this period resulted in higher rental revenues for this period and an increase in the rates for electricity and diesel resulted in higher energy cost billings during this period. As of September 30, 2012, Bharti Infratel, on an unconsolidated basis, had

62,027 co-locations, while Indus had 219,687 co-locations, and for the six month period ended September 30, 2012, Bharti Infratel and Indus had average sharing factors of 1.81 and 1.97 per tower, respectively.

Bharti Infratel's unconsolidated revenue from operations was ₹21,490.2 million and our share of Indus' revenue from operations was ₹26,886.7 million during the same period.

Other income

Our consolidated other income of ₹1,189.4 million for the six month period ended September 30, 2012 includes interest on loans to our group companies of ₹733.5 million, including interest on a loan to our Promoter.

Expenses

Our consolidated total expenses for the six month period ended September 30, 2012 were ₹31,282.2 million (including an adjustment for rent equalisation of ₹254.4 million), or 61.4% of our consolidated incomes. The largest component of our consolidated expenses during this period was power and fuel, amounting to ₹18,489.7 million, reflecting in part our new co-locations, as well as a general increase in electricity charges and diesel prices which we were able to pass on to our customers. The other key expenses incurred by us during the six month period ended September 30, 2012 were a rent of ₹5,279.8 million and other expenses of ₹5,937.2 million which primarily includes operations and maintenance costs, reflecting in part our new co-locations.

Bharti Infratel's unconsolidated total expenses were ₹13,062.8 million and our share of Indus' expenses was ₹19,216.9 million during the same period.

Depreciation and amortization expenses

Our consolidated depreciation and amortization expenses (net of adjustment for general reserves in accordance with the Bharti Airtel Demerger Scheme and the Bharti Infratel Demerger Scheme) for the six month period ended September 30, 2012 were ₹10,934.9 million, or 21.5% of our consolidated incomes, as we continued to incur incremental capital expenditure during this period towards the addition of new towers, replacement of infrastructure at existing sites, addition of new sharing operators at certain sites and electrification charges in relation to certain sites.

Bharti Infratel's unconsolidated depreciation and amortization expenses (net of adjustment for general reserves in accordance with the Bharti Airtel Demerger Scheme) were ₹5,422.4 million and our share of Indus' depreciation and amortization expenses was ₹3,369.2 million during the same period.

Finance cost

Our consolidated finance cost for the six month period ended September 30, 2012 was ₹1,881.8 million, or 3.7% of our consolidated incomes, resulting from our consolidated indebtedness, which was primarily due to a decrease in indebtedness of Indus. Bharti Infratel's unconsolidated finance cost during this period was ₹3.0 million and our share of Indus' finance cost was ₹1,878.7 million during this period.

Restated profit before tax

On account of the foregoing, our consolidated restated profit before tax for the six month period ended September 30, 2012 was ₹6,810.0 million, or 13.4% of our consolidated incomes.

Bharti Infratel's unconsolidated restated profit before tax was ₹7,882.8 million, which includes dividend income of ₹4,050.0 million received from Indus and our share of Indus' restated profit before tax was ₹2,821.7 million during the same period.

Tax expense

Our consolidated total tax expense for the six month period ended September 30, 2012 was ₹2,205.4 million, or 4.3% of our consolidated incomes.

Bharti Infratel's unconsolidated total tax expense was ₹1,243.3 million and our share of Indus' total tax expense was ₹912.3 million during the same period.

Restated profit after tax

On account of the foregoing, our consolidated restated profit after tax for the six month period ended September 30, 2012 was ₹4,604.6 million, or 9.0% of our consolidated incomes.

Bharti Infratel's unconsolidated restated profit after tax for the period was ₹6,639.5 million, which includes dividend income of ₹4,050.0 million received from Indus and our share of Indus' restated profit after tax for the period was ₹1,909.4 million.

Fiscal Year 2012 Compared with Fiscal Year 2011

Revenue from operations

Our consolidated revenue from operations for the fiscal year 2012 increased by 11.1% to ₹94,520.6 million (including an adjustment for revenue equalisation of ₹2,676.9 million) from ₹85,081.1 million (including an adjustment for revenue equalisation of ₹3,154.2 million) in the fiscal year 2011. This increase was primarily due to an increase in co-locations of Bharti Infratel and Indus from 57,621 to 60,160 and from 201,106 to 213,685, respectively, from March 31, 2011 to March 31, 2012. Our consolidated revenues also benefited from the additional loading charges due to the rollout of service providers' 3G networks and the installation of additional equipment at towers and a rise in energy charges.

Bharti Infratel's unconsolidated revenue from operations increased by 10.0% to ₹41,581.6 million in the fiscal year 2012 from ₹37,804.8 million in the fiscal year 2011, while our share of Indus' revenue from operations increased by 12.7% to ₹50,480.6 million in the fiscal year 2012 from ₹44,800.9 million in the fiscal year 2011.

Expenses

Our consolidated total expenses for the fiscal year 2012 increased by 9.9% to ₹59,129.6 million (including an adjustment for rent equalisation of ₹521.4 million) from ₹53,793.0 million (including an adjustment for rent equalisation of ₹668.7 million) in the fiscal year 2011. However, our consolidated expenses decreased to 61.6% of our consolidated incomes in the fiscal year 2012 from 62.4% in the fiscal year 2011. This was as a result of an overall increase in the unconsolidated average sharing factor at Bharti Infratel's and Indus' towers for the fiscal year 2012 as compared to the fiscal year 2011 from 1.70 to 1.79 and 1.79 to 1.90, respectively, which resulted in revenues correspondingly growing at a higher rate than operating expenses.

The largest component of our consolidated expenses was power and fuel, which increased by 11.4% to ₹33,583.1 million in the fiscal year 2012 from ₹30,151.2 million in the fiscal year 2011. Power and fuel cost increases were attributable to increased co-locations and the installation of additional equipment at towers as well as a general increase in electricity charges and diesel prices. Under the terms of Bharti Infratel's and Indus' MSAs, increases in underlying energy rates are generally passed through to customers and therefore, these increases do not have a significant impact on our profits. The other key operation costs, namely rent and other expenses, increased by 8.3% and 8.8%, respectively, in the fiscal year 2012 compared to the fiscal year 2011, largely due to the increase in co-locations. Employee benefits expenses increased by 4.3% to ₹2,976.8 million in fiscal year 2012 from ₹2,854.4 million in fiscal year 2011, as Bharti Infratel and Indus hired new employees across their organisations, coupled with standard increments in remuneration.

Bharti Infratel's unconsolidated total expenses increased by 7.8% to ₹25,214.0 million in the fiscal year 2012 from ₹23,391.9 million in the fiscal year 2011, while our share of Indus' expenses increased by 10.9% to ₹35,868.3 million in the fiscal year 2012 from ₹32,353.6 million in the fiscal year 2011.

Depreciation and amortization expenses

Our consolidated depreciation and amortization expenses (net of adjustment for general reserves in accordance with the Bharti Airtel Demerger Scheme and the Bharti Infratel Demerger Scheme) increased by 6.3% to ₹21,462.4

million in the fiscal year 2012 from ₹20,191.1 million in the fiscal year 2011. The increase in total depreciation and amortization costs is attributable to incremental capital expenditure in fiscal year 2012 with respect to the addition of new towers, replacement of infrastructure at existing sites, addition of new sharing operators at certain sites and electrification charges in relation to certain sites.

Bharti Infratel's unconsolidated depreciation and amortization expenses (net of adjustment for general reserves in accordance with the Bharti Airtel Demerger Scheme) increased by 8.5% to ₹10,628.2 million in the fiscal year 2012 from ₹9,791.1 million in the fiscal year 2011. Our share of Indus' depreciation and amortization expenses increased by 12.9% to ₹6,656.8 million in the fiscal year 2012 from ₹5,894.9 million in the fiscal year 2011.

Finance cost

Our consolidated finance cost decreased by 5.9% to ₹4,072.0 million in the fiscal year 2012 from ₹4,326.4 million in the fiscal year 2011. This was largely due to reduced consolidated indebtedness.

Bharti Infratel's unconsolidated finance cost decreased significantly by 97.2% to ₹10.2 million in the fiscal year 2012 from ₹360.7 million in the fiscal year 2011, while our share of Indus' finance cost increased by 2.4% to ₹4,061.0 million in the fiscal year 2012 from ₹3,965.7 million in the fiscal year 2011.

Restated profit before tax

On account of the foregoing, our consolidated restated profit before tax increased by 42.3% to ₹11,306.6 million in fiscal year 2012 from ₹7,947.4 million in fiscal year 2011. As a percentage of consolidated incomes, our restated profit before tax increased to 11.8% in the fiscal year 2012 from 9.2% in the fiscal year 2011.

Bharti Infratel's unconsolidated restated profit before tax rose by 32.8% to ₹6,839.8 million in the fiscal year 2012 from ₹5,151.0 million in the fiscal year 2011, while our share of Indus' profit before tax rose by 47.8% to ₹4,247.7 million in the fiscal year 2012 from ₹2,873.6 million in the fiscal year 2011.

Tax expense

Our consolidated total tax expense rose significantly by 56.2% to ₹3,799.3 million in the fiscal year 2012 from ₹2,432.6 million in the fiscal year 2011 as a result of the increase in our consolidated restated profit before tax.

Bharti Infratel's unconsolidated total tax expense rose significantly by 51.2% to ₹2,365.4 million in the fiscal year 2012 from ₹1,564.3 million in the fiscal year 2011, while our share of Indus' total tax expense rose by 41.5% to ₹1,360.8 million from ₹961.4 million in the same period.

Restated profit after tax

As a result of the foregoing, our consolidated restated profit after tax increased by 36.1% to ₹7,507.3 million, or 7.8% of our consolidated incomes, in fiscal year 2012 from ₹5,514.8 million, or 6.4% of consolidated incomes, in fiscal year 2011.

Bharti Infratel's unconsolidated restated profit after tax rose by 24.7% to ₹4,474.4 million in the fiscal year 2012 from ₹3,586.7 million in the fiscal year 2011, while our share of Indus' restated profit after tax rose significantly by 51.0% to ₹2,886.9 million from ₹1,912.2 million during the same period.

Fiscal Year 2011 Compared with Fiscal Year 2010

Revenue from operations

Our consolidated revenue from operations for the fiscal year 2011 increased by 20.9% to ₹85,081.1 million (including an adjustment for revenue equalisation of ₹3,154.2 million) from ₹70,387.3 million (including an adjustment for revenue equalisation of ₹3,007.8 million) in the fiscal year 2010. This was primarily due to an increase in co-locations at the towers of Bharti Infratel and Indus from 49,999 to 57,621 and from 178,144 to

201,106, respectively, from March 31, 2010 to March 31, 2011. Our consolidated revenues also benefited from the additional loading charges due to the installation of additional equipment at towers and a rise in energy charges.

Bharti Infratel's unconsolidated revenue from operations increased by 22.3% to ₹37,804.8 million in the fiscal year 2011 from ₹30,912.3 million in the fiscal year 2010, while our share of Indus' revenue from operations increased by 20.3% to ₹44,800.9 million in the fiscal year 2011 from ₹37,245.2 million in the fiscal year 2010.

Expenses

Our consolidated total expenses for the fiscal year 2011 increased by 16.4% to ₹53,793.0 million (including an adjustment for rent equalisation of ₹668.7 million) from ₹46,202.8 million (including an adjustment for rent equalisation of ₹671.1 million) in the fiscal year 2010. However, our consolidated expenses decreased to 62.4% of our consolidated incomes in the fiscal year 2011 from 64.8% in the fiscal year 2010. This was as a result of an overall increase in the unconsolidated average sharing factor at Bharti Infratel's and Indus' towers for the fiscal year 2011 as compared to the fiscal year 2010 from 1.51 to 1.70 and 1.62 to 1.79, respectively, which resulted in revenues correspondingly growing at a higher rate than operating expenses.

The largest component of our consolidated expenses was power and fuel, which increased by 19.4% to ₹30,151.2 million in the fiscal year 2011 from ₹25,251.7 million in the fiscal year 2010. Power and fuel cost increases were attributable to increased co-locations and the installation of additional equipment at towers as well as a general increase in electricity charges and diesel prices. Under the terms of Bharti Infratel's and Indus' MSAs, energy costs during this period were passed through to customers where applicable and, therefore, the increases did not have any material impact on our profits. Other costs, namely rent and other expenses, increased by 11.1% and 13.0%, respectively, in the fiscal year 2011 compared to the fiscal year 2010, largely due to the increase in co-locations and general inflation. Employee benefits expenses increased by 18.8% to ₹2,854.4 million in fiscal year 2011 from ₹2,403.7 million in fiscal year 2010, as Bharti Infratel and Indus hired new employees across their organisations, coupled with standard increments in remuneration.

Bharti Infratel's unconsolidated total expenses increased by 22.5% to ₹23,391.9 million in the fiscal year 2011 from ₹19,100.6 million in the fiscal year 2010, while our share of Indus' expenses increased by 12.1% to ₹32,353.6 million in the fiscal year 2011 from ₹28,859.2 million in the fiscal year 2010.

Depreciation and amortization expenses

Our consolidated depreciation and amortization expenses (net of adjustment for general reserves in accordance with the Bharti Airtel Demerger Scheme and the Bharti Infratel Demerger Scheme) increased by 14.6% to ₹20,191.1 million in the fiscal year 2011 from ₹17,617.3 million in the fiscal year 2010. The increase in total depreciation and amortization expenses was attributable to incremental capital expenditure in fiscal year 2011 with respect to the addition of new towers, replacement of infrastructure at existing sites, addition of new sharing operators at certain sites and electrification charges in relation to certain sites.

Bharti Infratel's unconsolidated depreciation and amortization expenses (net of adjustment for general reserves in accordance with the Bharti Airtel Demerger Scheme) increased by 14.9% to ₹9,791.1 million in the fiscal year 2011 from ₹8,518.3 million in the fiscal year 2010. Our share of Indus' depreciation and amortization expenses increased significantly by 46.3% to ₹5,894.9 million in the fiscal year 2011 from ₹4,028.6 million in the fiscal year 2010, due to high capital expenditure on new rollout of towers by Indus during the fiscal year 2010.

Finance cost

Our consolidated finance cost increased by 22.2% to ₹4,326.4 million in fiscal year 2011 from ₹3,539.9 million in fiscal year 2010. This was largely due to an increase in Indus' indebtedness.

Bharti Infratel's unconsolidated finance cost decreased significantly by 44.7% to ₹360.7 million in the fiscal year 2011 from ₹652.5 million in the fiscal year 2010, while our share of Indus' finance cost rose by 13.7% to ₹3,965.7 million in the fiscal year 2011 from ₹3,489.3 million in the fiscal year 2010.

Restated profit before tax

As a result of the foregoing, our consolidated restated profit before tax rose significantly by 102.3% to ₹7,947.4 million, or 9.2% of consolidated incomes, in fiscal year 2011 from ₹3,928.4 million, or 5.5% of our consolidated incomes, in fiscal year 2010.

Bharti Infratel's unconsolidated restated profit before tax rose by 24.9% to ₹5,151.0 million in the fiscal year 2011 from ₹4,123.7 million in the fiscal year 2010, while our share of Indus' profit before tax rose significantly by 223.5% to ₹2,873.6 million in the fiscal year 2011 from ₹888.3 million in the fiscal year 2010 as a result of high growth in Indus' co-locations during this period.

Tax expense

Our consolidated total tax expense rose significantly by 73.9% to ₹2,432.6 million in fiscal year 2011 from ₹1,398.7 million in fiscal year 2010. This increase was attributable to an increase in our profitability during the period.

Bharti Infratel's unconsolidated total tax expense rose by 9.3% to ₹1,564.3 million in the fiscal year 2011 from ₹1,431.3 million in the fiscal year 2010, while our share of Indus' total tax expense rose significantly by 217.8% to ₹961.4 million from ₹302.5 million in the same period.

Restated profit after tax

As a result of the foregoing, our consolidated restated profit after tax increased significantly by 118.0% to ₹5,514.8 million, or 6.4% of our consolidated incomes, in fiscal year 2011 from ₹2,529.7 million, or 3.5% of our consolidated total incomes, in fiscal year 2010.

Bharti Infratel's unconsolidated restated profit after tax rose by 33.2% to ₹3,586.7 million in the fiscal year 2011 from ₹2,692.4 million in the fiscal year 2010, while our share of Indus' restated profit after tax rose significantly by 226.4% to ₹1,912.2 million from ₹585.8 million during the same period.

Bharti Infratel's Unconsolidated Results of Operations in Fiscal Year 2010 compared with Bharti Infratel's Unconsolidated Results of Operations in Fiscal Year 2009

Bharti Infratel entered into an indefeasible right to use agreement with Indus in December 2008. Pursuant to this agreement, Bharti Infratel granted Indus an IRU in relation to certain of its towers in certain specified telecommunications Circles, which it was to contribute to Indus in accordance with the terms of the Framework Agreement. Consequent to the transfer of towers by Bharti Infratel to BIVL, the IRU with Bharti Infratel was transferred to BIVL (the "BIVL IRU") in respect of these towers. In the fiscal year 2009, the revenue and expenses for all the towers were recognized by Bharti Infratel. However, subsequent to the de-merger and the BIVL IRU, the revenues and expenses pertaining to such towers were recorded by Indus. As a result, Bharti Infratel's unconsolidated revenue from operations, power and fuel expenses, rent expenses and other expenses decreased in the fiscal year 2010 as compared to the fiscal year 2009.

Liquidity and Capital Resources

We need cash primarily to meet our working capital needs and fund our expansion plans, in terms of adding new sharing operators to existing towers, acquiring and developing new sites and undertaking maintenance and upgrades of existing sites. We intend to fund these capital requirements through a variety of sources, including the proceeds of the Issue, cash from operations and short- and long-term lines of credit and other borrowings. For further details, see the section "Objects of the Issue" on page 101.

Currently, Bharti Infratel's principal source of liquidity is internal accruals from its tower business. Further, on September 4, 2012, the board of directors of Indus passed a resolution for a dividend of ₹8,100 per equity share of Indus to be paid to its shareholders. Indus' principal sources of liquidity are external secured loans and unsecured loans (which amounted to ₹94,899.3 million as of September 30, 2012), internal accruals and working capital facilities. These sources of funding, and our ability to fund our capital expenditure requirements, are affected by many factors, some of which are beyond our control, including economic conditions, regulatory developments, demand from our customers and availability of financing. Therefore, our funding requirements may extend beyond the expansion needs set forth above. In the event that we require additional funds to support our capital requirements, we may seek to raise additional funds through private or public financing or other sources.

Cash Flows

The following table sets out the principal elements of our restated consolidated statement of cash flows for the six month period ended September 30, 2012 and the fiscal years 2012, 2011 and 2010.

	Six month period ended September 30, 2012 (₹million)	Year ended March 31, 2012 (₹million)	Year ended March 31, 2011 (₹million)	Year ended March 31, 2010 (₹million)
Net cash generated from operating activities..................................	14,951.7	32,008.8	28,716.2	29,116.4
Net cash (used in) investing activities..	(5,746.7)	(20,155.8)	(29,706.0)	(38,823.5)
Net cash generated from/(used in) financing activities...................	(7,692.8)	(11,509.9)	(5,697.0)	14,428.0
Net increase/(decrease) in cash and cash equivalents.....................	1,512.2	343.1	(6,686.8)	4,720.9
Cash and cash equivalents at the beginning of the year/period.......	468.3	125.2	6,812.0	2,091.1
Cash and cash equivalents at the end of the year/period.................	1,980.5	468.3	125.2	6,812.0
Fixed deposit more than three months but less than twelve months…………………………..	13.0	12.6	12.0	1.7
Total cash and bank balances	**1,993.5**	**480.9**	**137.2**	**6,813.7**

Our consolidated net cash generated from operating activities amounted to ₹14,951.7 million in the six month period ended September 30, 2012, arising from operating cash flow adjusted primarily for an increase in trade payables and other current liabilities and partially offset by an increase in short-term loans and advances, a decrease in other long-term liabilities and an increase in other current assets. Our consolidated net cash used in investing activities amounted to ₹5,746.7 million in this period, largely attributable to the purchase of tangible assets and purchase of current investments, partially offset by the sale of current investments. Our consolidated financing activities, mainly the repayment of ₹27,300.7 million of outstanding long-term borrowings, payment of interest on loans of ₹1,689.4 million and payment of interim dividend of ₹4,356.0 million and dividend distribution tax of ₹1,363.7, partially offset by proceeds from long-term borrowings, resulted in a net cash outflow of ₹7,692.8 million in the six month period ended September 30, 2012. As a result, our consolidated net cash and cash equivalents as of September 30, 2012 was ₹1,980.5 million.

Our consolidated net cash generated from operating activities in fiscal year 2012 amounted to ₹32,008.8 million arising from operating cash flow adjusted primarily for increases in trade payables and other current liabilities and partially offset by an increase in other current assets. Our consolidated net cash used in investing activities amounted to ₹20,155.8 million in fiscal year 2012, largely attributable to the purchase of tangible assets, the purchase of current investments and a loan made by Bharti Infratel to its parent company, Bharti Airtel, which were partially offset by the sale of current investments and interest received. Our consolidated financing activities, mainly the repayment of outstanding long-term borrowings by Indus and interest paid, partially offset by proceeds from short-term borrowings, resulted in a net cash outflow of ₹11,509.9 million in fiscal year 2012. As a result, our consolidated net cash and cash equivalents during the fiscal year 2012 increased by ₹343.1 million to a balance of ₹468.3 million as of March 31, 2012.

Our consolidated net cash generated from operating activities in fiscal year 2011 amounted to ₹28,716.2 million, arising from operating cash flow adjusted primarily for increases in other current liabilities and other long-term liabilities, and partially offset by an increase in short-term loans and advances and a decrease in trade payables. Our consolidated net cash used in investing activities during the same period amounted to ₹29,706.0 million, primarily on account of the purchase of tangible assets, purchase of current investments and a loan made by Bharti Infratel to Bharti Airtel, partially offset by a sale of current investments. Our consolidated net cash used in financing activities for the fiscal year 2011 was an outflow of ₹5,697.0 million, attributable mainly to the repayment of long-term borrowings and interest paid and partially offset by proceeds from short-term borrowings and long-term borrowings, resulting in a net decrease in our consolidated cash and cash equivalents of ₹6,686.8 million during the period to ₹125.2 million as of March 31, 2011.

Our consolidated net cash generated from operating activities in fiscal year 2010 amounted to ₹29,116.4 million, arising from operating cash flow adjusted primarily for decreases in short-term loans and advances and increases in trade payables and other long-term liabilities, which were partially offset by increases in trade receivables and other current assets. Our consolidated net cash used in investing activities during this period amounted to ₹38,823.5 million, primarily on account of the purchase of tangible assets and current investments, which were partially offset by the sale of current investments and interest received. Our consolidated net cash generated from financing activities during this period amounted to ₹14,428.0 million, primarily as a result of long-term borrowings taken, which were partially offset by repayment of long-term borrowings and net proceeds from short-term borrowings, resulting in a net increase in our consolidated cash and cash equivalents of ₹4,720.9 million during the period to ₹6,812.0 million as of March 31, 2010.

Indebtedness

The following tables set out the principal elements of our consolidated indebtedness as of March 31, 2012 and 2011 and September 30, 2012.

Long-term borrowings	**As of September 30, 2012 (₹million)**	**As of March 31, 2012 (₹million)**	**As of March 31, 2011 (₹million)**
Term loan, secured			
from Banks	7,875.0	17,949.5	27,930.0
from others	18,690.0	5,938.0	9,240.0
Vehicle loan	0.0	0.6	-
Total	**26,565.0**	**23,888.1**	**37,170.0**

Short-term borrowings	**As of September 30, 2012 (₹million)**	**As of March 31, 2012 (₹million)**	**As of March 31, 2011 (₹million)**
Loans repayable on demand from related parties, unsecured	-	-	-
Loans repayable on demand from others	5,604.4	5,604.4	5,434.6
Short-term foreign currency loan	-	-	33.6
Term loan, unsecured	-	2,100.0	-
Total	5,604.4	**7,704.4**	**5,468.2**

Details of the consolidated current portion of our long-term borrowings are set out below:

Current portion of long-term borrowings	**As of September 30, 2012 (₹million)**	**As of March 31, 2012 (₹million)**	**As of March 31, 2011 (₹million)**
Current portion of long-term borrowings, included under Other Current Liabilities	2,625.0	3,413.0	0.4

Our consolidated total long-term borrowings decreased by 35.7% to ₹23,888.1 million as of March 31, 2012 from ₹37,170.0 million as of March 31, 2011, and were at ₹26,565.0 million as of September 30, 2012, primarily as a result of the repayment by Indus of portion of its outstanding long-term borrowings. Our consolidated total short-term borrowings increased significantly by 40.9% to ₹7,704.4 million as of March 31, 2012 from ₹5,468.2 million as of March 31, 2011. Our consolidated total short-term borrowings as of September 30, 2012 remained at ₹5,604.4 million.

The table below summarises the maturity profile of our consolidated long-term borrowings, including the consolidated current portion of our long-term borrowings, as of September 30, 2012:

Maturity	As of September 30, 2012 (₹million)
Within one year	2,625.0*
Between one and two years	4,701.7*
Between two and five years	13,556.7*
Over five years	8,306.6*
Total	**29,190.0**

**Amounts cannot be directly derived from the restated financial statements.*

All of our consolidated long-term borrowings as of September 30, 2012, are at floating rates of interest. The weighted average interest rates of Bharti Infratel's and Indus' long-term borrowings are summarised in the table below:

Weighted average interest rate	As of September 30, 2012
Bharti Infratel (consolidated)	11.38*
Bharti Infratel Limited	-
Indus Towers Limited	11.38*

** Amounts cannot be directly derived from the restated financial statements.*

Indus had total secured loans amounting to ₹69,500.0 million as of September 30, 2012 and had created a charge over its assets in favour of its lenders. Please see Annexure VI of the financial statements of Indus on page 429 for a full description of Indus' outstanding borrowings.

Financial Condition

As of September 30, 2012 and March 31, 2012 our consolidated net worth was ₹143,048.9 million and ₹145,242.1 million, respectively.

Assets

Our consolidated fixed assets, which consist mainly of tangible assets, i.e. towers and related infrastructure, decreased to ₹169,131.9 million as of March 31, 2012 from ₹179,548.6 million as of March 31, 2011, primarily due to accumulated depreciation, which exceeded capital expenditure incurred during the period. Our consolidated fixed assets further decreased to ₹167,849.1 million as of September 30, 2012 as accumulated depreciation continued to exceed capital expenditure incurred.

Our consolidated trade receivables decreased from ₹6,986.5 million as of March 31, 2011 to ₹6,825.7 million as of March 31, 2012. This was mainly due to a decrease in other trade receivables during the fiscal year 2012, attributable to increased payment collection efficiency during the period, and as of September 30, 2012, our consolidated trade receivables had further decreased to ₹5,697.0 million as our collection efficiency continued to improve.

These decreases were partially offset by an increase in our consolidated short-term loans and advances of 33.3% from ₹19,257.6 million as of March 31, 2011 to ₹25,679.1 million as of March 31, 2012, attributable largely to an increase in loans made to parent company, Bharti Airtel. Our consolidated short-term loans and advances increased to ₹26,954.2 million as of September 30, 2012, attributable mainly to advances to vendors.

Liabilities

As of September 30, 2012, our consolidated total liabilities were ₹92,985.4 million, consisting primarily of consolidated long-term borrowings of ₹26,565.0 million, consolidated short-term borrowings of ₹5,604.4 million, consolidated other long-term liabilities of ₹15,189.5 million and consolidated other current liabilities of ₹25,637.5 million primarily attributable to the payables to suppliers of equipment, the current portion of long-term borrowings and accrued expenses. While Bharti Infratel (on an unconsolidated basis) does not have any long-term borrowings as of September 30, 2012, its total non-current liabilities include deferred tax liabilities, security deposits received, lease equalisation reserves, asset retirement obligations, unearned revenues and employee benefits.

Our consolidated total liabilities decreased by 3.7% from ₹92,944.9 million as of March 31, 2011 to ₹89,498.8 million as of March 31, 2012. This was primarily due to a decrease in our consolidated long-term borrowings to ₹23,888.1 million as of March 31, 2012 from ₹37,170.0 million as of March 31, 2011 as a result of repayment of loans by Indus, which was partially offset by an increase in our consolidated short-term borrowings to ₹7,704.4 million as of March 31, 2012 from ₹5,468.2 million as of March 31, 2011 and an increase in our consolidated other current liabilities to ₹22,788.1 million as of March 31, 2012 from ₹19,316.1 million as of March 31, 2011.

Provisions, Commitments and Contingencies

Our consolidated long-term provisions amounted to ₹6,603.4 million as of September 30, 2012. The increase over long-term provisions of ₹5,137.8 million as of March 31, 2012 was largely attributable to a revision by Indus in the estimate of its site restoration obligations which increased its long-term provisions and our proportionate share of which is ₹1,309.0 million. Our consolidated short-term provisions amounted to ₹90.6 million as of September 30, 2012. Our long-term provisions were primarily attributable to asset retirement obligations and provisions for employee benefits, while our short-term provisions primarily consisted of provisions for employee benefits.

Our contractual commitments (other than indebtedness) as of September 30, 2012 are summarised below:

Type of obligation	**Payment due by period**			
	Less than 1 year (₹million)	1 to 5 years (₹million)	More than 5 years (₹million)	**Total (₹million)**
Obligations on non-cancellable leases	10,656.3	27,921.8	44,546.8	**83,124.9**

As of September 30, 2012, we had outstanding guarantees issued by banks and financial institutions on behalf of Bharti Infratel amounting to ₹87.0 million. In addition, there are various claims pending against us in relation to legal matters and income tax matters, aggregating to ₹4,224.3 million as of September 30, 2012.

Capital Expenditure

Bharti Infratel and Indus incur several types of capital expenditure in relation to their business: (i) new site construction costs; (ii) replacement capital expenditure in relation to the infrastructure at existing sites, such as the replacement of batteries, DG sets, air conditioners or power equipment based on their useful life, technological obsolescence, on field support and performance and wear and tear; (iii) capital expenditure related to addition of new sharing operators or loading equipment at an existing site; (iv) electrification-related capital expenditure at sites without an existing electricity board connection; (v) capital expenditure in relation to energy-efficiency projects. While in general our capital expenditure is determined by factors such as our customers' rollout plans and the rate at which replacement on existing equipment is due, the focus of Bharti Infratel's capital expenditure over the last two years has related to electrification and energy-efficiency initiatives. Indus' focus has been on accommodating additional co-locations and sharing during the last two years, in addition to new tower rollouts.

For the fiscal year 2013, Bharti Infratel and Indus expect to incur additional capital expenditure in relation to new tower rollouts on the basis of existing orders from their customers, in addition to replacement capital expenditure at existing towers and other energy-related initiatives.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are subject to two types of risk – currency rate risk and interest rate risk. The financial instruments that are affected by these include loans and borrowing, deposits, available-for-sale investments and derivative financial instruments. We undertake a sensitivity analysis in relation to the amount of our net debt and the ratio of fixed to floating interest rates of our debt and derivatives.

Interest rate risk

We have no significant interest-bearing assets, and our income and operating cash flows are therefore substantially independent of changes in market interest rates. We are subject to market risks due to fluctuations in interest rates primarily in relation to our long-term debt obligations with floating interest rates.

Credit risk

Further, we are subject to a credit risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

In relation to credit risk arising from financing activities, we monitor our ratings, credit spreads and financial strength on at least a quarterly basis, and based on our on-going assessment of counterparty risk, we adjust our exposure to various counterparties. Other than Bharti Airtel, Bharti Infratel provides for amounts outstanding for more than 105 days from the invoice date. Other than Bharti Infratel, Bharti Airtel, Vodafone India and Idea Cellular, Indus provides for amounts outstanding for more than 105 days from the invoice date.

In relation to our operating activities, the aggregate of our trade receivables as of September 30, 2012 was ₹5,697.0 million.

Liquidity risk

We monitor our exposure to shortage of funds using a recurring liquidity planning tool. Our objective is to maintain a balance between continuity of funding and flexibility, through the use of loans and trade payables. As of September 30, 2012 our consolidated total liabilities aggregated to ₹92,985.4 million, largely attributable to consolidated long-term borrowings of ₹26,565.0 million, consolidated short-term borrowings of ₹5,604.4 million, consolidated other long-term liabilities of ₹15,189.5 million and consolidated other current liabilities of ₹25,637.5 million (which includes our consolidated current portion of long-term debt amounting to ₹2,625.0 million) as of September 30, 2012.

Commodity risk

We purchase or rely on the purchase of commodities such as steel and diesel in relation to the development and operation of towers. Accordingly, we are subject to the risk of volatility in global commodity prices and, in particular, metal prices, which will make it more difficult to accurately forecast and plan the cost of equipment required for network maintenance and expansion.

Instances of Fraud in the past by Employees of Bharti Infratel

Set out below are details of fraud by employees detected by the management of Bharti Infratel.

(i) During the fiscal year 2010, frauds amounting to ₹7.9 million as a result of collusion of certain employees with third parties in connection with certain procurements made by Bharti Infratel;

(ii) During the fiscal year 2011, frauds amounting to an aggregate of ₹41.6 million, which included frauds that related to certain employees:
   - (e) forging documents to obtain duplicate payments issued manually;
   - (f) forging signatures of authorised signatories;
   - (g) en-cashing cheques using the cheque discounting method; and
   - (h) issuing cheques to individuals not forming part of the list of vendors of Bharti Infratel.

(iii) During the fiscal year 2012, frauds amounting to ₹12 million on account of pilferage of assets at certain sites.

Also see the section "Financial Statements of the Company" on page 250.

Bharti Infratel's management has sought to implement certain processes set out below to prevent the recurrence of such incidents in the future.

- Segregation of duties in processing all payments;
- Payments to vendors through electronic mode;
- Defacing of invoices to avoid duplicate payments;
- Discontinuation of the "manual cheque system";
- Strengthening of system controls;
- Regular trainings for employees on code of conduct;
- Regular audits at the sites to prevent asset pilferages;
- Deployment of security guards at high risk sites;
- Setting up of appropriate systems to immediately bring back disconnected assets from sites; and
- Strengthening of controls through the network operating centre of Bharti Infratel to raise timely alarms to detect asset pilferage.

Related Party Transactions

For details of certain agreements with related parties, see "Our Business—Relationship with Indus" on page 150. For details of our related party transactions as defined under Accounting Standard 18, see the section "Related Party Transactions" on page 248.

Recent Developments

- In relation to the cancellation of 122 2G licences pursuant to an order of the Supreme Court of India in February 2012, the DoT has recently concluded the auction of the 2G spectrum and may conduct another auction. As a result of the cancellation of these 2G licences and on the basis of the provisional results of the recent auctions for the 2G spectrum conducted by the DoT, out of 62,027 co-locations as of September 30, 2012, Bharti Infratel had lost 1,393 co-locations, which constituted approximately 2.25% of the total co-locations and 749 additional co-locations were at risk as of the date of this Red Herring Prospectus. Similarly, out of 219,687 co-locations as of September 30, 2012, Indus had lost 627 co-locations which constituted approximately 0.28% of the total co-locations and 4,056 additional co-locations were at risk as of the date of this Red Herring Prospectus. For further details, see "—Factors affecting our Financial Condition and Results of Operations—Industry developments and policy considerations" and the section "Risk Factors—We may be unable to collect some or all of the termination fees from the telecommunications service providers who have terminated their co-locations as a result of cancellation of their 2G licenses pursuant to an order of the Supreme Court of India, and may be affected by lower demand for new towers or co-locations at existing towers." on pages 471 and 19, respectively.

- Indus entered into a syndicated common loan agreement dated November 9, 2012 (the "**Syndicated Loan Agreement**") with IL&FS Trust Company Limited (in the capacity of security trustee and security agent) and Kotak Mahindra Bank Limited (as lender) for a rupee term loan of an aggregate amount of ₹ 10,000 million. The entire loan amount had been disbursed to Indus as of the date of this Red Herring Prospectus. This term loan is for the purposes of (i) incurring capital expenditure; (ii) repayment of certain amounts pursuant to the IRUs; and (iii) working capital or operational purposes and is to be repaid in 19 equal quarterly instalments, with interest applicable at the applicable rate specified in the loan agreement. The loan agreement includes customary affirmative, financial and negative covenants by Indus and the security created by Indus in favour of the lender pursuant to this loan agreement includes (i) a mortgage and first charge over Indus' present and future freehold immovable property (ii) a first charge by way of hypothecation over Indus' present and future movable assets (iii) an assignment and first charge over all rights, titles, interests, benefits, claims and demands of Indus under the IRUs, its MSAs and service contracts and insurance contracts (iv) a charge on present and future cash flow, receivables, book debts and revenues, subject to a prior charge in favour of a working capital facility of ₹10,000 million; and (v) a first charge over the debt service account (as defined in this loan agreement).

  Indus has further entered into a loan agreement dated November 9, 2012 with IL&FS Trust Company Limited (in the capacity of security trustee and facility agent) and the State Bank of India (as lender) for a rupee term loan of Rs. 15,000 million. The entire loan amount had been disbursed to Indus as of the date of this Red Herring Prospectus. This term loan is for the purposes of (i) refinancing Indus' existing indebtedness; (ii) incurring capital expenditure; (iii) repayment of certain amounts pursuant to the IRUs; (iv) extending loans and advances to Bharti Infratel, Vodafone India and Aditya Birla Telecom in lieu of IRU loans or IRU fee payable, and (v) general corporate purposes, and is to be repaid in 19 equal quarterly instalments, with interest applicable at the applicable rate specified in the loan agreement. The loan agreement includes customary affirmative, financial and negative covenants by Indus and the security created by Indus in favour of the lenders pursuant to this loan agreement is the same as that created pursuant to the Syndicated Loan Agreement.

Since the lending arrangements described above were entered into after September 30, 2012, the total value of amount lent to Indus under these lending arrangements cannot be derived from the restated financial statements.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving the Company, Subsidiary, Promoter, Directors and Group Companies are described below. The Company, on a consolidated basis, is one of the largest providers of tower and related infrastructure with operations across India. Due to the nature and extent of operations of the Company, the Company and Subsidiary are involved in a large number of cases with respect to its towers which are situated all over India. The Promoter is a global telecommunications company which currently has operations across India and in more than 20 countries which also includes 17 countries in Africa which were acquired from Zain Telecom in 2010. Due to its nature of operations, the Promoter is regulated by various regulatory authorities who have the authority to impose penalties for various levels of default.

The consolidated income of the company for fiscal year 2012 and for the six month period ended September 30, 2012 is ₹95,970.6 million and ₹50,908.9 million. The restated profit after tax of the Company for fiscal year 2012 and for the six month period ended September 30, 2012 is ₹ 7,507.3 million and ₹ 4,604.6 million respectively.Further, the consolidated income of the Promoter for the fiscal year 2012 and for the six month period ended September 30, 2012 is ₹ 715,058 million and ₹ 396,549 million respectively. Further, the consolidated profit after tax of the Promoter for fiscal year 2012 and for the six month period ended September 30, 2012 is ₹ 42,655 million and ₹ 14,842 million respectively. Based on the above, the manner of disclosure of outstanding litigation and past penalties involving the Company, Subsidiary, Promoter and Group Companies in this Red Herring Prospectus is as follows:

a. Manner of disclosure of litigation and past penalties by the Company and Subsidiary:

- *The materiality threshold taken for individually disclosing litigation and past penalties involving the Company and Subsidiary is ₹250 million which is less than one percent of the consolidated restated income of the Company for fiscal year 2012 and less than five per cent of the consolidated restated profit after tax of the Company for fiscal year 2012.*

- *All cases and penalties involving the Company or Subsidiary which involve an amount of more than ₹250 million have been individually disclosed in this Red Herring Prospectus. The threshold of ₹250 million is less than one percent of the consolidated restated income of the Company for fiscal year 2012 and less than one per cent of the consolidated restated profit after tax of the Company for fiscal year 2012.*

- *All cases and penalties below ₹250 million involving the Company or Subsidiary have also been consolidated and disclosed in the Red Herring Prospectus.*

b. Manner of disclosure of litigation and past penalties by the Promoter:

- *The materiality threshold taken for individually disclosing litigation involving the Promoter is ₹250 million which is significantly less than one percent of the consolidated profit after tax of the Promoter.*

- *All cases below ₹250 million involving the Promoter have been consolidated and disclosed in the Red Herring Prospectus; and*

- *With respect to past penalties, all past penalties above ₹ 250 million paid by the Promoter in last three years have been disclosed since, the Promoter operates in a regulated sector and is subject to various penalties that may be imposed by the regulators from time to time. However, a summary of outstanding penalties (but not in litigation) involving the Promoter is disclosed on page 515.*

c. Manner of disclosure of litigation and past penalties by the Group Companies:

- *The materiality threshold taken for individual disclosure of litigation involving all the Group Companies is also ₹250 million.*

- *All cases below ₹250 million involving all the Group Companies have been consolidated and disclosed in this Red Herring Prospectus.*

- *With respect to past penalties, all past penalties above ₹250 million paid by the Indian Group Companies in last three years have been disclosed since the Indian Group Companies operate in a regulated sector and are subject to various penalties that ma y be imposed by the regulators from time to time. However, a summary of outstanding penalties (but not in litigation) involving the Indian Group Companies is disclosed on page 523.*

- *In relation to disclosure of past penalties involving Group Companies outside India since majority of Group Companies outside India were acquired by the Promoter in 2010, disclosures have been with respect to outstanding matters (but not in litigation) aggregating ₹250 million or above on page 534.*

Litigation or proceedings involving Indus which involve amounts aggregating ₹250 million and more have been individually described. In addition, criminal cases, public interest litigation and writ petitions involving Indus have been disclosed in a consolidated basis.Except as described below, there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, default in dues payable to the holders of any debentures, bonds and fixed deposits and arrears of preference shares issued by the Company, material proceedings initiated for economic/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, Subsidiary or its Directors. Further, pursuant to the Bharti Airtel Demerger Scheme, litigation or proceedings involving Bharti Airtel in relation to the Telecom Infrastructure Undertaking which were transferred to the Company were assumed by the Company. However, the formal recording and transfer of these proceeding are yet to be completed. Hence, Bharti Airtel has remained a party to certain litigation or proceedings which relates to the Telecom Infrastructure Undertaking. Such litigation or proceedings have been included as litigation or proceedings involving the Company. For further details, please see the sections "Risk Factors" and "History and Certain Corporate Matters" on pages 17 and 168 respectively. For details of contingent liabilities of the Company, as per Accounting Standard 29 and as reported in the restated financial statements, please see the section titled "Financial Statements of the Company" on page 250.

I. Litigation against Bharti Infratel

Criminal Cases

There have been 68 criminal cases filed against the Company including cases in relation to its employees before different forums on grounds of *inter alia* nuisance, air and noise pollution and other health hazards caused due to operation of towers, electricity theft through illegal connection, non-payment of dues for filling diesel on the Company's sites, dispute over ownership of land where towers are commissioned, removal of towers and diesel generator sets, objection to installation of towers in residential areas, unauthorised and illegal construction of towers, installation of towers in breach of the notifications issued by the Ministry of Civil Aviation and failure to obtain permission from relevant authorities for installation of towers. These matters are pending.

Civil Cases

Regulatory Proceedings

1. The Company has received 28 notices from the Joint Secretary, Varanasi Development Authority for demolition of our towers under the provisions of the Urban Planning and Development Act, 1973 in connection with erection of towers without complying with the provisions of the Urban Planning and Development Act, 1973. These notices are pending.

2. The Company has received 27 notices from the Joint Secretary, Gorakhpur Development Authority for demolition of our towers under the provisions of the Urban Planning and Development Act, 1973 in connection with erection of towers without complying with the provisions of the Urban Planning and Development Act, 1973. These notices are pending.

3. The Company has received seven notices from the Regulatory Officer for the demolition of certain of our cell sites at Srinagar Garhwal, Paudi Garhwal and Gopeshwar, Chamoli. These notices are pending.

In addition to the case disclosed above and those disclosed under "Outstanding Litigation and Material Developments - Litigation against Bharti Infratel – Tax Related Cases" on page 493, there are 47 similar proceedings pending against the Company before various forums in relation to various regulatory actions involving *inter alia* failure to obtain permission from the relevant authorities for installation of towers, illegal construction of towers, demolition or removal of towers, non-payment of fee for installation of a ground based tower, installation of tower on the government land and residential areas and health hazards caused due to operation of towers. These matters are pending.

Tax Related Cases

1. The Commissioner of Income Tax, Delhi-I ("CIT") has filed an appeal against the Company and the Subsidiary before the Delhi High Court against the order of the Delhi High Court sanctioning the scheme of demerger between the Company and the Subsidiary on the ground *inter alia* that the passive infrastructure assets were transferred under the scheme without any consideration and hence the transfer was in the nature of a gift and therefore, should not be covered under the purview of Sections 391 to 394 of the Companies Act. The CIT has also alleged that the demerger scheme was undertaken to evade tax and is against public interest and policy. On account of certain reasons relating to appointment of counsels for representation of CIT in the appeal and failure on the part of CIT to trace original documents with respect to the aforesaid appeal, CIT re-filed the appeal. Subsequently, CIT filed an application before the High Court of Delhi for condonation of delay in re-filing the appeal. The Company has filed a reply to oppose condonation of delay on various grounds including *inter alia* that the delay of 383 days in re-filing of the appeal was without sufficient cause. This matter is pending.

2. The Department of Income Tax ("DIT") has filed an objection petition against the Indus Scheme before the Delhi High Court on the ground *inter alia* that the notice of the Indus Scheme was not issued to the Central Government, transfer of assets under the scheme was proposed to avoid tax and stamp duty and transfer of assets was proposed without consideration which was *ultra vires* the provisions of the Companies Act, schemes under which the transferors have acquired assets are *sub-judice* and therefore, no assets can be transferred under the Indus Scheme. The petitioners of the Indus Scheme have filed a joint affidavit in response to the objection petition before the Delhi High Court. This matter is pending.

In addition to those disclosed above and those disclosed under "Outstanding Litigation and Material Developments - Litigation against Bharti Infratel - Notices - Tax Related Notices" on page 495 and "Outstanding Litigation and Material Developments - Public Interest Litigation and Writ Petitions involving Bharti Infratel" on page 496, there are 40 tax related cases filed against the Company before various forums in relation to *inter alia* imposition of VAT on revenue sharing, imposition of tax on entry of goods, inaccurate road permit, disallowance of revenue equalisation, incorrect particulars included in the return filed for the tax-deductible at source and improper affixing of signature on non-returnable gate pass and non-submission of authenticated or original copy. These matters are pending.

Property Related Cases

In addition to those disclosed under "Outstanding Litigation and Material Developments - Litigation against Bharti Infratel – Civil Cases - Arbitration Related Cases" on page 498, there are 106 civil cases filed against the Company before various forums in relation to certain property related matters including *inter alia* non-payment of rent, installation of towers in residential areas, disputes in respect of ownership of land on which towers were constructed, order of the local authorities for removal of towers, grant of right of way, construction of towers on government land, validity of the lease agreement, recovery of possession over the property, wrongful possession and illegal encroachment over the property, eviction from occupied property, recovery of *mesne* profits, permanent injunction against construction of tower on land which falls within the seismic zone, installation of electric poles the without prior approval from the landlord and illegal construction. These matters are pending.

Environment Related Cases

In addition to those disclosed under "Outstanding Litigation and Material Developments - Public Interest Litigation and Writ Petitions involving Bharti Infratel" on page 496, there are 35 civil cases filed against the Company before various forums in relation to certain environment related issues including *inter alia* temporary and permanent injunction against installation of the towers on the grounds of noise and air pollution and other health hazards caused due to the rays and radiation of the tower, nuisance caused due to operation of our towers, construction of towers without permission of competent authority and damage to the adjacent property due to operation of our towers. These matters are pending.

Labour Related Cases

There are 34 civil cases filed against the Company before various forums in relation to certain labour related issues including *inter alia* compensation for accident and death of employees during the course of employment, recovery of wages, terms of appointment of an employee, failure to issue appointment letters for employment, non-payment of minimum wages and claims for reinstatement on grounds of wrongful termination of employment. These matters are pending.

Consumer Related Cases

There are six civil cases filed against the Company before various consumer forums in relation to certain consumer related issues including *inter alia* cancellation of a property agreement, recovery of rent and claims for re-imbursement of medical expenses under the insurance policy provided by the Company to our employees. These matters are pending.

Stamp Duty Related Cases

The stamp authorities of Madhya Pradesh and Rajasthan have filed nine cases against the Company under the provisions of the Indian Stamp Act, 1889 in relation to shortfall in payment of stamp duty for treatment of agreements executed with the landlords as lease. These matters are pending.

There are 707 proceedings initiated by the relevant stamp authority in Uttar Pradesh against the Company under the Indian Stamp Act, 1889 in relation to re-classification of various license agreements as lease agreements for the land on which our towers are constructed and demand of payment of additional stamp duty. A majority of these proceedings have been decided but the requisite stamp duty aggregating to ₹ 33.7 million is yet to be paid and 91 cases are pending adjudication. These matters are pending.

Arbitration Related Cases

There are three cases filed against the Company before various forums *inter alia* seeking interim injunction against alienating or creating third party charge over the plot of land along with the structure allotted, removal of towers and recovery of amounts due. These matters are pending.

Other Civil Cases

In addition to those indicated above, there are 141 civil cases filed against the Company before various forums in relation to *inter alia* legality of lease deed, wrongful possession of property, restraint from construction of tower, dispute over ownership of property, installation of towers in violation of applicable laws, damage to adjacent property, health hazard, eviction, illegal construction, recovery of rent, construction of tower in residential area, permanent injunction against installation of transformer, illegal termination of employment, recovery of wages, installation of tower without requisite approval, restoration of suit, construction of tower on government land, compensation for death of an employee during the course of his employment, illegal termination of an agreement, failure to install towers or diesel generator as per the agreement, restraint from accessing the towers, recovery of payment for the provision of technical services, nuisance caused due to operation of towers, suit for specific performance, death caused due to electric line passing from the house of the plaintiff, restraint from reallocation of tower and installation of towers against the stay order of the court resulting in initiation of contempt of court proceedings. These matters are pending.

Notices

Tax Related Notices

1. The Commissioner of Service Tax, New Delhi issued a notice in relation to disallowance of CENVAT credit amounting to ₹ 5,504.62 million for excise duty charged by suppliers on equipments including towers, DG sets and shelters, air conditioners and service tax payable on certain operation and maintenance services for the period from August 2007 until September 2009. This notice is pending. We have received three more notices for the period from October 2009 to September 2011 in relation to disallowance of CENVAT credit amounting to ₹ 1,050.10 million. These matters are pending.

2. The Commissioner of Service Tax, New Delhi issued a notice in relation to disallowance of CENVAT credit amounting to ₹ 1,209.74 million on input services relating to certain operation and maintenance services for the period from August 2007 to March 2010. This notice is pending. Additionally, we have received two notices from April 2010 to September 2011 in relation to disallowance of CENVAT credit amounting to ₹ 242.38 million. These matters are pending.

In addition to the above, the Additional Commissioner of Commercial Taxes, Madhya Pradesh, has issued a show cause notice in relation to reopening of the VAT assessment of Bharti Infratel for the fiscal year 2009-10 for operations in Madhya Pradesh on the ground that the earlier assessment of the assessing authority allowing Bharti Infratel exemption from VAT was erroneous. This matter is pending.

Regulatory Notices

In addition to the notices disclosed above under "Litigation against Bharti Infratel – Notices - Tax Related Notices" on page 495, there are 106 notices that have been issued by various regulatory authorities against the Company in relation to *inter alia* demand for removal of tower and recording of sites, incomplete particulars included in road permits and DG tariff payable by mobile service providers in Madhya Pradesh, non-payment of wages as per the Minimum Wages Act, 1948, claims under the Employees Provident Fund and Miscellaneous Provisions Act, 1952, re-instatement of employees, demand of tax at the rate of ₹ 0.002 per meter by the municipal corporations, deposit of cess in relation to construction of towers, violation of labour license terms, failure to obtain no-objection certificate from the municipal corporation for construction of towers, non-payment of property tax and regularisation of tower, payment of annual fees and submission of six monthly compliance reports including stack and noise level monitoring and grant of authorisation under Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008. These notices are pending.

Other Notices

1. Hallex Applied Power Private Limited ("Hallex") has issued a legal notice to Bharti Telecom Limited and its directors for recovery of ₹ 21.79 million along with interest at the rate of 24 per cent in relation to

services rendered for DG sets for various circles. An identical notice was received in June 2011 which was replied by the Company clarifying that passive infrastructure business was undertaken by the Company and had requested for relevant documents in relation to the notice. However, instead of providing the relevant documents, the present notice has been issued without referring to the earlier reply issued by the Company. The Company has been duly replied on merits. This notice is pending.

2. Siva Ventures Limited ("Siva") has issued a legal notice dated July 31, 2012 to the Company and its directors under section 434(1)(a) of the Companies Act for recovery of ₹ 58.07 million along with interest at the rate of 18 per cent on account of outstanding payments for certain composite services provided under the composite service agreement dated January 27, 2011. Siva has stated that if the Company fails to settle the aforesaid dues within 21 days of receipt of the notice, then Siva will initiate winding up proceedings under section 433(e) of the Companies Act. We have replied to this notice. This notice is pending.

Past Penalties

The Company has paid penalties in the past imposed by various authorities in relation to *inter alia* delay in payment of dues, deficient stamp duty, fee imposed by municipal corporation, delay in furnishing in VAT returns and interest paid on account of delayed tax payment. The aggregate amount paid is ₹ 75.47 million.

Others

The Company, in its ordinary course of business, has certain amounts aggregating ₹ 0.1 million or more which are due towards sundry creditors for a period of 30 days or more.

The details of the amount outstanding to be paid by the Company to small scale industries amount for a period of more that 30 days:

Sr. No.	**Name of the vendor**	**Outstanding Amount (₹ in million)**
1.	Cell-Com Teleservices Private Limited	3.8
2.	K.L. Mechanical Works Private Limited	0.9
3.	R.S. Infraprojects Private Limited	1.2
4.	J.K. Transformers & Switchgears	0.3
5.	The 21st Century Builders and Engineers	0.9
Total		**7.1**

II. Public Interest Litigation and Writ Petitions involving Bharti Infratel

Public Interest Litigation

1. Jagbir Singh and others have filed a public interest litigation against the State of Punjab, Bharti Airtel and others before the Punjab and Haryana High Court in relation to issue of directions in the nature of mandamus for discharge of legal duties by the Municipal Council, Kapurthala and others for removal of the tower and generator sets installed in the residential area in Kapurthala. The petitioners have claimed that though the permission for installation of the tower at a residential area in Kapurthala was once declined by the appropriate authority, Bharti Airtel still constructed the tower on the suit land. The petitioners have alleged that the construction of towers and installation of generator sets in residential area is a public nuisance and cause several health hazards. This matter is pending.

2. Justice I.S. Israni and others have filed a public interest litigation against the Company and others before the Rajasthan High Court for removal of mobile towers from residential areas, hospitals and schools on grounds of health hazards caused by radiation from mobile towers. This matter is pending.

3. Deepak Kumar Jhala has filed a public interest litigation against the Company and others before the Orissa High Court for demolition of certain of our towers on the grounds that installation of towers in Khariar

Road was in contravention of the government notification and guidelines and operation of towers endanger public life. This matter is pending.

4. Rameshwar Prasad Sharma has filed a public interest litigation against the Company and others before the Madhya Pradesh High Court, Jabalpur, for removal of one of our mobile towers from the residential area alleging EMF radiations, health hazards, nuisance, noise and air pollution caused by DG sets and installation of our towers in residential area in contravention of various applicable guidelines. This matter is pending.

Writ Petitions

1. The Company has filed two separate writs petitions against the State of Bihar and others before the Patna High Court challenging memos dated March 4, 2008 and November 17, 2009, along with demand notices issued by various local authorities imposing tax at the rate of ₹ 0.002 million per meter height of tower per year for our towers located in the relevant Nagar Panchayat and Nagar Parishad areas, respectively. The Patna High Court, vide its interim orders, prohibited the respondents from undertaking any coercive actions against the Company. Pursuant thereto, two of our towers were sealed by Nagar Panchayat, Sherghati. The Company has sought directions from the Patna High Court to implead Nagar Panchayat, Sherghati as a respondent to one of the writ petitions and directing Nagar Panchayat, Sherghati to unseal our towers and for restraining of Nagar Panchayat, Sherghati from taking any coercive actions against the Company. The aggregate amount involved in both the matters is ₹ 36.42 million. These matters are pending.

2. The Company has filed a writ petition against the State of Jharkhand and others before the Jharkhand High Court in relation to demands by various local bodies for payments of tax in Jharkhand required for receiving a no-objection certificate for installation of tower. The Company has also challenged the power of the state government to frame guidelines pertaining to the telecom sector as it lies within the exclusive domain of the Central Government. This matter is pending.

3. The Company has filed a writ petition against the State of Bihar through the Commissioner-Cum-Principal Secretary, Commercial Taxes and others before the Patna High Court challenging the constitutional validity of the provisions of the Bihar Tax on Entry of Goods into Local Areas for Consumption, Use or Sale Therein Act, 1993 and rules framed thereunder. The Patna High Court has passed an interim order directing the Company to pay one-third of the entry tax due on a monthly basis. This matter is pending.

4. Vinay Mahajan has filed a writ petition against the State of Jammu and Kashmir and others before the Jammu and Kashmir High Court, Jammu, on the grounds of health hazards caused due to operation of towers and unauthorized erection of towers without obtaining the permission of competent authorities. This matter has been clubbed with three other identical matters. This matter is pending.

5. The Company has filed a writ petition against the State of Chattisgarh and others before the Chattisgarh High Court against sealing of towers by various municipal authorities. The Company has also challenged the validity of the circular issued by the Government of Chattisgarh which imposed exorbitant fees in relation to erection of the towers within their jurisdiction. This matter is pending.

6. The Company and others have filed a writ petition against the State of Rajasthan and others before the Rajasthan High Court challenging the constitutional validity of the (i) model bye-laws framed by the State Government, Department of Local Self Government, Jaipur for regulating the erection and operation of telecom towers and antennas, (ii) order issued to various local authorities and municipalities directing them to implement said the bye laws, and (iii) levy of permission fee, annual or monthly fees and penalty for installation of mobile towers on private property by the State Government and local authorities. The Rajasthan High Court passed an interim order directing the petitioners to *inter alia* pay 40 per cent of the total levy to the respective local bodies, deposit 20 per cent of the total levy by way of fixed deposit receipt in a nationalized bank, and abide by the conditions laid down in the impugned bye laws for erection of any new towers and granted a stay on recovery of the balance 40 per cent of the levy until disposal of this matter. This matter is pending.

7. The Company has filed a writ petition against the State of Karnataka and four others before the Karnataka

High Court challenging the re-assessment order passed by the Deputy Commissioner of Commercial Taxes, Enforcement – I, Bangalore, under the applicable provisions of the Karnataka Value Added Tax Act, 2003 for the assessment period from January 2009 to March 2011, confirming the demand of VAT on consideration received from the telecom operators for grant of 'right to use'. The aggregate amount involved is ₹ 227.61 million. This matter is pending.

In addition to the cases disclosed above, there are 69 writ petitions involving the Company filed before various High Courts and the Supreme Court in relation to *inter alia* air and noise pollution caused by the operation of our towers, threat to human life and loss of memory and injury to body due to operation of our towers, installation of tower without requisite permission, disputes in relation to the property where our towers are installed, damage to property on which our towers are installed, nuisance caused in the residential area where our towers are installed, imposition of tax for obtaining a no-objection certificate for the installation of towers, imposition of stamp duty, disconnection of electricity, removal of tower, state imposition of tax on entry of goods into local area, challenging the state legislation for imposition of the entry tax, imposition of professional tax for each site and charging of fee for sharing of towers and renewal. These matters are pending.

Litigation by Bharti Infratel

Criminal Cases

There are four criminal cases filed by the Company before various forums in relation to *inter alia* dishonour of cheque, recovery of dues and fraud. These matters are pending.

Civil Cases

Tax Related Cases

In addition to those disclosed under "Outstanding Litigation and Material Developments - Public Interest Litigation and Writ Petitions involving Bharti Infratel" on page 496, the following tax cases have been filed by the Company.

1. The Company has filed two appeals before the Supreme Court against the dismissal of our writ petition by the Guwahati High Court and the Madhya Pradesh High Court in relation to the constitutional validity of the provisions of the Assam Entry Tax Act, 2008 and the Madhya Pradesh Entry Tax Act, 1976 respectively, for entry of goods and equipments in the respective states. These matters are pending.

2. The Company has filed a letters patent appeal against the dismissal of our writ petition by the Jammu and Kashmir High Court, Jammu, before the division bench of the Jammu and Kashmir High Court, Jammu, in relation to the imposition of entry tax under the Jammu and Kashmir Entry Tax on Goods Act, 2000. This matter is pending.

Arbitration Related Cases

1. The Company has filed a petition against S Tel Private Limited ("STEL") before the Delhi High Court under Section 9 of the Arbitration and Conciliation Act, 1996, seeking interim relief against STEL in relation to breach of certain provisions of the master service agreement dated June 17, 2010. The Company has sought directions from the Delhi High Court for restraining STEL from removing or alienating or creating third party rights over its infrastructure located on the site of the Company. The aggregate amount involved is ₹ 3,176.34 million along with interest applicable from the date of filing on account of charges and reimbursements towards energy charges under the aforesaid master service agreement. This matter is pending.

2. The Company has preferred an appeal before the Madhya Pradesh High Court against the order passed by Additional District Judge, Gwalior for confirmation of the award passed by the arbitrator in relation to a dispute with the landlord, Ramgopal Tripathi. This matter is pending.

3. The Company filed an application under Section 9 of the Arbitration and Conciliation Act, 1996, before the Additional District Judge, Indore seeking injunction against the landlord. The Court while granting interim

relief directed the Company to appoint an arbitrator within 15 days and conduct arbitration proceedings to resolve issues within three months. An arbitrator has been appointed. This matter is pending.

Other Civil Cases

The Company has filed a civil case against the Municipal Corporation, Bhopal before the Additional District Judge, Bhopal, in relation to order of the Municipal Corporation, Bhopal directing removal of our 38 towers in Bhopal claiming that the towers were installed without the requisite permission. The order was issued in light of the collapsing of a tower owned by certain cellular operator due to a thunderstorm which resulted in damage to property and high tension power line. This matter is pending.

In addition to those indicated above, there are nine other civil cases filed by the Company in relation to *inter alia* shutting down of power supply, hindrance in functioning of towers and nuisance caused by the landlord impeding peaceful possession of the property. These matters are pending.

Litigation involving BIVL

Pursuant to the Bharti Infratel Demerger Scheme, the legal proceedings involving the Company or Bharti Airtel in relation to the Telecom Infrastructure Undertaking which were transferred to the Company under the Bharti Airtel Demerger Scheme were assumed by the Subsidiary. However, the formal recording and transfer of these legal proceeding are yet to be completed for certain of the cases. Hence, Bharti Airtel and the Company have remained parties to certain legal proceedings involving the Subsidiary. Such legal proceedings have been included as legal proceedings involving the Subsidiary. For further details, please see the sections “Risk Factors” and “History and Certain Corporate Matters” on pages 17 and 168 respectively.

Litigation or proceedings involving BIVL which may involve amounts aggregating ₹ 250 million and more and litigation or proceedings which could have a material adverse effect on BIVL or the Company, if decided against BIVL, have been individually described. Litigation or proceedings above ₹ 250 million with similar causes of action have been disclosed in a consolidated manner, as applicable. Further, litigation or proceedings which involve amounts less than ₹ 250 million have been described in a consolidated manner with the number of cases disclosed.

I. Litigation against BIVL

Criminal Cases

There have been three criminal cases filed against the Company or Bharti Airtel before different forums alleging *inter alia* negligence in construction of tower, continuous running of diesel generators at tower site and public nuisance. These matters are pending.

Civil Cases

Regulatory Proceedings

The State of Maharashtra has filed a special leave petition against Bharti Airtel and others before the Supreme Court of India challenging the common order passed by the Bombay High Court in relation to writ petitions filed before the Bombay High Court. The impugned order was passed in respect of one of the writ petitions filed by Bharti Airtel and others against the State of Maharashtra and Pune Municipal Corporation challenging the notification dated July 4, 2005 issued by the State Government of Maharashtra. The notification dated July 4, 2005 was issued by the State Government of Maharasthra to the Municipal Corporations of Maharashtra under section 154 of the Maharashtra Regional and Town Planning Act, 1966 directing the Municipal Corporations in the state to charge, retrospectively from October 9, 1996, (i) a premium at the rate of the land value as per the ready reckoner for the area occupied by the cabin; (ii) tower height premium at the rate of ₹ 10,000 per running metre; and (iii) deposit of ₹ 50,000 for granting permission for installation. Subsequently, the Pune Municipal Corporation, after concluding their inspections, issued demand notices under the notification dated July 4, 2005, to Bharti Airtel. In the writ petition, Bharti Airtel alleged that *inter alia* the development control rules and regulations and the Maharashtra Regional and Town Planning Act, 1966 do not confer any power to charge such a premium and only the Central Government has the jurisdiction to prescribe rules and regulations pertaining to telegraph lines and construction of ancillary apparatus. The Bombay High Court by way of the the impugned order quashed and set aside the directions issued under clause 2 and 3 of the notification dated July 4, 2005 in relation to the charge of premium and demand notices. The State of Maharashtra has also sought an interim relief in the form of an ex-parte stay order on the execution of the orders. The Supreme Court of India by an order has allowed the leave to appeal and therefore admitted the civil appeals. This matter is pending.

In addition to the above and cases disclosed under "Outstanding Litigation and Material Developments – Litigation against BIVL – Tax Related Cases" on page 493, certain cases disclosed under "Outstanding Litigation and Material Developments – Litigation against BIVL – Environment Related Cases" on page 500 and certain cases disclosed under "Outstanding Litigation and Material Developments – Public Interest and Writ Petitions Involving BIVL" on page 501, there are 17 regulatory cases pending against the Company, Bharti Airtel or Indus, before various forums in relation to various regulatory authorities, alleging actions involving *inter alia* illegal installation of tower without requisite approvals, rejection or revocation of permission by relevant forum for installation of tower, towers built in residential area without requisite permission for commercial use of the property, sealing of tower as per notice of certain municipal corporation or nagarpalikas or gram panchayats, removal of tower, demolition of tower, restrain from installation of towers and carrying out operations at the site, notice received under slum rehabilitation laws for demolition of towers and notice received under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971. These matters are pending.

Property Related Cases

In addition to certain cases disclosed under "Outstanding Litigation and Material Developments – Litigation against BIVL – Arbitration Proceedings" on page 501 and "Outstanding Litigation and Material Developments – Public Interest and Writ Petitions Involving BIVL" on page 501, there are 164 civil cases pending against the Company, Bharti Airtel or Indus, before various forums for various matters with respect to tower sites including *inter alia* non-payment of rent, recovery of arrears, dues or registration fee, disputes in respect of partition of land or ownership of land on which towers are constructed, suit for separate possession, dispute for share in rent, towers illegally blocking right of way or restraining access to common areas of the property, violation of easement rights, trespass, injunction against installation of ground based towers and other towers or undertaking any construction work, construction of tower on agricultural land, installation of tower in residential area without permission for change of use, construction on government land, suit for eviction or ejectment from the occupied property, illegal occupation or wrongful possession of property, illegal encroachment over property, illegal construction, recovery of vacant possession of property, recovery of *mesne* profits, damages or loss, disturbance, public nuisance, noise pollution, health hazard, dangerous to health and human life, damage to property, restrain from construction of towers, compensation claimed by owners of property, removal of tower and other equipment, cancellation of property agreement, construction or installation without consent of the owner/society or requisite permissions from relevant forum, allegations pertaining to sub-letting of property to other operators and removal of towers of other operators, owners of adjoining property challenging permissions given by the relevant forum for installation of tower, injunction against access to towers, specific performance, dispute regarding validity of tenancy agreement, restrain in running diesel generators at site, damage caused to property by reasons including *inter alia* leakage of diesel, restrain from recovery of material on site, change in route of electricity line supplying electricity to the tower and damage to adjacent property. These matters are pending.

Environment Related Cases

In addition to certain cases disclosed under "Outstanding Litigation and Material Developments – Litigation against BIVL – Property Related Cases" on page 500 and "Outstanding Litigation and Material Developments – Public Interest and Writ Petitions Involving BIVL" on page 501, there are 50 environment related cases filed against the Company or Bharti Airtel before various forums in relation to issues including *inter alia* suits for temporary and permanent injunction against installing of the towers and removal of diesel generator sets on the grounds of noise and air pollution, public nuisance, health hazards caused due to the radiation of the tower, installation or construction of towers without requisite permissions of relevant forum, revocation of permission, installation of tower in residential area, issues pertaining to structural stability of towers and damage to adjacent property. These matters are pending.

Labour Related Cases

There is one labour related case filed against Bharti Airtel before the Labour Commissioner, Bijapur, with respect to a demand for compensation for accident and death of an employee during the course of employment. This matter is pending.

Tax Related Cases

In addition to those disclosed under "Outstanding Litigation and Material Developments – Litigation against Bharti Infratel – Tax Related Cases" on page 493, there are eight tax related cases filed by various tax authorities against the Company, Bharti Airtel or Indus pending before various adjudicatory authorities in relation to notices issued by the revenue officers, demand of property tax, levy of taxes retrospectively, alleged illegal sealing of towers due to non-payment of tax for conversion of agricultural land or non-payment of taxes in dispute. These matters are pending.

Arbitration Proceedings

There are two arbitration proceedings pending against Bharti Airtel at various stages of adjudication in relation to terms and conditions of leave and license agreement for construction of tower on property and alleged non-payment of rent. These matters are pending.

Other Civil Cases

In addition to those indicated above, there are 26 other civil cases filed against the Company or Bharti Airtel in relation to *inter alia* suit for damages due to accident at site of the tower, restraint from construction of tower, recovery of dues, installation without requisite permission of plaintiff or relevant forum, installation of tower in residential area or on public property, removal of towers, disconnection of electricity supply to towers, suspension of permission by the relevant forum, unauthorised installation of towers, structural instability of certain towers, electrocution near site and negligence. These matters are pending.

Notices

The Subsidiary, the Company, Bharti Airtel or Indus may receive notices with respect to its telecom infrastructure business, from time to time, from various authorities including municipal corporations or councils, Gram Panchayats, development boards and authorities, pollution control boards, revenue and stamp authorities and relevant electricity departments. These notices primarily pertain to demand of permission fee, tower tax, tower premium, deposit of security amounts, property tax and stamp duty or allegations pertaining to health hazard, removal of towers, disconnection of supply of electricity at the towers, suspension or revocation of permissions granted with respect to towers, removal of generator sets from towers and other tower permission related matters.

II. Public Interest Litigations and Writ Petitions involving BIVL

1. Jagbir Singh and others have filed a public interest litigation against the State of Punjab and others before the High Court of Punjab and Haryana for removal of tower and generator set installed on certain residential building in Kapurthala and for issue of directions to the State of Punjab and Haryana and Union Territory of Chandigarh to formulate a definite policy to prevent installation of towers on residential buildings and near residential areas or areas near schools on the grounds that the towers cause nuisance and health hazards. By a common order, the High Court of Punjab and Haryana directed that a policy be finalized in relation to the draft policy drafted by 'inter-ministerial committee', which was submitted to the Ministry of Telecom, Government of India and the Ministry of Communication and the recommendations were accepted by DoT, through the letter dated November 17, 2011. By a common order, the Punjab and Haryana High Court directed service providers, who were given the lease, to comply with the norms laid down in the letter dated November 17, 2011, failing which the administration shall have the jurisdiction to demolish such towers and that no court shall have the right to grant an injunction in this matter. The Punjab and Haryana High Court also directed that the States of Punjab and Haryana and Union Territory of Chandigarh to carry out surveys on the towers operating within their respective jurisdictions and demolish those towers found non-compliant with the above-mentioned memo. Additionally, another order was also

passed for demolition of towers in residential areas in Chandigarh. The Supreme Court of India has stayed these orders in a special leave petition filed by one of the parties to the above-mentioned public interest litigation. This matter is pending.

2. Jamal Siddiki has filed a public interest litigation in the year 2006 against the Nagpur Municipal Corporation, Collector cum District Magistrate, Nagpur, Bharti Airtel and others alleging unauthorized installation of telecom towers on the rooftops of buildings in Nagpur in violation of Telegraph Act, which required prior permission in writing to be obtained from the respective authority in this case being Nagpur Municipal Corporation. Jamal Siddiki prayed that action be taken against the illegal towers standing or being constructed without obtaining consent as required under the Telegraph Act and direct the Nagpur Municipal Corporation to frame a uniform policy for the purposes of erecting towers on rooftops forthwith and interim injunction restraining the construction of such towers during the pendency of the litigation. This matter is pending.

3. Pati Rangamma, DS Reddy, S. Venkatesh, Ganta Simhadri, B. Bhiksam, K. Jelandhar, P. Marraiah, V. Anjaiah, A. Avilaial, V. Yellaiah, D. Ramulu, Vade Madar and Eedarsh (collectively the "Petitioners") have filed a writ petition before the Andhra Pradesh High Court against Bharti Airtel, the Village Secretary, Gram Panchayat and others alleging that the village secretary permitting Bharti Airtel and others to construct cellular phone towers in Vardhamanukota village, Balgonda District is illegal, arbitrary and in violation of provisions of law and against public interest. The Petitioners have further alleged that the construction of such towers on residential buildings and near residential areas or areas near schools cause nuisance and are a reason of health hazard. This matter is pending.

4. Indus and the Company have filed a writ petition against the State of Haryana, Chief Administrator, Haryana Urban Development Authority ("HUDA") and others before the High Court of Punjab and Haryana, seeking a writ of certiorari for quashing of several notices issued under sections 17(3) and 17(4) of the Haryana Urban Development Act, 1977, by the Estate Officer, HUDA to the land owners of several sites where Indus had installed towers, on the grounds that the same are arbitrary and illegal. The notices were issued for resumption of the plots with respect to sites, for which application was made before the Municipal Corporation, Gurgaon for permission/regularization. The Estate Officer, HUDA has alleged that the owners have installed unauthorized towers on the above sites and therefore issued the notice for the resumption of the site/building and forfeiture of the whole or any part of the money deposited by the owner of the property. Indus and the Company have also prayed for a writ of mandamus directing the State of Haryana and HUDA not to initiate any proceedings under the provisions of the Haryana Urban Development and Regulation of Urban Areas Act, 1975. Further, Indus and the Company have also prayed for an interim injunction for the stay of the impugned notices. The Punjab and Haryana High Court directed that both the parties were to maintain status quo with respect to the sites. This matter is pending.

5. Bharti Airtel has filed a writ petition against the Kerala State Pollution Control Board, Thiruvananthapuram and the State of Kerala before the Kerala High Court challenging circular dated January 19, 2007 issued by the Kerala State Pollution Control Board (i) levying consent fee (to be determined based on capital investment of tower, cost of diesel generator set, 20 times the annual lease amount (in case of leased plots)) in respect of installation of towers; and (ii) imposing of requirement to apply for a 'centralised consent' under the Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") and Environment (Protection) Act, 1986 ("EP Act"). Bharti Airtel has challenged the said circular on the grounds that it is in violation of Articles 14, 19(1)(g) and 265 of the Constitution of India and is arbitrary, illegal and repugnant to the provisions of the Air Act and the EP Act and has requested for the said circular to be quashed by issuance of writ of certiorari. Bharti Airtel has also requested the court to issue a writ of mandamus to the pollution control board and others to not impose the requirement of applying for a centralised consent and declare that the Air Act and the EP Act do not apply with respect to installation of towers. The court, by an interim order, has granted stay with respect to operation of the abovementioned circular. This matter is pending.

6. Bharti Airtel filed a writ petition against the Nagpur Municipal Corporation before the Bombay High Court, Nagpur, challenging the levy of property tax (including water taxes, sewerage taxes, general taxes and education cess) by the Nagpur Municipal Corporation (under the City of Nagpur Corporation Act, 1948) for the infrastructure equipment for cellular services and any such ancillary equipment installed on

the rooftops of various buildings in Nagpur. Bharti Airtel has challenged the levy of property tax primarily on the grounds, that the action of levying property tax is *ultra vires* the provisions of the of the City of Nagpur Corporation Act, 1948, that the agreements are entered into with the building owners only for the purposes installation of equipment, which is not a lease arrangement and that the equipment cannot be classified as "land" or "building" and therefore cannot be subject to property tax. Bharti Airtel has prayed for declaration that arrangements with the building owners is not a lease arrangement and that the levy of property tax as *ultra vires*. Bharti Airtel has also requested the court to issue a writ of mandamus directing the Municipal Corporation to withdraw all notices and bills along with a writ of mandamus restraining the Municipal Corporation from levying any property tax. This matter is pending.

7. Indus, the Company and others have filed a writ petition against Nashik Municipal Corporation, Municipal Commissioner and the State of Maharashtra before the Bombay High Court challenging the notices dated January 14, 2010 and January 15, 2010 issued by the Nashik Municipal Corporation seeking documents for the grant of permission to regularise the equipment sites in Nashik. Nashik Municipal Corporation further issued a demand notice seeking payment of *inter alia*, security deposit of ₹ 25,000, amount calculated as per ready reckoner for construction of control cabin, ₹ 5,000 per running metre for the height of the tower, ₹ 5,000 as compromise fee, ₹ 10,000 fine for unauthorised use, ₹ 10,000 for renewal of permission, a scrutiny fee and a monthly fee for delay in getting renewal. Indus and others have prayed before the Bombay High Court for a writ of certiorari for calling for and quashing all impugned notices and to issue an interim injunction restraining the Nashik Municipal Corporation from taking any action until the disposal of the litigation. This matter is pending.

8. Indus and the Company (the "Petitioners") have filed a writ petition against the State of Maharashtra, Pune Municipal Corporation and others before the Bombay High Court, challenging the levy of property tax for an amount aggregating ₹ 23.30 million by the Pune Municipal Corporation for the cellular infrastructure equipment installed on the rooftops of various building in Pune and a penalty of ₹ 33.30 million for unauthorised construction as arbitrary. The Petitioners have alleged that the Pune Municipal Corporation has issued over twenty property tax assessment special notices (in the year 2010 and 2011) and demand bills (in the year 2011) with retrospective effect, in contravention of the provisions of the Bombay Provincial Municipal Corporation Act, 1949, and principles of natural justice. The Petitioners have challenged the property tax notices *inter alia* on the following grounds that: (i) the special notices are illegal and a breach of principles of natural justice; (ii) orders, as alleged in the demand bills have not been furnished; and (iii) the business of the petitioners fall within the scope of "IT" under the IT and ITES Policy, 2003, pursuant to which the petitioners cannot be charged by the Pune Municipal Corporation. The Petitioners have prayed for a writ of certiorari for furnishing and subsequent quashing of all impugned notices, orders and bills and interim injunction restraining the Pune Municipal Corporation from taking any coercive action to enforce the said notices, orders and bills. This matter is pending.

9. The Company, Bharti Airtel and others have filed a writ petition against Navi Mumbai Municipal Corporation and the State of Maharashtra before the Bombay High Court challenging the demand notices dated October 8, 2007 and October 10, 2007 issued by Navi Mumbai Municipal Corporation for the payment of premium under the notification dated July 4, 2005 issued by the State Government of Maharashtra. The notification dated July 4, 2005 has been issued under section 154 of the Maharashtra Regional and Town Planning Act, 1966 directing the Municipal Corporations in the state to charge, retrospectively from October 9, 1996, (i) a premium at the rate of the land value as per the ready reckoner for the area occupied; (ii) tower height premium at the rate of ₹ 10,000 per running metre and (iii) deposit of ₹ 50,000 for granting permission for installation. It has been stated that Bharti Airtel informed the Municipal Corporation that by an order of the Bombay High Court, the aforesaid notification had been set aside. Subsequently, additional demand notices were issued by the Municipal Corporation. The petitioners have sought for a writ of certiorari for the quashing of all demand notices sent by the Navi Mumbai Municipal Corporation and for restraining the Municipal Corporation from taking any further steps under the demand notices. This matter is pending.

10. Bharti Airtel and others filed a writ petition against Municipal Corporation of Greater Mumbai and others before the High Court of Bombay challenging action of the Municipal Corporation to record property tax (including water tax, sewage tax, general tax and education cess) in respect of diverse buildings in the city

of Mumbai, where telecommunication equipments have been placed. Bharti Airtel has challenged the levy of property tax on the grounds that it is ultra vires the provisions of Mumbai Municipal Corporation Act, 1988 and that it is without authority of law and ultra vires the provisions of Article 14, 19(1) (g), 265 and 300A of the Constitution of India. In this regard, Bharti Airtel has sought for writ of certiorari for quashing of all bills and notices set by the Municipal Corporation, a writ of mandamus directing the Municipal Corporation to grant permission to construct temporary cabins on roof-tops of building in Mumbai without payment of any property tax and to refrain from issuing further notices levying property tax. The matter is pending.

In addition to the case disclosed above, there are 89 writ petitions and public interest litigation which have been filed involving the Subsidiary, the Company, Bharti Airtel or Indus and others before various High Courts and the Supreme Court relating to allegations pertaining to *inter alia* violation of mandate of a Supreme Court monitoring committee, towers being a health hazard and threat to human life, air and noise pollution caused by operation of towers, emission of radiation by the towers, drawing electricity lines through temple premises without relevant approvals, failure to take permission of relevant authorities, suspension of permissions granted by relevant authorities, restrain from installation of towers, damage to adjacent property, construction of towers on land owned by the government, irregular payment of taxes to certain Gram Panchayat, challenging orders of certain forum granting exemption from compliance with certain building laws imposition of registration fee, notices issued by the municipal corporations and other relevant forums for removal of towers, non-issuance of no-objection certificates for installation of towers by relevant forum, demand notices of property tax, levy of fees on BTS sites, demand of annual tax, orders issued by electricity board treating company's electricity connections at towers to be temporary and charging rates accordingly, demolition of towers without notice, police protection at tower site, cancellation of permits by relevant forums, disconnection of electricity supply at towers, order of stamp authorities demanding payment of deficient stamp duty, coercive action and threat to seal towers on grounds of for non-payment of demand notices, failure to obtain no-objection certificates or treating certain towers as unauthorised construction by relevant forums, restrain from peaceful possession of property and challenging direction of Archaeological Survey of India, Kolkata for removal of towers. These matters are pending.

III. Litigation by BIVL

Civil Cases

Property Related Cases

There are 22 civil cases filed by the Company or Bharti Airtel for various property matters relating to allegations pertaining to *inter alia* damages and restoration of site, wrongful termination of property arrangement, recovery of amounts paid as rent, restrain from removing material from site, peaceful possession and removal of hindrance from accessing the site, dispute in respect of terms and conditions of leave and license agreement, restrain from sharing the site property and illegal demand of rent. These matters are pending.

Arbitration Related Cases

The Company or Bharti Airtel have filed four arbitration matters which are pending at various stages of adjudication in relation to allegations pertaining to recovery of material and other equipment from site, peaceful possession and removal of hindrance from accessing the site. These matters are pending.

Other Civil Cases

In addition to those indicated above, there are six civil cases filed by the Company in relation to allegations pertaining to *inter alia* contempt of court against relevant authority, defamation, injunction against removal of tower and hindrance in functioning of towers. These matters are pending.

Litigation involving Directors

Litigation against Rakesh Bharti Mittal

Criminal Cases

1. The State of Haryana and others have filed a criminal miscellaneous petition against Rakesh Bharti Mittal before the Punjab and Haryana High Court in relation to a criminal complaint filed by the Haryana Pollution Control Board before the District Court, Faridabad for violation of certain environment related provisions by Primrose Projects Private Limited (which has since been merged with Bharti Realty Limited). In this regard, a quashing petition has been filed before the Punjab and Haryana High Court. The said proceedings are pending adjudication. Further, in relation to this, a criminal complaint has been filed by the Haryana Pollution Control Board before the District Court, Faridabad. Bharti Realty Limited, in the capacity of an informant, has made an application before the Faridabad District Court stating the fact of pendency of the aforesaid case before the Punjab and Haryana High Court and the fact of the merger of Primrose Projects Private Limited with Bharti Realty Limited. The said proceedings are pending adjudication.

2. The Delhi Development Authority has filed a complaint against Bharti Telenet Limited (which has since been merged with Bharti Airtel), Rakesh Bharti Mittal and others before the Patiala House Court under the provisions of the Delhi Development Act, 1957, for misuse of the premises located at K-6, Ground Floor, NDSE II and C-657, New Friends Colony, New Delhi. This matter is pending.

3. The New Delhi Municipal Corporation has filed a criminal complaint against Bharti Airtel, Rakesh Bharti Mittal and others before the Patiala House Court under the provisions of the New Delhi Municipal Corporation Act, 1994, for misuse of premises situated at 47, first floor, Khan Market, New Delhi. This matter is pending.

4. Rakesh Malviya has filed two criminal complaints against Bharti Airtel, Rakesh Bharti Mittal and others before the Patiala House Court under the provisions of the Criminal Procedure Code, 1973 alleging that the authorized representative of the company gave false evidence in a proceeding under Section 138 of the Negotiable Instruments Act, 1881. This matter is pending.

Civil Cases

The subscribers and statutory authorities file cases against Rakesh Bharti Mittal as the director of Bharti Airtel as a respondent in consumer and statutory cases. These matters are pending.

Public Interest Litigations and Writ Petitions

P.P. Vaidya and others, ex-employees of IFCI, have filed a writ petition against Rakesh Bharti Mittal and others before the Delhi High Court in relation to payment of performance linked incentive for the year 2007-08. This matter is pending.

Notices

Hallex Applied Power Private Limited has issued a legal notice against the Company, Rakesh Bharti Mittal and other directors. For further details, please refer to "Outstanding Litigation and Material Developments – Litigation against Bharti Infratel – Notices - Other Notices" on page 495.

Litigation against Akhil Kumar Gupta

Criminal Cases

1. The Delhi Development Authority has filed a complaint against Akhil Kumar Gupta and others before the Patiala House Court under the provisions of the Delhi Development Act, 1957. For further details, please see "Outstanding Litigation and Material Developments – Litigation against Directors - Litigation against Rakesh Bharti Mittal" on page 505.

2. The New Delhi Municipal Corporation has filed a criminal complaint against Akhil Kumar Gupta and others before the Patiala House Court under the provisions of the New Delhi Municipal Corporation Act, 1994. For further details, please see “Outstanding Litigation and Material Developments – Litigation against Directors - Litigation against Rakesh Bharti Mittal” on page 505.

3. Rakesh Malviya has filed two criminal complaints against Akhil Kumar Gupta and others before the Patiala House Court under the provisions of the Criminal Procedure Code, 1973. For further details, please see “Outstanding Litigation and Material Developments – Litigation against Directors - Litigation against Rakesh Bharti Mittal” on page 505.

Civil Cases

The subscribers and statutory authorities file cases against Akhil Kumar Gupta as the director of Bharti Airtel as a respondent in consumer and statutory cases. These matters are pending.

Notices

Hallex Applied Power Private Limited has issued a legal notice against the Company, Akhil Kumar Gupta and others. For further details, please refer to “Outstanding Litigation and Material Developments – Litigation against Bharti Infratel – Notices - Other Notices” on page 495.

Litigation against Sarvjit Singh Dhillon

Criminal Cases

1. The Food and Supplies Department, Government of Maharashtra, has filed a criminal complaint against Bharti Retail Limited, Sarvjit Singh Dhillon and others before the Metropolitan Magistrate, Mumbai under the provisions of the Legal Metrology Act, 2009 in relation to attachment of false packages kept at Easy Day, an outlet of Bharti Retail Limited. The case relates to declarations on packages. This matter is pending.

2. The Inspector of Legal Metrology has filed two separate cases against Sarvjit Singh Dhillon and others before the Court of Chief Judicial Magistrate, Amravati and the Judicial Magistrate First Class, Pune under the provisions of the Legal Metrology Act, 2009 in relation to *inter alia* failure to mention complete address and customer care number on sale of quilt and non-declaration of the name of manufacturer on the gift set pack. These matters are pending.

Litigation involving Bharti Airtel

Litigation or proceedings involving Bharti Airtel which involve amounts aggregating ₹ 250 million and more and litigation or proceedings which could have a material adverse effect on Bharti Airtel or the Company, if decided against Bharti Airtel, have been individually described. Litigation or proceedings above ₹ 250 million with similar causes of action have been disclosed in a consolidated manner. Further, litigation or proceedings which involve amounts less than ₹ 250 million have been described in a consolidated manner. In relation to penalties, a summary of outstanding penalties (but not in litigation) involving Bharti Airtel has been disclosed in a tabular format and past penalties above ₹ 250 million paid in last three years by Bharti Airtel have been disclosed individually.

I. Litigation against Bharti Airtel

Criminal Cases

The Central Bureau of Investigation (“CBI”) has initiated following proceedings against Bharti Airtel:

1. CBI has filed a first information report (“FIR”) which was registered on November 17, 2011 by the CBI against Bharti Airtel and other telecom providers on account of alleged irregularities in spectrum allocation by the Department of Telecommunications in 2002. The CBI has alleged in the FIR that the Department of Telecommunications in allocating additional spectrum (>8 Mhz –10 Mhz) to telecom operators without

charging for further spectrum usage charge from these telecom operators (per an order dated February 1, 2002) had caused a loss to the Government for an amount of ₹ 5,080 million. The Directorate of Enforcement through its letter dated April 20, 2012 and other related requests has also asked Bharti Airtel under Section 50 of the Prevention of Money Laundering Act, 2002 to produce certain records. Bharti Airtel is providing necessary cooperation and documents to the investigation agencies. This matter is pending.

2. CBI issued an enquiry notice in relation to provisioning of international long distance services and end to end data services under one stop shop by Bharti Airtel to M/s Singtel and has sought documents and information pertaining to period 2003 onwards such as license agreement and contracts with M/s SingTel, sample copy of invoices raised on Indian customer, details of all international long distance circuits provided by Bharti Airtel, revenue generated thereon and license fee paid. This matter is pending.

In addition to the above, there are 70 criminal cases initiated against Bharti Airtel including cases relating to its employees before various forums in relation to *inter alia* cheating and dishonest inducing of delivery of property, receipt of obscene messages by a customer even after registering for 'do not disturb' services, failure to pay rent, illegal erection of tower, non-display of name in vernacular language, forged documents and pre-activated SIMs, offence under the provisions of the Punjab Land Preservation Act, 1900, erection of towers in the notified forest area, dispute over the property, dispute in relation to the provisions of the lease agreement, criminal breach of trust, non-compliance with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 including failure to maintain records and issue of employment card, false billing, damage and public inconvenience caused due to digging for laying underground cables, violation of the provisions of the Minimum Wages Act, 1948, extortion, atrocity against scheduled caste and scheduled tribe, criminal trespass, mischief, theft by the employee, failure to meet the fire safety standards, threat, obscene activities by the employee, assault and breach of promise, construction of tank without permission from the relevant authorities, violation of the provisions of the Bombay Shops and Establishments Act, 1948, false evidence provided by the authorised representative of the Company, misuse of property, criminal intimidation and false charge of offence made, dishonour of cheque issued by third parties, conspiracy, billing dispute, encroachment of property, contempt of court proceedings on the ground that requisite call details were not provided in relation to a particular number, forgery of record, violation of the provisions of the Standards of Weights and Measures Act, 1976, the Legal Metrology Act , 2009, death of cattle due to vibration of diesel generators, certain cyber crimes and misuse of customer documents. These matters are pending.

Civil Cases

Regulatory Proceedings

1. DoT has filed an appeal against the Cellular Operators Association of India, Bharti Airtel and others before the Supreme Court challenging the order passed by TDSAT which allowed a petition filed by the Cellular Operators Association of India, Bharti Airtel and others for setting aside all the impugned orders of DoT pertaining to hike in micro wave charges. The amount involved in this dispute for Bharti Airtel is ₹ 8,745.87 million. This matter is pending.

2. Bharti Airtel had filed cases against DoT before TDSAT challenging the inclusion of non-licensed activities within the realm of adjusted gross revenue. The orders were passed in favour of Bharti Airtel which were subsequently reversed by the Supreme Court. The Supreme Court remanded the matters to TDSAT holding that TDSAT may only interpret the license condition and not decide on its validity. In June 2012, Bharti Airtel filed a petition before the Kerala High Court challenging the validity of the definition of adjusted gross revenue. The Kerala High Court passed an interim order allowing Bharti Airtel to keep paying the adjusted gross revenue in the manner it has been paying. The aggregate amount involved is ₹ 10,732.94 million. These matters are pending.

3. Bharti Airtel has filed a case against DoT before TDSAT challenging the penalty imposed by Telecom Enforcement, Resource and Monitoring, Assam on the ground of failure of Bharti Airtel to disconnect the negative customer applications forms for the months of March, April and July 2011. The amount involved is ₹ 369.45 million. This matter is pending.

4. Aircel Limited and others filed a petition against Bharti Airtel before TDSAT challenging the demand

raised by Bharti Airtel for the termination charges in relation to SMSs. TDSAT decided this matter in favour of Bharti Airtel. Aircel Limited has filed an appeal against the aforesaid order in the Supreme Court. Bharti Airtel has filed an execution petition before TDSAT which has issued a contempt notice to Aircel Limited. The aggregate amount involved is ₹ 505.00 million. This matter is pending.

5. Bharat Sanchar Nigam Limited ("BSNL") has filed an appeal before the Supreme Court challenging the order passed by TDSAT pursuant to which TDSAT had dismissed the demand raised by BSNL in connection with non-calling line identification calls terminated on its network between the period of May 2003 and August 2005 and seeking disconnection against Bharti Airtel. The amount involved is ₹ 663.00 million. Bharti Airtel has paid ₹ 397.00 million under protest. This matter is pending.

6. BSNL has filed an appeal before the Supreme Court challenging the order passed by TDSAT whereby TDSAT granted a waiver with effect from May 3, 2005 against the demand raised by BSNL in connection with the transit charges in relation to certain operators including Bharti Airtel. The amount involved is ₹ 1,199.00 million. Bharti Airtel has paid ₹ 1,199.00 million under protest. This matter is pending.

7. BSNL has filed an appeal before the Supreme Court challenging the order passed by TDSAT whereby TDSAT allowed the case filed by Bharti Airtel and the Association of Unified Telecom Service Providers of India challenging the demand raised by BSNL in relation to basic operators for a period from May 1999 to May 2003. The amount involved is ₹ 563.0 million. This matter is pending.

8. The Cellular Operators Association of India has filed an appeal before the Supreme Court challenging the order passed by TDSAT whereby TDSAT had allowed the case filed by BSNL against the regulations issued by TRAI on distance based carriage charges for intra circle calls, thereby making Bharti Airtel liable for a differential payment for the period from November 2005 till April 2009. The amount involved is ₹ 2,640.00 million. This matter is pending.

9. Bharti Airtel has filed two cases before TDSAT challenging demand notices issued by DoT in relation to the failure of Bharti Airtel to comply with the subscribed verification guidelines issued by DoT due to acceptance of certain documents such as Gram Panchayat certificates, caste certificate and allowing of recharge without verification. The aggregate amount involved is ₹ 2,363.80 million in both the notices of which Bharti Airtel has paid ₹ 318.70 million and has furnished the bank guarantee for ₹ 643.30 million. TDSAT has allowed the petition and the matter is pending certain clarifications.

10. Bharti Airtel and others have filed a case before TDSAT challenging the directive of DoT directing all service providers having intra-circle roaming agreements providing 3G services to their customers in circles where they have not been allotted 3G spectrum to stop the provision of 3G services on an immediate basis. TDSAT has given a split verdict wherein the Chairman, TDSAT has given the judgment in the favour of operators while the Member, TDSAT has concluded that the 3G services cannot be provided by way of intelligent character recognition by operators who have not been allocated 3G spectrum. Subsequently, DoT issued a show cause notice to Bharti Airtel for imposition of the financial penalty of ₹ 500.00 million for each such circle where 3G services are being provided through ICR with other operator aggregating ₹ 3,500.00 million for seven circles and termination of UASL for breach of its terms and conditions. The same notice also directed Bharti Airtel to stop providing the 3G-ICR services within three days from the date of the notice. This notice was challenged by Bharti Airtel before Delhi High Court which was disposed on certain agreed terms including reply filed by Bharti Airtel to the aforesaid notice being adjudicated by the concerned authority after grant of proper hearing to Bharti Airtel, pending adjudication of notice, DoT shall not take any coercive measure against Bharti Airtel, Bharti Airtel shall submit a list of new customers as well as revenue received in respect of 3G ICR services to DoT and in case of an adverse decision, Bharti Airtel shall have recourse to any remedy available to it in law. This matter is pending.

In addition to the above, Reliance Communication Limited has filed a petition against Bharti Airtel before TDSAT challenging the demand raised by Bharti Airtel for the termination charges in relation to SMSs. The aggregate amount involved is ₹ 118.60 million. This matter is pending.

Tax Related Cases

1. Bharti Airtel has filed appeals against the State of Uttar Pradesh and others before the Supreme Court challenging the maintainability of the entry tax levied on goods imported into the State of Uttar Pradesh. These appeals have been filed against the common judgment passed by the Allahabad High Court upholding levy of tax under the Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007. The amount involved is ₹ 290.00 million. This matter is pending.

2. Bharti Airtel has filed an appeal before the Karnataka Appellate Tribunal challenging the order passed by the Joint Commissioner of Commercial Taxes where the re-assessment orders passed by the Deputy Commissioner of Commercial Taxes were upheld in relation to imposition of the value added tax on the sale of light energy for the financial year 2005-06. The amount involved is ₹ 297.86 million including interest at the rate of 18 per cent p.a. Bharti Airtel has paid ₹ 127.80 million under protest. This matter is pending.

3. Bharti Airtel has filed an appeal before the Supreme Court challenging the order passed by the CESTAT, Bangalore, whereby the CESTAT upheld the order passed by the Commissioner of Customs demanding differential duty along with an equal amount of penalty apart from redemption fine based on re-assessment of the values of the equipment imported under the bills of entry for the period between 2002 and 2006. The total amount demanded is ₹ 4,328.80 million which includes penalty and redemption fine. This matter is pending.

4. Bharti Airtel has filed an appeal before the Bombay High Court challenging the order passed by the CESTAT whereby the CESTAT had upheld the order passed by the Commissioner Central Excise, Pune III thereby disallowing the CENVAT credit of ₹ 150.64 million in respect of tower parts and shelter. Additionally, CESTAT had also imposed a penalty of ₹ 150.64 million. In relation to disallowance of the CENVAT credit for tower parts and shelter, the Commissioner of Central Excise at Pune, Guwahati, Shillong, Hyderabad, Chandigarh, Bangalore and Ahmedabad have also passed similar orders which have been challenged before the respective CESTATs. The aggregate amount involved in these orders and notice is ₹ 7,822.90 million of which ₹ 43.00 million (including demand orders amounting ₹ 1,348.00 million and ₹ 6,474.20 million under show cause notices) has been paid by Bharti Airtel under protest. These matters are pending.

5. Bharti Airtel has filed a case before CESTAT, Delhi, against the demand order issued by the service tax authority payment of ₹ 2,437.00 million including penalty for its pan India circles in relation to service tax for supply of information on amount waived on talk time and rent paid by employees for talk time for the period from October 2004 and September 2009. This matter is pending.

6. Bharti Airtel has filed an appeal before the Commissioner of Income Tax (Appeals) and the Income Tax Appellate Tribunal against the demand order issued by the Income Tax Authority in relation to the alleged default of non-deduction of tax at source as well as levy of interest thereon for interest payments for the fiscal years 2002-03 to 2009-10 to certain foreign banks for foreign currency loans utilized for capital equipments purchases. The aggregate amount involved is ₹ 559.27 million of which Bharti Airtel has paid ₹ 543.71 million under protest. This matter is pending.

7. Bharti Airtel has filed an appeal before the Income Tax Appellate Tribunal against the order of assessing officer for the fiscal year 2006-07 for disallowance of various expenses such as annual license fee, employee stock option expenses, disallowance for non-deduction of tax at sources on payment of interest, roaming charges and discount to distributors on sale of various pre-paid products and other similar nature of expense disallowances. Bharti Airtel has deposited an aggregate amount of ₹ 2820.50 million. The aggregate amount involved is ₹ 3912.10 million. This matter is pending.

8. The Income Tax Department has filed an appeal before the Income Tax Appellate Tribunal against the order of the Commissioner of Income Tax (Appeal) in relation to expenses incurred on annual licence fee, interest on loans, as well as deduction of loss acquired under certain schemes of amalgamation and difference of consideration over net value of asset acquired on amalgamation for MAT computation for the

fiscal year 2004-05. The aggregate amount involved is ₹ 1,566.18 million. This matter is pending.

9. The Assessing Officer of the Income Tax Department has completed assessment for fiscal year 2007-08 whereby certain disallowances of expenses *viz.* licence fee, lease charges, disallowance for non deduction of tax at source on payment of roaming charges, interest, etc., have been made. Apart from these disallowances, the Assessing Officer has also disallowed loss of ₹ 57,390.00 million on de-merger of telecom infrastructure to Bharti Infratel, which Bharti Airtel had not claimed in its tax return. The amounts disallowed have been added to the taxable income of Bharti Airtel and vide an order, a tax demand of ₹ 26,880.00 million has been raised. Simultaneously, a show cause notice for imposition of penalty has also been issued. This matter is pending.

10. Bharti Airtel has filed an appeal before the Commissioner of Income Tax (Appeals) against the demand order issued by the Income Tax Authority for the fiscal year 2003-04 against the disallowance for non deduction of tax at source on payment of roaming charges and discount to distributors on sale of various pre-paid products. The aggregate amount involved is ₹ 312.09 million. This matter is pending.

11. The State of Karnataka and others have filed a special leave petition before the Supreme Court challenging the order passed by the Karnataka High Court whereby the Karnataka High Court had allowed the appeal filed by Bharti Airtel challenging the demand raised pursuant to the notices issued by the Deputy Commissioner of Commercial Taxes, Bangalore ("DCCT") for the assessment years 2002-2003, 2003-2004, 2004-2005, April 2006 to May 2006, June 2006 to Mar 2007, 2007-2008 and 2008-2009. The DCCT had sought, by way of the said notices, payment of ₹ 3,161.34 million towards the VAT on the sale of light energy as per the applicable provisions of the Karnataka Value Added Tax Act, 2003. This matter is pending.

12. The State of Andhra Pradesh and others have filed special leave petitions before the Supreme Court challenging the order passed by the High Court of Andhra Pradesh whereby the High Court of Andhra Pradesh had allowed 13 petitions filed by Bharti Airtel challenging the demand raised pursuant to the notices issued by the Commercial Tax Department of Andhra Pradesh for the year 2005-06, 2006-07 and 2007-08, 2008-09 and 2009-10. The Commercial Tax Department had raised an aggregate demand of ₹ 2,470.11 million towards payment of VAT on sale of SIM cards, recharge coupons, handsets and modems, post paid rentals etc. The Commercial Tax Department also imposed interest and penalties of ₹ 2,142.89 million. In the petitions filed by Bharti Airtel, the High Court of Andhra Pradesh ruled that SIM cards, recharge coupon vouchers, value added services and proceeds received on sharing of infrastructure, refundable security deposits for services like STD, ISD, or sharing charges for infrastructure (towers and related infrastructure), etc. shall not attract VAT. The High Court of Andhra Pradesh further ruled that in case the telephone instruments, mobile handsets, modems and caller identification instruments are sold or supplied to the subscribers by the service providers, such "sale" or the "transfer of the right to use these goods" would be liable for imposition of VAT. However, the extent of consideration which can be brought to tax shall not include the service element of such a composite transaction of sale and service. The High Court of Andhra Pradesh further directed that the assessing authorities shall pass fresh orders after giving notice and opportunity of being heard to Bharti Airtel. The assessing authority confirmed the demand of ₹ 31.18 million against the VAT demand on Modem and Handsets rentals against which Bharti Airtel has filed separate five appeals before the Deputy Commissioner (appeals). These matters are pending.

Stamp Duty Related Cases

Bharti Airtel has filed an appeal before the Gujarat High Court against the Stamp Department, Gandhinagar, challenging the order passed by the Collector of Stamps. Pursuant to its order, the Collector demanded a stamp duty of ₹ 35.20 million (including penalty) on the subscriber enrolment forms executed by subscribers, treating the same as agreements. Bharti Airtel has paid an aggregate amount of ₹ 2.20 million under protest. Another notice has been issued by the Stamps Department, Gandhinagar demanding stamp duty of ₹ 315.97 million, including penalty, on subscriber enrolment forms executed by 547,492 subscribers, treating the same as "agreements". The aggregate amount involved is ₹ 351.17 million. These matters are pending.

Other Civil Cases

1. Bharti Airtel has filed an appeal before the Supreme Court against the award declared by the arbitrator in respect of purchase of 10.50 per cent of shares of DSS Enterprises Private Limited ("DSS"). Crystal Technologies Private Limited, an intermediary in the transaction, had initiated arbitration proceedings against Bharti Airtel demanding ₹ 195.00 million regarding termination of its appointment as a consultant to negotiate with DSS for the sale of stake held by DSS in Bharti Mobinet Limited (now merged with Bharti Airtel) to Bharti Airtel. The arbitrator had partly awarded a sum of ₹ 31.00 million along with nine per cent interest from October 3, 2001 till May 28, 2009 and a further interest of 18 per cent from date of award to date of payment. This matter is pending.

In addition to those disclosed above, there are 981 other civil cases filed against Bharti Airtel before various forums in relation to *inter alia* claim of liquidated damages in relation to failure to adhere to the contractual service levels agreed upon under the contract non-deduction of tax at source on certain telecommunication services, disallowances of certain expenses under normal provisions of the Income Tax Act, allowance of depreciation at rate lower than the rate claimed by the Company as well as disallowances of expenses under minimum alternate tax, lower tax rate applied against the lower tax deduction certificate issued and other clerical errors made while furnishing the quarterly e-TDS returnsbilling disputes, receiving bills after disconnection, services activated without consent and charging for the same, receiving commercial communications even after registering for 'do not disturb' services, deficiency of services, recovery of rent, disconnection of mobile phone services without prior intimation, imposition of advertisement tax, eviction from the premises, death of a person due to negligence in construction of tower, breach of lease agreement, illegal trespass, recovery of salary or wages, reinstatement of employment, wrongful disconnection, imposition of service tax on inter-connection charges, copyright infringement, land dispute, recovery of money for malicious prosecution, wrongful issuance of duplicate SIM card, permanent injunction against illegal construction of towers, recovery of possession of property, dispute relating to ESOP, forceful resignation and transfer, failure to port the mobile phone connection, imposition of entertainment tax, non-payment of medical insurance claims, dispute with respect to the tariff plan, imposition of property tax, illegal termination of employment, damage caused to the property due to telephone lines, illegal termination of franchise, non-deduction of tax deductible at source on commissions receivables by the franchisee, failure to comply with the subscriber verification norms, non-payment of commission, change of broadband plan without consent, damage to the property due to erection of towers, defective recharge coupons, payment of deficit stamp duty, non-activation of direct to home services, restraint from transfer of shares, restoration of connection, activation of various value added services, dispute with respect to the 'free flight offer scheme', increase in the airport duty, misuse of number, imposition of service tax on the gross amount charged to the international inbound subscribers, imposition of excise duty on erection of towers, emission of harmful radiation from the towers, illegal termination of the agreement, compensation for death of workman during the course of his employment and poor mobile phone coverage. These matters are pending.

Notices

Pending Regulatory Notices

1. SEBI issued a letter to Bharti Airtel on April 8, 2009, alleging non-compliance by its promoter group entities, Bharti Telecom Limited and Indian Continent Investment Limited ("ICIL") with the provisions of the erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "SEBI Takeover Regulations, 1997"). It was alleged that the acquisition, in multiple tranches, of 6.27 per cent of Bharti Airtel's equity shares by ICIL, a Bharti group company, between June 30, 2007 and September 30, 2008, had resulted in the promoter shareholding in Bharti Airtel increasing from 60.91 per cent to 67.15 per cent in breach of the SEBI Takeover Regulations, 1997. Bharti Airtel in its response dated May 13, 2009, denied the allegations on the ground that the aggregate shareholding of ICIL and its PACs (i.e. Bharti Telecom Limited), was in the 15 per cent - 55 per cent range and that not more than 5 per cent of Bharti Airtel's equity shares were acquired by ICIL (with Bharti Telecom Limited as its PAC) in any single financial year. Accordingly, the acquisitions made by ICIL between June 30, 2007, and September 30, 2008 were in accordance with Regulation 11(1) of the SEBI Takeover Regulations, 1997. Bharti Airtel has informed us that the aforesaid entities are cooperating with SEBI with respect to the above matter. Further, in relation to this, in a recent appeal filed by certain individuals, the Securities Appellate

Tribunal dismissed the appeal and noted that SEBI will pass its order within three months of the date of the order passed by the Securities Appellate Tribunal.

2. SEBI issued a letter to Bharti Airtel on March 26, 2012, seeking certain information and documents relating to the trading in the scrip of Bharti Airtel. On May 25, 2009, Bharti Airtel had informed NSE of a press release regarding its efforts for a significant partnership with MTN Group Limited ("MTN"). On September 30, 2009, Bharti Airtel informed NSE of a media statement informing that Bharti Airtel would be disengaging from the discussion with MTN. By way of the aforesaid letter, SEBI required information in relation to significant partnership of Bharti Airtel with MTN, certain details of trading in scrips of Bharti Airtel and persons involved in trading. Bharti Airtel filed a point-wise reply with SEBI on May 10, 2012 along with the necessary documents. Subsequently, SEBI has continued to make requests for further information in this regard by way of e-mails and other correspondences. Bharti Airtel has provided the requisite information and the last response was given on November 16, 2012. SEBI has not made further requests after the last response of Bharti Airtel.

3. The Directorate of Enforcement issued a notice dated August 19, 2009 to Bharti Airtel (successor-in-interest of Comsat Max Limited) stating that Bharti Airtel had acquired 100 per cent equity stake in Bharti Broadband Limited (formerly known as Comsat Max Limited) and Comsat Max Limited had made remittances amounting to USD 3,7770.00 to Comtech EF Data. However, Comsat Max Limited had not submitted the documentary evidence regarding actual use of such remittance for import transaction as reported by RBI to the bank. The Directorate of Enforcement has issued certain notices and summons under the provisions of the Foreign Exchange Management Act, 1999 to Bharti Airtel for furnishing of certain records in relation to transfer of shares of Bharti Airtel between certain of its non-resident shareholders. Bharti Airtel has provided necessary cooperation and documents in this regard.

4. TRAI has issued a notice to Bharti Airtel in relation to the rejections made under contractual obligations and unique porting code mismatch under the mobile number portability regulation.

5. The TERM cell of DoT has issued a notice to Bharti Airtel in relation to certain alleged misreporting and under-reporting of national long distance revenue in internet service provider revenue by an amount of ₹ 4,949.00 million as per the order processing management system dump submitted for November 2008, July 2009 and January 2010.

6. DoT has issued notices to Bharti Airtel for 11 of its circles in relation to offering of subscriber local dialing services as the incoming calls of roaming subscribers were routed through the home network. DoT has alleged violation of terms and conditions of the license agreement in respect of national routing plan.

7. DoT has issued notices to out Promoter for 10 of its circles for alleged violation of national numbering plan in relation to offering of customer friendly service where a postpaid customer could also avail the benefit of prepaid service on the same mobile number and the call was not charged from the postpaid billing system if certain characters were used.

8. The TERM cell of DoT has issued a notice to Bharti Airtel in relation to alleged routing of both incoming and outgoing international calls through the internet. The international long distance service providers are permitted to deploy calls through managed voice over IP networks.

9. DoT has issued a notice to Bharti Airtel to seek details on the business carried by Bharti Airtel with BT, Equant and MCI to understand whether any terms and conditions of license have been violated while selling international private leased circuits to these customers.

10. DoT conducted a special audit on the financials of Bharti Airtel for fiscals 2007 and 2008 and issued a show cause notice to Bharti Airtel raising a demand for payment of license fees (including interest) of ₹ 2,920.20 million for fiscals 2007 and 2008 on the basis of the observations of the special audit report in relation to margin commission given to distributors, corporate income, roaming and access charges, income from infrastructure provider and bad debts written off. Subsequently, DoT issued a supplementary show cause notice to Bharti Airtel raising a demand for payment of license fees (including interest) for the two fiscals as aforesaid amounting to ₹ 226.50 million. The aggregate demand amount including interest

calculated is ₹ 3,217.80 million. DoT has directed Bharti Airtel to pay the aforesaid amount by November 26, 2012. This matter is pending.

11. The Monopolies and Restrictive and Trade Practices Commission issued a notice of enquiry to certain service providers including Bharti Airtel in relation to the allegation that the service providers had indulged in restrictive and unfair trade practices with respect to tariff cartelization by undertaking an upward revision of tariffs. Bharti Airtel has filed a response to the notice on the grounds inter alia increase in tariff was made on the grounds of increased expenses on UCC implementation and other expenses. This matter is pending.

12. The Competition Commission of India has ordered the Director General to conduct an investigation against Bharti Airtel and others in relation to certain alleged anti-competitive practices such as entering into agreements for marketing of iphones whereby exclusive selling rights were given to the companies for undisclosed number of years and locking of iphones to specific networks. Bharti Airtel has challenged this investigation on various grounds. This matter is pending.

13. The Consumer Online Foundation ("COF") had filed a complaint before the Competition Commission of India ("CCI") alleging that direct to home ("DTH") operators were limiting competition by not offering interoperability. The Director General investigated the complaint and gave its observations to CCI. CCI issued directions to all DTH operators to submit their objections/replies. Bharti Airtel filed its response to the Director General's observations. Bharti Airtel received favorable order from the CCI as anti-competitive 'tie-in' arrangements by DTH operators could not be established. COF had filed an appeal before the Competition Appellate Tribunal, which was earlier dismissed as COF had not removed some objections raised by Registry. COF has filed an application for restoration of appeal for which we have received notice. After the Competition Act, 2002 came into force, MRTPC Act 1969 has been repealed and therefore, the present matter was transferred to Competition Appellate Tribunal. This matter is pending.

In addition to the above, various notices have been issued by the regulatory and statutory authorities including *inter alia* notices issued by DoT for violation of license conditions such as improper maintaining of the sites, site within the vicinity of international border, violation of subscriber verification guidelines issued by DoT, non-fulfilment of first year roll out obligations, non-compliance with requirements of national security, violation of various TRAI regulations (such as regulations on unsolicited commercial calls, value added services, telecom consumers protection and redressal of grievance, quality of service, mobile number portability, telecom commercial customer preference), violation of TRAI directions on issue of docket number for customer complaints and termination of services and direction on refund of security deposit, violation of condition of license in relation to national number planning, violation of universal service obligation agreement, violation of international long distance license, interconnection of international calls via internet and reselling very small aperture terminal services, violation of provisions of the Labour Welfare Act, 1972, the Minimum Wages Act, 1948, the Payment of Gratuity Act, 1972, the Employee State Insurance Corporation Act, 1948, the Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, and initiation of inspection of records by the Ministry of Corporate Affairs.

Pending Tax Notices

1. The service tax authority has issued a notice to Bharti Airtel in relation to certain transfer of telecom infrastructure by Bharti Airtel for its various circles for the period from September 2004 to January 2008. The aggregate amount involved is ₹ 5,266.69 million.

2. The service tax authority has issued a notice to Bharti Airtel in relation to non-payment of service tax on international long distance access charges and exempted revenue shown in the return for the period 2007-08 and 2008-09. The aggregate amount involved is ₹ 4,247.10 million.

3. The service tax authority has issued a notice to Bharti Airtel in relation to non-payment of service tax for various national and international services and short payment for the period 2009-10. The aggregate amount involved is ₹ 2,305.36 million.

4. The service tax authority has issued two demand notices to Bharti Airtel in relation to service tax on

networking charges, bandwidth charges and international private leased circuit charges. The aggregate amount involved is ₹ 1,017.26 million.

5. The service tax authority has issued a demand notice to Bharti Airtel in relation to access charges to foreign service provider for its pan India operations. The aggregate amount involved is ₹ 1,131.20 million.

6. The service tax authority has issued a demand notice to Bharti Airtel in relation to payment of service tax liability subject to 20 per cent upper limit of input and capital goods CENVAT credit available for setting off service tax liability for the financial year 2006-07. The aggregate amount involved is ₹ 1,064.27 million.

7. The service tax authority has issued a demand notice to Bharti Airtel in relation to wrong availment of CENVAT credit against the services for which CENVAT was not allowed and also where CENVAT has been utilized in excess of the 50 per cent of the capital goods for the period between 2004 and 2008 for its Bihar circle. The aggregate amount involved is ₹ 1,225.51 million.

8. The service tax authority has issued a demand notice to Bharti Airtel in relation to the claim of 100 per cent availing in capital goods and the service tax authority has claimed that it should be restricted to 20 per cent. The notice also pertains to wrong availment of CENVAT credit against the services for which CENVAT was not allowed for the period between 2004 and 2008 for its Tamil Nadu circle. The aggregate amount involved is ₹ 1,428.02 million.

9. The Commissioner of Central Excise, Chandigarh, has issued a show cause notice to Bharti Airtel in relation to wrong availment of CENVAT on input services, non-maintenance of proper records and availment of 100% credit on the capital goods in the same year. The aggregate amount involved is ₹ 375.00 million. This matter is pending.

10. The Service Tax Authority has issued a demand notice to Bharti Airtel in relation to payment of service tax liability subject to 20 per cent upper limit of input and capital goods CENVAT credit available for setting off service tax liability for the period from January 2005 to May 2007 for the Bihar Circle. The aggregate amount involved is ₹ 641.22 million. This matter is pending.

11. The Assistant Commissioner, Chennai has issued a demand notice under the central sales tax and Tamil Nadu Value Added Tax to Bharti Airtel in relation to the applicability of sales tax on sale of SIM card, pendency of Form F, stock reconciliation and other issues for the fiscal years 2006-07 to 2009-10. The amount involved is ₹ 871.21 million. This matter is pending.

12. The Service Tax Authority has issued a demand notice to Bharti Airtel in relation to payment of service tax liability subject to 20 per cent upper limit of input and capital goods CENVAT credit available for setting off service tax liability for the financial year 2005-08 for its telemedia south region. The aggregate amount involved is ₹ 861.67 million. This matter is pending.

13. The Service Tax Authority has issued a demand notice to Bharti Airtel in relation to payment of service tax liability towards wrong availment of CENVAT credit and non-payment of service tax on various services liability against the observations made under audit report issued by C&AG for the period from October 2008 to January 2009 for the Himachal Pradesh circle. The aggregate amount involved is ₹ 775.35 million. This matter is pending.

14. The Service Tax Authority has issued a demand notice to Bharti Airtel in relation to payment of service tax liability towards wrong availment of CENVAT credit on capital goods such as optical fibre cable and ducts for the for the financial year 2007-08. The aggregate amount involved is ₹ 2,062.86 million. This matter is pending.

In addition to the above, Bharti Airtel has received notices from the tax authorities in relation to certain indirect tax matters including *inter alia* wrong availing of CENVAT credit on service tax paid on services (such as renting a cab and banking services, courier services, pest control, catering services, household goods, housekeeping services, Airtel travel charges, sponsorship services, travel challan, photo copy, club fee, event management, health and fitness, financial services, structures and items such as angels, channels and beams falling under relevant regulations, delivery of goods at a place other than the site, bills or debit notes raised by vendors or customers), disallowance of CENVAT on tower and shelter, disallowance of claim of refund including lease rental, availing of double CENVAT credit, disallowance of CENVAT credit on account of availing capital CENVAT in single year and non maintenance of records, reversal of proportionate CENVAT credit on bad debts written off, multiple transportation of goods by using the same document, non-payment of service tax on roaming services in India to persons coming from other countries and on infrastructure facilities provided to other operators taxable under business auxiliary service wrong utilisation of CENVAT credit, waiver availed on mobile connection provided to an employee, use of upper limit on utilisation of CENVAT credit, non payment of service tax on SIM and unrealised amount, payment of service tax on CFA allowance given to employees, recovery of arrears, irregular adjustment of excess deposit of service tax, payment of service tax for making available facility of free and concessional tickets for an event, non-payment of service tax calculated on the difference between the amount billed and realised, non-payment of service tax on peering arrangement, violation of certain provisions of the Karnataka Value Added Tax Act, 2005, non-payment of service tax on reverse charge mechanism on amount paid to foreign operator on outbound roaming charges, non-payment of service tax on coin collection box, failure to file relevant forms for availing of concessional rates for central sales tax, non-payment of service tax on the value of prepaid voucher, non-payment of service tax based on advances shown as per codes and payment of tax on application exposure suite, non-payment of service tax on payments made to international operator under the category of business auxillary service, transfer of stocks outside the state before raising extra demand on account of non-submission of relevant form, detaining of goods due to unavailability of relevant form or challan or due to production of defective forms, failure to obtain the relevant trade tax registration and non-payment of VAT on handset and modem rentals.

Outstanding Penalties

A summary of outstanding penalties (but not in litigation) involving Bharti Airtel is as follows:

Sr. No.	Nature of penalty	Number of penalty cases	Amount involved (₹ in million)
Penalties imposed by TERM cell of DoT			
1.	Issue of multiple (family) connections and recharge without verification and no clarity on Commanding Officer/Officer Commanding certificate	17	952.80
2.	Issue of bulk connections and excess sample size	5	614.57
3.	Issue of warehouse audit	1	15.00
4.	Issue of re-verified cases	13	7.05
5.	Issue of marking of customer acquisition forms as non-compliant despite having correct documents	1	1.75
Penalties imposed by tax authorities			
8.	Availment of cenvat credit on Tower and tower parts thereof	1	406.97

Past Penalties

Except as described below, Bharti Airtel has not been involved in any proceeding in last three years which involve payment of penalty aggregating ₹ 250 million and more.

1. TERM cells of DoT had imposed certain penalties on Bharti Airtel on account of non-compliance with guidelines and instructions issued by DoT with respect to subscriber verification as per the terms and conditions of the license agreement. The penalty was levied for the period from April 2007 to March 2009 at a flat rate of ₹ 1000 per non-compliant form and for the period after April 2009, the penalty was levied on the basis of extent and percentage of non-compliance. For the period from April 2007 to March 2009, the aggregate penalty paid was ₹ 109.19 million for various circles and for the period from April 2009 to March 2012, the aggregate penalty imposed was ₹ 6,991.40 million and the aggregate penalty paid was ₹ 996.80 million, respectively. Further, for the period between April 2012 and November 2012, the aggregate

penalty imposed was ₹ 6.08 million and the aggregate penalty paid was ₹ 5.19 million, respectively.

2. DoT had imposed certain penalties on Bharti Airtel on account of complaints filed by BSNL in relation to certain calls received by its customers bearing caller line identification ("CLI") of their own number from Bharti Airtel's network. In October 2011, DoT imposed a penalty demand of ₹ 500.00 million alleging violation of clauses pertaining to tampering of CLI and non furnishing of data. Whilst the penalty was challenged before TDSAT and the Supreme Court, as per the interim order, Bharti Airtel has deposited ₹ 125.00 million to DoT. TDSAT has set aside the penalty amount.

3. DoT had imposed a penalty of ₹ 500.00 million on Bharti Airtel in relation to provisioning of international long distance services and end to end data services under one stop shop by Bharti Airtel to M/s Singtel and had alleged that such a contract is a resell of services which is not allowed as per the terms of the international long distance services license. Bharti Airtel has approached TDSAT against the issue of notice and imposition of penalty. TDSAT has directed Bharti Airtel to deposit ₹ 50.00 million which has been deposited. TDSAT has set aside the penalty order and accordingly Bharti Airtel is entitled to claim refund of deposit of ₹ 50.00 million made pursuant to the interim order of TDSAT.

II. Public Interest Litigation and Writ Petitions involving Bharti Airtel

1. Prakhar Goyal, Akbar and Mohammad Rais have filed three separate writ petitions against the State of Madhya Pradesh, Bharti Airtel and others before the Madhya Pradesh High Court claiming removal of mobile towers on account of the fact that the mobile tower emits various harmful radiations and therefore adversely affects the health and environment. These matters are pending.

2. Shergil Travells has filed a writ petition against the State of Punjab and Haryana and Bharti Airtel before the Punjab and Haryana High Court seeking direction from the court restraining Bharti Airtel from constructing a tower adjacent to his house on the ground that the same is hazardous to his property and his health. This matter is pending.

3. Arunkumar and Thelapanda Shivakumar Nanaiah have filed a public interest litigation against the Union of India, Bharti Airtel and others before the Karnataka High Court claiming that the towers were being installed by the service providers without following applicable norms and procedures. This matter is pending.

4. The Society of Voice of Human Rights has filed a public interest litigation against the Union of India and Bharti Airtel before the Allahabad High Court claiming that the mobile towers and brick kiln and chemical factories were causing damage to the environment and surrounding water bodies and was seeking for appropriate actions to be taken against the same. This matter is pending.

5. K.R. Ramaswamy has filed a public interest litigation against Bharti Airtel and 14 other parties before the Madras High Court seeking issuance of writ of mandamus directing the respondents to formulate appropriate rules, regulations and guidelines for erecting the mobile towers in vacant lands after considering the structural standards, radiation specification prescribed for towers by the World Health Organization and exposure limit to human beings. The petitioner has also sought interim relief in nature of directions from the High Court for removal/stoppage of erection of towers at the buildings and for prohibiting the service providers from compulsorily charging the customers for ring tones on pressing (*) button on their mobile phones. This matter is pending.

6. Baij Nath Mahto has filed a writ petition against the State of Uttar Pradesh and Bharti Airtel before the Allahabad High Court seeking issuance of writ of certiorari for quashing orders passed by the Additional District Judge, Lucknow in the proceedings wherein the petitioner had raised grievance against running of a DG set to provide power back-up to the telecommunication tower installed on a piece of land in front of his house on the grounds that it results in air and noise pollution. This matter is pending.

7. Pati Rangamma and others have filed a writ petition against Bharti Airtel before the Andhra Pradesh High Court and others seeking direction for prohibiting the respondents from erecting cell tower on the grounds of health hazard and emission of radiation. This matter is pending.

8. S. Mahender and Chintalapudi Seshagiri Rao and others have filed two separate writ petitions against Bharti Airtel and others before the Andhra Pradesh High Court seeking direction prohibiting the respondents from erecting cell tower on the grounds of health hazards and emission of radiation due to operation of towers. These matters are pending.

9. Bharti Airtel has filed a writ petition against the State of Madhya Pradesh and others before the Madhya Pradesh High Court challenging the Madhya Pradesh Vilasita Manoranjan Amod Evam Vigyapan Kar Adhiniyum, 2011 to the extent it pertains to levy of entertainment tax at 20 per cent of the turnover of Bharti Airtel in the State of Madhya Pradesh. The amount involved is ₹ 305.63 million. This matter is pending.

10. Bharti Airtel has filed a writ petition before the Madhya Pradesh High Court against the State of Madhya Pradesh and others challenging the levy of entertainment tax at the rate of 20 per cent in respect of every payment of admission to an entertainment other than cinema, video cassette recorder and cable services with effect from May 5, 2008. The Madhya Pradesh High Court has passed an interim order pursuant to which a stay has been granted on the recovery of the entertainment tax. The amount involved is ₹ 998.29 million. This matter is pending.

11. Bharti Airtel has filed a writ petition against the State of Jammu and Kashmir and the Department of Commercial Taxes before the Jammu and Kashmir High Court challenging the levy of sale tax on the telecom services under the Jammu and Kashmir General Sales Tax Act, 1962. The aggregate amount involved is ₹ 33.60 million. This matter is pending.

12. Bharti Airtel has filed a civil appeal against the Assistant Commissioner of Income Tax and others before the Supreme Court challenging the order passed by the Calcutta High Court. Pursuant to its order, the Calcutta High Court had upheld the order passed by the Income Tax Appellate Tribunal holding that the 'trade margin' offered by Bharti Airtel to its distributors in respect of pre-paid products such as SIM card and recharge vouchers, attracted the provisions relating to tax deductable at source under the Income Tax Act and further holding that the relationship between Bharti Airtel and its distributors is that of principal and agent. Similar issue is pending at different stages in various other jurisdictions across the country at different stages before the Commissioners of Income Tax (Appeals) and Income Tax Appellate Tribunals. The aggregate amount involved is ₹ 3,814.68 million. Bharti Airtel has paid ₹ 2,853.60 million under protest. This matter is pending.

13. Bharti Airtel has filed a writ petition against the Union of India and another before the Delhi High Court challenging the assessment and demand order passed by the Income Tax Department. The International Taxation wing of the Income Tax Department had assessed and raised a demand of ₹ 10,741.00 million (along with interest) on Bharti Airtel for financial years 2007-2008 to 2010-2011 by holding that the inter-connection usage charges paid by Bharti Airtel to the international operators attracted liability to deduct tax at source, being a 'fee for technical service'. The Delhi High Court has stayed the recovery of the aforesaid demand, subject to deposit of ₹ 2,369.00 million and furnishing of a bank guarantee of ₹ 2,500.00 million. Bharti Airtel has paid ₹ 2,369.00 million under protest as well as furnished bank guarantee of ₹ 2,500.00 million as per the interim orders of the Delhi High Court. While keeping the petition pending, the Delhi High Court also directed Bharti Airtel to pursue statutory appeal before the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) partly allowed the appeal and aggrieved by this order, Bharti Airtel has preferred an appeal before the ITAT. The Income Tax Department also preferred an appeal before the ITAT as the demand amount was reduced to ₹ 2,557.00 million. In relation to the amount deposited and the bank guarantee furnished, Bharti Airtel has filed an application with the Delhi High Court for recovery of the aforesaid.

    Further, Bharti Airtel was issued notices by the Income Tax Department seeking information pertaining to the inter-connection usage charges paid by Bharti Airtel to the international operators during the financial years 2001-02 to 2006-07, which have been challenged by Bharti Airtel before the Delhi High Court and the Delhi High Court has restrained the Income Tax Department from passing any final order.

14. Bharti Airtel has filed a writ petition before the Kerala High Court pertaining to the notice issued by DoT in

relation to adjusted gross revenue calculation, margin given to distributors, roaming and access charges, corporate income, income earned as IP-1 and bad debts written off by Bharti Airtel for the financial years 2006-07 and 2007-08. This matter is pending.

15. Bharti Airtel had filed a writ petition against the Policy Circular no. 25 dated January 1, 2008 issued by the DGFT before the Delhi High Court. The aforesaid policy stated that the telecom service providers earn foreign exchange for providing service including services not originating from India and such receipts of foreign exchange are not eligible for duty credit scrip under serve from India scheme. The Delhi High Court referred Bharti Airtel to the Policy Interpretation Committee ("PIC"). PIC held that the benefit of the SFIS would be only to the tune of 50 per cent of the foreign exchange earned. Bharti Airtel challenged the validity of PIC minutes and DGFT circular before the Delhi High Court. The aggregate amount involved is ₹ 4197.10 million. This matter is pending.

16. Bharti Mobinet Limited (which has merged with Bharti Airtel) ("BML") has filed three writ petitions before the Madras High Court against the Commercial Tax Officer, Valluvarkottam, Chennai, in relation to certain demand notices on account of sales tax being leviable on gross revenue of BML. The aggregate demand raised is ₹ 252.44 million along with the penalty of ₹ 378.67 for the fiscals 1997 to 2000. These matters are pending.

17. Bharti Airtel has challenged the entry tax legislations by way of writ petitions and other petitions in 16 states including Assam, Orissa, Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Jammu and Kashmir, Rajasthan, Andhra Pradesh, Kerala, Goa, Himachal Pradesh, Karnataka, Mumbai, Maharashtra, West Bengal and Bihar before the respective state High Courts on the ground that *inter alia* imposition of entry tax was unconstitutional as it was not "compensatory" in nature or presidential assent had not been accorded. The High Courts of Madhya Pradesh, Chhattisgarh, Assam, Orissa and Uttar Pradesh have upheld the levy and dismissed the writ petitions. Bharti Airtel has challenged these orders by filing special leave petitions before the Supreme Court. The Kerala High Court and Andhra Pradesh High Court have allowed the petitions filed by Bharti Airtel and declared the respective entry tax legislation of the States of Kerala and Andhra Pradesh as *ultra vires* the constitution. The states have challenged the same by filing special leave petitions before the Supreme Court. The matters in other states such as Jammu and Kashmir, Rajasthan, Goa, Himachal Pradesh, Karnataka, Mumbai and Bihar are pending before the respective High Courts. All the matters in Supreme Court have been tagged together and the questions of law pertaining to the constitutionality of the levy have been referred to the constitutional bench of the Supreme Court. The aggregate amount involved thus far is ₹ 3,810.57 million of which Bharti Airtel has made a payment of ₹ 2,194.15 million under protest. These matters are pending.

In addition to those disclosed above, there are 53 public interest litigations and writ petitions involving Bharti Airtel filed before various High Courts and the Supreme Court in relation to *inter alia* illegal retention and withholding of security deposit after disconnection, grant of 2G spectrum in excess of 6.2 Mhz to private operators, dispute with respect to shifting of telephone/broadband connection, health hazards caused due to operation of towers, activation of value added services without consent and charging for the same, structural instability caused due to installation of the towers on rooftop of building, grievances against unsolicited commercial communication undertaken by the mobile companies, challenging the seizing of goods by the Inspector of Legal Metrology on grounds of violation of the Standards of Weights and Measures Act, 1976, imposition of advertisement tax on display of sign boards, seeking the High Court to direct the police authority to trace a missing person who was a subscriber of Bharti Airtel's connection, infringement of right to privacy due to telephone tapping, supply of call details under the Right to Information Act, 2005, illegal mobile phone call interception, receiving commercial call even after registering for 'do not disturb', illegal sealing of towers, challenging provisions of the Telecom Regulatory Authority of India, Service Providers (Maintenance of Books of Accounts and Other Documents) Rules, 2002, applicability of the Standards of Weights and Measures Act, 1976 on SIM cards, imposition of tax on laying optical fibre cable, challenging the constitutional validity of the Assam Electricity Duty Act, 1964, and unauthorised cutting of cables, imposition of rent of cables laid by the service providers, restraining Bharti Airtel from infringing copyright in the cinematograph films and illegal and arbitrary sealing of IBS sites. These matters are pending.

III. Litigation by Bharti Airtel

Criminal Cases

There are 74 criminal cases initiated by Bharti Airtel before various courts and other forums in relation to *inter alia* dishonour of cheques filed against the subscribers of the services offered by Bharti Airtel, short deposit of cheque, cheating and dishonestly inducing delivery of property, criminal breach of trust, fraud committed by the distributor and default in remitting payment and misappropriation of money, revision of summoning orders, quashing of criminal cases. These matters are pending.

In addition to the above, Bharti Airtel has filed and files on a day to day basis, criminal complaints under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques issued by the subscribers of Bharti Airtel.

Civil Cases

Regulatory Proceedings

1. The Cellular Operators Association of India has filed an appeal before the Supreme Court challenging the prospective demands that may be raised under the provisions of the Interconnection (Port Charges) Regulation, 2001 (the "Port Charges Regulations"). Pursuant to the Port Charges Regulations, TRAI reduced the ports charges from ₹ 0.06 million to ₹ 0.04 million. The amount involved is ₹ 1,980.00 million. Bharti Airtel has paid ₹ 680.00 million under protest. This matter is pending.

2. BSNL has filed an appeal before the Supreme Court challenging the order dated May 28, 2010 passed by TDSAT on the grounds that (i) TRAI does not have jurisdiction to amend the interconnect agreements, and (ii) TRAI has not taken into account all costs while determining port charges. BSNL filed an appeal as Bharti Airtel had paid port charges at reduced rates since BSNL does not have any stay in its favour. TDSAT passed an order whereby Interconnection (Port Charges) Regulation, 2007 (the "Port Charges Regulations") had been set aside. However, it observed that BSNL will not be entitled to claim port charges from the date of regulation till the date of order. Bharti Airtel filed an appeal in the Supreme Court challenging the order since the effect of being *sub silentio* had resulted in BSNL interpreting the order to claim that the regulations issued in 2001 have revived. The Supreme Court directed that BSNL will not enforce the demands. However, Bharti Airtel had to file an undertaking by way of affidavit, that in the event Bharti Airtel loses this matter then the amount would be duly paid to BSNL. The amount involved is ₹ 284.00 million. Bharti Airtel has paid ₹ 30.00 million under protest. This matter is pending.

3. Bharti Airtel filed a petition against Tata Teleservices Limited ("Tata") before TDSAT for recovery of SMS termination charges which was allowed by TDSAT. Subsequently, Bharti Airtel filed an execution against Tata for ₹ 4,450.00 million wherein Tata had filed objections which was dismissed. Tata has challenged the TDSAT judgment before Supreme Court. This matter is pending.

In addition to those disclosed above, there are 71 other regulatory and civil cases filed involving Bharti Airtel before various forums in relation to *inter alia* dual spectrum, withdrawal of spectrum beyond 6.2 Mhz, claiming of start-up spectrum by certain operators, claiming of additional spectrum, access deficit charge, caller line identification issues, access charges issue, interest refund on license fee issue, findings of comptroller and auditor general audit, employee stock option policy, wireless and planning commission charges interest and penalty for retrospective period of 1999-2002, MTC and IUC, ICR agreements, Infrastructure Charges, refund of excess port charges paid, excess demand on basic operators, restraining the trade union from protesting, charging of fee by Municipal Corporation, Delhi for grant of permission for installation of towers, recovery of security deposit, recovery of outstanding dues, imposition of transit charges, increase in the 2G spectrum charges, providing mobile services in the form of fixed wireless services, seeking direction restraining the respondent from using the vehicle unless the ownership transfers, infringement of trademark, dishonour of cheque and fraud committed by a distributor, TRAI regulations on wangiri calls, VAS services, port charges, cable cut issues in Jammu and Kashmir and Gujarat, CLI demand issue, Asergis and issued relating to SMS termination charges. These matters are pending.

Litigation involving the Group Companies

Litigation or proceedings involving the Group Companies which involve amounts aggregating ₹ 250 million and more and litigation or proceedings which could have a material adverse effect on the Group Companies, if decided against such entity, have been individually described. Litigation or proceedings above ₹ 250 million with similar causes of action have been disclosed in a consolidated manner. Further, litigation or proceedings which involve amounts less than ₹ 250 million have been described in a consolidated basis. In relation to penalties, a summary of outstanding penalties (but not in litigation) involving the Indian Group Companies has been disclosed in a tabular format and past penalties above ₹ 250 million paid in last three years by the Indian Group Companies have been disclosed individually. Further, the outstanding penalties (but not in litigation) above ₹ 250 million involving the foreign Group Companies have been disclosed in a tabular format.

Litigation involving the Group Companies incorporated in India

I. Litigation against Bharti Hexacom Limited ("Bharti Hexacom")

Criminal cases

There is a criminal case filed by the Labour Enforcement Officer against Bharti Hexacom before the Additional Chief Judicial Magistrate, Jaipur in relation to non-compliance with the provisions of the Contract Labour (Regulation and Abolition) Act, 1970. This matter is pending.

Civil Cases

Loop Mobile India has filed a petition against Bharti Hexacom before TDSAT challenging the demand raised by Bharti Airtel for the termination charges in relation to SMSs. The amount involved is ₹ 886.50 million. This matter is pending.

In addition to those disclosed above, there are 128 civil cases filed against Bharti Hexacom in relation to Rajasthan service area and nine civil cases in relation to north east service area before various forums pertaining to *inter alia* eviction from the premises, land dispute and non-installation of equipment, unauthorised erection of towers, damage caused to the property, termination of lease deed, imposition of advertisement tax, deficiency of service, non-refund of security deposit, termination of distributorship agreement and other business agreements, petition filed under section 142 of the Electricity Act, 2003, laying of electric cable on the owner's land without permission, arbitration, stamp duty and compensation for death of workman during the course of his employment. These matters are pending.

Notices

DoT conducted a special audit on the financials of Bharti Hexacom for fiscals 2007 and 2008 and issued a show cause notice to Bharti Hexacom raising a demand for payment of license fees (including interest) of ₹ 97.60 million for fiscals 2007 and 2008 on the basis of the observations of the special audit report in relation to margin commission given to distributors and roaming and access charges. The aggregate demand amount including interest calculated is ₹ 103.40 million. DoT has directed Bharti Hexacom to pay the aforesaid amount by November 26, 2012. This matter is pending.

II. Writ petitions and public interest litigation

1. Justice I.S. Israni and others have filed a public interest litigation against the Union of India and Bharti Hexacom and others before the Rajasthan High Court. For further details, please see "Outstanding Litigation and Material Developments - Public Interest Litigation and Writ Petitions involving Bharti Infratel - Public Interest Litigation" on page 496.

2. Bharti Hexacom has filed a writ petition against the State of Rajasthan and others before the Rajasthan High Court, Jodhpur challenging the validity of the Rajasthan Tax on Entry of Goods into Local Areas Act, 1999. The aggregate amount involved is ₹ 449.33 million. Bharti Hexacom has paid ₹ 73.88 million under protest. This matter is pending. For further details, please also see "Outstanding Litigation and Material Development - Public Interest Litigation and Writ Petitions involving Bharti Airtel" on page 516**.**

In addition to those disclosed above, there are five writ petitions involving Bharti Hexacom filed before various High Courts in relation to *inter alia* challenging tax policy with respect to BTS towers, installation of tower without permission, air and noise pollution caused due to operation of tower, challenging the Telecom Unsolicited Commercial Communications Regulations, 2007, receipt of foreign exchange for providing service in India and outside India not being eligible duty credit scrip and challenging the prohibition on installation of towers. These matters are pending.

III. Litigation by Bharti Hexacom

Civil Cases

1. Bharti Hexacom has filed an appeal before the Supreme Court challenging the order passed by CESTAT, Bangalore, whereby the CESTAT upheld the order passed by the Commissioner of Customs demanding differential duty along with an equal amount of penalty apart from redemption fine based on re-assessment of the values of the equipment imported under the bills of entry for the period between 2002 and 2006. The total amount demanded is ₹ 192.18 million which includes penalty and redemption fine. This matter is pending.

2. Bharti Hexacom has filed two cases against DoT before TDSAT challenging the subscriber verification penalty imposed for the services provided in the north-east service area. The amount involved is ₹ 136.57 million. This matter is pending.

In addition to the above, Bharti Hexacom has filed an appeal before the CESTAT, Kolkata challenging the demand notice issued by the Commissioner of Central Excise, Shillong, for disallowances of CENVAT credit on tower and tower materials for the fiscal year 2006 to 2008. The demand amount involved is ₹ 28.25 million and the penalty of ₹ 28.26 million. This matter is pending.

In addition to those disclosed above, Bharti Hexacom has filed 19 civil cases filed in relation to Rajasthan service area and two civil cases in relation to north east service area before various forums pertaining to *inter alia* de-activation/barring of connections, contest/schemes disputes, billing disputes and refund of security deposit.

Past penalties paid by Bharti Hexacom

TERM cells of DoT had imposed certain penalties on Bharti Hexacom on account of non-compliance with guidelines and instructions issued by DoT with respect to subscriber verification as per the terms and conditions of the license agreement. The penalty was levied for the period from April 2007 to March 2009 at a flat rate of ₹ 0.001 million per non-compliant form and for the period after April 2009, the penalty was levied on the basis of extent and percentage of non-compliance. For the period from April 2007 to March 2009, the aggregate penalty paid was ₹ 11.11 million for various circles and for the period from April 2009 to March 2012, the aggregate penalty imposed was ₹ 419.55 million and the aggregate penalty paid was ₹ 159.24 million, respectively. Further, for the period between April 2012 and November 2012, the aggregate penalty imposed was ₹ 18.71 million and the aggregate penalty paid was ₹ 9.06 million respectively.

I. Litigation against Bharti Telemedia Limited ("Bharti Telemedia")

Civil cases

Bharti Telemedia had filed a case against DoT before TDSAT challenging the inclusion of non-licensed activities into the realm of adjusted gross revenue in relation to direct to home broadcasting services. An order was passed in favour of Bharti Telemedia which was subsequently reversed by the Supreme Court. The Supreme Court remanded the matter to the TDSAT holding that TDSAT may only interpret the license condition and not decide on its validity. The amount involved is ₹ 1,674.09 million. This matter is pending.

In addition to those disclosed above, there are 22 other civil cases filed against Bharti Telemedia before various forums in relation to *inter alia* refund sought after rejection of application made by a customer, nuisance caused by commercial communications, wrongful disconnection of direct to home services, deficiency of services, technical problems faced with respect to the direct to home box, non-activation, non-installation of direct to home services and non-payment of compensation for injury suffered by a workman during the course of employment. These matters are pending.

II. Public Interest Litigation and Writ Petitions involving Bharti Telemedia

1. Bharti Telemedia had filed 13 writ petitions challenging levy of entertainment tax on DTH broadcasting services in 13 states including Tamil Nadu, Karnataka, Delhi, Punjab, Uttarakhand, Madhya Pradesh, Assam, West Bengal, Uttar Pradesh, Chattisgarh, Orissa, Gujarat and Kerala before the respective High Courts on the ground that *inter alia* levy of entertainment tax on DTH broadcasting services by the state legislatures is unconstitutional as it is already taxed by the Central Government under the respective Finance Acts. The High Courts of Madhya Pradesh, Uttarakhand, Assam, Delhi and Allahabad have upheld levy of entertainment tax on DTH broadcasting services. Bharti Telemedia has challenged the adverse orders passed by the High Courts of Madhya Pradesh, Uttarakhand, Assam, Delhi and Uttar Pradesh by way of special leave petitions before the Supreme Court. The aggregate amount involved is ₹ 2,707.79 million out of which ₹ 1,657.56 million has been paid under protest by Bharti Telemedia. These matters are pending.

2. Bharti Telemedia has filed five writ petitions challenging levy of entry tax on equipments such as dish antennas and set top boxes in five states namely Jammu and Kashmir, Bihar, West Bengal, Goa and Rajasthan filed before the respective High Courts. These matters are pending.

3. Bharti Telemedia had filed a writ petition before the Supreme Court challenging the competence of the Union of India to impose service tax on the DTH services. The Delhi High Court dismissed the petition and subsequently, Bharti Telemedia has filed a special leave petition before the Supreme Court. This matter is pending.

4. Bharti Telemedia had filed two writ petitions against State of Tripura before the Gauhati High Court (Agartala Bench) challenging the levy of VAT on the equipments used in providing DTH Services. These matters are pending.

III. Litigation by Bharti Telemedia Limited ("Bharti Telemedia")

Civil cases

Bharti Telemedia has filed three civil cases before various forums in relation to *inter alia* non-installation of DTH connection, amusement tax and Kerela Tax on Luxuries Act, 1976.

Litigation against Bharti Airtel Services Limited

There are 45 civil cases filed against Bharti Airtel Services Limited in relation to labour related matters including *inter alia* forceful resignation and transfer of employees, termination of services without following proper procedure and non-payment of compensation for injury suffered by a workman during the course of employment. These matters are pending.

Litigation against Alcatel Lucent Network Management Services India Limited ("Alcatel")

There are 21 civil cases filed against Alcatel before various forums in relation to labour related matters including *inter alia* reinstatement of job with back wages and related reconciliation. These matters are pending.

Litigation by Airtel M Commerce Services Limited ("Airtel M Commerce")

Airtel M Commerce has filed an appeal before the State Consumer Redresssal Commission, New Delhi, against an *ex parte* order passed by the District Consumer Forum, New Delhi awarding ₹ 0.006 million in a consumer complaint filed before the District Consumer Forum by Asha Sharma claiming deficiency of service. This matter is pending.

Outstanding penalties involving Indian Group Companies

A summary of outstanding penalties (but not in litigation) involving the Indian Group Companies is as follows:

Sr. No.	Nature of penalty	Number of penalty cases	Amount involved (₹ in million)
Alcatel Lucent Network Management Services India Limited - Penalties imposed by tax authorities			
1.	Short receipt of work contract tax certificates at the time of assessment of value added tax	2	0.03

Litigation involving the Group Companies incorporated outside India

I. Litigation against Airtel Bangladesh Limited (earlier known as Warid Telecom International) ("Airtel Bangladesh")

Civil Cases

1. There are 20 cases filed before the Customs, Excise and VAT Appellate Tribunal (Appeals) ("CEVT") and 15 cases filed before the Customs Appeal pending under the Customs Act, 1969 wherein the Commissioner of Customs had valued certain SIM cards and scratch cards imported by Airtel Bangladesh at a rate higher than the valuation declared by Airtel Bangladesh. In order to release the consignment, Airtel Bangladesh provided a bank guarantee to the customs authorities for an amount equal to the difference in the valuation. Airtel Bangladesh had filed an application to the review committee (consisting of the members as the board determined for the purpose of reviewing the decision of the customs) which was refused. Subsequently, Airtel Bangladesh filed an appeal with the CEVT and has obtained a stay order in certain cases against the encashment of the various bank guarantees. In certain other cases, the appeal of Airtel Bangladesh at CEVT has been rejected and in such cases Airtel Bangladesh has filed an appeal with the High Court Division of the Supreme Court of Bangladesh. These matters are pending. The amount demanded under these cases is BDT 410.29 million. These matters are pending.

2. There are 17 cases filed before CEVT and two cases filed before the Customs Appeal pending under the Customs Act, 1969 wherein the Commissioner of Customs had issued notices for re-assessment of duty payable on certain network equipment imported by Airtel Bangladesh. Airtel Bangladesh filed review applications which were refused. Hardship applications were filed with the CEVT which were also rejected and Airtel Bangladesh filed an appeal before the High Court Division of the Supreme Court of Bangladesh ("HC Bangladesh") and HC Bangladesh ordered the CEVT to re-consider the hardship application. In 14 cases, the Tribunal rejected hardship application (for waiver of pre-deposit) and ordered to pay 20 per cent in each case (10 per cent cash and 10 per cent through bank guarantee) after admitting the appeals. We have filed 14 appeals (as writ petitions) before the HC Bangladesh challenging the rejection of the hardship applications. The High Court Division directed the Appellate Tribunal to admit the appeal of the petitioner after receiving the unconditional continuing bank guarantees and to proceed on accordance with law for disposal of the appeal. The aggregate amount under these cases is BDT 729.92 million. These matters are pending.

3. There are two appeals pending under the Customs Act, 1969 and VAT Act, 1991 before the High Court Division in relation issues including *inter alia* claims for VAT rebate and payment of duty. The amount demanded under these cases is BDT 7.16 million. These matters are pending.

4. There are two VAT cases pending before the Customs, Excise and VAT Appellate Tribunal where demand was raised by Large Payer's Unit ("LTU") on alleged tax evasion of from a foreign vendor payment during Warid Period. The Commissioner of LTU has passed an order demanding an amount of BDT 315.43 million under Section 55(1) if the VAT Act, 2011. On receipt of the letter, the tax consultant of Airtel Bangladesh lodged an appeal before the VAT Appellate Tribunal. However, instead of paying the statutory pre-deposit amount of ten per cent of the total demand, Airtel Bangladesh filed a hardship application for waving the pre-deposit amount. However, the Appellant Tribunal refused to entertain the hardship application. On a separate demand issued by LTU as interest for late deposit of VAT to government

treasury for the amount of BDT 2.00 million. The appeal filed by Airtel Bangladesh was rejected due to non-payment of ten per cent pre-deposit amount of the demand. Airtel Bangladesh has filed writ Petitions challenging the decision of the Appellate Tribunal before the High Court Division which directed the Appellate Tribunal to admit the appeal. These matters are pending.

5. There are 20 labour cases filed against Warid before the Chairman, First Labour Court, Dhaka in relation to various labour related issues, including but not limited to cases filed by staff for being categorised as permanent employees of Airtel Bangladesh. These matters are pending for hearing. Subsequently, after their termination, they have also filed 20 civil cases before the First Labour Court for restitution of employment. These matters are also pending

Tax related notices

Airtel Bangladesh has received various tax related notices in relation to *inter alia* importing of SIM cards upon the PSI, unpaid advance trade VAT, claim of VAT rebate, evasion of tax, payment of tax on import of machinery and classification of imported goods. These matters are pending.

II. Writ Petitions involving Airtel Bangladesh

1. Airtel Bangladesh has filed 28 writ petitions before the HC Bangladesh against the Commissioner of Customs and the National Board of Revenue in relation to various letters received from the Commissioner of Customs and National Board of Revenue for payment of additional customs duty on certain goods such as cable, battery cage and frame imported. The letter of the Commissioner of Customs classifies capital machineries imported as telecommunication equipment accessories under different HS Code and consequently withheld release of the imported capital machinery imported under LC Code and refused to release goods under bank guarantee. The note sheet generated by the Customs suggested that the cables imported as integral part of the BTS as standard accessories should be assessed separately under different HS Code. In most of these cases, the HC Bangladesh has stayed the operation of these letters and has ordered for the goods to be released pursuant to Airtel Bangladesh issuing bank guarantees for the disputed amount. The amount demanded under these cases is BDT 848.06 million. These matters are pending.

2. Airtel Bangladesh has filed a writ petition challenging the demand by The National Board of Revenue ("NBR") alleged on grounds of evasion VAT (SIM tax) for the amount of BDT 857.00 million as the SIM was removed from the registered warehouse. Subsequent to the filing of the writ petition, Airtel Bangladesh made payments during issuance of SIM cards to our distributors. This matter is pending.

3. Airtel Bangladesh has filed two writ petitions challenging the re-assessment of certain capital machinery by the customs authority. The aggregate amount involved is BDT 67.02 million. This matter is pending.

4. Airtel Bangladesh has filed a writ petition before the HC Bangladesh against the Bangladesh Telecom Regulatory Commission ("BTRC") from enforcing certain bank guarantees provided to BTRC. Airtel Bangladesh had provided these bank guarantees to back certain roll out obligations pursuant to the terms and conditions of their license. The roll out obligations were not met by Airtel Limited due to certain delays and BTRC demanded for the bank guarantees to be en-cashed. The HC Bangladesh has stayed the encashment of the bank guarantee. The amount involved is BDT 133.33 million. This matter is pending.

5. Airtel Bangladesh has filed two writ petitions against the Ministry of Finance and the National Board of Revenue before the High Court Division of the Supreme Court of Bangladesh challenging the inconsistency between Section 3 of the VAT Act, 1991, and the statutory regulatory order imposing liability on the lessee to pay VAT. The aggregate amount involved is BDT 14.50 million. This matter is pending.

6. Airtel Bangladesh has filed a writ petition before the HC Bangladesh against the Ministry of Finance, Ministry of Law, National Board of Revenue and Commissioner of Taxes against the imposition of tax of 0.5 per cent irrespective of profit or loss in an assessment year pursuant to the Finance Act, 2011. This matter is pending.

7. Airtel Bangladesh has filed a writ petition before the HC Bangladesh against the Commissioner of Customs and National Board of Revenue for fixing the tariff value per SIM card without considering the international market price of SIM cards. This matter is pending.

8. Airtel Bangladesh has filed a writ petition before the HC Bangladesh against the Commissioner of Customs and National Board of Revenue for the payment of advance trade VAT amounting to BDT 110.20 million. The Commissioner of Customs had directed Airtel Bangladesh to pay advance trade VAT under the provisions of the Customs Act, 1969. This matter is pending.

9. Airtel Bangladesh has filed a writ petition challenging the legality of one criminal case filed against the chief executive officer and the chief human resources officer of Airtel Bangladesh under Section 307 of the Labour Code, 2006. This matter is pending.

III. Litigation by Airtel Bangladesh

Criminal Cases

20 drivers have filed various miscellaneous criminal cases against the chief executive officer of Airtel Bangladesh for breaching interim order in labour cases. For details in relation to labour cases, please see "Outstanding Litigation and Material Development - Litigation against Airtel Bangladesh Limited – Civil Cases". In this regard, Airtel Bangladesh has filed 20 writ petitions against the aforesaid cases as well as the labour law cases. These matters are pending.

I. Litigation against Bharti Airtel Lanka (Pvt) Limited ("Airtel Lanka")

Criminal Cases

There are seven criminal cases filed against Airtel Lanka for matters including but not limited to public nuisance and unauthorised construction and damage to property. These matters are pending.

Civil Cases

1. The Sri Lanka Customs initiated an inquiry into shipments imported by Airtel Lanka for the period 2007 to 2009. According to calculations made by Sri Lanka Customs, excise duties amounting to LKR 591.64 million are alleged to have been evaded. The inquiry is still ongoing and no formal charge sheet has been issued by Sri Lanka Customs against Airtel Lanka. Post Clearance Audit Branch of the Sri Lanka Customs commenced another investigation into alleged overstatement of freight charges and insurance charges on commercial invoices. These matters have been pending since 2010 and only an investigation was conducted. This matter is pending.

2. The Sri Lanka Customs initiated an inquiry into false declarations made in relation to eight shipments of Airtel Lanka which were detained and seized. A cash deposit guarantee of LKR 154.00 million and a corporate guarantee for the value of the shipments were provided by Airtel Lanka for the release of the shipments. This matter is pending.

3. The Sri Lanka Customs initiated an inquiry into the alleged use of incorrect payment terms on certain customs declarations and are also conducted an investigation into the alleged failure to provide approvals to store Airtel Lanka's telecommunication equipment at a warehouse. A corporate guarantee of LKR 100.00 million was provided to the Sri Lanka Customs for the release of the goods in the warehouse. This inquiry in pending.

4. Arjuna Ranatunga has filed a case in the District Court of Colombo against Airtel Lanka claiming damages amounting to LKR 500.00 million for using his image from the award ceremony, following the "1996 Cricket World Cup". This matter is pending.

5. There are five civil cases initiated against Airtel Lanka and others before various forums for various property related matters including *inter alia* disputes with respect to ownership of land and breach of lease

agreements. These matters are pending. This matter is pending.

6. A case was filed by an individual in the High Court of the Provinces against the Police, Kalutara and Airtel Lanka for obtaining details of a nuisance caller. This matter is pending.

7. A case was filed by an individual before the Workmen's Compensation Commission against Airtel Lanka for compensation since an outsourced labourer died at one of Airtel Lanka's site. This matter is pending.

II. Writ Petitions involving Bharti Airtel Lanka (Pvt) Limited ("Airtel Lanka")

Airtel Lanka has filed a writ application in the Court of Appeal against the Sri Lanka Customs and others for the release of certain shipments which were detained and ceased. This matter is pending.

III. Litigation by Bharti Airtel Lanka (Pvt) Limited ("Airtel Lanka")

Criminal Cases

A case has been filed before the Magistrate's court in relation to theft of copper tapes at an Airtel Lanka site. Airtel Lanka is not a party to this case. This matter is pending.

Civil Cases

There are seven cases filed by Airtel Lanka against various individuals to recover outstanding dues. These matters are pending.

Litigation against Bharti Airtel Developers Forum Limited ("BADFL")

Airtel Zambia Holdings Limited has filed a petition against BADFL before the High Court of Zambia claiming that the petitioner is entitled to operate and exclusively use the name "Airtel" in the republic of Zambia. The trademark "Airtel" is registered in the name of Bharti Airtel and the trademark has been granted to Airtel Zambia Holdings Limited under the trademark license. This matter is pending.

Litigation against Airtel Networks Kenya Limited ("Airtel Kenya")

Civil Cases

1. Essar Telecom Kenya Limited (operating under the Brand "YU") ("Essar Kenya") has served an arbitration notice to Airtel Kenya under a site sharing agreement dated April 3, 2009 for breach of the aforesaid agreement and have obtained an injunction preventing Airtel Kenya from disconnecting equipments of Essar Kenya, following failure of Essar Kenya to make the relevant payments to Airtel Kenya under the site sharing agreement. Essar Kenya is due to pay USD 5.00 million to Airtel Kenya. Essar Kenya claims USD 22.00 million under the arbitration claim. These matters are pending.

2. Nyutu Agrovet has filed an arbitration claim against Airtel Kenya under the provisions of the Kenya Arbitration Act claiming wrongful suspension and termination of its distributorship contract with Zain leading to loss of earnings on their part. The arbitral tribunal awarded damages to the plaintiff for an amount of 540.00 million Kenya Shillings. Airtel Kenya filed an application for setting aside the award before the Nairobi High Court and the award was set aside. The plaintiff has an appealed this decision before the Appeal Court. This matter is pending.

3. The Commissioner of Income Tax ("CIT") has filed an appeal before the Court of Appeal against the order of the Local Committee which had approved the amortisation over the period of the licence and lease pending with the CIT. The disallowance of amortisation of the licence fee involve an amount of USD 55.00 million and disallowance of amortisation of the office lease agreement involve an amount of USD 4.50 million. This matter is pending.

4. The CIT has filed an appeal before the Court of Appeal Litigation against the order of the Local Committee which had held that Celtel Kenya was not thinly capitalized and therefore deductions in respect of interest

payments should have been allowed. The aggregate tax amount involved is USD 9.00 million. This matter is pending.

In addition to the above, there are various civil cases filed against Airtel Kenya in relation to *inter alia* removal of towers due to non-receipt of lease deed and co-location of work without the landlord's approval, wrongful suspension and termination of distributorship contract leading to loss of earnings, recalling of bank guarantee, enforcement of bank guarantee, infringement of copyright, unauthorized lease of tower site given by third parties and non-provision of premium rate service.

Notices

The tax authorities of Kenya have issued a tax notice to Airtel Kenya in relation to under-payment of corporate tax for the period 2009 along with demand for certain compensating tax for the period between 2005 to 2008. The aggregate amount involved is USD 12.45 million. This notice is pending.

The tax authorities of Kenya have issued a tax notice to Airtel Kenya raising a tax demand of USD 10.5 million for the period 2007-2010 on account of issues related to corporate tax, VAT, withholding tax, salary tax. This notice is pending.

Litigation against Airtel Madagascar SA ("Airtel Madagascar")

Airtel Madagascar has received tax notices from the tax and other authorities of Madagascar in relation to *inter alia* payment of VAT, salary tax, corporate tax, non-payment of commissions to dealers through non-cash benefits and shortfall in payment of regulatory fee. These notices are pending.

Litigation against Airtel Malawi Limited ("Airtel Malawi")

Civil Cases

There are various cases filed against Celtel Malawi before various forums in relation to *inter alia* eviction, damages for trespass, failure to account for cash and stock worth, claims by employees for recalculation of terminal dues, illegal termination of employment and related severance allowance, receiving payment through fraudulent means, damages for termination of a contract for passive services, claims in relation to a passive contract, infringement of trademark and breach of contract and losses caused due to branding costs. These matters are pending.

Notices

1. Airtel Malawi has received a tax notice from the tax authorities in Malawi in relation to capital gains tax demand of USD 17.00 million on the alleged transfer of business of Airtel Malawi by Zain. This notice is pending.

2. Airtel Malawi has received tax notices from the tax authorities of Malawi in relation to inter alia payment of VAT, excise duty and demand of withholding tax on management fee paid during the period 2009-10. These notices are pending.

Litigation against Airtel Gabon SA ("Airtel Gabon")

Civil Cases:

1. An arbitration claim has been filed against Airtel Gabon before Cour Communautaire de Justice d'Abidjan where plaintiff has claimed damages of USD 13.00 million for wrongful termination of passive maintenance contract. This matter is pending.

2. Agence de Regulation des Telecommunications has imposed a penalty of USD 4.50 million on Airtel Gabon in relation to deficiency in quality of services. Airtel Gabon has filed an appeal against this decision before the Conseil d'Etat (State Council for the Higher Administrative Court). This matter is pending.

3. Nine former employees of Airtel Gabon have filed a case before the Labour Inspector on the grounds of wrongful termination. Airtel Gabon had dismissed these employees on grounds of incompetence. The aggregate amount involved is USD 8.93 million. These matters are pending.

In addition to the above, there are various civil cases filed against Airtel Gabon in relation to *inter alia* compensation claimed by employees on account of wrongful dismissal from employment, dismissal from employment on account of financial manipulations and non -application of payment procedures and the supplier selection procedure.

Notices

1. The Government of Gabon has issued a tax claim against Airtel Gabon in relation to the reassessment undertaken for the period between 2007 to 2009. Based on the audit report issued by the authorities, there could be a potential tax demand of USD 287.00 million. The final demand notice is pending.

2. The Government of Gabon has issued a tax claim against Airtel Gabon in relation to the reassessment undertaken for the financial year 2010. Based on the audit report issued by the authorities, there could be a potential tax demand of USD 28.00 million. This notice is pending.

Litigation against Airtel Congo SA ("Airtel Congo")

Civil Cases

There are various civil cases filed against Airtel Congo in relation to *inter alia* wrongful termination of the contract due to malfunctioning of contact, lower payment of commission to dealers than the actual share in the revenue, abusive and irregular redundancies of employees, list of phone appeals taken by third person, denial of payment of commission, misappropriation of phone sales, non-renewal of head start contact, forceful resignation of employees, cancellation of the sale of land and dismissal of an employee on grounds of inferior performance. These matters are pending.

Notices

The tax authorities of Congo have issued a preliminary tax assessment on financial year 2010 –11 to Airtel Congo for an amount of USD 304.00 million which includes USD 245.00 million in relation to alleged transfer of assets business of Airtel Congo by Zain. The balance demand is on account of issues related to corporate tax, value added tax, withholding tax and dividend tax. This notice is pending.

Litigation against Airtel Ghana Limited ("Airtel Ghana")

The tax authorities of Ghana have issued a tax notice to Airtel Ghana on account of under declared taxable revenue and treatment of international interconnectivity at zero standard supply rather than standard rate supply for the year 2007. The aggregate amount involved is USD 1.07 million. This notice is pending.

In addition to the above, Airtel Ghana has received tax notices from the tax authorities of Ghana in relation to non-payment of VAT and communication service tax on local and international connectivity. These notices are pending.

Litigation against Celtel Niger S.A. ("Celtel Niger")

Civil Cases

There are certain cases filed against Celtel Niger in relation to *inter alia* termination of agreement, claims in respect of land occupation, claims for fees for illegal use of artistic works, embezzlement of cash and recovery of dues by the owners.

Notices

1. The tax authorities of Niger have issued a demand notice to Celtel Niger for the period 2009-11 on account of failure to make payment of special tax imposed on imports basis the exemption certificates issued to

Celtel Niger by tax authorities granting exemption from payment of such tax. The aggregate amount involved is USD 196 million. The tax authorities have confirmed that the demand has no basis and the custom authorities do not have any right to reject the exemption certificates granted to Celtel Niger and raise this demand. Confirmation letter from the custom authorities is still awaited. This notice is pending.

2. The tax authorities of Niger have issued a demand notice to Celtel Niger for the period between January 1, 2011 and June 30, 2012 on account of various taxes such as VAT, telecom tax, withholding tax, corporate tax, building tax and salary tax. The aggregate amount involved is USD 74.00 million. This notice is pending.

3. The regulatory authority in Niger has issued a penalty notice in relation to failure by Celtel Niger to meet certain license requirements. The aggregate amount of the penalty is USD 4.20 million. This notice is pending.

Litigation against Airtel Networks Limited ("Airtel Networks")

Criminal Cases

There are four criminal proceedings pending against Airtel Networks in relation to *inter alia* fraud committed by a call centre agent and violation of applicable environmental regulations in relation to construction of base stations by Airtel Networks and enforcement of the payment of Naira 262.40 million being payment of fumigation fee for the period from 2008 to 2011 pursuant to the provisions of Imo State Environmental Transformation Commission Law of 2008. These matters are pending.

Civil Cases

1. Econet Wireless Limited ("EWL") had filed a case before the Federal High Court of Lagos alleging that the allotment of 5,000,000 shares in Airtel Networks as part of a settlement agreement in 2002 was irregular and the shares were improperly cancelled. The Federal High Court of Lagos held that EWL is still a shareholder of Airtel Networks and the shares held by EWL amount to less than five per cent of the capital of Airtel Networks and that its removal as a shareholder was null and void. Airtel Networks has filed an appeal before the Appeal Court of Kaduna. This matter is pending. For further details in relation cases filed by EWL in relation to shareholding in Airtel Networks, please see "Outstanding Litigation and Material Developments - Litigation against Bharti Airtel Africa B.V. – Civil Cases" on page 533.

2. Samuelson Management Limited ("Applicant") has filed a case against Econet Wireless Nigeria, Airtel Networks and others before the High Court where the Applicant has claimed USD 3.37 million along with damages of USD 100.00 million in relation to its fees for sourcing of suitable investors for the defendants and the consequent breach of contract. This matter is pending.

3. Celtel International has filed a case against Airtel Networks and Corporate Affairs Commission before Abuja Federal High Court claiming monetary damages of USD 20.00 million along with interest and for injunction restraining Airtel Networks from using its corporate name and for striking out of the registered name of Celtel Nigeria from the Registrar of Companies. This matter is pending.

4. Vistec Associates Limited ("Vistec") has filed a case against Airtel Networks before the Lagos Federal High Court for damages and injunction to restrain Celtel Nigeria from copyright infringement as the promotional campaign of Celtel Nigeria titled "Scratch and Win" was similar to "Spell &Win/Scratch" promoted by Vistec. The aggregate amount involved is USD 6.60 million. This matter is pending.

5. Silon Concept Limited has filed two cases against Airtel Networks before the Lagos High Court for breach of contract and defamation. The aggregate amount involved is USD 6.60 million. This matter is pending.

6. Emmanuel Orjika has filed a case against Airtel Networks and others before the Lagos High Court for assault committed against him and has claimed compensation of USD 6.60 million for assault, medical bills and other expenses. This matter is pending.

7. Plus Limited has filed a case against Airtel Networks before the Lagos High Court for recovery of dealer commission and other income such as income, bonus in relation to the active subscribers and call logs provided by Plus Limited to Airtel Networks. The aggregate amount claimed is USD 32.60 million. This matter is pending.

8. Bauchi State Signage and Advertisement Agency has filed a civil case against Airtel Networks before the Bauchi High Court where the plaintiff has claimed USD 5.40 million being the monetary sum due from Airtel Networks as signage and advertisement fees for the period between 2008 and 2012 along with the interest at the rate of 21 per cent per annum on the said sum. This matter is pending.

In addition to the cases disclosed above, there are 130 civil property cases filed against Airtel Networks before various forums in relation to land titles and other civil cases involving *inter alia* wrongful cancellation of bank guarantee, wrongful enforcement of bank guarantee, non-payment of commission for sale of stock, non-payment of commission for procuring of subscribers and call logs, issue of demand notice in breach of the contract, illegal deduction from incentive on grounds of withholding of tax, constant interruption of plaintiff's business, shutting down of base station, unlawful use of facility affecting the peaceful enjoyment of property, wrongful deduction of amount on account of subscription fee, evacuation from the property, non-payment for use of fuel saver, mounting of telecommunication mast against the applicable provisions, destruction of property due to installation of telecom mast, alienation of property, declaration of ownership, violation of shareholders agreement and declaration of lapsing of the tenancy agreement, enforcement of bank guarantee, imposition of annual fumigation charges and control fee and enforcement of an award issued by Nigeria Commission, denial of access to Airtel Networks to the base station premises and validity and enforceability of lease agreement. These matters are pending.

Notices

The Economic and Financial Crimes Commission of Nigeria have issued a demand notice to Airtel Networks in relation to various matters for payment of VAT, withholding tax and corporate tax. The aggregate amount involved is USD 15.15 million. This notice is pending.

In addition to the above, the tax and other regulatory authorities of Nigeria have issued various notices to Airtel Networks in relation to *inter alia* failure to conduct an environmental impact assessment, unpaid import duties, signage and advert fee, annual maintenance cost for fibre, environmental sanitation charges, land charges, shortfall in payment of tax, economic development levy, failure to withhold tax, corporate tax, education tax and delayed payment to trust funds. These notices are pending.

Litigation by Airtel Networks

Civil cases

1. Airtel Networks has instituted a legal action against the Oyo State Government and 35 local government authorities before the Oyo State High Court in relation to threat received from the aforesaid authorities for demolition of sites due to non-payment of planning permit fees upon receipt of demand notice for the same. This matter is pending.

In addition to those disclosed above, there are 20 civil cases filed by Airtel Networks before various forums in relation to *inter alia* recovery of sum negligently paid, recovery of outstanding payment on invoices issued to the defendant under the service provider agreement, recovery of from a distribution partner who failed to comply with payment plan for credit facility, recovery of dues for undertaking trading activities, existence of landlord and tenant relationship, recovery of sum in relation to lease of property, issue of award by an arbitrator in excess of its authority and outside the terms of reference, payment of renewal fees in respect of base stations, recovery of certain outstanding indebtedness and authority of the state government to collect signage fees at the applicable advertising rates. These matters are pending.

Litigation against Celtel Zambia Plc ("Celtel Zambia")

Civil Cases

1. Chanda Mutoni and others ("Applicants") have filed a case against Bharti Airtel Zambia Holdings BV ("Zambia Holdings") and Celtel Zambia before the Lusaka High Court on the ground that Zambia Holdings was not entitled to acquire the shares of the Applicants in the Celtel Zambia or any of them due to non-compliance with the provisions of the Companies Act of Zambia and of the terms of the offer dated February 18, 2011 and made by Bharti to all the holders of shares in the Celtel Zambia. The High Court held that Zambia Holdings did not comply with the provisions of the Companies Act and ordered that the terms of the compulsory acquisition notice in respect of the shares were to be varied to the extent that a provision be included giving the Applicants herein the option of allotment of shares in the transferee company and/or at the option of the holders a payment of cash. The matter has been appealed by Celtel Zambia to the Supreme Court. This matter is pending.

2. Bascom Enterprises Limited and others ("Applicants") have filed a case against Bharti Airtel Zambia BV ("BAZH"), Celtel Zambia and the Securities and Exchange Commission before Lusaka High Court to compel BAZH to disclose the value paid by them for the acquisition of 78.9 per cent shares in Celtel Zambia and for an order for the recalculation of the fair market value per share of Celtel Zambia shares as on June 28, 2010 and for payment of the difference between the aforesaid amounts. The applicants are former shareholders who exercised their right to sell when the mandatory offer was made by Bharti. This matter is pending.

In addition to the above, there are certain other cases filed against Celtel Zambia in relation to *inter alia* claim of payment of bonus by certain employees, claim of a prize by an employee, breach of contract in relation to refuelling services, damages for malicious prosecution and false imprisonment, claim of *mesne* profits for the loss of use in the period taken to restore the warehouses, breach of contract due to cancellation of the tender award, illegal termination, trespass and conduct of unauthorised activities on the premises, harassment of the plaintiff due to wrongful claim of diesel theft, underpayment of gratuity on separation of the employee from the company and outstanding payment for accommodation and related services provided to the company and its consultants. These matters are pending.

Notices

Celtel Zambia has received tax notices from the tax authorities of Zambia in relation to *inter alia* VAT under the promotional loyalty programme and inter-connection services, default in payment of statutory pension contributions and non-payment of excise duty. These notices are pending.

Litigation against Airtel Tchad S.A. ("Airtel Tchad")

Civil Cases

There are certain civil cases filed against Airtel Tchad before various forums in relation to *inter alia* retribution of phone number, antenna related health problem, suspension of roaming service, termination of employee contract, certain claims of a supplier for payment and allocation of land for the site. These matters are pending.

Notices

There are certain tax related notices issued against Airtel Tchad by various authorities which involves demand on account of issues related to corporate tax, VAT, withholding tax, salary tax, dividend tax and building tax. These matters are pending.

Litigation against Celtel Congo (RDC) S.ar.l. ("Airtel DRC")

Civil Cases

Global Web Dimension has claimed damages of USD 14.50 million against Airtel DRC for the unauthorised use of the 3 SIM Mapassa promotion on which they have claimed IP rights. This matter is pending.

NBC has claimed ownership of spectrum in the 3G frequencies in accordance with an authorization from the Minister of Telecommunications and has claimed USD 5.00 million in damages from each of the three 3G licenced operators, Airtel, Vodacom and Tigo. This matter is pending.

Notices

Airtel DRC has received a notice from the Finance Inspection in relation to tax payments which were paid by Airtel DRC but the authorities raised demand for the same taxes again. The aggregate amount involved is USD 30.00 million. This matter is pending.

Airtel DRC has received a notice from the Finance Inspection in relation to tax payment notices issued by the Environment Ministry. The aggregate amount involved is USD 26.00 million. This matter is pending.

In addition to the above, Airtel DRC has received various tax related notices in relation to claims for *inter alia* advertisement tax, VAT, import duties, expatriate salary tax, excise duty, corporate tax, delay in payment of applicable tax, demand on unpaid statutory contribution, tax demand for various measurement instrument used by Airtel DRC and default in payment of social tax. These matters are pending.

Litigation against Airtel (SL) Limited ("Airtel SL")

Civil Cases

There are certain cases failed against Airtel SL in relation to *inter alia* liability in relation to fatal road accident, damages for payment received by fraud, wrongful termination of employment, accident by company vehicle, termination of employee benefits and failure to undertake necessary repairs during the lease period.

Notices

Airtel SL has received a tax notice from the tax authorities of Sierra Leone in relation to *inter alia* shortfall and default in payment of corporate tax, failure to withhold tax on management fee and interest on shareholder loan. This notices is pending.

Litigation against Airtel Tanzania Limited ("Airtel Tanzania")

Civil Cases

There are certain cases failed against Airtel Tanzania in relation to *inter alia* claim of damages from accident of a car owned by Airtel Tanzania, illegal entry and erection of telecommunication towers, imposition of advertisement levy, handing over of sites, illegal termination and reinstatement of employment by an employee, payment of commission for installation of payphone, payment for the excess limit usage despite several invoices, failure to make payment in relation to sponsoring of the event, failure to make payment for transportation and recovery of unaccounted airtime vouchers and unauthorised credit. These matters are pending.

Notices

Airtel Tanzania has received three tax notices from the tax authorities of Tanzania in relation to *inter alia* demand on account of excise duty, import duty and VAT. These notices are pending.

Litigation against Airtel Uganda Limited ("**Airtel Uganda**")

Civil Cases

There are certain cases filed against Airtel Uganda in relation to *inter alia* use of polluting generator at the base station, trespass on land, occupation of land without authorisation, breach of employment agreement and claim of unpaid salary and compensation, imposition of tax on supply of airtime, recovery of leasehold premises, breach of contract by under declaration of revenue from ticket sales, non-payment of inter-connect fees, termination of dealership agreement and infringement of right of religion under the constitution by putting a bill board. These matters are pending.

Notices

Airtel Uganda has received certain tax notices from the tax authorities of Uganda in relation to *inter alia* demand on account of import of goods under incorrect classification, failure to make statutory contribution and interest on delayed payment of VAT on free airtime provided to employees. These notices are pending.

Litigation against Bharti Airtel Africa B.V. ("Africa BV")

Civil Cases

1. Lusaka Stock Exchange Limited ("LuSE") has filed a petition against Zain International BV, Bharti Airtel International Netherlands B.V., Africa BV and Bharti Airtel Zambia Holdings BV before Lusaka High Court where LuSE has claimed the payment of USD 0.20 million from Zain International BV and USD 0.20 million from the other defendants collectively, being commission due to LuSE as a result of the change of control of Bharti Airtel Zambia. This matter is pending.

2. Econet Wireless Limited ("EWL") has filed a statement of appeal against Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings II B.V. and Bharti Airtel Africa, before the Amsterdam Court of Appeal against the order of the Haarlem District Court on the ground that it did not have jurisdiction to render judgment in the claim against defendants as the parties had agreed that the dispute fell under the arbitration clause of the shareholders agreement. The matter pertains to the claim of EWL against the defendants concerning sale of shares by certain shareholders of a Nigerian mobile telecom company, Vee Networks Limited, to Airtel Networks Limited and has prayed for a declaratory judgment that the defendants had committed an unlawful act against EWL by virtue of the tort of causing loss by unlawful means and inducing breach of contract. No quantum has been established yet for this claim. This matter is pending.

3. EWL commenced arbitration proceedings against Celtel Nigeria B.V. and others pursuant to the dispute resolution provisions contained in a shareholders agreement dated April 30, 2002 (the "Shareholders Agreement"). Celtel Nigeria B.V. became a party to the Shareholders Agreement as a consequence of a Deed of Adherence executed by it on May 26, 2006. Further, EWL alleged a breach of its pre-emption rights under the Shareholders Agreement in connection with the sale of 65 per cent shares in Vee Networks Limited to Celtel Nigeria B.V. The arbitral tribunal delivered a partial final award in which it held that the offer letter for right of first refusal was not valid and did not comply with the shareholders agreement since the escrow arrangements were unclear and unworkable. The arbitral tribunal held that EWL may be entitled to damages and reserved final award of damages for a later hearing specifically on damages. However, the arbitral tribunal held that the transaction pursuant to which certain shareholders disposed of 65 per cent of the issued share capital of the Company to CNBV is not to be reversed. CNBV has lodged an application before the High Court in Lagos to set aside the partial final award. This matter is pending.

Litigation against Bharti Airtel Nigeria B.V.

Other than cases disclosed in "Outstanding Litigation and Material Developments - Litigation against Bharti Airtel Africa B.V." on page 533, there are no cases pending involving Bharti Airtel Nigeria B.V.

Litigation against Bharti Airtel Nigeria Holdings II B.V.

Other than cases disclosed in "Outstanding Litigation and Material Developments - Litigation against Bharti Airtel Africa B.V." on page 533, there are no cases pending involving Bharti Airtel Nigeria Holdings II B.V.

Bharti Airtel (USA) Limited ("Airtel USA")

Tax related notices

Airtel USA has received five tax related notices in relation to *inter alia* non payment of state corporate tax, non filing of franchise tax and loans tax returns, wrong calculation of sales and usage tax, for non deposit of tax, recovery of tax dues. These matters are pending.

Bharti International Singapore Pte. Limited ("BISPL")

Tax related notices

The Inland Revenue Authority of Singapore has issued a notice to BISPL for short deposit of withholding tax in case of interest paid to Bank of Nova Scotia Asia Limited, Singapore and Standard Chartered Bank, London. The aggregate amount involved is SGD 12,970. This matter is pending.

Outstanding penalties involving foreign Group Companies

A summary of outstanding penalties (but not in litigation) involving the foreign Group Companies in which penalties aggregating ₹ 250 million or above are involved is as follows:

Sr. No.	Nature of penalty	Number of penalty cases	Amount involved (USD in million)
Celtel Zambia and Celtel Congo (RDC) S.ar.l.			
1.	Penalty imposed by the Competition and Consumer Protection Commission of Zambia in relation to unfair trade practices consisting of automatic subscription of certain value added service without knowledge or consent of customers subsequent imposition of charge for deregistration from the service	1	5.00 (approximately)

Litigation involving certain Joint Ventures

Litigation or proceedings involving Indus which involve amounts aggregating ₹ 250 million and more have been individually described. In addition, criminal cases, public interest litigation and writ petitions involving Indus have been disclosed in a consolidated basis.

I. Litigation against Indus Towers Limited ("Indus")

Criminal Cases

There have been 21 criminal cases filed against Indus before various forums on grounds of *inter alia* public nuisance and failure to obtain permission from authorities, radiation and health hazards caused due to operation of towers, blocking of common passage during construction of towers, marking of forged documents and bills, criminal breach of trust by employees, criminal intimidation and electricity theft. These matters are pending.

Tax related cases

1. Indus has filed an appeal before the Commissioner of Income Tax, Delhi, against the assessment order issued for the fiscal 2009 where a loss of ₹ 3,194.00 million had been reduced by the Income Tax Department. Further, a penalty proceeding was initiated by the Assistant Commissioner of Income Tax in this regard which has been kept in abeyance. This matter is pending.

2. Indus has filed appeals before the appellate authority in Rajasthan challenging imposition of entry tax demands of ₹ 235.60 million and penalty of ₹ 77.2 million in relation to inter-state purchases during fiscals 2009, 2010 and 2011. Indus has deposited ₹ 69.27 million along with a bank guarantee of ₹ 105.69 million as per the interim orders passed by the appellate authority in accordance with the directions of the Rajasthan High Court. These matters are pending.

Notices

Tax related notices

1. Indus has received a notice from the Commissioner of Service Tax, New Delhi, in relation to disallowance of CENVAT credit taken by Indus for excise duty charged by suppliers on equipments including towers, DG sets and shelters, air conditioners and service tax payable on certain operation and maintenance services for fiscals 2009, 2010, 2011 and 2012. The aggregate amount involved is ₹ 21,828.23 million. This notice is pending for adjudication.

2. Indus has received a notice from the Andhra Pradesh VAT Department for levy of VAT on service fee received under the master services agreement on the allegation of transfer of right to use and sale of plant and machinery based on the credit entries appearing in trial balance for fiscals 2009, 2010 and 2011. Indus has replied to this notice and has raised preliminary objections on the grounds of jurisdiction and source of calculation of liability amount. The aggregate amount involved is ₹ 11,793.82 million. This notice is pending.

3. Indus has received a notice from the Tamil Nadu VAT Department for levy of VAT on service fee payable under the master services agreement on the allegation of transfer of right to use for fiscals 2009 and 2010. Indus has replied to this notice and has raised preliminary objections on the grounds of jurisdiction and source of calculation of liability amount. The aggregate amount involved is ₹ 8,673.87 million. This notice is pending.

4. Indus has received a notice from the Tamil Nadu VAT Department in relation to levy of penalty for alleged misuse of Form ‘C’ for fiscals 2009 and 2010. The penalty has been imposed at the rate of 150 per cent of the applicable VAT rates on the value of capital expenditure incurred. Indus has replied to this notice on the grounds of use of interstate material purchased by Indus only for telecom network. The aggregate amount involved is ₹ 1,182.19 million. This notice is pending for adjudication.

II. Writ Petitions involving Indus

1. Indus has filed a writ petition against the Andhra Pradesh VAT Department and others before the Andhra Pradesh High Court in relation to issue of demand notices and a show cause notice for levy of penalty for alleged misuse of Form ‘C’ for the fiscals 2009, 2010 and 2011. The penalty was levied at the rate of 150 per cent of the applicable VAT rates on the basis of value of capital expenditure. The Andhra Pradesh High Court has set aside the demand notices for penalty of ₹ 170.50 million for the fiscal 2009 and ₹ 792.22 million for fiscal 2010. In this regard, Indus had paid ₹ 240.68 million under protest and which has fallen due for refund after the order of the Andhra Pradesh High Court. Further, the Andhra Pradesh VAT Department had issued a show cause notice for the penalty of ₹ 324.35 million for fiscal 2011. This matter is pending.

2. Indus has filed a writ petition before the Delhi High Court against the advance ruling issued by the Delhi VAT Department in relation to imposition of VAT on service fee received under the master services agreements as it does not involves transfer of the right to use. The assessment order was issued for the period from April 1, 2008 to March 31, 2009. A stay was granted by the Delhi High Court which was later reserved by the Delhi High Court by way of a separate order. The aggregate amount involved is ₹ 271.48 million. This matter is pending.

In addition to the above, there have been 316 writ petitions and one public interest litigation involving Indus before various High Courts and Supreme Court on grounds of *inter alia* demolition of tower sites, imposition of penalty by the Revenue Divisional Officer, demand notice for obtaining approvals and licenses, sealing of mobile towers, challenge against Shashti levied by the Municipal Corporations, adverse policies passed by the Municipal Corporation, levy of taxes for erection of towers, cess imposed for erection of towers, penalties imposed for unauthorized construction and tariffs, orders passed by the Human Rights Commission in relation to the operations, orders staying construction of towers, arbitrary issuance of permit cancellation notice, grant of police protection against obstruction caused at tower site, disconnection of electricity supply to towers, non restoration of power supply and orders mandating compulsory registration. These matters are pending.

III. Litigation by Indus

Criminal Cases

There have been 20 criminal cases filed by Indus before various forums on grounds of *inter alia* cheating, criminal breach of trust, theft of materials from the site, dishonest retention of stolen property, illegal trespass on site and threatening of company technicians, obstruction of site workers from ingress and egress and dishonour of cheque. These matters are pending.

GOVERNMENT APPROVALS

On the basis of the list of approvals below, the Company is permitted to carry on its business activities.

Incorporation Details

- Certificate of incorporation dated November 30, 2006 issued by the RoC as Bharti Infratel Limited.
- Certificate of commencement of business dated April 10, 2007 issued by the RoC to the Company.

Business Related Approvals

- The Company is registered with the Government of India, Ministry of Communication and IT, Department of Telecommunications, as Infrastructure Provider Category I (IP-1) No. 145/2007 to establish and maintain the assets, i.e., dark fibres, right of way, duct space, co-location space and power (AC/DC) and tower, to grant on a lease/rent/sale basis to the licensees of the telecommunication services under Section 4 of the Indian Telegraph Act, 1885 on mutually agreed terms and conditions.
- The few other key permissions and approvals required for tower business, are set out below:
  - Approval from local authorities, as applicable, such as Municipal Corporation or Municipal Council, Gram Panchayat and Industrial Development Corporation, by submitting necessary documents such as structural stability certificate for roof top towers, no-objection certificate and agreement with landlords along with permission charges, if any.
  - Permission from pollution control board wherever applicable for operation of DG sets.

  In addition to this, for the operation of telecommunication infrastructure, approval from SACFA is obtained by relevant service providers for site and antenna clearance. The SACFA approval consists of clearance from various Central Government authorities such as Airport Authority of India, Ministry of Railways and Defence.

Certain approvals may have elapsed in their normal course and the Company has either made an application to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. The Company undertakes to obtain all approvals, licenses, registrations and permissions required to operate its business.

Some of the required approvals for the existing sites are still in the name of the Promoter and the Company is in the process of transferring these approvals in the name of the Company. Please see the section "Risk Factors – Licences and permits required in the tower business are varied and may be difficult to obtain, and once obtained, may be amended or revoked or may not be renewed" on page 23.

Intellectual Property

The "Infratel" trademark is registered in the name of the Company under class 9 and class 38 of the Trade Mark Rules, 2002.

Tax Related Approvals and Other Registrations

- Permanent Account Number - AADC B0274F
- Service Tax Code – AADCB0274FST001
- Tax Deduction Account Number – DELB09347C
- Registration no. PSA/REG/GGN/LI-GGN-2-6/0014252 obtained under the Punjab Shops and Commercial Establishments Act, 1958, as amended, for the corporate office at 901, 201 Park Centra, Vill- Silokhara Sector 30, NH8, Gurgaon – 122001

In addition to the aforesaid approvals and registrations, the Company also maintains registration for VAT and CST in the states where the Company operates.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution passed by the Board of Directors through circulation on August 30, 2012, subject to the approval of shareholders of the Company through a special resolution to be passed pursuant to Section 81 (1A) of the Companies Act.

The Shareholders of the Company have authorised the Issue by a special resolution pursuant to Section 81(1A) of the Companies Act, passed at the EGM of the Company held on September 7, 2012.

Compassvale and Nomura have authorised the Offer for Sale pursuant to the terms of resolutions of their board of directors, dated September 4, 2012 and September 3, 2012, respectively, Anadale has authorised the Offer for Sale pursuant to the terms of resolutions of its board of directors dated September 7, 2012 and November 26, 2012 and GS Strategic has authorised the Offer for Sale through its letter dated September 13, 2012.

The Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated September 25, 2012 and September 26, 2012, respectively.

The Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered and sold in the Offer for Sale for more than one year prior to the date of filing of the Draft Red Herring Prospectus and that the Selling Shareholders have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also confirmed that they are the legal and beneficial holder(s) of and have full title to, the Equity Shares being offered under the Offer for Sale.

Prohibition by SEBI or Other Governmental Authorities

The Company, the Promoter, the Directors, Promoter Group entities, Group Companies, persons in control of the Company, natural persons in control of the Promoter, and the Selling Shareholders, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which the Promoter, Directors or persons in control of the Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors are in any manner associated with the securities market. There has been no action taken by SEBI against the Directors or any entity the Directors are involved in as promoters or directors.

Prohibition by RBI

Neither the Company, the Promoter, the Directors nor the Group Companies are identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with the Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetory assets.
- The Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.
- The Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12

months each);

- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company; and

- The Company has not changed its name in the last fiscal year.

The Company's net worth, net tangible assets, monetary assets and pre-tax operating profit derived from the restated financial statements included in this Red Herring Prospectus as at, and for the period ended September 30, 2012 and as at, and for the last five years ended fiscal 2012 are set forth below:

(₹ *in million, unless otherwise stated*)

Particulars	As at and for the six month period ended September 30, 2012	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Pre-tax operating profit as Restated(1) – Unconsolidated financials	3,002.0	5,729.2	4,261.1	2,640.9	2,756.7	662.2
Pre-tax operating profit as Restated(1) – Consolidated financials	5,620.6	9,856.6	6,770.6	3,027.3	1,586.3	609.5
Net Worth- Unconsolidated financials (2)	148,656.7	147,431.7	143,513.7	140,361.5	104,589.8	102,624.9
Net Tangible Assets- Unconsolidated financials (3)	148,618.4	147,366.7	143,380.3	140,282.7	104,564.3	102,624.9
Monetary Assets - Unconsolidated financials (4)	436.0	178.1	42.9	6,606.1	132.9	1,476.5
Monetary Assets as a percentage of the net tangible assets	0.3%	0.1%	0.03%	4.7%	0.1%	1.4%

1. *Pre-tax operating profit refers to restated profit before tax excluding other income*

2. *"Net worth" represents sum of Equity Share Capital, Reserves and Surplus (Securities Premium, General Reserve including those arising from BAL and Bharti Infratel Demerger Schemes, Stock options outstanding and Surplus in the Statement of Profit and Loss).*

3. *"Net tangible assets" means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 notified by the Government of India under Companies (Accounting Standards) Rules, 2006.*

4. *"Monetary Assets" comprise cash and bank balances.*

Further, in accordance with Regulation 26(4) of the SEBI Regulations, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGERS HAVE

CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2012 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

(A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID [(1)].**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER's CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE ISSUE SIZE IS MORE THAN ₹ 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

   (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

   (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. - <u>NOTED FOR COMPLIANCE</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

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1. *The SEBI registration certificate of Karvy Computershare Private Limited, the Registrar to the Issue, had expired on July 31, 2012. As required under Regulation 8A (2) of the SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2011, an application dated April 27, 2012 for permanent registration was made by Karvy Computershare Private Limited to SEBI. The approval of SEBI is awaited.*

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE JGCBRLMS, THE BRLMS AND THE CBRLMS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Karvy Computershare Private Limited, the Registrar to the Issue, pursuant to its application dated April 27, 2012, has received a permanent registration certificate dated October 18, 2012 from SEBI.

Caution - Disclaimer from the Company, the Selling Shareholders, the JGCBRLMs, the BRLMs and the CBRLMs

The Company, the Directors, the JGCBRLMs, the BRLMs and the CBRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's website http://www.bharti-infratel.com, would be doing so at his or her own risk. The Selling Shareholders accept no responsibility for statements made in this Red Herring Prospectus except for statements in relation to each Selling Shareholder about or in relation to itself and the Equity Shares offered by it in the Issue.

The JGCBRLMs, the BRLMs and the CBRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement.

All information shall be made available by the Company, the Selling Shareholders (to the extent applicable), the JGCBRLMs, the BRLMs and the CBRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company, the Selling Shareholders nor any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

The JGCBRLMs, the BRLMs, the CBRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, the Company and their respective Group Companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Company and their respective Group Companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. persons that are "qualified institutional buyers" (as defined in Rule 144A) and referred to in this Red Herring Prospectus as "U.S. QIBs" (which, for the avoidance of doubt, does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") that are also "qualified purchasers", or "QPs", (as defined in section 2(a)(51) of the U.S. Investment Company Act and the rules and regulations thereunder) acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States, to non-U.S. persons in reliance on Regulation S.

Disclaimer Clause of BSE

BSE has given vide its letter no. DCS/IPO/NP/IP/335/2012-13 dated September 25, 2012, permission to the Company to use BSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(ii) warrant that the Company's securities will be listed or will continue to be listed on BSE; or

(iii) take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the offer document has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/1182062-6 dated September 26, 2012 permission to the Company to use NSE's name in this offer document as one of the stock exchanges on which the Company's securities are proposed to be listed. NSE has scrutinised the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after the Company and the Selling Shareholders become liable to repay it, then the Company, every Director of the Company who is an officer in default and the Selling Shareholders shall, in proportion to the number of Equity Shares offered/issued by each of them in the Issue, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of interest of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days from the Bid/Issue Closing Date. Further, the Selling Shareholders confirm that they shall extend all reasonable co-operation required by the Company, the JGCBRLMs, the BRLMs or the CBRLMs, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares (offered by each such Selling Shareholder in the Issue) are proposed to be listed within 12 Working Days from the Bid/Issue Closing Date.

Price information of past issues handled by the JGCBRLMs

I. DSPML

1. Price information of past issues handled by DSPML

Sr. No.	Issue name	Issue size (₹ mm)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	Adani Power Limited	30,165.2	100.00	August 20, 2009	105.00	100.05	0.0%	15,012.32	102.85	15,666.64	101.20	16,123.67	100.90	16,741.30
2.	Jaypee Infratech Limited	22,576.0	102.00(1)	May 21, 2010	93.00	91.30	(10.5%)	16,445.61	83.30	16,944.63	76.55	16,657.89	86.35	17,876.55
3.	Standard Chartered Plc	24,863.5	104.00(2)	June 11, 2010	105.00	103.05	(0.9%)	17,064.95	108.75	17,876.55	107.35	17,700.90	108.25	17,937.20
4.	Coal India Limited	151,994.4	245.00(3)	November 4, 2010	287.75	342.35	39.7%	20,893.57	317.20	20,309.69	320.00	19,691.84	322.30	19,966.93
5.	A2Z Maintenance and Engineering Services Limited	7,762.5	400.00(4)	December 23, 2010	390.00	328.90	(17.8%)	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53

Source: *www.bseindia.com*

1. *Issue price for eligible shareholders, non-institutional investors and Qualified Institutional Bidders: ₹102.00 per equity share; issue price for retail individual investors: ₹ 96.90 per equity share*

2. *Issue price for non-institutional investors, QIB category and anchor investors: ₹104.0 per IDR; Issue price for retail individual investors and eligible employees: ₹. 98.80 per IDR.*

3. *5% discount to the offer price was offered to the retail individual bidders and the eligible employees bidding under the employee reservation portion, based on actual allotment*

4. *A discount of 5% to the issue price was given to the employees at the time of allotment*

Notes:

a. Benchmark index is Sensex.

b. In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered

c. 10th listing day has been taken as listing date plus 9 calendar days

d. 20th listing day has been taken as listing date plus 19 calendar days

e. 30th listing day has been taken as listing date plus 29 calendar days

2. Summary statement of price information of past issues handled by DSPML

Financial year	Total no. of IPOs (1)	Total funds raised (₹ mm)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
FY 2010	1	30,165.2	-	-	-	-	-	1	-	-	-	-	-	1
FY 2011	4	2,07,196.4	-	-	3	-	1	0	-	-	2	-	1	1
FY 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Based on the date of listing

II. JPM

1. Price information of past issues handled by JPM

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index (1) on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	JSW Energy Limited	2,700.00	100.00 [1]	January 4, 2010	102.00	100.75	0.75%	17,558.73	117.6	17,509.80	111.5	16,859.68	105.35	16,163.44
2.	Persistent Systems Limited	168.01	310.00	April 6, 2010	400.00	408.00	31.61%	17,941.37	398.05	17,639.26	397.3	17,694.20	396.4	17,087.96
3.	Oberoi Realty Limited	1,028.61	260.00	October 20, 2010	280.00	282.95	8.83%	19,872.15	277.15	20,032.34	290.25	20,852.38	264.8	19,930.64
4.	Prestige Estates Projects Limited	1,200.00	183.00	October 27, 2010	190.00	192.55	5.22%	20,005.37	205.95	21,004.96	197.35	20,309.69	162.2	19,318.16

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [(1)] on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
5.	MOIL Limited	1,237.51	375.00 [2]	December 15, 2010	551.00	466.50	24.40%	19,647.77	448.75	20,073.66	453.65	20,561.05	442.5	19,182.82

Source: www.bseindia.com

1. *Discount of ₹5 per equity share offered to retail investors and premium of 10 per equity share to anchor investors. All calculations are based on Issue Price of 100.00 per equity share.*

2. *5% discount to offer price offered to the retail individual bidders & eligible employees. All calculations are based on Issue Price of ₹375.00 per equity share*

Notes:

a. The BSE Sensex is considered as the Benchmark Index.

b. Price on BSE is considered for all of the above calculations.

c. In case 10th/20th/30th day is not a trading day, closing price on BSE of the previous trading day has been considered.

2. Summary statement of price information of past issues handled by JPM

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPO trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2009-2010	1	2700.00	-	-	-	-	-	1	-	-	-	-	-	1
2010-2011	4	3634.13	-	-	-	-	1	3	-	-	1	-	1	2
2011-2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-

III. Standard Chartered

1. Price information of past issues handled by Standard Chartered

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [(a)] on listing date (closing)	Closing price as on 10th calendar day from listing day [(c)]	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day [(d)]	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day [(e)]	Benchmark index as on 30th calendar day from listing day (closing)
1	Standard Chartered PLC	2,486.35	104[(1)]	June 11, 2010	105	103.05	(0.91%)	17,064.95	108.75	17,876.55	107.35	17,700.90	108.25	17,937.20

1. Issue price for non-institutional investors, QIB category and anchor investors: ₹ 104.0 per IDR; issue price for retail individual investors and eligible employees: ₹.98.80 per IDR.

Notes:

a. Benchmark index is Sensex.

b. In case 10th day, 20th day or 30th day is not a trading day, closing price on BSE of next trading day is considered

c. 10th listing day has been taken as listing date plus 9 calendar days

d. 20th listing day has been taken as listing date plus 19 calendar days

e. 30th listing day has been taken as listing date plus 29 calendar days

2. Summary statement of price information of past issues handled by Standard Chartered

Fiscal year	Total No. of IPOs	Total funds raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-2011	1	2486.35	-	-	1	-	-	-	-	-	-	-	-	1
2011-2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IV. UBS

1. Price information of past issues handled by UBS

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
1	Orient Green Power Company Limited	900.0	47.0	October 8, 2010	45.7	44.7	(5%)	6,103.5	41.2	6,076.0	40.7	5,987.7	39.1	6,312.5

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
2	Prestige Estates Projects Limited	1,200.0	183.0	October 27, 2010	190.0	193.2	6%	6,012.7	205.9	6,312.5	187.9	5,988.7	160.2	5,752.0

Source: www.nseindia.com

2. Summary statement of price information of past issues handled by UBS

Fiscal Year	Total No. of IPOs	Total funds raised (₹ Cr.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-2011	2	2,100.0	-	-	1.0	-	-	1.0	-	-	2.0	-	-	-
2011-2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Note: In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered

Price information of past issues handled by the BRLMs

I. **Enam**

1. Price information of past issues handled by Enam

Sr No	Issue Name	Issue size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (closing) vs. Issue Price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (closing)
1	NBCC Limited	124.97	106(1)	April 12, 2012	101	96.95	-8.54%	5276.85	96.35	5200.6	94.75	5239.15	85.5	4907.8
2	MT Educare Limited	99.00	80	April 12, 2012	86.05	90.35	12.94%	5276.85	107.9	5200.6	107.1	5239.15	91.35	4907.8
3	TD Power Systems Limited	227.00	256	September 8, 2011	260	275.25	7.52%	5153.25	287.3	5031.95	260.75	4945.9	256.05	4979.6
4	Future Ventures India Limited	750.00	10	May 10, 2011	9	8.2	-18.00%	5541.25	8.3	5486.35	8.1	5473.1	9.3	5521.05
5	Punjab & Sind Bank	470.82	120(2)	December 30, 2010	144	127.15	5.96%	6101.85	118.85	5762.85	119.75	5691.05	105.45	5505.9
6	A2ZMaintenance & Engineering Services Limited	776.25	400(3)	December 23, 2010	500	328.55	-17.86%	5980	327.15	6157.6	304.25	5863.25	302.35	5743.25
7	Claris Lifesciences Limited	300.00	228	December 20, 2010	224.4	205.85	-9.71%	5947.05	204.85	6101.85	199.1	5762.85	185.35	5691.05
8	Coal India Limited	15,199.44	245(4)	November 4, 2010	291	342.55	39.82%	6281.8	317.2	6121.6	310.8	5865.75	320.4	5992.25
9	Prestige Estates Projects Limited	1,200.00	183	October 27, 2010	190	193.15	5.55%	6012.65	202.5	6273.2	187.85	5988.7	160.15	5751.95
10	Oberoi Realty Limited	1,028.61	260	October 20, 2010	271.1	282.9	8.81%	5982.1	275.8	6117.55	289.15	6301.55	262.35	5890.3

Price information for the above issues, except for Claris Lifesciences Limited, is that on NSE (source: www.nseindia.com) and Benchmark Index considered is NIFTY.

 # Claris Lifesciences Limited being listed only on BSE, the price information is that on BSE (source: www.bseindia.com) and the Benchmark Index considered is Sensex.

Note: Wherever 10th, 20th, 30th calendar day from listing day is a holiday, the closing data of the next trading date / day has been considered.

1. Price for retail individual bidders and eligible employees was ₹100.70 per equity share.

2. Price for retail individual bidders and eligible employees was ₹114 per equity share.

3. Price for eligible employees was ₹380 per equity share.

4. Price for retail individual bidders and eligible employees was ₹232.75 per equity share.

2. Summary statement of price information of past issues handled by Enam

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
FY 2012	4	1200.93	-	-	2	-	-	2	-	-	2	-	-	2
FY 2011	15	24025.61	-	-	6	-	3	6	-	1	8	-	2	4
FY 2010	8	12641.30	-	-	3	-	1	4	-	-	4	-	-	4

Note: Wherever 30th calendar day from listing day is a holiday, the closing data of the next trading date / day has been considered.

II. Barclays

1. Price information of past issues handled by Barclays

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [1] on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	L&T Finance Holdings Limited	1,245	52	August 12, 2011	53.9	50.1	(3.8%)	5,073	44.7	4,899	50.6	5,040	50.8	4,947

2. Summary statement of price information of past issues handled by Barclays

Financial Year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2011-2012	1	1,245	-	-	1	-	-	-	-	-	1	-	-	-

III. Deutsche

1. Price information of past issues handled by Deutsche

Sr. No.	Issue Name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [1] on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1	Coal India Limited	15,199.44	245.00	November 4, 2010	287.75	342.35	39.73%	20,893.57	319.90	20,156.89	320.00	19,691.84	322.30	19,966.93
2	Ramky Infrastructure Limited	530.00	450.00	October 8, 2010	471.55	387.40	(13.91%)	6,103.45	358.75	6,062.65	349.70	6,012.65	364.55	6,312.45

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

Notes:

a. Excluding any employee/ retail discount.

b. Benchmark index being the index of the designated stock exchange for the respective transaction (i.e. Sensex in case of Coal India Limited and Nifty in case of Ramky Infrastructure Limited).

2. Summary statement of price information of past issues handled by Deutsche

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2010-2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011-2012	2	15,729.44	-	-	1	-	1	-	-	-	1	-	1	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: In the event that any day falls on a holiday, the price/ index of the immediately preceding day has been considered.

IV. HSBC

1. Price information of past issues handled by HSBC

Sr No	Issue name	Issue size ₹ (Cr.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (closing)	% Change in Price on 30th calendar day from listing day vs. Issue Price
1	Mahindra Holidays	277.96	300.00	16-Jul-09	315.00	317.10	5.70%	14,250.25	375.65	15,378.96	342.95	15,830.98	337.85	15,411.63	12.62%
2	Oil India	2,777.25	1,050.00	30-Sep-09	1,019.00	1,140.55	8.62%	17,126.84	1,195.10	16,642.66	1,188.95	17,326.01	1,132.20	16,052.72	7.83%
3	L&T Finance	1,245.00	52.00	12-Aug-11	51.00	49.95	-3.94%	16,839.63	44.85	16,141.67	49.65	16,676.75	50.80	16,866.97	-2.31%

2. Summary statement of price information of past issues handled by HSBC

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2009-2010	2	3,055.21						2						2
2010-2011	-	-												
2011-2012	1	1,245.00			1						1			
2012-date	-	-												

V. Kotak

1. Price information of past issues handled by Kotak

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
1	Speciality Restaurants Ltd.	1,760.91	150.00	May 30, 2012	152.00	159.60	6.40%	4,950.75	182.45	5,068.35	206.65	5,064.25	213.05	5,149.15
2	Future Ventures India Limited	7,500.00	10.00	May 10, 2011	9.00	8.20	(18.00)%	5,541.25	8.15	5,428.10	8.10	5,473.10	8.75	5,526.85
3	Muthoot Finance	9,012.50	175.00	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	155.45	5,348.95	175.25	5,532.05

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
	Limited													
4	Coal India Limited[1]	151,994.40	245.00	November 4, 2010	291.00	342.55	39.82%	6,281.80	317.20	6,121.60	320.15	5,934.75	321.95	5,992.80
5	Prestige Estates Projects Limited	12,000.00	183.00	October 27, 2010	190.00	193.15	5.55%	6,012.65	205.85	6,312.45	197.10	6,121.60	162.95	5,799.75
6	Oberoi Realty Limited	10,286.12	260.00	October 20, 2010	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.60	6,273.20	266.00	5,998.80
7	Tecpro Systems Limited[2]	2,676.85	355.00	October 12, 2010	380.00	405.70	14.28%	6,090.90	399.90	6,101.50	424.55	6,117.55	417.70	6,275.70
8	Eros International Media Limited	3,500.00	175.00	October 6, 2010	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	185.40	6,105.80	191.50	6,281.80
9	Gujarat Pipavav Port Limited	5,538.54	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45
10	Bajaj Corp Limited	2,970.00	660.00	August 18, 2010	760.00	758.75	14.96%	5,479.15	730.45	5,408.70	730.00	5,576.95	726.95	5,828.70

Source: www.nseindia.com

1. In Coal India Limited, the issue price after discount to the retail individual bidders and the eligible employees was ₹232.75 per equity share.

2.In Tecpro Systems Limited, the issue price after discount to the eligible employees was ₹338 per equity share.

Notes:

a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered;

b. S&P CNX Nifty has been considered as the benchmark index.

2. Summary statement of price information of past issues handled by Kotak

Financial Year	Total no. of IPOs	Total funds raised (₹million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2012 – August 31, 2012	1	1,760.91	-	-	-	-	-	1	-	-	-	-	1	-

Financial Year	Total no. of IPOs	Total funds raised (₹million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2012	2	16,512.50	-	-	1	-	-	1	-	-	1	-	-	1
2011	11	234,579.83	-	-	2	-	1	8	-	1	2	-	3	5

Source: www.nseindia.com

Notes:

a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered;

b. S&P CNX Nifty has been considered as the benchmark index.

Price information of past issues by Co Book Running Lead Managers

I. BNPP

1. Price information of past issues handled by BNPP

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [1] on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by BNPP

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing Day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing Day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

II. DBS

1. Price information of past issues handled by DBS Bank Ltd.

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [(1)] on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by DBS Bank Ltd.

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

III. HDFC

1. Price information of past issues handled by HDFC

Sr. No.	Issue name	Issue size (₹ Cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index [(1)] on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1	Muthoot Finance Limited	901,25	175	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	175.25	5,532.05

2. Summary statement of price information of past issues handled by HDFC

Financial year	Total no. of IPOs	Total funds raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2011-12	1	901.25	-	-	-	-	-	1	-	-	-	-	-	1

I-SEC

3. Price information of past issues handled by I-Sec

Sr No.	Issue Name	Issue size ₹ (Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing date	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing date	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing date	Benchmark index as on 30th calendar days from listing day (closing)
1	Future Ventures India	7,500.00	10	May 10, 2011	9.00	8.20	-18.00%	5541.25	8.30	5486.35	8.10	5,473.10	9.30	5521.05

Sr No.	Issue Name	Issue size ₹ (Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing date	Benchmark index as on 10th calendar days from listing day (closing)	Closing price as on 20th calendar day from listing date	Benchmark index as on 20th calendar days from listing day (closing)	Closing price as on 30th calendar day from listing date	Benchmark index as on 30th calendar days from listing day (closing)
	Limited													
2	Muthoot Finance Limited	9,012.50	175	May 6, 2011	196.60	175.90	0.51%	5551.45	160.50	5499.00	157.60	5,412.35	175.25	5532.05
3	PTC India Financial Services Limited	4,332.76	28	March 30, 2011	26.75	24.90	-11.07%	5787.65	23.40	5842.00	21.50	5,740.75	21.65	5749.50
4	Punjab & Sind Bank	4,708.20	120	December 30, 2010	144.00	127.15	5.96%	6101.85	120.05	5904.60	119.75	5,691.05	109.60	5512.15
5	A2Z Maintenance & Engineering Services Limited	7,762.47	400	December 23, 2010	500.00	328.55	-17.86%	5980.00	323.90	6134.50	304.25	5,863.25	302.70	5696.50
6	Claris Lifesciences Limited #	3,000.00	228	December 20, 2010	224.40	205.85	-9.71%	19888.88	204.85	20389.07	202.05	19,691.81	185.35	18978.32
7	Commercial Engineers & Body Builders Co. Limited	1,724.13	127	October 18, 2010	119.00	112.90	-11.10%	6075.95	108.10	5987.70	110.85	6,312.45	101.75	5988.70
8	Parabolic Drugs Limited	2,000.00	75	June 30, 2010	75.00	64.85	-13.53%	5251.40	60.15	5352.45	61.70	5,399.35	54.40	5367.60
9	Jaypee Infratech Limited	22,576.10	102	May 21, 2010	98.00	91.45	-10.34%	4931.15	83.50	5086.30	77.00	5,078.60	85.75	5262.60
10	Nitesh Estates Limited	4,050.00	54	May 13, 2010	54.00	51.40	-4.81%	5178.90	37.95	4931.15	40.40	5,019.85	37.65	5119.35

All above data is of NSE (Website www.nseindia.com)

BSE Data www.bseindia.com (only Claris as it's not listed on NSE)

Benchmark Index considered above in all the cases was NIFTY

 # As Claris is listed only on BSE, the benchmark index considered is SENSEX

Note: Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the previous trading date / day

4. Summary statement of price information of past issues handled by I-Sec

Financial year	Total no. of IPO's	Total funds raised (₹ Mn.)	Nos. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-12	2	16,512.50	0	0	1	0	0	1	0	0	1	0	0	1
2010-11	9	53,863.81	0	1	6	0	0	2	1	2	6	0	0	0
2009-10	3	61,853.67	0	0	0	0	0	3	0	0	1	0	0	2

Track record of past issues handled by the JGCBRLMs, the BRLMs and the CBRLMs

For details regarding the track record of the JGCBRLMs, the BRLMs and the CBRLMs to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the JGCBRLMs, the BRLMs and the CBRLMs, as set forth in the table below:

Sr. No	Name of the JGCBRLM / BRLM / CBRLM	Website
1.	DSPML	http://www.dspml.com/gmcgib.aspx
2.	JPM	http://www.jpmipl.com/indiaipo/dtr.html
3.	Standard Chartered	http://standardcharteredsecurities.co.in/OfferDocuments/tabid/87/Default.aspx
4.	UBS	http://www.ibb.ubs.com/regulatory/indianipo/check.shtml?declare=yes&postcode=400051
5.	Barclays	http://www.barcap.in/bsiplofferingdocuments
6.	Deutsche	https://www.db.com/india/en/content/deutsche_equities_india.html
7.	Enam	www.enam.com
8.	HSBC	http://www.hsbc.co.in/1/2/corporate/equities-globalinvestment-banking
9.	Kotak	http://investmentbank.kotak.com/track-record/Disclaimer.html
10.	BNPP	http://www.bnpparibas.co.in/en/home/default.asp
11.	DBS	http://www.dbs.com/in/docs/EquityIssues.pdf
12.	HDFC	http://www.hdfcbank.com/wholesale/info-as-per-SEBI-circular.htm
13.	I-Sec	http://www.icicisecurities.com/OurBusiness/?SubSubReportID=10946

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the statutory auditors, the legal advisors, the Bankers to the Issue, the Bankers to the Company, and (b) the JGCBRLMs, the BRLMs, the CBRLMs, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, will be obtained prior to the filing of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act.

In accordance with the Companies Act and SEBI Regulations, S.R. Batliboi & Associates, Chartered Accountants, the Company's statutory auditors, have given their written consent to the inclusion of their examination report dated November 23, 2012 and statement of the tax benefits dated November 23, 2012 in this Red Herring Prospectus and such consent has not be withdrawn as on the date of this Red Herring Prospectus.

B S R & Company, Chartered Accountants have given their written consent to the inclusion of their report dated November 22, 2012 on the unconsolidated restated financial statements of Indus included in this Red Herring Prospectus and such consent has not be withdrawn as on the date of this Red Herring Prospectus. As the offered securities have not been and will not be registered under the Securities Act, B S R & Company has not filed consent under the Securities Act.

Expert to the Issue

Except as stated below, the Company has not obtained any expert opinions:

The Company has received consent from the Auditor namely, S.R. Batliboi & Associates, Chartered Accountants to include their name as an expert under Section 58 of the Companies Act in this Red Herring Prospectus in relation to the report of the Auditor dated November 23, 2012 and statement of tax benefits dated November 23, 2012 included in this Red Herring Prospectus and such consent has not been withdrawn as of the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert"" as defined under the Securities Act.

The Company has received consent from B S R & Company, Chartered Accountants to include their name as an expert under Section 58 of the Companies Act in this Red Herring Prospectus in relation to their report dated November 22, 2012 on the unconsolidated restated financial statements of Indus included in this Red Herring Prospectus, and such consent has not been withdrawn as of the date of this Red Herring Prospectus. As the offered securities have not been and will not be registered under the Securities Act, B S R & Company has not filed consent under the Securities Act.

CRISIL, the IPO grading agency engaged by the Company for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent to be named as an expert under Section 58 of the Companies Act and to the inclusion of their report in the form and in the context it appears in this Red Herring Prospectus and such consent and report has not been withdrawn as of the date of this Red Herring Prospectus.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as mutually agreed between the Company, the Selling Shareholders, the JGCBRLMs, BRLMs and the CBRLMs. The details of total fees payable to the Syndicate will be disclosed in the Prospectus in the section "Objects of the Issue - Issue Expenses".

Fees Payable to the Registrar to the Issue

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as mutually agreed between the Company, the Selling Shareholders, the JGCBRLMs, BRLMs and the CBRLMs. The details of total fees payable to the Syndicate will be disclosed in the Prospectus in the section "Objects of the Issue - Issue Expenses".

Particulars regarding public or rights issues by the Company during the last five years

The Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure" on page 86, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed Group Companies and associates of the Company

None of the Group Companies and associates of the Company have undertaken a capital issue in the last three years preceeding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of the Company and/or listed Group Companies and associates of the Company

The Company has not undertaken any previous public or rights issue. Except for Celtel Zambia, none of the Group Companies or associates of the Company have undertaken any public or rights issue in the last ten years preceeding the date of the Draft Red Herring Prospectus. For details regarding the public issue undertakem by Celtel Zambia, please see the section "Group Companies" on page 212.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares as on date of this Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, the Company and the Selling Shareholders will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Member of the Syndicate with whom the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders or the address of the center of the Syndicate where the Bid cum Application Form was submitted by the ASBA Bidder.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed a Shareholders'/ Investors' Grievances Committee comprising Rakesh Bharti Mittal, Akhil Kumar Gupta and Sarvjit Singh Dhillon as members. For details, please see the section "Management" on page 179.

The Company has also appointed Anupam Garg, Company Secretary of the Company as the Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Anupam Garg

Compliance Officer and Company Secretary

Bharti Crescent
1 Nelson Mandela Road
Vasant Kunj Phase - II
New Delhi – 110 070
Tel: (91 11) 4666 6100
Fax: (91 11) 4166 6137
Email: compliance.officer@bharti-infratel.in

The Company has not received any investor complaint during the three years preceding the date of filing of the Draft Red Herring Prospectus.

Changes in Auditors

There has been no change in the Auditors of the Company during the last three years.

Capitalisation of Reserves or Profits

The Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section "Capital Structure" on page 86.

Revaluation of Assets

The Company has not re-valued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SCRA, the SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, the RBI and/or any other authorities while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of the Company including rights in respect of dividend. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section “Main Provisions of Articles of Association” on page 611.

Mode of Payment of Dividend

The Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and the provisions of the Listing Agreement.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Company will consult the Selling Shareholders with respect to the Price Band. However, the final determination of the Price Band and the minimum Bid Lot will be made by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs and will be advertised in all editions of English national daily Financial Express and all editions of Hindi national daily Jansatta (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares.

Retail Discount

A discount of ₹ 10 to the Issue Price is being offered to Retail Individual Bidders. Retail Discount will not exceed 5% of the Issue Price.

Compliance with SEBI Regulations

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement and the Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please see the section "Main Provisions of Articles of Association" on page 611.

Market Lot and Trading Lot

In terms of section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in New Delhi.

Nomination Facility to Investor

In accordance with section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the registrar and transfer agent of the Company.

In accordance with section 109B of the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

Since the Fresh Issue and the Offer for Sale together constitute 10% of the post-Issue paid-up equity share capital of the Company (the minimum number of securities as specified under Rule 19(2)(b) of SCRR), the entire Issue needs to be subscribed, in accordance with the SEBI Regulations. If the Issue is not fully subscribed, including devolvement of underwriters, within 60 days from the Bid/Issue Closing Date, the Company and the Selling Shareholders shall forthwith refund the entire subscription amount received not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after the expiry of 70 days from the Bid/Issue Closing Date, the Company and the Selling Shareholders shall, in proportion to the number of Equity Shares offered/issued by each of them in the Issue, pay interest as prescribed under section 73 of the Companies Act.

Further, the Company shall ensure that the number of prospective Allottees to whom Equity Shares will be Allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" on page 86, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, please see the section "Main Provisions of the Articles of Association" on page 611.

ISSUE STRUCTURE

Issue of 188,900,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million. The Issue consists of a Fresh Issue of 146,234,112 Equity Shares aggregating to an amount not exceeding ₹ [●] million and an Offer for Sale of up to 42,665,888 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million. The Issue will constitute 10% of the post-Issue paid-up equity share capital of the Company.

The Issue is being made through the Book Building Process.

	QIBs(1)	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation(2)	Not more than 94,450,000 Equity Shares	Not less than 28,335,000 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 66,115,000 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue Size being available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate (a) 3,305,750 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 62,809,250 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds 66,115,000 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RIB Allottees**"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: • In the event the number of Retail Individual Bidders

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
			who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis. For details see, "Issue Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders" on

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
			page 605.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹ 200,000 net of Retail Discount.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply [3]	Public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.		
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. (including for Anchor Investors[(4)])[(5)]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[(5)]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[(5) (6)]

(1) *The Company may, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, please see the section "Issue Procedure" on page 573.*

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in accordance with Rule 19(2)(b)(ii) of the SCRR and under the SEBI Regulations, where the Issue will be made through the Book Building Process. Not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that the Company may, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 3,305,750 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.*

(5) *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*

(6) *A discount of ₹10 to the Issue Price is being offered to Retail Individual Bidders. Retail Discount will not exceed 5% of the Issue Price.*

Under subscription, if any, in any category would be met with spill-over from other categories at the discretion of the Company in consultation the JGCBRLMs, the BRLMs, the CBRLMs and the Designated Stock Exchange.

Withdrawal of the Issue

The Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The JGCBRLMs, the BRLMs and the CBRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. The Selling Shareholders confirm that they shall extend all reasonable cooperation as requested by the Company, the JGCBRLMs, the BRLMs and the CBRLMs in this regard.

If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an issue/offer for sale of the Equity Shares, the Company shall file a fresh draft red herring prospectus with

SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Programme

BID/ISSUE OPENS ON	**Tuesday, December 11, 2012***
BID/ISSUE CLOSES ON	**For QIB Bidders: Thursday, December 13, 2012**
	For Retail Individual Bidders and Non Institutional Bidders: Friday, December 14, 2012

** The Company may, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	December 14, 2012
Finalisation of Basis of Allotment with the NSE	On or about December 24, 2012
Initiation of refunds	On or about December 26, 2012
Credit of Equity Shares to demat accounts of Allottees	On or about December 27, 2012
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about December 28, 2012

The above timetable is indicative and does not constitute any obligation on the Company or the Selling Shareholders or the JGCBRLMs, the BRLMs or the CBRLMs. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by the Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable co-operation required by the Company, the JGCBRLMs, the BRLMs or the CBRLMs, for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Issue) at all the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (IST) during the Bid/Issue Period as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, the Bids and any revision in the Bids from Non-Institutional Bidders and Retail Individual Bidders shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by Non-Institutional Bidders, and (ii) until 5.00 p. m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the JGCBRLMs, the BRLMs and the CBRLMs to the Stock Exchanges. On the QIB Bid/Issue Closing Date, Bids by QIBs will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till 4.00 p.m. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date or the QIB Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Working Days. Neither the Company, the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the JGCBRLMs, the BRLMs and the CBRLMs to the Stock Exchanges.

The Company will consult the Selling Shareholders with respect to revisions, if any, in the Price Band. However, final revision, if any, in the Price Band will be determined by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the JGCBRLMs, the BRLMs and the CBRLMs and at the terminals of the Syndicate Members.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to non-ASBA Bidders. However, there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate in Specified Cities) as well as for non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Book Building Procedure

The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that the Company may, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of the Company in consultation with the JGCBRLMs, the BRLMs, the CBRLMs and the Designated Stock Exchange.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders (submitted to SCSBs or to the Syndicate in Specified Cities) as well as for non-ASBA Bidders. The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis *	White
Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors**	White

[*] *Bid cum Application Forms and the abridged prospectus will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com)*

[**]*Bid cum Application Forms for Anchor Investors shall be made available at the offices of the JGCBRLMs, the BRLMs and the CBRLMs.*

All non-ASBA Bidders are required to submit their Bids through the Syndicate only. ASBA Bidders are required to submit their Bids through the SCSBs (in physical or electronic form) or with the Syndicate in the Specified Cities, authorising SCSBs to block funds that are available in the bank account specified in the Bid cum Application Form. Non-ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. The Bidder should preserve this acknowledgment slip and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Bidders should also ensure that Bid cum Application Forms submitted to the member of the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder is deemed to have authorised the Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder. Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form.

Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint Bid and minors having valid demat account as per demographic details provided by depositories. Furthermore, based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs cannot participate in the Issue;

- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.

- Venture Capital Funds and Alternative Investment Funds registered with SEBI;

- Foreign Venture Capital Investors registered with SEBI;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorised in India to invest in equity shares;

- Insurance companies registered with IRDA;

- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;

- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;

- National Investment Fund;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;

- Insurance funds set up and managed by the army, navy or air force of the Union of India;

- Insurance funds set up and managed by the Department of Posts, India; and

- Any other person eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in the Issue. Further, QFIs are not allowed to Bid in the Issue.

Participation by associates and affiliates of the JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members

The JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members shall not be allowed to subscribe to the Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the JGCBRLMs, the BRLMs, the CBRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The JGCBRLMs, the BRLMs, the CBRLMs and any persons related to the JGCBRLMs, the BRLMs, the CBRLMs or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund portion is greater than 3,305,750 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("NRO") accounts.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid-up share capital of the Company or 5% of the total paid-up share capital of the Company in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in the Company cannot exceed 49% of the total paid-up share capital of the Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, the Company.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the "SEBI VCF Regulations") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. The Company, the Selling Shareholders, the JGCBRLMs, the BRLMs and the CBRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000 (net of Retail Discount). In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000 (net of Retail Discount). Where the Bid Amount is above ₹ 200,000, non-QIB Bidders, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is above ₹ 200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process. Retail Individual Bidders can revise their Bid during the Bid/Issue period and withdraw their Bids until finalisation of Basis of Allotment.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **QIB Bidders and Non-Institutional Bidders cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or Bid Amount) at any stage. QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bids through the ASBA process.**

In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least ₹ 100 million. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors are not allowed to submit their Bid through the ASBA process. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or Bid Amount) at any stage and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

Information for the Bidders:

(a) The Company, the JGCBRLMs, the BRLMs and the CBRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two daily national newspapers, one each in English and Hindi (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation. This advertisement shall be in the prescribed format.

(b) The Company has registered this Red Herring Prospectus with the RoC at least three Working Days before the Bid/Issue Opening Date.

(c) The Company will consult the Selling Shareholders with respect to the Price Band. However, the final determination of the Price Band and minimum Bid Lot will be made by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs the same shall be advertised in all editions of English national daily Financial Express and all editions of Hindi national daily Jansatta (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation at least two Working Days prior to the Bid/Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(d) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be published in two national newspapers, one each in English and Hindi (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation and also by indicating the change on the websites of the JGCBRLMs, the BRLMs and the CBRLMs and at the terminals of the Syndicate.

(e) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the members of the Syndicate. Copies of the Bid cum Application Form and copies of the Red Herring Prospectus for Anchor Investors can be obtained from the JGCBRLMs, the BRLMs and the CBRLMs. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, Syndicate (in the Specified Cities) and at the Registered Office of the Company. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges and the Designated Branches of the SCSBs.

(f) QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process.

(g) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the JGCBRLMs, the BRLMs, the CBRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (only in the Specified Cities) to register their Bids.

(h) Bidders applying through the ASBA process also have an option to (i) submit the Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate in the Specified Cities.

(i) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms submitted to the members of the Syndicate should bear the stamp of the member of the Syndicate; otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or a member of the Syndicate in the Specified Cities, if not, the same are liable to be rejected. Bid cum Application Forms submitted by Bidders whose beneficiary account is inactive shall be rejected.

(j) ASBA Bids can be submitted (i) in physical mode, to a member of the Syndicate in the Specified Cities; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bids in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to a member of the Syndicate. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(k) ASBA Bidders should also ensure that Bid cum Application Forms submitted to the members of the

Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.

(l) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, the first Bidder, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

The Bidders should note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID, Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and the Company, the Selling Shareholders and members of the Syndicate shall not be liable for losses, if any.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper and one Hindi language national daily newspaper (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation.

Method and Process of Bidding

(a) The Company will consult the Selling Shareholders with respect the Price Band. However, the final determination of the Price Band and the minimum Bid Lot will be made by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs and the same shall be advertised in all editions of English national daily Financial Express and all editions of Hindi national daily Jansatta (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation at least two Working Days prior to the Bid/Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be published in two national newspapers, one each in English and Hindi (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation and also by indicating the change on the websites of the JGCBRLMs, the BRLMs and the CBRLMs and at the terminals of the Syndicate.

(c) During the Bid/Issue Period, non-ASBA Bidders should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all non-ASBA Bidders and the ASBA Bidders in Specified Cities and they shall have the right to vet the Bids during the Bid/Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Syndicate (for the Bids to be submitted in the Specified Cities) to register their Bids. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) to the Syndicate in Specified Cities.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCSB will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The JGCBRLMs, the BRLMs and the CBRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/Issue Period i.e., one working day prior to the Bid/Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all non-ASBA Bidders will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" on page 573.

(i) Upon receipt of the Bid cum Application Form from an ASBA Bidder, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal (by Retail Individual Bidders) or failure of the Issue or until rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal (by Retail Individual Bidders) or failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS

SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels

(a) The Company will consult the Selling Shareholders with respect to revisions, if any, in the Price Band. However, final revision, if any, in the Price Band will be determined by the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, without the prior approval of, or intimation, to the Bidders, during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e., the floor price can move up or down to the extent of 20% of the floor price disclosed at least five Working Days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

(b) The Company, in consultation with the the JGCBRLMs, the BRLMs and the CBRLMs will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) The Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price (net of Retail Discount). However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price (net of Retail Discount) agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price (net of Retail Discount) with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price (net of Retail Discount), the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price (net of Retail Discount).

(f) In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, such Retail Individual Bidders will receive refunds of the excess amounts in the manner provided in the Red Herring Prospectus.

(g) In accordance with SEBI Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until finalisation of Basis of Allotment.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "Payment Instructions" in this section.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.

(d) None of the JGCBRLMs, the BRLMs, the CBRLMs, the Company, the Selling Shareholders or the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or the SCSBs, (ii) the Bids uploaded by the Syndicate Members or the SCSBs; (iii) the Bids accepted but not uploaded by the Syndicate Members or the SCSBs; or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts.

(e) A SCSB shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by such SCSBs, (iii) the Bids accepted but not uploaded by such SCSB and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSB, the full Bid Amount has been blocked in the relevant ASBA Account. A Syndicate member shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to (i) the Bids accepted by such Syndicate member, (ii) the Bids uploaded by such Syndicate member, (iii) Bids accepted but not uploaded by such Syndicate member. With respect to Bids by ASBA Bidders, which are accepted and uploaded by a Syndicate member, the designated branches of the relevant SCSB, which receives the relevant schedule (along with Bid cum Application forms will be responsible for blocking the necessary amounts in the ASBA Accounts.

(f) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/Issue Period. The members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(g) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(h) At the time of registering each non-ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

1. Bid cum Application Form number;
2. PAN (of the sole/first bidder);
3. Investor Category and sub-category;
4. DP ID and Client ID;
5. Bid Amount;
6. Cheque number or demand draft number;
7. Number of Equity Shares Bid for; and
8. Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

1. Bid cum Application Form Number;
2. PAN (of the sole/first bidder);
3. Investor Category and sub-category;

4. DP ID and Client ID;

5. Numbers of Equity Shares Bid for;

6. Price per Equity Share;

7. Bid Amount; and

8. Bank account number of the ASBA Bidder.

With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details on the on-line system:

1. Bid Cum Application Form number;

2. PAN (of the sole/first bidder);

3. Investor category and sub-category;

4. DP ID;

5. Client ID;

6. Number of Equity Shares Bid for;

7. Price per Equity Share;

8. Bank code for the SCSB where the ASBA Account is maintained;

9. Name of Specified City;

10. Bid Amount; and

11. Bank Account number of the ASBA Bidder.

(i) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Syndicate, the Company or the Selling Shareholders.

(j) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(k) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) members of the Syndicate (only in the Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(l) The permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Selling Shareholders and/or the JGCBRLMs, the BRLMs and the CBRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Selling

Shareholders, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(m) Only Bids that are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the electronic bidding system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such bids are liable to be rejected.

(n) The details uploaded in the electronic bidding system shall be considered as final and Allotment will be based on such details.

(o) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic bidding system of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the JGCBRLMs, the BRLMs and the CBRLMs at the end of each day of the Bid/Issue Period.

(c) Retail Individual Bidders are permitted to revise their Bids during the Bid/Issue Period.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof. QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or Bid Amount) during the Bid/Issue Period. Such upward revision must be made using the Revision Form.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to SCSB or to the Syndicate (in specified cities) to whom the original Bid was submitted. The non ASBA Bidders need to submit the revised Bids with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked by the SCSBs, as the case may be.

(h) The Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of non-ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar to the Issue will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, the Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, shall finalise the Issue Price, the Anchor Investor Issue Price and Retail Discount.

(b) Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the JGCBRLMs, the BRLMs, the CBRLMs and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, subject to compliance with the SEBI Regulations.

(e) In accordance with SEBI Regulations, QIB Bidders and Non-Institutional Bidders shall not be allowed to withdraw their Bid or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until finalisation of Basis of Allotment.

(f) The Basis of Allotment shall be published on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) The Company, the Selling Shareholders, the JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, the updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, the Issue size, and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

The Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar to the Issue on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Company in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares:

(a) The Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company will ensure the credit to the successful Bidder's depository account is completed. The Selling Shareholders have confirmed that they shall extend all reasonable cooperation in this regard, if so required by the Company, the JGCBRLMs, the BRLMs or the CBRLMs, to the extent of Equity Shares offered by such Selling Shareholder in the Issue.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Issuance of Allotment Advice

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. On the basis of the approved Basis of Allotment, the Company shall pass necessary corporate action for Allotment of Equity Shares.

(b) Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth above.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

(d) Ensure that the details about PAN, DP ID and Client ID are correct and the Bidders depository account is active as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted to the Syndicate (only in the Specified Cities) or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(g) QIBs (other than Anchor Investors) and Non Institutional Bidders should submit their Bids through the ASBA process only;

(h) Ensure that you request for and receive a TRS for all your Bid options;

(i) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective Designated Branch of the SCSB or a Member of the Syndicate (only in the Specified Cities);

(j) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate;

(k) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate or funds equivalent to the Bid Amount are available and blocked in case of any Bids submitted through the SCSBs, as the case may be.

(l) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(m) Submit revised Bids to the same member of the Syndicate/SCSB through whom the original Bid was placed and obtain a revised TRS;

(n) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

(o) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(p) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(q) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders;

(r) Ensure that the category and sub category is correctly indicated;

(s) Ensure that in case of Bids under power of attorney or Bids by limited companies, corporate, trusts etc., relevant documents are submitted;

(t) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

(u) Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database;

(v) In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch and/ or the Syndicate Member (except in case of electronic ASBA Forms);

(w) In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with a member of the Syndicate in the Specified Cities, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to the Company or the Selling Shareholders or the Registrar to the Issue;

(x) ASBA Bidders bidding through a Syndicate Member should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at-least one branch in the Specified Cities for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

(y) ASBA Bidders should ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

(z) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

(aa) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and

(bb) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the member of the Syndicate in the Specified Cities, as the case may be, for the submission of your Bid cum Application Form.

Don'ts:

(a) Do not Bid for lower than the minimum Bid lot;

(b) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable.;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

(g) Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate or the SCSBs;

(h) Anchor Investors should not Bid through the ASBA process;

(i) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(j) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

(k) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(l) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(m) Do not submit the Bids without the full Bid Amount;

(n) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

(o) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

(p) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 as amended (except minors having valid depository accounts as per the Demographic Details provided by Depositories);

(q) Do not withdraw your Bid(s) or lower the size of your Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage for Bids by QIB Bidders and Non-Institutional Investors;

(r) Do not submit more than five Bid cum Application Forms per ASBA Account;

(s) Do not Bid if you are an OCB or a QFI;

(t) Do not submit ASBA Bids with a member of the Syndicate at a location other than the Specified Cities;

(u) Do not submit ASBA Bids with a member of the Syndicate in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the members of the Syndicate to deposit ASBA Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

(v) If you are a QIB Bidder, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date; and

(w) If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid/Issue Closing Date.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the electronic bidding system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of ₹ 200,000. Retail Individual Bidders may Bid at the Cut-off Price.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through ASBA process only.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to ₹ 100 million. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of ₹ 100 million.

(g) In single name or in case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and Client ID provided by them in the Bid cum Application Form, and as entered by Syndicate or SCSB while registering the Bid, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and none of the JGCBRLMs, the BRLMs, the CBRLMs, the Registrar to the Issue, the Escrow Collection Banks, the SCSBs, the Company or the Selling Shareholders shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN

IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE OF JOINT BIDS, THE BID CUM APPLICATION FORM SHOULD CONTAIN ONLY THE NAME OF THE FIRST BIDDER WHOSE NAME SHOULD ALSO APPEAR AS THE FIRST HOLDER OF THE BENEFICIARY ACCOUNT HELD IN JOINT NAMES. THE SIGNATURE OF ONLY SUCH FIRST BIDDER WOULD BE REQUIRED IN THE BID CUM APPLICATION FORM AND SUCH FIRST BIDDER WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF THE JOINT HOLDERS.

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate or the SCSBs do not match with the DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In case of refunds through electronic modes as detailed in this Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository are incorrect. In such an event, the address and other details given by the non-ASBA Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither the Company, the Selling Shareholders nor the Escrow Collection Banks, Registrar to the Issue, the JGCBRLMs, the BRLMs or the CBRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Bidder and the DP ID and Client ID, then such Bids are liable to be rejected.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

(d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company, the JGCBRLMs, the BRLMs and the CBRLMs may deem fit.

Submission of Bid cum Application Forms or Revision Forms

With respect to non-ASBA Bidders, the Bid cum Application Form or Revision Form duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) to the Syndicate in Specified Cities.

PAYMENT INSTRUCTIONS

Escrow Mechanism for non-ASBA Bidders

The Company, the Selling Shareholders and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (including the amount due to the Selling Shareholders and other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal (by Retail Individual Bidders) or rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal (by Retail individual Bidder) or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the funds in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by FIIs, a special Rupee Account should be mentioned in the Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on repatriation basis, a Non-Resident External (NRE) Account or a Foreign Currency Non-Resident (FCNR) Account, maintained with banks authorised to deal in foreign exchange in India, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on a non-repatriation basis, a Non-Resident External (NRE) Account or a Foreign Currency Non-Resident (FCNR) Account maintained with banks authorised to deal in foreign exchange in India or a Non-Resident Ordinary (NRO) Account, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

Payment into Escrow Account for non-ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected. Bid cum Application Forms accompanied by cash/ stockinvest/money orders/postal orders will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident Retail Individual Bidders: "BIL – ESCROW-R"

   (b) In case of Non-Resident Retail Individual Bidders: "BIL - ESCROW - NR"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised CAN. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "BIL – ANCHOR – R"

   (b) In case of non-resident Anchor Investors: "BIL – ANCHOR - NR"

6. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by

drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. The monies deposited in the Escrow Account will be held for the benefit of the non-ASBA Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

10. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

11. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

12. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single name or as joint Bids. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting an ASBA Bid either in physical or electronic mode, where such ASBA Bid has been uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB or to the Syndicate in Specified Cities. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Issue Procedure - Build Up of the Book and Revision of Bids" above on page 585. Please note that QIB Bidders and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

The Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Bids is given below:

1. All Bids will be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bid cum Application Forms will be checked for common DP ID and Client ID.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in Sikkim, the Bidders, or in the case of a Bid in joint names, the first Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the circulars issued by SEBI, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, who are exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of Bids

Retail Individual Bidders can withdraw their Bids until finalisation of Basis of Allotment. In case a Retail Individual Bidder wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall do the requisite, including unblocking the funds by the SCSBs in the ASBA Account. In case a Retail Individual Bidder wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar until finalisation of the Basis of Allotment. The Registrar to the Issue shall give instructions to the SCSBs for unblocking the ASBA Account on the Designated Date.

QIBs and Non-Institutional Bidders cannot withdraw their Bids at any stage'.

REJECTION OF BIDS

The Company has a right to reject Bids based on technical grounds. In case of QIB Bidders (other than Anchor Investors), the Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, may at the time of submission of the Bid, reject such Bids provided that the reasons for rejecting the same shall be provided to such

Bidders in writing. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, the Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid cum Application;
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However, a limited liability partnership can apply in its own name;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per the Demographic Details provided by the Depositories). However, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship), based on information provided by the depositories;
- PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole or first Bidder, as the case may be, missing;
- Submission of more than five Bid cum Application Forms per ASBA account;
- Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Bids at the Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for a Bid Amount of more than ₹ 200,000 by Retail Individual Bidders applying through the non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not indicated;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents

are not submitted;

- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Forms do not have the stamp of the JGCBRLMs, the BRLMs, the CBRLMs or Syndicate Members or the SCSB;
- Bid cum Application Forms do not have Bidder's depository account details or the details given are incomplete or incorrect;
- Bid cum Application Forms not being signed by the ASBA account holder, if the account holder is different from the ASBA Bidder;
- Bid cum Application Form submitted to the members of the Syndicate does not bear the stamp of the members of the Syndicate. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the members of the Syndicate, as the case may be;
- Bid cum Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;
- Bid cum Application Forms submitted under the ASBA process not containing the authorization for blocking the Bid Amount in the bank account specified in the Bid cum Application Form;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, Client ID and PAN;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);
- ASBA Bids submitted to a member of the Syndicate at locations other than the Specified Cities and Bid cum Application Forms, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to the Company, the Selling Shareholders or the Registrar to the Issue;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Bids by QIB Bidders submitted after 3 pm on the QIB Bid/Issue Closing Date, Bids by Non-Institutional Bidders submitted after 3 pm on the Bid/Issue Closing Date, and Bids by Retail Individual Bidders submitted after 3 pm on the Bid/Issue Closing Date unless extended by the Stock Exchanges, as applicable;

- Bids by persons in the United States other than 'qualified institutional buyers' (as defined in Rule 144 A of the Securities Act) that are also QPs;

- Bids by persons in the United States or by U.S. Persons in relation to which the relevant Bidder has not delivered a representation letter substantially containing the representations, warranties and agreements contained in the Bid cum Application Form or which, in the judgment of the JGCBRLMs, the BRLMs and the CBRLMs, may result in a violation of applicable foreign or Indian securities laws;

- Bids by non-U.S. Persons in relation to which the relevant Bidder does not certify that it has read and agreed to the representations, warranties and agreements contained in the Bid cum Application Form or which, in the judgment of the JGCBRLMs, the BRLMs and the CBRLMs, may result in a violation of applicable foreign or Indian securities laws;

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

- Bids by OCBs or QFIs.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in the Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated May 5, 2008 among NSDL, the Company and the Registrar to the Issue;

- Agreement dated November 23, 2007, among CDSL, the Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID and Client ID) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Non-ASBA Bidders must note that on the basis of Bidder's DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall despatch refund orders for all amounts payable to unsuccessful non-ASBA Bidders and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for non-ASBA Bidders

The payment of refund, if any, for non-ASBA Bidders would be done through various modes by any of the following:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.

2. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per the Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount exceeds ₹ 0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Any bank charges levied by the Refund Bank will be borne by the Company. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective

Bidders.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of the RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to non-ASBA Bidders, the Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date. The Selling Shareholders shall provide all reasonable cooperation as requested by the Company in relation to the completion of allotment and dispatch of the Allotment Advice and Anchor Investor allocation note, if required, and refund orders to the non-ASBA Bidders to the extent of the Equity Shares offered by each such Selling Shareholder in the Issue.

In case of applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date. The Selling Shareholders shall provide all reasonable co-operation in this regard, if so required by the Company, the JGCBRLMs, the BRLMs or the CBRLMs, to the extent of the Equity Shares offered by each such Selling Shareholder in the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date;

- With respect to non-ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date; and

- The Company and the Selling Shareholders, in proportion to the number of Equity Shares offered/issued by each of them in the Issue, shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day the Company and the Selling Shareholders become liable to repay, the Company, every Director of the Company who is an officer in default and the Selling Shareholders (in proportion to the number of Equity Shares offered by each of them in the Issue) shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price less the Retail Discount.

- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 66,115,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- In the event, the Bids received from Retail Individual Bidders exceeds 66,115,000 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Investors by the minimum Bid Lot ("**Maximum RII Allottees**"). The allocation/Allotment to Retail Individual Investors will then be made in the following manner:

  - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

- o In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.

  For details see, "– Illustration Explaining Procedure of Allotment to Retail Individual Bidders" on page 605.

- Each successful Retail Individual Bidder shall be Allotted a minimum of [•] Equity Shares.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 28,335,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 28,335,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares, and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.

- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be not more than 50% of the Issue and up to 94,450,000 Equity Shares.

D. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to:

  (i) a maximum number of two Anchor Investors for allocation up to ₹ 100 million;

  (ii) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor; and

  (iii) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor.

  In addition, Anchor Investors in the United States or which are U.S. Persons are required to be U.S. QIBs that are also QPs, and are required to deliver a representation letter substantially containing the representations, warranties and agreements contained in the Bid cum Application Form and certify that they have read and agreed to these representations, warranties and agreements. Anchor Investors that are not U.S. Persons are required to certify that they have read and agreed to the representations, warranties and agreements contained in the Bid cum Application Form.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the JGCBRLMs, the BRLMs and the CBRLMs before the Bid/Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs, shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the

JGCBRLMs, the BRLMs, the CBRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment to QIB Bidders (except Anchor Investors) and Non-Institutional Bidders shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Company, in consultation with the JGCBRLMs, the BRLMs and the CBRLMs.

Illustration Explaining Procedure of Allotment to Retail Individual Bidders *(Investors should note that this example is solely for illustrative purposes and is not specific to the Offer)*

Total number of equity shares offered in the issue: 10 million, at an issue price of Rs. 600 per equity share. The retail portion for the issue consists of 3.5 million equity shares. The issuer fixes the minimum bid lot as 20 equity shares.

A. A total of 0.1 million retail individual bidders have applied in the issue, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of up to Rs. 200,000. The retail individual bidders' category is oversubscribed 4 times. From the 0.1 million retail individual bidders, there are five retail individual bidders, namely A, B, C, D and E, who have applied in the issue as follows: A has applied for 320 equity shares, B has applied for 220 equity shares, C has applied for 120 equity shares, D has applied for 60 equity shares and E has applied for 20 equity shares. As per the SEBI Regulations, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis. Accordingly, the actual entitlement of each of A, B, C, D and E shall be as follows:

Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
A	320	**20 equity shares** (i.e. the minimum bid lot) + **38 equity shares** [{3,500,000 - (100,000 * 20)} / {14,000,000 - (100,000 * 20)}] * 300 (i.e. 320-20)
B	220	**20 equity shares** (i.e. the minimum bid lot) + **25 equity shares** [{35,00,000 - (1,00,000 * 20) / {140,00,000 - (1,00,000 * 20)}] * 200 (i.e. 220-20)
C	120	**20 equity shares** (i.e. the minimum bid lot) + **13 equity shares** [{35,00,000 - (1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 100 (i.e. 120-20)
D	60	**20 equity shares** (i.e. the minimum bid lot) + **5 equity shares** [{(35,00,000 - 1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 40 (i.e. 60-20)
E	20	**20 equity shares** (i.e. the minimum bid lot)

B. A total of 0.2 million retail individual bidders have applied in the issue, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of upto Rs. 200,000. The retail individual bidders' category is oversubscribed 9.37 times. Since the total number of equity shares offered retail individual bidders is 3,500,000 and the minimum bid lot is 20 equity shares, the maximum number of retail individual bidders who can be allotted this minimum bid lot will be 175,000 (i.e. 3,500,000/20). The remaining 25,000 retail applicants will not get allotment and such bidders will be determined on basis of draw of lots, in the manner provided below:

No. of lots	No. of equity shares at each lot	No. of retail individual bidders applying at each lot	Total No. of equity shares applied for at each lot	No. of retail individual bidders who shall receive minimum bid-lot (to be selected on lottery)
A	**B**	**C**	**D=(B*C)**	**E (175,000/200,000)*C**
1	20	10,000	200,000	8,750
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
Total		**200,000**	**32,800,000**	**1,75,000**

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit, RTGS and NEFT. The Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar to the Issue, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar to the Issue.

The Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/Issue Closing Date. The Selling Shareholders shall provide all reasonable cooperation in this regard as requested by the Company, the JGCBRLMs, the BRLMs and the CBRLMs, to the extent of the Equity Shares offered by each such Selling Shareholder in the Issue. The Company and the Selling Shareholders further agree that they shall (in proportion to the number of Equity Shares offered/issued by each of them in the Issue) pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/Issue Closing Date, whichever is later.

The Company will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar to the Issue. Each Selling Shareholder shall provide all reasonable cooperation as requested by the Company in relation to the completion of allotment and dispatch of the Allotment Advice and refund orders to the extent of the Equity Shares offered by each such Selling Shareholder in the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY THE COMPANY

The Company undertakes the following:

- That if the Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- That if the Selling Shareholders withdraw the Offer for Sale after the Bid/Issue Closing Date, the Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event the Company subsequently decides to proceed with the Issue;

- That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That no further Issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;

- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment;

- The Company shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

Each Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer for Sale, have been held by it for a period of more than one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Offer for Sale;

- the Equity Shares being sold by it pursuant to the Offer for Sale are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;

- it shall provide all reasonable cooperation as requested by the Company in relation to the completion of allotment and dispatch of the allotment advice and Anchor Investor allocation note, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;

- it shall provide such reasonable support and extend such reasonable cooperation as may be required by the Company and the JGCBRLMs, the BRLMs or the CBRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue;

- it shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;

- if the Company does not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given by the Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by the Company and the JGCBRLMs, the BRLMs or the CBRLMs in this regard;

- it shall not further transfer Equity Shares during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue;

- it shall not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer for Sale;

- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale; and

- it shall comply with all applicable laws including Companies Act, SEBI Regulations, FEMA and the applicable circulars, guidelines and regulations issued by SEBI and the RBI, in relation to the Equity Shares offered by it in the Offer for Sale.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company shall transfer to the Selling Shareholders, the net proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and RBI.

In terms of the Consolidated FDI policy (effective from April 10, 2012), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in the Company is permitted. Of the aforesaid limit, up to 49% foreign direct investment is permitted under the automatic route and beyond that, pursuant to the approval of the FIPB. Please also see the section “Regulations and Policies” on page 164.

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to U.S. persons that are U.S. QIBs that are also QPs acting for its own account or for the account of another U.S. QIB that is a QP (and meets the other requirements set forth herein), in reliance on the exemption from registration under the Securities Act provided by Rule 144A or other available exemption and in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States, to non-U.S. persons in reliance on Regulation S.

The above information is given for the benefit of the Bidders. The Company, the Selling Shareholders, the JGCBRLMs, the BRLMs and the CBRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of the Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of the Company are detailed below:

The Articles of Association of the Company comprise of two parts. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable, however, Part II shall become inapplicable from listing of the Equity Shares of the Company on the Stock Exchanges subsequent to the Issue.

Part I of the Articles of Association

Shares at the Disposal of the Directors

Article 2 provides that "Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting."

Consideration for Allotment

Article 3 provides that "The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares."

Restriction on Allotment

Article 4 provides that:

"(a) The Directors shall in making the allotments duly observe the provisions of the Act;

(b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

(c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company."

Increase of Capital

Article 5 provides that "The Company at its general meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with the Act and other applicable laws. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act."

Reduction of Capital

Article 6 provides that "The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any capital redemption reserve account or securities premium account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise."

Sub-division, Consolidation and Cancellation of Share Certificate

Article 7 provides that "Subject to the provisions of Section 94 of the Act, the Company in general meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend, capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled."

New capital part of the existing capital

Article 8 provides that "Except so far as otherwise provided by the conditions of the issue or by these Presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise."

Power to issue shares with differential voting rights

Article 9 provides that "the Company shall have the power to issue shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable."

Power to issue preference shares

Article 10 provides that "subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption."

Further Issue of Shares

Article 11 provides that:

"(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

  (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

  (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by the Company in general meeting, or

(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in general meeting before the issue of the debentures or raising of the loans.

Right to convert loans into capital

Article 12 provides that "Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company."

Allotment on application to be acceptance of shares

Article 13 provides that "Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register, shall, for the purpose of these Articles, be a Member."

Return on allotments to be made or Restrictions on Allotment

Article 14 provides that "The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act."

Money due on shares to be a debt to the Company

Article 15 provides that "The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Company's lien on shares /debentures

Article 28 provides that "the Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares."

Enforcing lien by sale

Article 29 provides that "for the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such Member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for thirty days after such notice."

Application of sale proceeds

Article 30 provides that "the net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale."

Board to have right to make calls on shares

Article 31 provides that "the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in general meeting."

Proof of dues in respect of shares

Article 38 provides that "On any trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the Members in respect of whose shares the money is sought to be recovered appears entered in the Register as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt."

Partial payment not to preclude forfeiture

Article 39 provides that "Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided."

FORFEITURE OF SHARE

Board of have right to forfeit shares

Article 41 provides that "If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Notice for forfeiture of shares

Article 42 provides that:

"(a) The notice shall name a further day (not earlier than the expiration of thirty days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited."

Forfeited shares tobe the property of the Company

Article 45 provides that "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit."

Member to be liable even after forfeiture

Article 46 provides that "Any Member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit."

Claim against the Company to extinguish on forfeiture

Article 47 provides that "The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved."

Board entitled to cancel forfeiture

Article 51 provides that "The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit."

Register of Transfers

Article 52 provides that "The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares."

Endorsement of Transfer

Article 53 provides that "In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee."

Instrument of Transfer

Article 54 provides that "The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply."

Directors may refuse to register transfer

Article 57 provides that "Subject to the provisions of Section 111 and Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Transfer of partly paid shares

Article 58 provides that "Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act."

Survivor of joint holders recognised

Article 59 provides that "In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person."

Title to shares of deceased members

Article 60 provides that "The executors or administrators or holders of a succession certificate or the legal representatives of a deceased Member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives shall have first obtained probate holders or letter of administration or succession certificate as the case may be, from a duly constituted court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of probate or letter of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member."

Transfers not permitted

Article 61 provides that "no share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian."

Transmission of shares

Article 62 provides that "Subject to the provisions of the Act and these Presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, either by registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares."

Rights on transmission

Article 63 provides that "A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

Provided that the Board may at any time to give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with."

Instrument of transfer to be stamped

Article 64 provides that "Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the dividend in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such dividend to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares."

Share certificates to be surrendered

Article 65 provides that "Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer."

No fee on transfer or transmission

Article 66 provides that "No fee shall be charged for:

(a) registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document; and

(b) sub-division and/ or consolidation of shares and debentures and sub-division of letters of allotment and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading;"

Company not liable to notice of equitable rights

Article 67 provides that "The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit."

Dematerialisation of Securities

Article 69 provides that:

(i) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a Depository.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a company formed and registered under the Act and which has been granted a Certificate of Registration to act as a depository under the Securities and Exchange Board of India Act 1992.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a Depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

(ii) *Company to Recognize Interest in Dematerialized Securities under the Depositories Act, 1996*.

Either the Company or the investor may exercise an option to issue, dematerialise, hold the securities (including shares) with a Depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation/Re-Materialisation Of Securities*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option To Receive Security Certificate Or Hold Securities With Depository*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) *Securities In Electronic Form*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) *Beneficial Owner Deemed As Absolute Owner*

Except as ordered by a court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the beneficial owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) *Rights Of Depositories And Beneficial Owners*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(viii) *Register and Index of Beneficial Owners*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that state or country.

(ix) *Cancellation of Certificates Upon Surrender By Person*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service of Documents*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment of Securities*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer Of Securities*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository.

(xiii) *Distinctive Number Of Securities Held In A Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form.

(xiv) *Provisions Of Articles To Apply To Shares Held In Depository*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.

(xv) *Depository To Furnish Information*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option To Opt Out In Respect Of Any Such Security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect of This Article*

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these Presents.

Nomination Facility

Article 70 provides that:

(i) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

(ii) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

(iii) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(iv) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

(v) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

a) To be registered himself as holder of the shares or debentures as the case may be, or

b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased shareholder or debenture holder as the case may be.

(vi) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

(vii) A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

(viii) A Depository may in terms of Section 109A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

Buy Back of Shares

Article 71 provides that "The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Sections 77A and other applicable laws, if any."

Rights to issue share warrants

Article 73 provides that:

"(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

Rights of warrant holders

Article 74 provides that:

"(a) The bearer of the share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

Article 75 provides that:

"(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.

Board to make rules

Article 76 provides that "The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction."

Rights to convert shares into stock & vice-versa

Article 77 provides that "the Company in general meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose."

Rights of stock holders

Article 78 provides that "the holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages."

Annual General Meetings

Article 79 provides that "the Company shall, in addition to any other meetings hold a general meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act."

Extraordinary General Meetings

Article 79 provides that "the Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board."

Extraordinary Meetings on requisition

Article 80 provides that "The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act."

Notice for General Meetings

Article 81 provides that "All general meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meeting.

The members may participate in general meetings through such modes as permitted by applicable laws."

Quorum for General Meeting

Article 84 provides that "Five members or such other number of members as the law for the time being in force prescribes, personally present shall be quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the meeting."

Chairman of General Meeting

Article 86 provides that "The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company."

Election of Chairman

Article 87 provides that "If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman."

Voting at Meeting

Article 89 provides that "At any general meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Decision by poll

Article 90 provides that "If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded."

Casting vote of Chairman

Article 91 provides that "In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member."

Poll to be immediate

Article 92 provides that:

"(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.

Passing resolutions by Postal Ballot

Article 93 provides that:

"(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 or other applicable law to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended from time.

Voting rights of Members

Article 94 provides that:

"(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his share of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

Voting by joint-holders

Article 95 provides that “In case of joint-holders the vote of first named of such joint-holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.”

No right to vote unless calls are paid

Article 97 provides that “No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.”

Proxy

Article 98 provides that “On a poll, votes may be given either personally or by proxy.”

Instrument of proxy

Article 99 provides that “The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed must be deposited at the Office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting at which the proxy is used.”

Article 100 provides that “The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution.”

Validity of proxy

Article 101 provides that “A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.”

Corporate Members

Article 102 provides that “Any corporation which is a member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company (including the right to vote by proxy).”

Number of Directors

Article 103 provides that “Unless otherwise determined by general meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

The following shall be First Directors of the Company

(a) Mr. Manoj Kohli

(b) Mr. Ashok Juneja

(c) Mrs. Vijaya Sampath"

Share qualification not necessary

Article 104 provides that "Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director."

Director's power to fill-up casual vacancy

Article 105 provides that "The Board of Directors shall have power at any time and from time to time to appoint subject to the provisions of these Presents any person as a Director to fill a casual vacancy and any Director so appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated."

Additional Directors

Article 106 provides that "The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for appointment by the Company as a Director at that Meeting subject to provisions of the Act."

Alternate Directors

Article 107 provides that "Subject to Section 313 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the State in which the meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director."

Remuneration of Directors

Article 108 provides that "A Director (other than a Managing Director or Whole- Time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with the applicable provisions of the Act.

The Board of Directors may allow and pay or reimburse any Director who is not a bonafide resident of the place where a meeting of the Board or of any Committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company."

Remuneration for extra services

Article 109 provides that "If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a member of any Committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled."

Equal power to Director

Article 112 provides that "Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company."

One-third of Directors to retire every year

Article 113 provides that "At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed or the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article."

Retiring Directors eligible for re-election

Article 114 provides that "A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto."

Meetings of the Board

Article 123 provides that:

(a) The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with section 288 of the Act, provided that at least four such meetings shall be held in every year.

(b) The Chairman may, at any time, and the company secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

(c) The Directors may participate in Board Meetings through such modes as permitted by applicable laws.

Quorum

Article 124 provides that:

(a) Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director who presence cannot, by reason of Section 300 of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

Questions how decided

Article 125 provides that:

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

Resolution by Circulation

Article 131 provides that "Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held."

Borrowing Powers

Article 133 provides that:

(a) The Board of Directors may from time to time but with such consent of the Company in general meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a general meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose and in particular, but subject to the provisions of Section 292 and 293 and other applicable provisions of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in general meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

Assignment of Debentures

Article 134 provides that "such debentures may be assignable free from any equities between the Company and the person to whom the same may be issued."

Term of Issue of Debentures

Article 135 provides that "Any debentures may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by a Special Resolution."

Debenture Directors

Article 136 provides that "any trust deed for securing debentures may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or of some person to be a Director of the Company and may empower such trustee or holders of debentures from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained."

Nominee Directors

Article 137 provides that:

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "Corporation") so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the

Corporation are paid off or they ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all general meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

Register of Charges

Article 138 provides that "the Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified."

Subsequent assigns of uncalled capital

Article 140 provides that "where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge."

Charge in favour of Director for Indemnity

Article 141 provides that "if the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability."

Powers to be exercised by Board only by Meeting

Article 142 provides that:

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

  (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

  (ii) Power to issue debentures;

  (iii) Power to borrow money otherwise than on debentures:

  (iv) Power to invest the funds of the Company;

  (v) Power to make loans.

(b) The Board of Directors may by a resolution passed at a meeting delegate to any committee of directors or the Managing Director or to any person permitted by applicable law the powers specified in sub clauses (a) (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (a) (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (a) (iv) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (a) (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Managing Director(s) and/ or Whole-Time Director(s)

Article 144 provides that:

(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/ or whole-time Directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

(d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

(e) The Managing Director and/or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

Powers and duties of Managing Director or whole-time Director

Article 145 provides that "the Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction."

Remuneration of Managing Directors/whole time Directors

Article 146 provides that "subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary, perquisites, commission or participation in profits or partly in one way and partly in another) as the Company in general meeting may from time to time determine."

Custody of Common Seal

Article 149 provides that "the Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one."

Right to dividend

Article 152 provides that:

(a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these Presents and subject to the provisions of these Presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to participate in the profits.

Declaration of Dividends

Article 153 provides that "the Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Capitalisation of Profits

Article 164 provides that:

(a) The Company in general meeting, may, on recommendation of the Board resolve:

  (i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

  (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

  (i) Paying up any amounts for the time being unpaid on shares held by such members respectively

  (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

  (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) A share premium account may be applied as per Section 78 of the Act and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

(d) The Board shall give effect to the resolution passed by the Company in pursuance of these Regulations.

Power of Directors for declaration of bonus issue

Article 165 provides that:

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

  (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

  (ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

   (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

   (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

Winding up

Application of assets

Article 183 provides that "Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company."

Division of assets of the Company in specie among members

Article 184 provides that "If the Company shall be wound up whether voluntarily or otherwise the liquidators may with sanction of a special resolution divide among the contributories in specie or kind or any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly."

Director's and others' right to indemnity

Article 185 provides that:

(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

Not responsible for acts of others

Article 186 provides that:

(a) Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

Secrecy

Article 187 provides that "No member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public."

Duties of Officers to observe secrecy

Article 188 provides that "Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law."

Part II of the Articles of Association

Part II of the Articles of Association include all the rights and obligations of the parties to the Shareholders Agreement dated December 28, 2007, as amended by Amendment Agreement No. 1 dated April 4, 2008, entered into between the Company, Bharti Airtel Limited and Compassvale Investments Pte. Ltd. and Deeds of Confirmations, as amended by Amendment Agreements, separately entered into by each of AIF Capital Telecom Infrastructure Limited, Anadale Limited, AXA Towers India, Citigroup Financial Products Inc., GS Investment Partners (Mauritius) I Limited, GS Strategic Investments Limited, KKR Towers Company Mauritius Limited, Millennium Mauritius I Limited, Nomura Asia Investment (IB) Pte. Ltd., Park Equity Holdings Limited with the Company, Bharti Airtel Limited, Compassvale Investments Pte. Ltd.

In the event of any inconsistency between Part I and Part II of the Articles of Association, the provisions of Part II shall prevail over Part I of the Articles of Association. However Part II of the Articles of Association shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of shares of the Company without any further action by the Company or by the shareholders.

Definitions

Article 2 provides that "In these Regulations:

(xxxv) "Investor Director" shall mean each of the directors appointed by KKR and Compassvale (hereinafter collectively referred to as the Investor Directors).

(xxxix) "Primary Investor" means each of Compassvale and KKR (hereinafter collectively referred to as "Primary Investors").

(xl) “Other Investors” shall mean an Investor other than the Primary Investors.”

General Meeting of Shareholders

Article 57.1 provides that “The Company shall hold at least one (1) general meeting of the shareholders to be called as the “**Annual General Meeting**” in each Financial Year. All general meetings of the Shareholders (including, unless the context otherwise requires, the Annual General Meeting) of the Company shall be called as “**General Meetings**”.”

Notice of Shareholder Meetings

Article 57.2 provides that “Prior written notice of at least 21 (twenty-one) days for convening the General Meeting of the Company’s shareholders shall be given to all of the Shareholders of the Company. A General Meeting may however be called by the Chairman on less than 14 (fourteen) Business Days (but not less than 7 (seven) Business Days) prior written notice with the prior written consent of all the Shareholders of the Company. Every notice shall be accompanied by the agenda setting out the particular business proposed to be transacted at such meeting. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice without prior written unanimous consent of the Shareholders of the Company.”

Proceeding at General Meetings

Quorum

Article 57.3.1 provides that “Subject to the provisions of the Act, the quorum at the General Meeting of the Company shall comprise of 5 (five) shareholders of the Company present in person or by duly authorized representative and where any item of agenda of the General Meeting consists of any Affirmative Vote Items the quorum shall include at least one (1) duly authorised representative of each Primary Investor present at the commencement of such meeting and throughout its proceedings (unless such Investor has provided its written consent to the holding of such meeting in the absence of its respective authorized representative).”

Article 57.3.2 provides that “In the absence of a valid quorum at a General Meeting, duly convened and held, the meeting shall be adjourned to the same time and place (unless otherwise agreed in writing between the Shareholders) not earlier than 10 (ten) Business Days but no later than 21 (twenty one) days thereafter as the chairman may determine (“**First Adjourned General Meeting**”). The aforesaid quorum requirement shall also be applicable at such First Adjourned General Meeting. In the absence of a valid quorum at the First Adjourned General Meeting, the meeting shall be adjourned to the same time and place (unless otherwise agreed between the Shareholders) not earlier than 10 (ten) Business Days but no later than 21 (twenty one) days thereafter as the chairman may determine (“**Second Adjourned General Meeting**”). In the absence of a valid quorum at such Second Adjourned General Meeting, the shareholders present in person thereat or represented through an authorized representative shall, notwithstanding anything to the contrary herein contained but subject to the provisions of the Act, constitute the quorum and all business transacted thereat shall be regarded as having being validly transacted.”

Votes for members

Article 57.8 provides that “Subject to any rights or restriction for the time being attached to any class or classes of shares:

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be as laid down in Section 87 of the Act.”

Authority of the Board

Article 58.1 provides that “The Company will have a board of directors and the powers of the Board will be those laid down by the Act and these Articles. Subject to the provisions of these Articles and the Act, the Board shall be responsible for the management, supervision, direction and control of the Company.”

Number of Directors

Article 58.2 provides that “The minimum number of Directors on the Board shall be 5.”

Appointment of Director

Nomination

Article 58.11 provides that:

(i) Compassvale and KKR shall have a right to appoint 1 (one) non-rotational director each on the Board of the Company (including alternate director in place of such nominated director).

(ii) Notwithstanding anything to the contrary in these Articles, so long as the Promoters and/or its Affiliates hold not less than 26% of the total outstanding Equity Share capital of the Company the Promoters shall continue to have the right to control the management and the policies of the Company including the right to appoint the majority of the Directors.

Composition

Article 58.12.1 provides that “Upon occurrence of Closing and on the Closing Date, the composition of the Board shall consist of at least the following:

(i) **Compassvale**: 1 (one) Director;

(ii) **KKR**: 1 (one) Director;

(iii) **Independent Directors**: 1 (one) Independent Director (appointed in accordance with Article 58.9 above).”

Applicability of Articles – Directors

Article 58.13 provides that “Notwithstanding anything to the contrary in these Articles, the Other Investors shall not be entitled to appoint any nominee as a Director on the Board and consequently the provisions of Articles 58.11, 58.16, 58.18 and Schedule 1 shall not be applicable to the Other Investors, provided that the Other Investors shall be obliged to exercise their votes in relation to all the Equity Shares held by it to give effect to the provisions of Article 58.12.2. Any references to “Investor Director(s)” in these Articles shall mean solely references to the Director appointed by the Primary Investors and references to “Investor” in such context shall not be construed to include any references to the Other Investors.”

Affirmative Vote Items

Article 66.1 provides that “Subject to any additional requirements imposed by the Act and notwithstanding anything contained in these Articles, no action shall be taken by the Company at any General Meeting or at any Board Meeting or committee thereof or by resolution by circulation with respect to any of the matters set out in **Schedule 2** (“**Affirmative Vote Items**”) without the prior written consent of the Primary Investors or the affirmative vote of the Investor Directors, as the case may be. The Affirmative Vote Items must be referred to the Board or the general meeting, as the case may be, and no shareholder, director, officer, committee, committee member, employee, agent or any of their respective delegates shall take any actions purporting to commit the Company in relation to any such Affirmative Vote Items without the prior approval of the Primary Investors or the Investor Directors, as the case may be.”

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Issue Opening Date until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 13, 2012 between the Company, the Selling Shareholders, the JGCBRLMs, the BRLMs and the CBRLMs.

2. Memorandum of Understanding dated November 22, 2012 between the Company, the Selling Shareholders and the Registrar to the Issue.

3. Escrow Agreement dated [●] between the Company, the Selling Shareholders, the JGCBRLMs, the BRLMs, the CBRLMs, Escrow Collection Bank and the Registrar to the Issue.

4. Syndicate Agreement dated [●] between the Company, the Selling Shareholders, the JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members.

5. Selling Shareholders' Escrow Agreement dated [●] between the Company, the Selling Shareholders and the escrow agent.

6. Underwriting Agreement dated [●] between the Company, the Selling Shareholders, the JGCBRLMs, the BRLMs, the CBRLMs and the Syndicate Members.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of the Company as amended from time to time.

2. Certificate of incorporation dated November 30, 2006.

3. Certificate of commencement of business dated April 10, 2007

4. Resolutions of the Board of Directors dated August 30, 2012 and IPO Committee resolution dated September 14, 2012 in relation to the Issue and other related matters.

5. Shareholders' resolution dated September 7, 2012 in relation to this Issue and other related matters.

6. Compassvale board resolution dated September 4, 2012 approving the Offer for Sale.

7. Consent from Compassvale dated September 11, 2012 in relation to the Offer for Sale.

8. Consent from GS Strategic dated September 13, 2012 in relation to the Offer for Sale.

9. Anadale board resolutions dated September 7, 2012 and November 26, 2012 approving the Offer for Sale.

10. Consent from Anadale dated September 11, 2012 in relation to the Offer for Sale.

11. Nomura board resolution dated September 3, 2012 approving the Offer for Sale.

12. Consent from Nomura dated September 11, 2012 in relation to the Offer for Sale.

13. The examination reports of the statutory auditor, on the Company's restated unconsolidated financial statements and restated consolidated financial statements, included in this Red Herring Prospectus.

14. The examination reports of the Indus Auditor on Indus' restated financial information, included in this Red Herring Prospectus.

15. The Statement of Tax Benefits dated November 23, 2012 from the Statutory Auditors.

16. Consent of the Directors, the JGCBRLMs, the BRLMs, the CBRLMs, the Syndicate Members, Indian Legal Counsel to the Company, Indian Legal Counsel to the Underwriters, International Legal Counsel to the Company, International Legal Counsel to the Underwriters, Registrar to the Issue, Escrow Collection Banker, Bankers to the Issue, Bankers to the Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

17. Due Diligence Certificate dated September 14, 2012 addressed to SEBI from the JGCBRLMs, the BRLMs and the CBRLMs.

18. In principle listing approvals dated September 25, 2012 and September 26, 2012 issued by BSE and NSE respectively.

19. Tripartite Agreement dated May 5, 2008 between the Company, NSDL and Karvy Computershare Private Limited.

20. Tripartite Agreement dated November 23, 2007 between the Company, CDSL and Karvy Computershare Private Limited.

21. IPO Grading Report dated November 27, 2012 by CRISIL.

22. SEBI observation letter no. CFD/DIL-1/HB/SD/26380/2012 dated November 26, 2012.

23. Scheme of arrangement between the Promoter and the Company and their respective shareholders.

24. Scheme of arrangement between the Company, BIVL and their respective shareholders.

25. Scheme of arrangement between BIVL, Vodafone Infrastructure Limited and Idea Cellular Towers Infrastructure Limited and Indus and their respective shareholders and creditors.

26. Shareholders' agreement between the Company, the Promoter, Compassvale and the share subscription agreement entered into by the investors with the Company and the Promoter.

27. Deeds of confirmations entered into by the investors with the Company and the Promoter.

28. Profit sharing letters executed by the investors with the Company and the Promoter.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

For Compassvale Investments Pte. Ltd.

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

For GS Strategic Investments Limited

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

For Anadale Limited

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

For Nomura Asia Investment (IB) Pte. Ltd.

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

_________________________	**Rakesh Bharti Mittal** *(Chairman, Non-independent and non-executive Director)*
_________________________	**Akhil Kumar Gupta** *(Vice Chairman and Managing Director)*
_________________________	**Sarvjit Singh Dhillon** *(Non-independent and non-executive Director)*
_________________________	**Sanjay Nayar** *(Non-independent and non-executive Director)*
_________________________	**Narayanan Kumar** *(Independent and non-executive Director)*
_________________________	**Vinod Dhall** *(Independent and non-executive Director)*
_________________________	**Jitender Balakrishnan** *(Independent and non-executive Director)*
_________________________	**Bharat Sumant Raut** *(Independent and non-executive Director)*
_________________________	**Leena Srivastava** *(Independent and non-executive Director)*
_________________________	**Murray Philip King** *(Non-independent and non-executive Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER

_________________________	**Pankaj Miglani** *(Chief Financial Officer)*

Date: November 28, 2012
Place: New Delhi

CONFIDENTIAL

Ref.: BIL \ CS \ 24-11-12 \ 136.1

Dated: November 27, 2012

Mr. Pankaj Miglani,
CFO
Bharti Infratel Ltd
Park Centra,
Sector-30,
Village Silokhara,
Gurgaon 122 001, India

Dear Mr. Pankaj Miglani,

Ref: CRISIL IPO Grading for the Initial Public Offer of Equity Shares of Bharti Infratel Limited

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a **CRISIL IPO Grade "4/5"** (pronounced "four on five") to the captioned equity issue. This grade indicates that the fundamentals of the Issue are above average relative to other listed equity securities in India.

The assigned grade is a one time assessment valid till January 26th 2013. In the event of your company not opening the captioned issue before January 26th 2013, or in the event of any change in the size/structure of the issue, a fresh letter of revalidation from CRISIL shall be necessary.

As per our Grading Agreement, CRISIL shall disseminate the assigned Grade through its publications and other media once the company agrees to the same.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Mohit

Mohit Modi
Director, Equity Research

Chinmay Sapre
Research Analyst, Equity Research

A CRISIL IPO Grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO Grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO Grading is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO Grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO Gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22-33423561, or via e-mail: clientservicing@crisil.com.

For more information on CRISIL IPO Gradings, please visit http://www.crisil.com/ipo-gradings

Bharti Infratel Ltd

One-time assessment

CRISIL IPO Grade 4/5 (Above Average)

November 27, 2012

Grading summary

CRISIL has assigned a CRISIL IPO grade of '4/5' (pronounced "four on five") to the proposed IPO of Bharti Infratel Ltd (Bharti Infratel). This grade indicates that the fundamentals of the IPO are above average relative to the other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The grade is not a recommendation to buy, sell or hold the graded instrument, its future market price or suitability for a particular investor.

Bharti Infratel (including its 42% equity interest in Indus Towers Ltd) is a leading passive infrastructure service provider for telecom services in India. Its network of towers covers all the 22 telecom circles in the country. The company stands to gain from the increase in penetration of voice and data services, which is expected to drive the telecom companies' (telcos') demand for base transceiver stations (BTS) and additional towers. The tenancy ratio is expected to increase as telcos roll out 3G/4G on 2100 Mhz and 2300 Mhz bands. Network expansion by India's leading telcos - Bharti Airtel, Vodafone and Idea Cellular Ltd - works in Bharti Infratel's favour; due to the right of first refusal, Bharti Infratel and Indus Towers will benefit from any expansion of the network by the three telcos. Large-scale operations, first-mover advantage and pool sharing arrangement among the top three telcos have resulted in better-than-industry tenancy ratio for Bharti Infratel; it is expected to improve further leading to high operating leverage and improvement in profitability. The assigned grade also reflects the strong and stable operating cash flows resulting from long-term contracts. The company's robust back-end processes, which ensure higher reliability of network uptime for its clients, support the grade.

However, low return on capital employed (RoCE) is a concern. Since tower infrastructure is a business with high operating leverage, the RoCE is expected to improve in line with increase in tenancy ratio albeit from a lower base. Low asset turnover and minimal use of leverage in a capital intensive industry have resulted in low return on equity (RoE) for Bharti Infratel over the past three years, which can increase if the leverage is corrected. Also, the overcapacity in the industry is expected to limit the demand for rollout of new towers. Further, regulatory changes and the resultant uncertainty pose a risk to telecom players as their network rollout plans could be hampered.

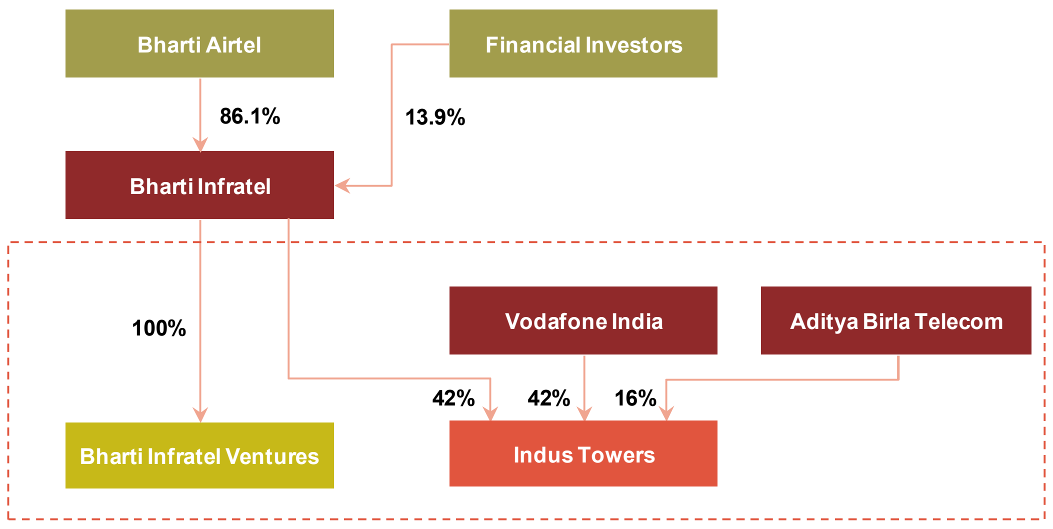
Bharti Infratel's consolidated operating income has increased at a four-year CAGR of 91% to Rs 92.6 bn in FY12 driven by addition of new towers and an increase in the tenancy ratio. EBITDA margins have remained steady at 35-37% over FY10-FY12. Strong growth in EBITDA and an increase in non-operating income (primarily interest income on loans given to group companies) resulted in adjusted net profit growing at 108% CAGR over FY08-12 to Rs 7.5 bn. RoCE and RoE have increased over the past five years largely due to increase in asset turnover but they continue to remain low (RoE was 5.3% in FY12). The company's consolidated net worth is Rs 139 bn as of FY12 and it has a low debt-equity ratio of 0.2x.

About the company

Bharti Infratel was incorporated in 2006 as a subsidiary of Bharti Airtel, a global telecommunications company which currently has operations in 20 countries across Asia and Africa. Bharti Airtel is India's leading telecom service provider with revenues of Rs 714 bn (as of FY12) and revenue market share of 30% (as on quarter ended June 30, 2012). Bharti Airtel and Bharti Infratel belong to the Bharti group, which has business interests in the telecommunications, real estate, insurance and retail sectors. Bharti Infratel is a provider of tower and related passive infrastructure. The company was formed as per the demerger scheme wherein Bharti Airtel transferred all its towers to Bharti Infratel through a scheme of arrangement effective as on January 31, 2008. Bharti Infratel operates in 11 of the 22 telecom circles.

Bharti Infratel entered into a joint venture with Vodafone India and Idea Cellular to set up Indus Towers Ltd to benefit from the tower sharing arrangement. Bharti Infratel, Vodafone India and Aditya Birla Telecom (subsidiary of Idea Cellular) hold 42%, 42% and 16%, respectively, of the equity interest in Indus Towers. Indus Towers operates in 15 telecommunications circles in India of which four circles overlap with those of Bharti Infratel.

Bharti Infratel owns 33,446 towers and Indus Towers owns 109,539 towers as on June 30, 2012.



Aditya Birla Telecom is a subsidiary of Idea Cellular

Source: DRHP

History and key milestones

Year	Key milestones
2006	Incorporation
2007	Bharti Infratel, Bharti Airtel, Vodafone India Ltd, Idea Cellular Ltd and Idea Cellular Infrastructure entered into a joint venture to set up Indus Towers to operate 15 telecommunication circles in India
2008	Bharti Airtel transferred its passive infrastructure assets to Bharti Infratel pursuant to a scheme of arrangement that became effective on January 31, 2008 Compassvale, KKR Towers Company Mauritius Ltd, GS Investment Partners (Mauritius) I Ltd, Citigroup Financial Products Inc., AIF Capital Telecom Infrastructure Ltd, AXA Towers India, Anadale, GS Strategic, Millennium Mauritius I Ltd, Park Equity Holdings Ltd and Nomura invested in the company by subscribing to equity shares and compulsorily convertible debentures
2009	The company transferred its passive infrastructure assets in 11* telecommunication circles to its subsidiary, Bharti Infratel Ventures Ltd (BIVL), pursuant to a scheme of arrangement that became effective on May 5, 2011 with effect from the appointed date, i.e. April 1, 2009. This transfer was a precursor to the transfer of certain towers of Bharti Infratel to Indus Towers Citigroup Financial Products Inc. converted 118,650 compulsorily convertible debentures to 1,182,270 equity shares
2010	Compassvale, KKR Towers Company Mauritius Ltd, AIF Capital Telecom Infrastructure Ltd, Anadale, GS Strategic, Millennium Mauritius 1 Ltd, Nomura, AXA Towers India, GS Investment Partners (Mauritius) I Ltd and Park Equity Holdings Ltd converted an aggregate of 3,084,900 compulsorily convertible debentures to 39,120,640 equity shares
2011	BIVL has filed a scheme of arrangement before the High Court of Delhi pursuant to which all the business and undertakings of BIVL, Vodafone Infrastructure Ltd and Idea Cellular Towers Infrastructure Ltd will be transferred to and vested in Indus Towers

* Tamil Nadu and Chennai are considered as one circle

Source: DRHP

Issue details

Type of issue	Fresh issue and offer for sale
Fresh shares offered to public	146.2 mn shares
Offer for sale	42.7 mn shares
Fresh shares offered as per cent of post issue equity (dilution)	7.7%*
Object of the issue	■ Installation of new towers ■ Upgradation and replacement of existing towers ■ Green initiatives at tower sites ■ General corporate purposes
Amount proposed to be raised	Not available at the time of grading
Price band	Not available at the time of grading
Lead managers	DSP Merrill Lynch, J.P. Morgan, Standard Chartered Securities, UBS Securities, Barclays Securities, Deutsche Equities, Enam Securities, HSBC Securities and Capital Markets, Kotak Mahindra Capital Company

*Including the offer for sale, the issue size is 10% of post-issue capital

Source: DRHP

Use of IPO proceeds

Sr No.	Particulars	Estimated cost (Rs mn)	Already incurred	FY14	FY15	FY16
1	Installation of 4,813 new towers	10,865.6	-	5,071.0	4,253.4	1,541.2
2	Upgradation and replacement on existing towers	12,140.8	-	5,048.8	5,307.2	1,784.8
3	Green initiatives at tower sites	6,393.6	-	2,990.8	2,768.4	634.4
4	General corporate purposes	N.A	-	-	-	-
	Total	**29,400**	**-**	**13,110.6**	**12,329.0**	**3,960.4**

Source: DRHP

Shareholding pre- and post-issue

	Pre-issue		Post-issue	
Category of equity shareholders	**No. of equity shares**	**%**	**No. of equity shares**	**%***
Promoters (A)				
Bharti Airtel Ltd	1,500,000,000	86.09	1,500,000,000	79.42
Subtotal (A)	1,500,000,000	86.09	1,500,000,000	79.42
Public shareholding (B)				
Foreign institutional investors (2)	13,520,880	0.78	13,520,880	0.72
Private equity (1)	18,027,840	1.03	18,027,840	0.95
Investment fund (1)	18,027,840	1.03	14,422,272	0.76
Subtotal (B)	49,576,560	2.84	45,970,992	2.43
Non-institutions (C)				
Bodies corporate (7)	192,832,170	11.07	153,771,850	8.14
Subtotal (C)	192,832,170	11.07	153,771,850	8.14
Public pursuant to issue (D)				
Subtotal (D)	0	0	188,900,000	10.00
Total (A+B+C+D)	1,742,408,730	100	1,888,642,842	100.0

Source: DRHP

* Throughout this report, Bharti Infratel consolidated refers to Bharti Infratel standalone plus its proportionate share in Indus Towers

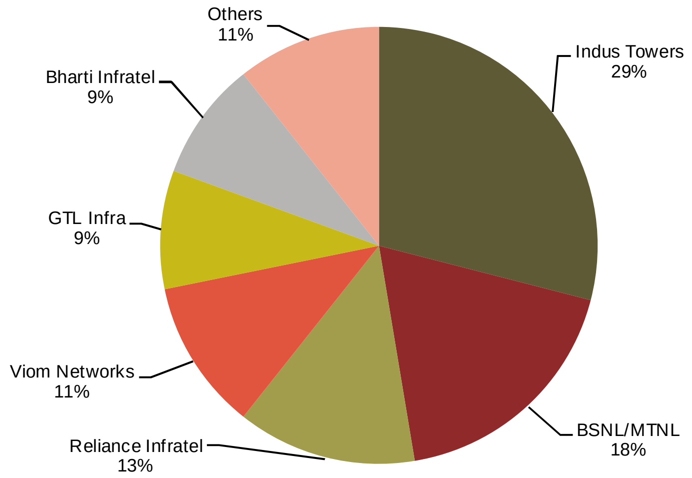
Detailed Grading Rationale

A. Business Prospects

▪ ***Leading player in the Indian telecom infrastructure industry***

Bharti Infratel (including its 42% ownership in Indus Towers) is a leading provider of tower and related infrastructure in India based on the total number of towers. It owns 33,446 towers and Indus Towers owns 109,539 towers as on June 30, 2012. Bharti Infratel operates in 11 telecom circles while Indus Towers operates in 15 telecom circles with overlapping operations in four circles. The large-scale nationwide presence provides Bharti Infratel significant operating leverage and creates entry barriers for new players. It also gains from the first-mover advantage at many of the locations. The company has better tenancy ratio (x) than the industry due to its scale, first-mover advantage and pool sharing arrangement among the top three telcos - Bharti Airtel, Vodafone and Idea Cellular.

Large portfolio of towers in the domestic telecom infrastructure industry



Total towers: 376,000 as of FY12-end

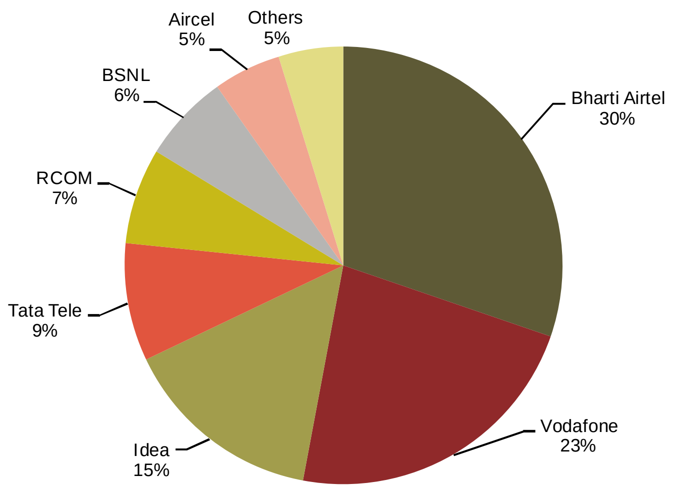
Source: DRHP

▪ ***Ownership by large telecom operators confers competitive advantage***

Bharti Airtel is the promoter of Bharti Infratel, which along with Vodafone and Idea Cellular, owns Indus Towers. Bharti Airtel is the largest wireless telecommunications service provider in India by wireless revenues for the quarter ended June 30, 2012. Bharti Airtel, Vodafone and Idea Cellular collectively have the largest telecom market share in India and accounted for 68% of the total wireless telecom revenues as of Q1FY13.

Bharti Airtel is a tenant at almost all of Bharti Infratel's towers. At least one among Bharti Airtel, Vodafone and Idea Cellular is a tenant at almost all of Indus Towers' towers. Also, due to the right of first refusal (for telcos' passive infrastructure needs), Bharti Infratel (consolidated) will benefit from any expansion of the networks of the three telcos. In its 11 circles of exclusive operation, Indus Towers has the right of first refusal for development of new towers or co-locations for each of Bharti Airtel, Vodafone and Idea Cellular. Similarly, Bharti Airtel has granted Bharti Infratel the right of first refusal in relation to all of Bharti Airtel's new towers and co-location requirements in the seven circles where Bharti Infratel operates exclusively.

Revenue market share of leading telecom players



For quarter ended June 30, 2012

Source: DRHP

Bharti Infratel's and Indus Towers' operations in different telecom circles

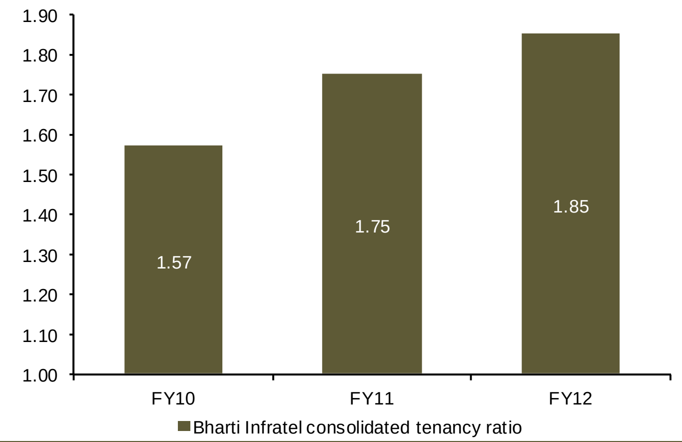
	Number of circles	circles	Rights of entities
Circles with presence of Bharti Infratel but not Indus Towers	7	Jammu & Kashmir, Himachal Pradesh, Madhya Pradesh, Chhattisgarh, Bihar, Orissa, Assam and North-East states	Bharti Infratel has the first right of refusal for all new towers and co-location for Bharti Airtel
Circles with presence of Indus Towers but not Bharti Infratel	11	Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai), West Bengal	- Bharti Infratel does not operate in these circles - Indus Towers has first right of refusal to Bharti Airtel, Vodafone and Idea for setting up new towers or co-locations
Circles with presence of both Indus Towers and Bharti Infratel	4	Haryana, Rajasthan, Uttar Pradesh (West), Uttar Pradesh (East)	- Bharti Infratel cannot roll out new towers in these circles though it can add co-locations to the existing towers - Bharti Infratel has the first right of refusal for co-location from Bharti Airtel - Indus Towers has the first right of refusal for rollout of new towers from Bharti Airtel, Vodafone and Idea

Source: DRHP, CRISIL Research

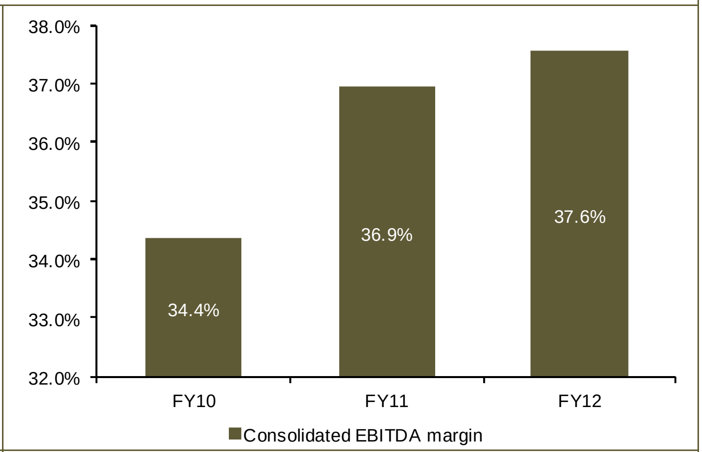
- ***Higher-than-industry tenancy ratio***

The key economic driver of a tower business is the tenancy. Tower companies incur significant capital expenditure (capex) for setting up a new tower. Operating expenses of a tower - such as site rentals, security and maintenance - are largely fixed. Thus, each increment in tenancy (tenants per tower) is accompanied by a minimal increase in costs and results in increase in profitability. Bharti Infratel and Indus Towers have been able to increase their tenancies over the past three years due to their strong parentage and national presence.

Improvement in tenancies for Bharti Infratel (consolidated) has resulted in better EBITDA margin

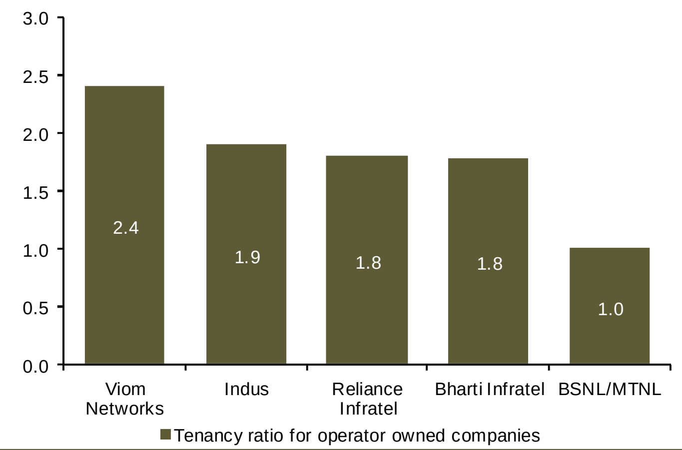


Source: DRHP

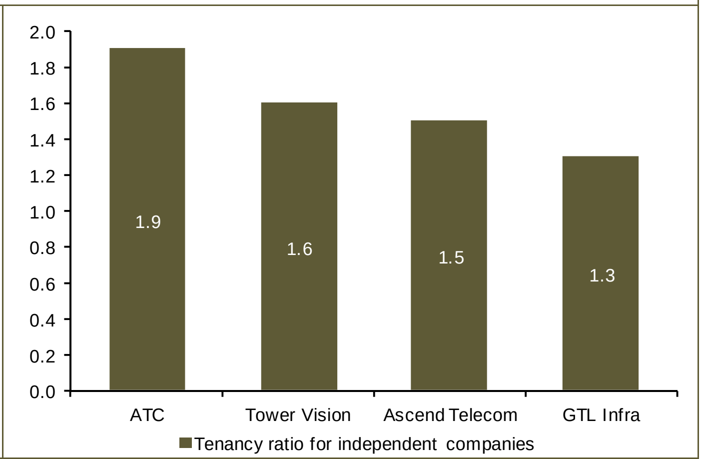


Source: DRHP

Better average tenancy than the industry's 1.7 for FY12



Source: DRHP



Source: DRHP

- ***Tower sharing is the way forward***

Traditionally, operators owned captive tower assets and there was little sharing of the infrastructure. However, telecom tower assets being capital intensive led to significant debt on balance sheets of telecom operators (telcos). In an effort to clean up the balance sheet and reduce investments in passive infrastructure (towers), some companies hived off their telecom assets into separate companies. It also helped the telcos consolidate their market position by focusing on core operations of providing network coverage and customer services. Tower sharing also emerged as a preferred way of reducing the investment requirement. This was the primary basis for the formation of Bharti Infratel and Indus Towers. Also, independent tower companies such as GTL Infrastructure and American Tower Company are heralding the concept of tower sharing. CRISIL Research expects increased tower sharing to drive the tenancy ratio upwards to 2.13 in FY15 from 1.8 in FY12.

▪ *Low teledensity in Bharti Infratel's circles offers growth opportunities*

Bharti Infratel is expected to benefit from the expected increase in teledensity in the 11 circles it operates in. Six of the seven circles where Indus Towers is not present are category C and one circle is category B; these have much lower teledensity than category A and metro circles. The expansion of services in these relatively underpenetrated markets by telcos provides a significant opportunity to Bharti Infratel. Rural India currently suffers from low penetration of telecom services, and we believe that these areas offer potential for growth of voice services. As per the Telecom Regulatory Authority of India (TRAI) data as on March 31, 2012, urban wireless penetration was 162.8% while rural wireless penetration was 38.3%. While a slowdown is expected in urban net additions, rural India is expected to account for a large share of the increase in net additions. CRISIL Research expects the total mobile subscriber base to touch 1,024 mn by FY17 from 919 mn in FY12.

Teledensity across Bharti Infratel's seven exclusive circles

Circle	Category	Teledensity (%)
Madhya Pradesh	B	52.7
Himachal Pradesh	C	116.2
Orissa	C	64.7
North-East	C	63.8
Jammu & Kashmir	C	53.1
Bihar	C	48.4
Assam	C	45.9

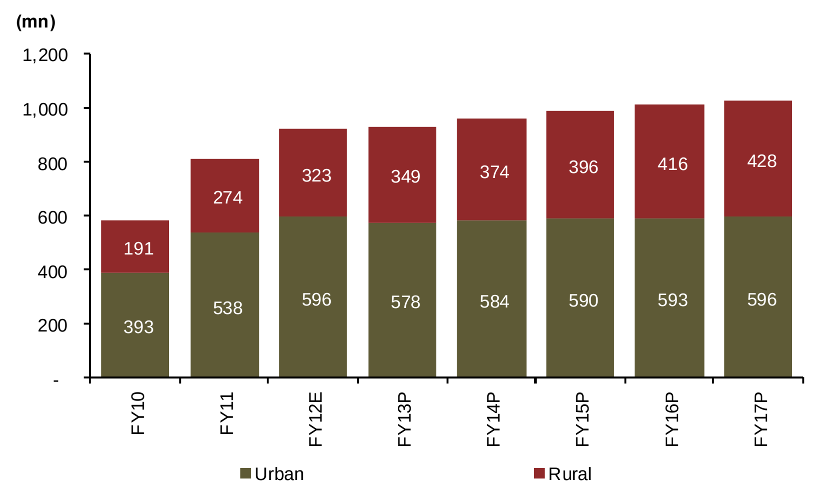
Teledensity across Bharti Infratel's four overlapping circles

Circle	Category	Teledensity (%)
Uttar Pradesh (East)	B	59.9
Uttar Pradesh (West)	B	59.9
Rajasthan	B	71.3
Haryana	B	87.1

As on March 31, 2012

Source: DRHP

Wireless subscriber addition to be driven by rural demand

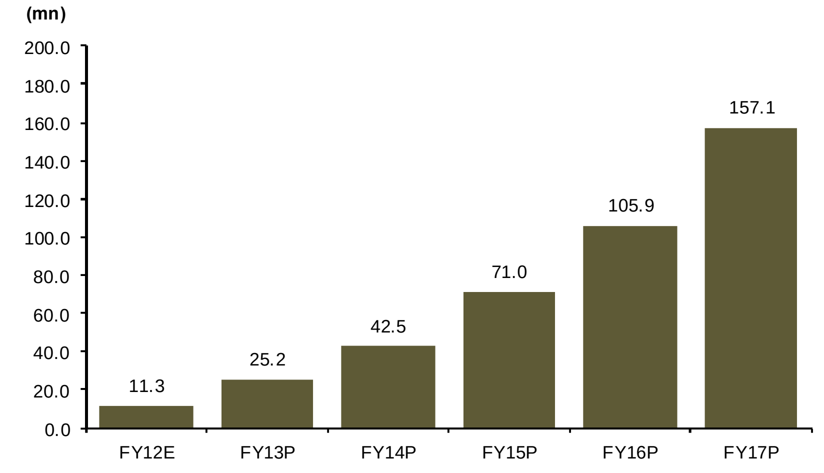


Source: CRISIL Research

▪ *Increase in use of data services will drive demand for additional BTS*

As wireless telecommunications subscribers' demand for data services increases, telcos in the metros and A category circles will seek to expand their existing networks to accommodate the rollout of 3G services, as well as newer technologies such as 4G. This will benefit Indus Towers as it has an extensive presence in metro and A category circles. B category and C category circles have untapped consumer potential for voice services and will also see increasing demand for data services.

Strong growth expected in 3G subscriber base



Source: CRISIL Research

It is estimated that the current usage per active subscriber for 3G is 330 MB for handsets. Increasing usage of 3G services and fall in their prices along with increasing penetration of higher-end mobile phones should give momentum to the adoption of data services. With an expected increase in the usage, additional network capacity will be required. Even if the current co-location of the 3G sites (2100 MHz) is on the 900 MHz grid, additional network capacity and optimisation will require incremental sites. It is estimated that operations at 2100 MHz require 1.6x and 1.2x towers than those required at 900 MHz and 1800 MHz, respectively, to cover the same geographical area.

Tower requirement multiplier across frequency bands

		900 MHz	1800 MHz	2100 MHz	2300 MHz	2600 MHz
Base frequency band	900 MHz	1.0x	1.6x	1.9x	3.2x	3.7x
	1800 MHz		1.0x	1.2x	2.0x	2.3x
	2100 MHz			1.0x	1.7x	2.0x
	2300 MHz				1.0x	1.1x
	2600 MHz					1.0x

Source: DRHP

The three largest telecom players - Bharti Airtel, Vodafone and Idea - will benefit from the strong growth expected in data services. Rise in rural penetration and rollout of 3G and 4G services will require additional investments for installation of base stations due to the demand for additional capacity, in turn increasing the demand for tower bases. This demand would be catered by Bharti Infratel (consolidated) as it has the right of first refusal to the three large telcos in 15 circles and to Bharti Airtel in the remaining seven circles. Increase in number of BTS on their towers will be an additional revenue stream for Bharti Infratel (consolidated) and will also offer operating leverage.

- ***Long-term annuity contracts provide high revenue visibility***

Bharti Infratel and Indus Towers have long-term master service agreements (MSAs) with the tenant telcos. The contract is long term wherein telcos are required to pay rent for the tower usage and power charges for the equipment installed by them on the site. The pass-through mechanism in the agreement along with long-term nature of the agreement provides annuity cash flows to the company. All telcos are offered similar terms for installing their active infrastructure at the towers. The terms are primarily based on the location, land rentals and power usage. Also, the agreement encourages the sharing of the tower infrastructure across various telcos as the cost savings resulting from sharing of a tower are passed on to the existing as well as new telcos added on the tower. The largely fixed cost structure of operations, combined with ample opportunity to increase tenancy (a single GBT can support four-five tenants as compared to industry average tenancy of 1.7), will continue to result in healthy and stable cash flows over the medium term.

***Long-term contracts with high termination penalties*:** As a tower gets a tenant, it usually generates stable cash flow in the form of tower rentals from occupants over the term of the MSA between the two parties. The MSAs range between five and 15 years (which may be extended as mutually agreed), and early termination of the contract by the telco triggers significant penalties. Typically, these penalties are 35% of the total payment to be made for the remainder of the term of the service contract or one year's payment, whichever is higher. Such high penalties in the event of early contract termination provide stability to Bharti Infratel's (consolidated) business throughout the term of the MSAs and provide high revenue visibility.

***Low churn*:** Towers are an integral part of the telco's network and shifting to another tower leasing company is inconvenient. In addition, the complexity in adjusting to a competitor's tower sites further lowers the churn rate. Most contracts between service providers and tower companies are long term in nature, thereby increasing the switching costs.

***Low risk of technological obsolescence*:** Tower companies provide passive infrastructure which is not vulnerable to changes in technology.

- ***Well-developed systems and processes***

Bharti Infratel and Indus Towers have built a robust back-end system to support their widespread network of towers. These investments have helped the company to come up with technological innovations aimed at enhancing operational efficiencies and reducing costs. Bharti Infratel has tied up with IBM as its vendor for automation of supervision, control and maintenance of its tower infrastructure. Through applications such as the TOC (tower operations centre) and Mobile Field Force Management developed under the outsourcing program with IBM, Bharti Infratel is able to centrally monitor, manage and control its tower portfolio. The TOC, centrally located in Gurgaon, helps to monitor its towers on a continuous basis, ensuring faster response time on the ground. Indus Towers uses various service providers to provide it similar IT applications and services.

Tower performance is largely a function of the availability of electricity at a site, which is seasonal due to electricity usage and capacity constraints. Bharti Infratel (consolidated) is required to maintain uptime levels of 99.95% at some of its towers and 99.9% at some of its towers under its MSAs. The robust systems have helped Bharti Infratel (consolidated) maintain high uptime levels with minimal outages in transmission and consistently meet the MSA requirements. The uptime service level for Bharti Infratel for June 2012 was 99.88% and 99.94% for Indus Towers.

- ***Transition to solar power will diversify energy sources***

Bharti Infratel has rolled out several environment-friendly initiatives such as towers powered by integrated power solutions including solar power. The renewable energy (solar) initiative will continue to have long-term benefits for Bharti Infratel, by reducing the environmental impact of its operations. As on June 30, 2012, Bharti Infratel operated 1,255 solar-powered sites, while Indus Towers operated 975 solar-powered sites.

- ***Dependence on promoter companies, large sites with single tenant***

Being an operator-owned entity, Bharti Infratel (consolidated) is the preferred vendor for any rollout of towers for Bharti Airtel, Vodafone and Idea Cellular. As per CRISIL Research, the payback before tax is more than nine years for a single tenant which falls to 5.4 years for a tenancy of 2. The payback period further reduces with additional 3G/4G loading. As on June 30, 2012, out of Bharti Infratel's total portfolio of 33,446 towers, Bharti Airtel is the sole operator on 15,108 towers. Indus Towers operated 109, 539 towers, out of which 42,083 had one among Bharti Airtel, Vodafone India and Idea Cellular as the sole operator. On a portfolio basis, Bharti Infratel has an average co-location factor of 1.9.

However, we note that since the anchor tenants have got 3G licensees and are targeting to increase their rural footprint and distribution, the synergies of sharing by way of lower costs and faster time to market will benefit both Bharti Infratel and Indus Towers. An average GBT site can take up to four-five tenants and average RTT up to two-three tenants and therefore, provides ample opportunity for tower sharing. Given the high operating leverage nature of the business, the move will increase the returns of the company.

- ***Overcapacity in the industry; limited new tower additions expected***

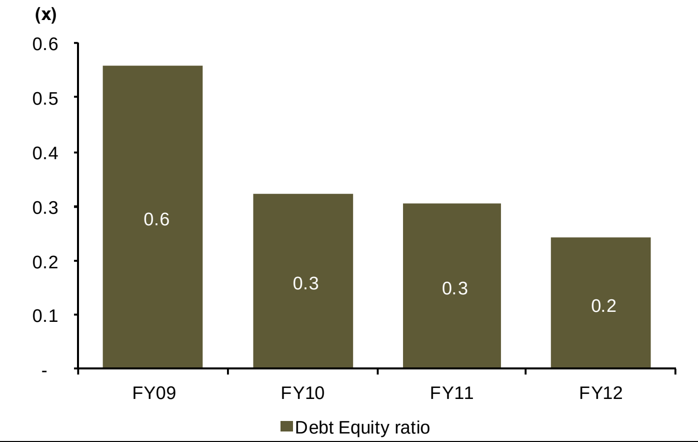
As per CRISIL Research estimates, the total number of telecom towers installed in India has grown at a CAGR of 14% over FY08-FY12 to 360,000. The current tenancy ratio of 1.7 implies that the current passive infrastructure capacity is underutilised. However, the shareable pool of towers is lower as not all towers in the pool are available for sharing (e.g. BSNL/MTNL is only for captive and, therefore, has tenancy ratio of 1.0). Further, the footprint required to operate on different bands is different and, hence, the currently available footprint of towers may not be adequate to service the demand, as and when operators roll out 3G and 4G services. We expect the rollout of new towers to remain muted in the medium term due to adequate capacity being available in the industry and continued funding constraints faced by some competitors of Bharti Infratel. A tower can have three-four tenants whereas the current all-India level tenancy is 1.7, thus providing residual capacity. The total number of towers in India is expected to increase at a CAGR of less than 1% over the next three years.

While tower rollout is forecast to slow down, telcos will continue to add BTSs as they rollout 3G and broadband wireless access (BWA) and increase penetration in rural areas. This will also help in improving the tenancy ratio over the medium term.

- ***Lower returns due to low asset turnover and leverage***

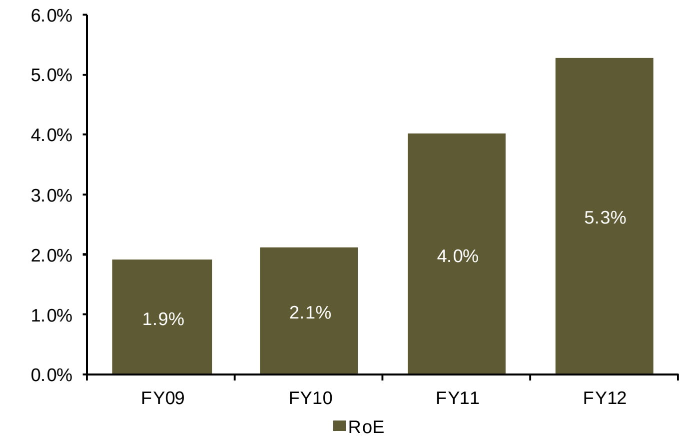
Bharti Infratel (consolidated) has generated low RoEs of 2-5% over the past three years due to lower asset turnover. The RoCE of the business is low at 7.8% due to the capital intensive nature of the business and sub-optimal tenancy ratio. However, as additional tenancies require a very small amount of additional opex and capex, the high marginal RoCE is expected to kick in as tenancies rise. Also, in spite of the highly capital intensive nature of the tower business, Bharti Infratel (consolidated) has rolled out its tower network with a low debt-equity ratio of 0.2x. With strong operating cash flows from operations and an expected increase in equity base from the IPO proceeds, the net debt-equity ratio will remain low and suppress RoE. Correction in the leverage ratio could provide an upside to RoE.

Low debt-equity ratio



Source: DRHP

Muted RoE performance



Source: DRHP

- ***Regulatory changes are a key monitorable***

The telecom sector, including the telcos, active infrastructure providers and passive infrastructure providers (tower companies) are exposed to risk arising from regulatory changes, which may have a negative impact on their businesses.

A majority of the regulations under deliberation will have a greater impact on the telcos and active infrastructure players. However, any pressure on profitability of the telcos will have a trickle-down impact on the tower infrastructure players. The rollout of towers slowed down in FY12 due to financial stress faced by some players in the sector and increased uncertainty related to spectrum pricing. The February 2012 Supreme Court order cancelling 122 2G licences, allocated in 2008, further compounded the policy-related uncertainty in the industry. Following the judgment, players such as Elisalat-DB and STel announced their decision to exit India, while Uninor decided to focus only on nine circles.

With the regulatory spectrum auction over, there is clarity on which telcos remain (even with a shrunk footprint). Increased spectrum cost due to the auction will result in a more rational and increased tariff and expansion strategies for the telcos, thereby helping them in the short to medium term.

Changes in some other regulatory proposals such as spectrum refarming may impact telcos positively, if they materialise, as they may need to deploy additional capacity.

B. Financial Performance

Bharti Infratel's consolidated operating income has increased at a four-year CAGR of 91% to Rs 92.6 bn in FY12 driven by addition of new towers and increase in the tenancy ratio. The average sharing factor of Bharti Infratel's tower was 1.82 and that of Indus Towers was 1.96 as on March 31, 2012. EBITDA margin contracted from 36.6% in FY08 to 29.9% in FY09 owing to a sharp increase in power and fuel costs. However, it has since remained steady at 35-37%. Strong growth in EBITDA combined with increase in non-operating income (primarily interest income on loans given to group companies) resulted in adjusted net profit growing at 108% to Rs 7.5 bn in FY12. RoCE and RoE have increased over the past five years largely due to increase in asset turnover. The company's consolidated net worth is Rs 139 bn as of FY12 which includes fair valuation reserve of Rs 16 bn and it has a low debt-equity of 0.2x

Financial performance snapshot

Particulars	FY08	FY09	FY10	FY11	FY12
Total operating income (Rs mn)	7,051	50,507	70,395	85,305	94,686
EBITDA margin (%)	37	30	34	37	38
Adjusted net profit / (loss)	404	1,952	2,530	5,515	7,507
Adjusted net margin (%)	5.7	3.9	3.6	6.5	7.9
RoCE (%)	1.4	1.9	3.8	6.2	7.8
RoE (%)	0.8	1.9	2.1	4.0	5.3
Adjusted EPS (Rs)	0.3	1.2	1.5	3.2	4.3
No. of equity shares (mn)*	1,615	1,622	1,742	1,742	1,742
Net worth (Rs mn)	102,552	98,112	130,468	134,141	139,434
Asset turnover (x)	0.12	0.34	0.36	0.38	0.39
Debt-equity ratio (x)	0.3	0.6	0.3	0.3	0.2

Note: The financial numbers in this document has been re-classified as per CRISIL's standard and, hence, may not match with DRHP numbers.

Source: DRHP, CRISIL Research

C. Management Capabilities and Corporate Governance

- ***Management has vast experience in the telecom domain***

Bharti Infratel's top management is led by Mr Akhil Gupta (MD and Vice Chairman) and Mr Devender Rawat (CEO and officiating COO). They are supported by Mr Biswajit Patnaik, Head - Sales and Marketing, Mr Sairam Prasad, Head - Operations and Maintenance, Mr Pankaj Miglani, CFO and Mr Prashant Keole, Chief Deployment Officer.

Profile of key management personnel

Name and Designation	Joining date	Experience
Mr Akhil Gupta – MD and Vice-Chairman	March 2008	Over 28 years of experience. He was involved in the formation of Indus Towers
Mr Devender Rawat – CEO and officiating COO	July 2010	23 years of experience in various sectors including telecom
Mr Biswajit Patnaik – Head Sales and Marketing	October 2008	16 years across various sectors including telecom
Mr Sairam Prasad – Head Operations and Maintenance	September 2009	19 years across various sectors including telecom
Mr Pankaj Miglani - CFO	August 2011	18 years of experience; prior association with Bharti Airtel
Mr Prashant Keole – Chief Deployment Officer	October 2007	21 years across various sectors including telecom

Source: DRHP

- ***Maintained industry leadership***

Due to the strong promoter backing, Bharti Infratel and Indus Towers together have been able to maintain healthy tower rollout across all the telecom circles in India. Also, Bharti Infratel and Indus Towers have a better tenancy ratio than the average industry tenancy ratio of 1.7. The management has also invested in back-end systems and processes, which have helped the company maintain high uptime levels.

- ***Board composition and independent directors***

The board comprises 10 directors, of whom five are independent directors. One independent director has been on the board since April 2009; the other three joined the board in September 2012 and one in November 2012.

Profile of independent directors

Independent Director	Profile
Mr Narayanan Kumar	Vice chairman of the Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is also a member of the board of governors of Institute for Financial Management & Research and a governing council member of the AU-KBC Research Centre (Anna University). He was the president of the Confederation of Indian Industry.
Mr Vinod Dhall	Has about 27 years of experience in various fields including competition law, corporate affairs, economic regulation and finance. In the past, he has held various positions with the Government of India including the post of the special secretary – Ministry of Finance. He has also been an ex-officio member of SEBI, Life Insurance Corporation, General Insurance Corporation and has been associated with the United Nations Industrial Development Organisation. He is currently a practicing lawyer.
Mr Jitender Balakrishnan	Has 39 years of experience, which includes his experience in the financial sector with IDBI Bank Ltd where he was the Deputy Managing Director and thereafter an advisor to IDBI Bank Ltd. He is currently an advisor to various corporates.
Mr Bharat Sumant Raut	Has 42 years of experience in accountancy and law. He was, in the past, associated with Sharp and Tannan, Chartered Accountants as a partner, with Price Waterhouse, Chartered Accountants as a partner and with B S R & Co., Chartered Accountants and B S R & Associates, Chartered Accountants as their founding partner. He is a practicing lawyer since 2006.
Ms Leena Srivastava	She is the vice chancellor and executive director of TERI University, Delhi. She has worked on a range of issues covering energy for economic growth, climate and environment, etc. She is also a member of Energy Partnership Advisory Board of World Economic Forum, International Advisory Committee of The Coca Cola Company, Caterpillar's Sustainable Development Advisory Board and Foresight Advisory Council of Suez Environment.

Annexure I

Business Profile

Bharti Infratel provides telecom tower and related infrastructure to telcos in India. The company owns 42% interest in Indus Towers, which is in the same business. Bharti Infratel and Indus Towers cover all the 22 telecom circles in India. Bharti Airtel, Vodafone India and Idea Cellular are the company's key customers.

Circles of operation

Company	Circle
Bharti Infratel	Jammu & Kashmir, Himachal Pradesh, Haryana, Uttar Pradesh (East), Uttar Pradesh (West), Rajasthan, Madhya Pradesh and Chhattisgarh, Bihar, Orissa, Assam and North-East states
Indus Towers	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Rajasthan, Tamil Nadu (including Chennai), Uttar Pradesh (East), Uttar Pradesh (West), West Bengal

Source: DRHP

Number of towers

	FY10	FY11	FY12	Q1FY13
Bharti Infratel	30,564	32,775	33,147	33,446
Indus Towers	103,230	108,732	109,325	109,539
Bharti-Consolidated	73,921	78,442	79,064	79,452

Source: DRHP

Number of co-locations

	FY10	FY11	FY12	Q1FY13
Bharti Infratel	49,999	57,621	60,160	60,714
Indus Towers	178,144	201,106	213,685	216,058
Bharti-Consolidated	124,819	142,086	149,908	151,458

Source: DRHP

Average sharing factor/tenancy ratio

	FY10	FY11	FY12	Q1FY13
Bharti Infratel	1.51	1.70	1.79	1.82
Indus Towers	1.62	1.79	1.90	1.96
Bharti-Consolidated	1.57	1.75	1.85	1.90

Source: DRHP

Planned installation of new towers

Circle Category	GBT	RTT	Total
Category B	1,398	160	1,558
Category C	2,919	336	3,255
Total	4,317	496	4,813

Circle Category	FY14	FY15	FY16	Total
Category B	741	603	214	1,558
Category C	1,504	1,282	469	3,255
Total	2,245	1,885	683	4,813

Source: DRHP

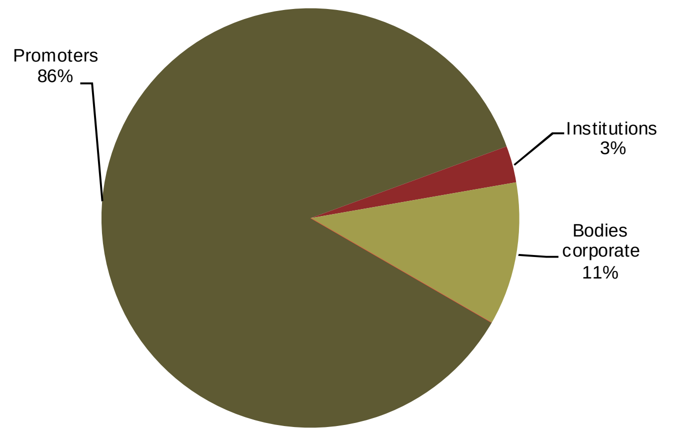
Subsidiaries/joint ventures

Name	Business	Ownership
Bharti Infratel Ventures Ltd (incorporated in December 2007)	Maintaining and operating telecom tower infrastructure	100%
Indus Towers Ltd	Maintaining and operating telecom tower infrastructure	Bharti Infratel (42%), Vodafone India (42%) and Idea Cellular (16%)

Source: DRHP

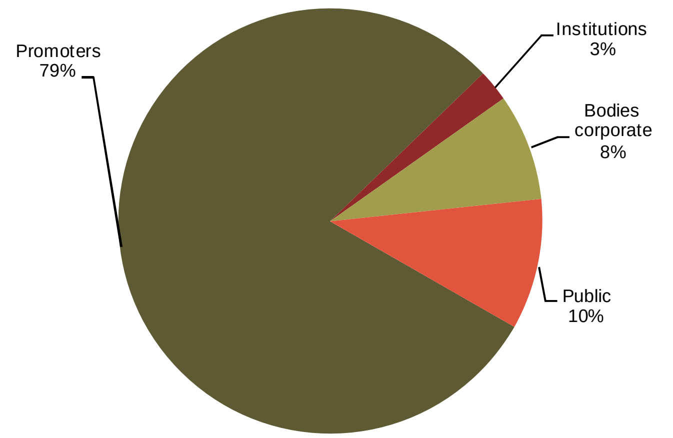
Shareholding pattern

Pre-issue shareholding pattern



Source: DRHP

Post-issue shareholding pattern



Source: DRHP

Annexure II

Comparison of Bharti Infratel with international tower companies

	Number of towers			Average tenancy			Co-locations#		
Company Name	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**
Bharti Infratel*	**73,921**	**78,442**	**79,064**	**1.57**	**1.75**	**1.85**	**124,819**	**142,086**	**149,908**
International Peers									
American Towers	20,000	21,146	21,575	2.5	2.6	2.7	50,000	54,980	58,253
SBA	8,324	9,111	10,524	2.5	2.4	2.3	20,810	21,866	24,205
Crown Castle	22,200	22,300	22,200	2.9	2.9	3.0	64,380	64,670	66,600
TBIG(Indonesia)	716	2,035	3,411	1.9	1.8	1.6	1,378	3,660	5,545

*Bharti Infratel along with its economic interest in Indus Towers

Co-location is number of towers multiplied by average tenancy

	Revenues (US$ mn)			EBIDTA margin (%)			PAT (US$ mn)			D/E (x)			RoE (%)		
Company Name	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**	**2009**	**2010**	**2011**
Bharti Infratel*	841	1,030	1,123	53.9	57.5	57.9	47	102	139	0.3	0.3	0.2	2.1	4.0	5.3
International Peers															
American Towers	1,464	1,614	1,802	72	74	74	210	304	282	1.2	1.6	2.1	7	11	12
SBA	556	627	698	61	62	64	-141	-195	-126	3.9	8.4	NA#	NA	NA	NA
Crown Castle	1,601	1,776	1,907	60	63	65	-114	-310	168	1.8	2.4	2.5	NA	NA	6
TBIG(Indonesia)	33	74	111	75	76	78	23	36	56	1.9	0.6	1.1	68	24	20

The company's net worth has significantly eroded in 2011

* Converted at US$/Rs 54. Also, revenues and EBIDTA exclude power costs to make it comparable with international players

Source: DRHP

Annexure III: Profile of the Directors

Name	Designation	Age	Qualification	Date of appointment	Experience	Directorships in other entities
Rakesh Bharti Mittal	Chairman, Non-Independent and Non-Executive Director	56	Post diploma in Electronics and Control from the Y.M.C.A Institute of Engineering	Sep 3, 2012	NA	■ Atrium Restaurants India Private Ltd ■ Beetel Teletech Ltd ■ Bharti AXA Life Insurance Company Ltd ■ Bharti (RM) Holdings Private Ltd ■ Bharti (RM) Resources Private Ltd ■ Bharti (RM) Services Private Ltd ■ Bharti (RM) Trustees Private Ltd ■ Bharti (Satya) Trustees Private Ltd ■ Bharti Airtel Ltd ■ Bharti AXA General Insurance Company Ltd ■ Bharti Enterprises (Holding) Private Ltd ■ Bharti Infotel Private Ltd ■ Bharti Insurance Holdings Private Ltd ■ Bharti Management Private Ltd ■ Bharti Overseas Private Ltd ■ Bharti Telecom Ltd ■ Bharti Ventures Ltd ■ Centum Learning Ltd ■ Comviva Technologies Ltd ■ FieldFresh Foods Private Ltd ■ IFCI Ltd ■ Indian School of Business and ■ Indus Towers Ltd
Akhil Kumar Gupta	Vice Chairman and Managing Director	56	Certified charted accountant, a fellow member of ICAI and an advanced management program from Harvard Business School	March 31, 2008	More than 28 years	■ Avanti Investfin Private Ltd ■ Bharti Airtel Ltd ■ Bharti AXA General Insurance Company Ltd ■ Bharti AXA Life Insurance Company Ltd ■ Bharti Enterprises (Holding) Private Ltd ■ Bharti Enterprises Ltd ■ Bharti Infotel Private Ltd ■ Bharti Infratel Ventures Ltd ■ Bharti Insurance Holdings Private Ltd ■ Bharti Overseas Private Ltd ■ Bharti Telecom Ltd ■ Bharti Ventures Ltd ■ Gemini Estates Private Ltd ■ Indus Towers Ltd and ■ Tierra Enviro Private Ltd

Name	Designation	Age	Qualification	Date of appointment	Experience	Directorships in other entities
Sarvajit Singh Dhillon	Non-Independent and Non-Executive Director	45	Bachelor's degree in Arts from Middlesex University, UK and a Master's degree in Business Administration from the Stanford University, US	Jan 2, 2012	Over 23 years of experience	■ Beetel Teletech Ltd ■ Bharti Enterprises Ltd ■ Bharti Infratel Ventures Ltd ■ Bharti Retail Ltd ■ Bharti Telecom Ltd ■ Bharti Wal-Mart Private Ltd ■ Cedar Support Services Ltd ■ Centum Learning Ltd ■ Centum Work Skills India Ltd ■ Comviva Technologies Inc ■ Comviva Technologies Ltd ■ Guernsey Airtel Ltd and ■ Jersey Airtel Ltd
Sanjay Nayar	Non-Independent and Non-Executive Director	51	Bachelor's degree in Science (mechanical engineering) from University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad	Jan 31, 2011	Over 27 years of experience	■ Amalgamated Bean Coffee Trading Ltd ■ Avantha Power & Infrastructure Ltd ■ Coffee Day Resorts Private Ltd ■ Dalmia Cement (Bharat) Ltd ■ Dalmia Cement Ventures Ltd ■ Grameen Capital India Ltd ■ Heritage View Developers Private ■ Indian School of Business ■ KKR India Advisors Private Ltd ■ Magma Fincorp Ltd ■ Pratham Education Foundation ■ Pratham Institute for Literacy Education Vocational Training and ■ Valleyview Probuild Private Ltd
Narayanan Kumar	Independent and Non-Executive Director	62	Fellow member of Indian National Academy	April 2008	40 years of experience	■ Bharti Airtel Ltd ■ Cubbon Road Properties Private Ltd ■ eG Innovations Private Ltd ■ eG Innovations Pte. Ltd, Singapore ■ Entertainment Network (India) Ltd ■ Madhura Kumar Properties Private Ltd ■ Madhuram Narayanan Centre for Exceptional Children ■ Madras Cricket Club ■ MRF Ltd ■ N K Trading and Consultancy Private Ltd ■ Nani Palkhivala Arbitration Centre ■ Singapore India Partnership Foundation ■ Take Solutions Ltd and ■ Times Innovative Media Ltd

Name	Designation	Age	Qualification	Date of appointment	Experience	Directorships in other entities
Vinod Dhall	Independent and Non-Executive Director	68	Bachelor's degree in Law from University of Delhi and a Master's degree in Mathematics from University of Allahabad	Sep 3, 2012	About 27 years of experience in various fields including competition law, corporate affairs and economic regulation and finance	■ Asian Hotels (North) Ltd ■ ICICI Prudential Life Insurance Company Ltd ■ ICICI Prudential Pension Funds Management Company Ltd ■ ICICI Prudential Trust Ltd and ■ Schneider Electric Infrastructure Ltd
Jitender Balakrishnan	Independent and Non-Executive Director		Bachelor's degree in Mechanical Engineering from University of Madras and a Diploma in Industrial Management from University of Bombay	Sep 3, 2012	39 years of experience	■ Aditya Birla Finance Ltd ■ Bharti AXA General Insurance Company Ltd ■ Bharti AXA Life Insurance Company Ltd ■ Bhoruka Power Corporation Ltd ■ Binani Industries Ltd ■ Equinox Realty and Infrastructure Private Ltd ■ Essar Services India Ltd ■ Essar Steel India Ltd ■ IL&FS Investment Managers Ltd ■ India Glycols Ltd ■ Magus Estates and Hotels Ltd ■ Polyplex Corporation Ltd
Bharat Sumant Raut	Independent and Non-Executive Director	63	Certified chartered accountant and a fellow member of ICAI	Sep 3, 2012	42 years of experience in law and accountancy	■ Bharti AXA General Insurance Company Ltd ■ Bharti AXA Life Insurance Company Ltd ■ FIL Trustee Company Private Ltd ■ Geltec Private Ltd ■ IDFC Pension Fund Management Company Ltd ■ i-flex Solutions Trustee Company Ltd ■ Tuscan Ventures Private Ltd and ■ Universal Medicare Private Ltd
Leena Srivastava	Independent and Non-Executive Director	52	Doctor of Philosophy from Indian Institute of Science	Nov 5, 2012	NA	■ Strategic Media Works Private Ltd ■ TERI Technologies Ltd and ■ Torrent Pharmaceuticals Ltd
Murray Philip King	Non-Independent and Non-Executive Director	53	Bachelor's degree in commerce from University of Queensland and is a member of the Institute of Chartered Accountants in Australia	Nov 5, 2012	32 years of experience in finance and accounting	■ AKAL Pty Ltd ■ Alpha West ERP Pty Ltd ■ Alpha West Holdings Pty Ltd ■ Alphawest Pty Ltd ■ Alphawest Services Pty Ltd ■ AUE Music TV Pty Ltd ■ AUEVR Music TV Pty. Ltd ■ AUSSAT Finance Ltd ■ Aussat New Zealand Ltd ■ Billing Services Australia Pty Ltd ■ BKAL Pty Ltd

Name	Designation	Age	Qualification	Date of appointment	Experience	Directorships in other entities
						■ Cable & Wireless Optus Satellites Pty Ltd ■ CV Services International Wholesale Pty Ltd ■ Evolution IS (ACT) Pty Ltd ■ Evolution IS Pty Ltd ■ Inform Systems Australia Pty Ltd ■ Membertel Pty Ltd ■ Microplex Pty Ltd ■ Optus Administration Pty Ltd ■ Optus Backbone Investments Pty Ltd ■ Optus Billing Services Pty Ltd ■ Optus Broadband Pty Ltd ■ Optus Data & Business Holdings Pty Ltd ■ Optus Data Centres Pty Ltd ■ Optus E_Commerce Pty Ltd ■ Optus E_Solutions Pty Ltd ■ Optus Finance Pty Ltd ■ Optus Insurance Services Pty Ltd ■ Optus Internet Pty Ltd ■ Optus Investments Pty Ltd ■ Optus Kylie Holdings Pty Ltd ■ Optus Mobile Holdings Pty Ltd ■ Optus Mobile Investments Pty Ltd ■ Optus Mobile Pty Ltd ■ Optus Multimedia Pty Ltd ■ Optus Narrowband Pty Ltd ■ Optus Network Investments Pty Ltd ■ Optus Networks Pty Ltd ■ Optus Rental & Leasing Pty Ltd ■ Optus Retailco Pty Ltd ■ Optus Share Plan Pty Ltd ■ Optus Stockco Pty Ltd ■ Optus Systems Pty Ltd ■ Optus Vision Interactive Pty Ltd ■ Optus Vision Investments Pty Ltd ■ Optus Vision Media Pty Ltd ■ Optus Vision Pty Ltd ■ Path Communications Pty. Ltd ■ Perpetual Systems Pty. Ltd ■ Prepaid Services Pty Ltd ■ Reef Networks Pty Ltd ■ Satellite Platform Investment Pty Ltd ■ Sibalo Pty. Ltd ■ SIMPlus Mobile Pty Ltd ■ Singapore Telecom Australia Investments Pty Ltd

Name	Designation	Age	Qualification	Date of appointment	Experience	Directorships in other entities
						■ Singapore Telecom Australia Pty Ltd ■ SingTel Optus Pty Ltd ■ Source Integrated Networks Pty Ltd ■ The Net Effect Pty. Ltd ■ Ubowireless Pty Ltd ■ UE Access Pty Ltd ■ UE Vialight Pty Ltd ■ UEComm Operations Pty Ltd ■ UEComm Pty Ltd ■ UECOMM Share Plans Custodian Pty Ltd ■ United.com Pty Ltd ■ Unwired Australia Pty Ltd ■ Vanilla Shelf Co No.2 Pty Ltd ■ Virgin Mobile (Australia) Pty Ltd ■ Virgin Mobile (Australia) Services Pty Ltd ■ Virgin Mobile Pty Ltd ■ Vividwireless Group Ltd ■ Vividwireless Pty Ltd ■ VR Music TV Pty Ltd ■ World Wide Web Pty. Ltd ■ XY Zed LMDS Pty Ltd ■ XYZED LMDS Holdings Pty Ltd and ■ XYZED Pty Ltd

Source: DRHP

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- Special coverage on key growth sectors including real estate, infrastructure, logistics, and financial services
- Inputs to India's leading corporates in market sizing, demand forecasting, and project feasibility
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- All opinions and forecasts reviewed by a highly qualified panel with over 200 years of cumulative experience
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- First research house to release exchange-commissioned equity research reports in India

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