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unbreakable trust



Bharti Airtel Limited - Annual Report 2008-09

Every single day, we trust in a myriad of ways.
Every single day trust brings us many opportunities.
To enrich our knowledge. To strengthen our determination.
To elevate our self respect.
It allows us, our partners and our customers
to thrive through healthy collaboration.
To be trusted is the most valuable compliment
that keeps us going.
To make this trust unbreakable we have worked
at reinforcing its foundation.
Every single day.



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Unbreakable trust



“The glue that holds all relationships together - including the relationship between the leader and the led is trust, and trust is based on integrity.”

- Brian Tracy

Corporate information

Board of directors

Sunil Bharti Mittal
Chairman and Managing Director

Manoj Kohli
CEO & Joint Managing Director

Non-executive directors

Ajay Lal
Akhil Gupta
Arun Bharat Ram
Bashir Abdulla Currimjee
Chua Sock Koong
Craig Ehrlich
Nikesh Arora
Mauro Sentinelli
N Kumar
Paul O' Sullivan
Pulak Chandan Prasad
Quah Kung Yang
Rajan Bharti Mittal
Rakesh Bharti Mittal

Group General Counsel & Company Secretary

Vijaya Sampath

Statutory Auditors

S. R. Batliboi & Associates,
Chartered Accountants

Auditors - US GAAP

Ernst & Young

Internal Auditors

Price Waterhouse Coopers Private Limited

Registered & Corporate Office

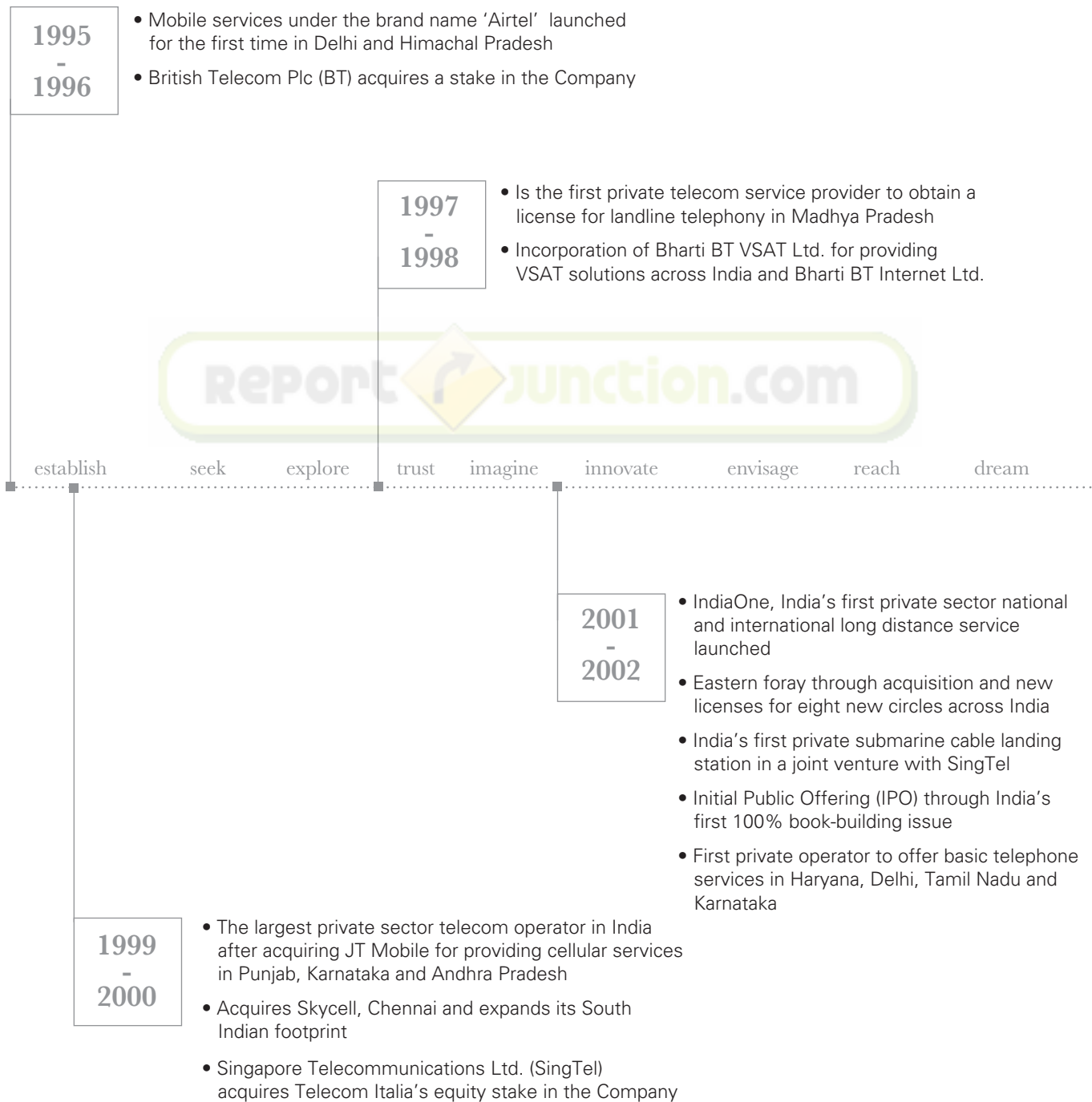
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E-mail: compliance.officer@bharti.in

Website

<http://www.airtel.in>

Corporate history

Each year of our existence has been marked by historic and far reaching milestones including many 'firsts', all of which have been stepping stones to our success and performance. A brief history of the Company's major events is summarized below:



2001
-
2003

- Joins the US\$ 1bn revenue club
- Strategic partnerships with IBM and Ericsson for outsourcing of the Company's core IT and network activities
- Acquires a controlling stake in Hexacom, the leading mobile operator in Rajasthan and holding a license to offer services in the North East
- Becomes part owner in SEA-ME-WE-4, a 20,000 km next generation cable system connecting India with South East Asia, the Middle East and Europe
- First private operator to launch mobile services in Jammu and Kashmir
- Founding member of the Bridge Mobile Alliance, a consortium of seven leading mobile operators in the Asian region

2005
-
2006

- All-India footprint with the launch of mobile services in Assam
- Vodafone acquires 10% economic interest in the Company
- Becomes India's largest integrated private operator based on the total customer base

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2006
-
2008

- Profit crosses US\$ 1bn
- Receives license for providing 2G and 3G mobile services in Sri Lanka
- Launch of 'Airtel CallHome' service, a calling card service for countries aimed at the Indian diaspora
- Strategic partnership with Google, enabling search through mobile phones
- Strategic tie-up with Microsoft and becomes the first telecom operator to offer Microsoft Windows Mobile 5.0 technology
- Facility Based Operator license in Singapore, enabling the Company to operate international carrier facilities from Singapore
- Joins international consortia of leading telecom companies to build 3 high bandwidth submarine cables AAG, I-ME-WE and Unity
- Receives US\$ 1.275 bn investment from leading international investors in Bharti Infratel, a subsidiary established with the aim to provide passive infrastructure services to all mobile services operators in India

Top 30 shareholders

HOLDERS*		%
1	Bharti Telecom Limited	45.30
2	Pastel Limited	15.58
3	Indian Continent Investment Limited	6.27
4	Life Insurance Corporation of India	4.23
5	Europacific Growth Fund	1.68
6	Fidelity Management and Research and Funds	1.26
7	Copthall Mauritius Investment Limited	0.97
8	JP Morgan Asset Management and Funds	0.98
9	ICICI Prudential	0.82
10	Emerging Markets Fund	0.73
11	Skagen Funds	0.59
12	Bajaj Allianz Life Insurance Company Limited	0.51
13	Schroder Funds	0.48
14	T Rowe Price	0.43
15	Capital International	0.38
16	Deutsche Securities Mauritius Limited	0.36
17	Merrill Lynch	0.36
18	UTI Mutual Fund	0.33
19	Mavi Investment Fund Limited	0.32
20	Government of Singapore Investment Corporation	0.29
21	SBI Life Insurance Company Limited	0.29
22	PCA India	0.28
23	Birla Sun Life Mutual Fund	0.27
24	Coment Mauritius Limited	0.27
25	Franklin Templeton Funds	0.27
26	Norges Bank A/c Government Petroleum Fund	0.27
27	Lotus Global Investments Limited	0.26
28	Aberdeen Asset Managers	0.25
29	M and G Investment Management Limited	0.24
30	Pru India Equity Open Limited	0.24
TOTAL		84.51

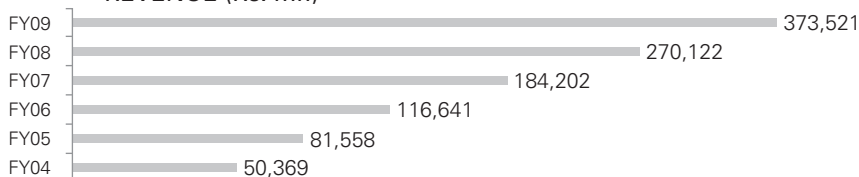
*Different funds/entities under the same group have been clubbed together
Data as on April 24, 2009

04 Performance at a glance

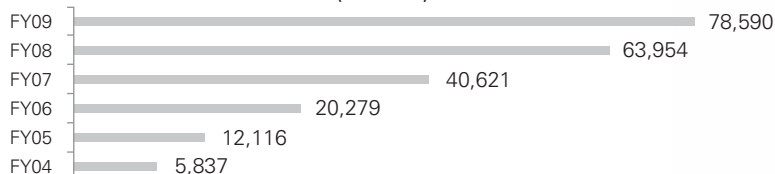
PARTICULARS	UNITS	Full year ended March 31,					
		2004	2005	2006	2007	2008	2009
Total customer base	000's	7,141	11,842	20,926	39,013	64,268	96,649
Mobile Services	000's	6,504	10,984	19,579	37,141	61,985	93,923
Telemedia Services	000's	637	857	1,347	1,871	2,283	2,726
BASED ON STATEMENT OF OPERATIONS							
Revenue	Rs. mn	50,369	81,558	116,641	184,202	270,122	373,521
EBITDA	Rs. mn	17,055	30,658	41,636	74,407	114,018	152,858
Cash profit from operations	Rs. mn	14,363	28,219	40,006	73,037	111,535	135,769
Earnings before tax	Rs. mn	5,527	15,832	23,455	46,784	73,115	85,910
Profit after tax	Rs. mn	5,837	12,116	20,279	40,621	63,954	78,590
BASED ON BALANCE SHEET							
Stockholder's Equity	Rs. mn	49,146	53,200	73,624	114,884	217,244	291,279
Net Debt	Rs. mn	42,292	41,171	41,738	42,867	40,886	84,022
Capital Employed	Rs. mn	91,438	94,371	115,362	157,750	258,130	375,301
KEY RATIOS							
EBITDA Margin	%	33.9%	37.6%	35.7%	40.4%	42.2%	40.9%
Net Profit Margin	%	11.6%	14.9%	17.4%	22.1%	23.7%	21.0%
Return on Stockholders Equity	%	12.0%	23.7%	32.0%	43.1%	38.5%	30.9%
Return on Capital employed	%	9.9%	15.7%	21.5%	31.6%	33.3%	30.7%
Net Debt to EBITDA	Times	2.48	1.34	1.00	0.58	0.36	0.55
Interest coverage ratio	Times	5.24	9.65	17.45	26.47	29.51	30.38
Book value Per Equity Share	Rs.	26.52	28.70	38.87	60.59	114.46	153.45
Net Debt to Stockholder's Equity	Times	0.86	0.77	0.57	0.37	0.19	0.29
Earnings per share (Basic)	Rs.	3.15	6.53	10.78	21.43	34.23	41.40

The financials provided in the table above are derived from amounts calculated in accordance with IGAAP consolidated financial statements and this information is not in itself an expressly permitted GAAP measure.

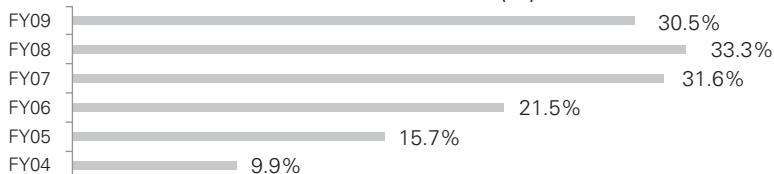
REVENUE (Rs. mn)



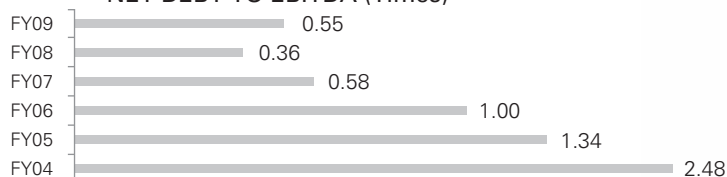
PROFIT AFTER TAX (Rs. mn)



RETURN ON CAPITAL EMPLOYED (%)



NET DEBT TO EBITDA (Times)





“Thanks to consistent support from our partners, our businesses have scaled up significantly and added new revenue streams. As the market matures further, we expect more opportunities to come our way. Our strong market leadership position, along with unshakeable customer trust built over the years, should enable our empowered leadership team to make the most of these opportunities. I look forward to another successful year.”