

A world of
friendships



Vision

By 2015 airtel will be the most loved brand, enriching the lives of millions.

Corporate Information

Board of Directors

Mr. Sunil Bharti Mittal
Chairman

Mr. Manoj Kohli
Managing Director & CEO (International)

Mr. Gopal Vittal
Joint Managing Director & CEO (India)

Non-Executive Directors

Mr. Ajay Lal

Ms. Chua Sock Koong

Mr. Craig Ehrlich

Mr. Manish Kejriwal

Mr. Nikesh Arora

Ms. Obiageli Ezekwesili

Mr. Pulak Prasad

Mr. Rajan Bharti Mittal

Ms. Tan Yong Choo

Mr. Tsun-yan Hsieh

Group General Counsel & Company Secretary

Mr. Mukesh Bhavnani

Statutory Auditors

M/s. S. R. Batliboi & Associates LLP
Chartered Accountants

Internal Auditors

M/s. PricewaterhouseCoopers Private Limited

M/s. ANB Consulting Private Limited

Registered & Corporate Office

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

Website

www.airtel.com

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A World of Friendships



4th

Ranked globally
(customer base)



20

Country presence



₹ 803.1 Bn

Global revenues in
2012-13



1.8 Bn

Addressable population*
(*Combined population for the
regions in which Airtel has a
footprint)



213 Mn

Daily sms sent* between
subscribers
(*Through wireless
mobile services)



271 TB

Of daily data usage*
among subscribers
(*Through wireless mobile and
broadband services)



3,263 Mn

Daily minutes of usage*
between subscribers
(*Through wireless
mobile services)



465,482

Towns and villages
covered by Airtel in
India



1st

4G network in India



No. 1

Service brand in India*
(*As per The BrandZ Top 100 Most Valuable Global Brands study conducted by leading global research firm Millward Brown- May-2012)



No. 1

In 11 countries*
(*In terms of market share)



14

Countries where 3G services are available*
(*Through wireless mobile services)



188.22 Mn

Mobile subscribers in India*
(*Comprising wireless mobile services)



71.62 Mn

Mobile subscribers in International*
(*Comprising wireless mobile services)



60.26 Mn

Active Data subscribers*
(*Through wireless mobile services)



8.1 Mn

Digital TV services subscribers in India

Performance Highlights

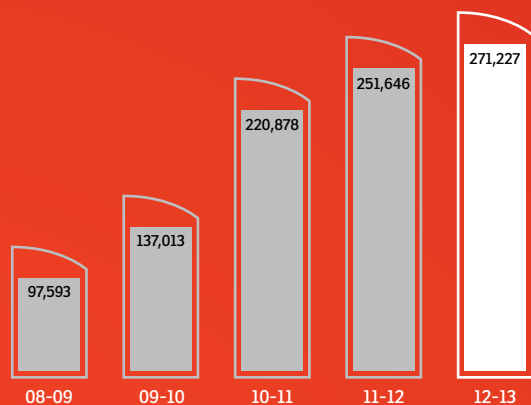
| Particulars | Units | Financial Year Ended March 31 | | | | |
|--|-------|-------------------------------|---------|-----------|-----------|-----------|
| | | 2009 | 2010 | 2011 | 2012 | 2013 |
| Total Customer Base | 000's | 97,593 | 137,013 | 220,878 | 251,646 | 271,227 |
| Mobile Services | 000's | 94,462 | 131,349 | 211,919 | 241,148 | 259,844 |
| Broadband & Telephone Services | 000's | 2,726 | 3,067 | 3,296 | 3,270 | 3,283 |
| Digital TV Services | 000's | 405 | 2,597 | 5,663 | 7,228 | 8,100 |
| Based on Consolidated Income Statement | | | | | | |
| Revenue | ₹ Mn | 373,521 | 418,948 | 595,383 | 714,508 | 803,112 |
| EBITDA | ₹ Mn | 152,858 | 168,149 | 200,718 | 237,123 | 248,704 |
| Cash profit from operations (before derivative and exchange fluctuation) | ₹ Mn | 153,801 | 162,817 | 180,581 | 204,836 | 208,008 |
| Earnings before Tax | ₹ Mn | 85,910 | 105,091 | 76,782 | 65,183 | 49,820 |
| Profit after Tax | ₹ Mn | 78,590 | 89,768 | 60,467 | 42,594 | 22,757 |
| Based on Consolidated Statement of Financial Position | | | | | | |
| Shareholders' Equity | ₹ Mn | 291,279 | 421,940 | 487,668 | 506,113 | 503,217 |
| Net Debt | ₹ Mn | 84,022 | 23,920 | 599,512 | 650,394 | 638,395 |
| Capital Employed | ₹ Mn | 375,301 | 445,860 | 1,087,180 | 1,156,507 | 1,141,612 |
| Key Ratios | | | | | | |
| EBITDA Margin | % | 40.92 | 40.14 | 33.71 | 33.19 | 30.97 |
| Net Profit Margin | % | 21.04 | 21.43 | 10.16 | 5.96 | 2.83 |
| Return on Shareholders' Equity | % | 30.91 | 24.52 | 13.30 | 8.57 | 4.51 |
| Return on Capital Employed | % | 30.69 | 20.65 | 10.79 | 7.20 | 5.80 |
| Net Debt to EBITDA | Times | 0.55 | 0.15 | 2.95 | 2.56 | 2.57 |
| Interest Coverage Ratio | Times | 30.38 | 30.65 | 11.20 | 8.40 | 6.47 |
| Book Value Per Equity Share * | ₹ | 76.72 | 111.13 | 128.41 | 133.27 | 132.51 |
| Net Debt to Shareholders' Equity | Times | 0.29 | 0.06 | 1.23 | 1.29 | 1.27 |
| Earnings Per Share (Basic) * | ₹ | 20.70 | 23.67 | 15.93 | 11.22 | 6.00 |

Financial information for year ended March 31, 2009 is based on Indian GAAP and for years ended March 31, 2010, 2011, 2012 & 2013 are based on IFRS.

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

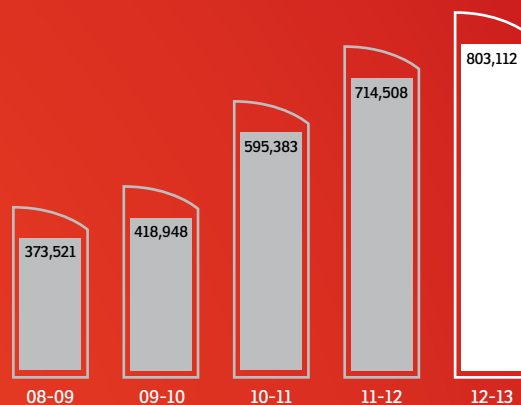
CUSTOMER BASE

(Nos. '000)



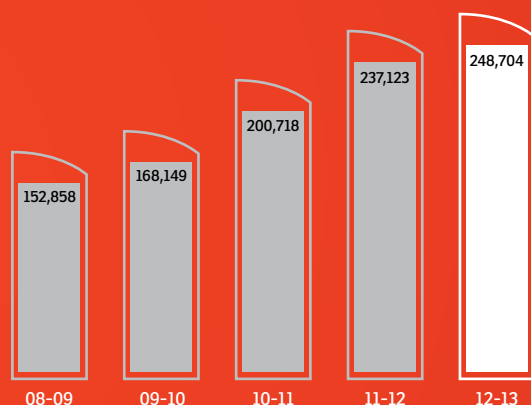
REVENUE

(₹ Millions)



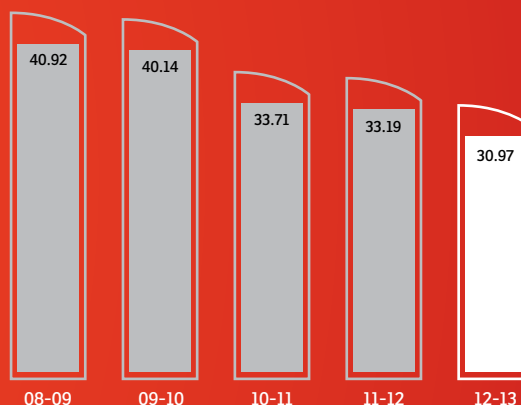
EBITDA

(₹ Millions)



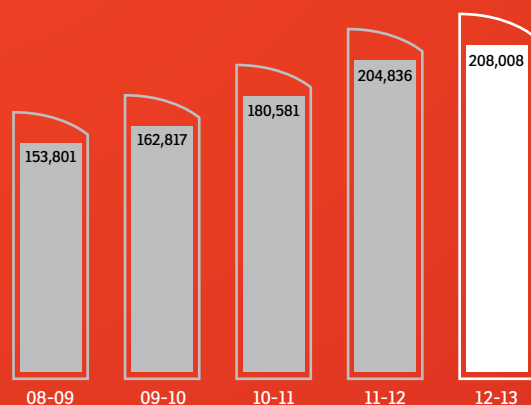
EBITDA MARGIN

(%)



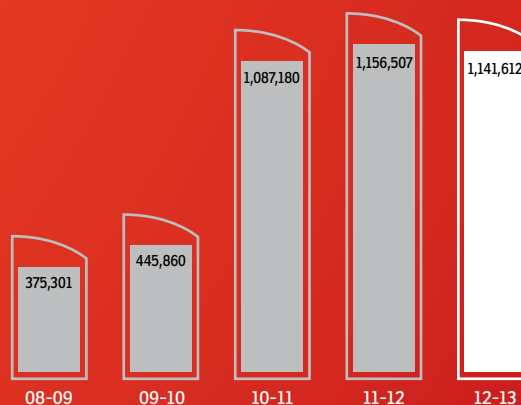
CASH PROFIT

(₹ Millions)



CAPITAL EMPLOYED

(₹ Millions)



Message from Chairman



Dear Shareholders,

The global economy encountered multiple challenges during the past one year. Even as the US exhibited signs of recovery, the Eurozone remained saddled with an unprecedented debt crisis and its attendant slowdown with several of its members slipping into outright recession. Emerging markets like India and China too experienced slowdown in the momentum of growth in the midst of a decelerating global economy. India in particular struggled to find its bearings in a high inflationary situation and ended up with one of its lowest growth rates in recent years. Overall, macroeconomic indicators in Africa remained largely moderate, though, as an economic region, the Francophone countries continued to be adversely impacted because of their strong linkages with the Eurozone.

In telecom, the anticipated big shift towards data services became increasingly visible during the year. Though, voice still continued to be the mainstay of our business, we certainly had a clear glimpse of the massive change underway in the mobile eco-system and the pattern of consumption. Riding high on rapidly increasing smartphone penetration and the increasing data managing capability of new generation feature phones, wireless data services grew by 66% in India. We experienced equally powerful traction in the data space in African markets. Widening reach and quality of our 3G networks complemented the changing industry dynamics effectively, helping trigger a powerful mobile internet revolution in these markets.

Airtel *money*, currently available in 18 of the 20 markets we are present in, is redefining banking and commerce in multiple ways. The service is making a huge impact on the unbanked population in the African markets, particularly in remote rural regions with negligible or no banking infrastructure. Inspired by this service's encouraging take off, we aspire to be one of the largest mobile banks in these



Our people agenda continued to be focused on productivity improvement through organisational restructuring, enhancement in people engagement and employee value proposition.

markets in the years to come. With more than one million customers in India, airtel *money* is ready to scale new heights in the days to come.

In India, competition did abate during the year and normalcy returned to the market, particularly in the second half. We seem ready for a balanced take-off on this score in the coming year. On the regulatory front, however, we encountered adverse developments on several issues – legality of 3G roaming agreements, one-time spectrum cost, refarming of allotted spectrum in the 900 MHz band and are currently litigating on the matter of spectrum allocation to leading operators in 2002. We firmly believe that the Company is in compliance on all these issues and appropriate actions, including legal challenges, have been initiated by the Company.

As a market, Africa continues to be a great learning experience for us. Despite the success of new initiatives like airtel *money* and 3G services, we experienced significant headwinds in the shape of increased competitive intensity and challenging market conditions. While political disturbance and accompanying security concerns did affect our business operations in two of our biggest markets, – Nigeria and Democratic Republic of Congo (DRC) – regulatory challenges in the form of demands of additional taxes and levies from several regulators also created some unforeseen financial stress. Notwithstanding these challenges, I am pleased to inform you that we consistently outpaced market growth and managed to marginally grow our revenue share in these markets during the year.

The Company moved past another key milestone during the year, when our subsidiary Bharti Infratel successfully completed its Initial Public Offer (IPO) in December 2012 raising ₹ 41,728 Mn. Enthusiastic participation by institutional investors reaffirmed market confidence in the Company's strong balance sheet and future cash flows. Listed on the two Indian bourses - NSE India and BSE India - the Bharti Infratel stock is today included in the FTSE global equity indices as well.

Our people agenda continued to be focused on productivity improvement through organisational restructuring, enhancement in people engagement and employee value proposition. The Dubai Leadership Conclave in March 2013 constituted a landmark event that helped us define our strategic roadmap in the changing technology and regulatory landscape. Having established a solid platform for 'winning smartly' and 'executing brilliantly', people are poised to become a strategic driver of the business agenda in the coming days.

The year witnessed some key leadership changes at the top. While Manoj Kohli moved into the enhanced role of Managing Director & CEO (International) with the added

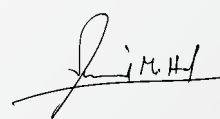
Our subsidiary Bharti Infratel successfully completed its Initial Public Offer (IPO) in December 2012 raising ₹ 41,728 Mn. Enthusiastic participation by institutional investors reaffirmed market confidence in the Company's strong balance sheet and future cash flows.

responsibility of Bangladesh and Sri Lanka, Gopal Vittal took over as the Joint Managing Director & CEO (India).

Over the years, sustainability has not only been intrinsic, but invariably complementary to our business agenda. The business continued to put in place innovative ways to reduce the carbon footprint of our operations. During the year, we released our first Sustainability Report, which highlights the different dimensions of our engagements with society and environment. The year also witnessed the strengthening of our social initiatives in India and Africa. Our efforts at the Group's philanthropic arm, the Bharti Foundation, were largely focused on consolidation of our operations covering 254 schools - 187 primary, 62 elementary and five senior secondary - reaching out to over 39,000 children across six states in India. In Africa too, we extended the 'Our School' Programme to 38 schools across different markets catering to over 18,000 underprivileged children.

The Board of Directors, which has been the pivotal guiding force for us over the years, went through some significant restructuring during the year. Six members – N. Kumar, Rakesh Bharti Mittal, Akhil Kumar Gupta, H.E. Dr. Salim Ahmed Salim, Lord Evan Mervyn Davies and Hui Weng Cheong – exited after long years of meaningful association. My sincere gratitude to them for their sterling contribution to the Board over the years. I also take this opportunity to welcome on Board Manish Kejriwal, Obiageli Ezekwesili and Gopal Vittal, who joined the Board during the year.

Overall, 2012-13 turned out to be a year of consolidation in Africa, where the individual operations strengthened their relative market position despite multiple market and regulatory odds. In India too, it was a year of reassertion of our revenue market leadership. I see further consolidation in our position in the days to come in the youth-oriented, data-hungry environments in these regions.



Sunil Bharti Mittal

Message from MD & CEO (International)



Dear Shareholders,

The last financial year saw softening of the mobile market, especially the voice revenues amid increased competitive intensity in Africa. However, we recorded notable successes in our operations and continued to successfully launch key initiatives, such as airtel *money*, 3G network and the most innovative youthful campaigns across many markets.

This year, the political and regulatory environment was challenging across some of our markets in Africa. On the political front, we experienced some insecurity and violence in two of our largest markets of Nigeria and DRC, resulting in the loss of property and disruption of business operations. On the regulatory front, the regulators are increasingly becoming stringent on the quality of service in a number of countries. We also saw increased demands on additional taxes and levies from regulators as the telecom sector is now increasingly being perceived as the 'cash cow' sector in these economies.

We saw an increase in competitive intensity across the markets, for example in Nigeria; where the market leader dropped tariffs by around 30%. However, despite these challenges we have still consistently outpaced market growth and steadily grew our revenue market share every quarter.

On network transformation, we continued to drive the deployment of 3G (now launched in 14 countries) and also focus on 2G network quality. We are also aggressively driving device penetration, including tablets, smartphones and dongles to ensure that our customers have access to our 3G data services. In order to ensure the delivery of high quality devices to our customers, we also concluded tie-ups with all the major device manufacturers.

The unbanked population of Africa remains high (in most countries over 90%) and we are leveraging this opportunity through airtel *money*. This product enables our customers even in the rural areas to be connected to the financial world. We have now successfully launched airtel *money* across 16 markets and our objective is to become Africa's largest mobile bank.

We also realise the opportunity that the youth of Africa

The unbanked population of Africa remains high (in most countries over 90%) and we are leveraging this opportunity through airtel *money*. This product enables our customers even in the rural areas to be connected to the world of finance.

present – where the median age is 18. In line with our objective of connecting with the African youth, we have launched innovative youth campaigns across many markets in Africa, which have resulted in success as seen in Nigeria, DRC, Gabon and Kenya to mention a few.

We also continued to drive deep distribution with our retail outlets reaching 1.5 Mn, coupled with the rigorous execution of our Zonalisation project with over 100 zones across Africa. Special focus on High Value Customers was enhanced with the roll out of the high value initiative under the brand 'Airtel Premier' across eight markets during the year.

During the year, we sponsored the first ever pan-African youth football tournament in Nairobi. The Airtel Rising Stars programme has been credited as being the biggest tournament on the continent, attracting around 18,000 school teams and 324,000 players across 15 countries. In addition to mobilising the biggest turnout during the qualification stages the programme also broke new ground by introducing girls to this pan-African tournament.

In line with our CSR philosophy of supporting the education of underprivileged children, we continued to adopt and support schools and currently have 38 schools adopted across our markets covering over 18,000 students.

We strengthened our 'Africa Leadership initiative', aiming to develop the skills and capabilities of our people in all our markets of operation. Our senior leaders attended Development Programmes at Harvard Business School and INSEAD. Development programmes for all Zonal Business Managers from all three regions were also conducted during the year. We enhanced our diversity further by appointing the first lady Managing Director for our Zambia operations.

Looking ahead to the next fiscal year, our priority will be on registering absolute revenue growth through the top 10 customer facing transformation projects, while continuing to eliminate wastage to drive superior margins. Focus on free cash, PAT and reduction in net debt will be our other key priorities in the coming year.

I am confident that we will 'win smartly and execute brilliantly' in all our markets, as we continue with our journey of becoming the most loved brand in the daily lives of African people.

Manoj Kohli