

Quarterly report on the results for the fourth quarter and full year ended March 31, 2013

**Bharti Airtel Limited**

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)  
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India

airtel's \$1.5 billion bond issue oversubscribed in the overseas market

'my airtel' app won 'Best Application' honours at the Global Mobile Awards 2013, Barcelona

airtel released its first Sustainability Report



The image displays three promotional posters for Airtel. The first poster, titled 'go green', features three children in a forest and the text 'airtel go green' and 'when you get an e-billed bill for free'. The second poster, titled 'airtel yatosha', shows a woman in traditional Indian attire and the text 'Stay in touch with friends & family across all networks at one great price'. The third poster, titled 'my airtel app', shows a woman using a smartphone and the text 'It's easy. It's cool. It's intuitive. It's the new my airtel app'. All posters include the Airtel logo and contact information.

May 02, 2013

The financial statements included in this quarterly report fairly presents in all material respects the financial position, results of operations, cash flow of the company as of, and for the periods presented in this report.

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## Supplemental Disclosures

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**Safe Harbor:** - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

**General Risk:** - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Bharti Airtel, along with the equity investment risk which doesn't guarantee capital protection.

**Convenience translation:** - We publish our financial statements in Indian Rupees. All references herein to “Indian Rupees” and “Rs” are to Indian Rupees and all references herein to “US dollars” and “US\$” are to United States dollars. Translation of income statement items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the respective quarter average rate. Translation of Statement of financial position items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the closing rate. The rates announced by the Reserve Bank of India are being used as the Reference rate for respective translations. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

**Functional Translation (Africa):** - Wherever Africa financials are reported in the quarterly report, the same are published in their functional currency i.e. US\$. Refer Section “A.2.4 Key Accounting Policies as per IFRS”.

**Use of Certain Non-GAAP measures:** - This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standards (IFRS), but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

**Further disclosures are also provided under “Use of Non - GAAP financial information” on page 34**

**Others:** In this report, the terms “we”, “us”, “our”, “Bharti”, or “the Company”, unless otherwise specified or the context otherwise implies,

refer to Bharti Airtel Limited (“Bharti Airtel”) and its subsidiaries, Bharti Hexacom Limited (“Bharti Hexacom”), Bharti Airtel Services Limited, Bharti Infratel Limited (Bharti Infratel), Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited), Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Canada) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Network i2i Limited, Telesonic Networks Limited (formerly Alcatel Lucent Network Management Services India Limited), Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited), Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, Airtel Bangladesh Limited, Airtel M Commerce Services Limited, Bharti Airtel (Japan) Kabushiki Kaisha, Bharti Airtel (France) SAS, Bharti Airtel International (Mauritius) Limited, Indian Ocean Telecom Limited, Airtel (Seychelles) Limited, Bharti Airtel Africa B.V., Bharti Airtel Acquisition Holdings B.V., Bharti Airtel Burkina Faso Holdings B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Gabon Holdings B.V., Bharti Airtel Ghana Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Sierra Leone Holdings B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Airtel Burkina Faso S.A., Airtel Congo S.A., Celtel Congo RDC S.a.r.l., Airtel Gabon S.A., Airtel (Ghana) Limited, Airtel Networks Kenya Limited, Airtel Madagascar S.A., Airtel Malawi Limited, Celtel Niger S.A., Airtel Networks Limited, Airtel Tanzania Limited, Airtel Uganda Limited, Celtel Zambia plc, Bharti Airtel DTH Holdings B.V., Partnership Investments Sprl, MSI-Celtel Nigeria Limited, Celtel (Mauritius) Holdings Limited, Channel Sea Management Co Mauritius Limited, Montana International, Zap Trust Company Nigeria Limited, Airtel Mobile Commerce Tchad SARL, ZMP Ltd. (Zambia), Airtel Mobile Commerce Limited (Malawi), Airtel Mobile Commerce Ghana Limited, Airtel Mobile Commerce Kenya Limited, Airtel Money Niger S.A., Airtel Mobile Commerce (SL) Limited, Africa Towers N.V., Airtel DTH Services Ghana Limited, Airtel DTH Services Malawi Limited, Airtel DTH Services Uganda Limited, Airtel Towers (Ghana) Limited, Malawi Towers Limited, Airtel Money S.A. (Gabon), Société Malgache de Telephonie Cellulaire SA, Uganda Towers Limited, Airtel Mobile Commerce Tanzania Limited, Airtel (SL) Limited, Airtel DTH Services (Sierra Leone) Limited, Airtel DTH Services Burkina Faso S.A., Airtel DTH Services Congo (RDC )S.p.r.l., Airtel DTH Services Congo S.A., Airtel DTH Services Gabon S.A., Airtel DTH Services Nigeria Limited, Airtel DTH Services Tanzania Limited, Bharti DTH Services Zambia Limited, Airtel Money (RDC) S.p.r.l., Burkina Faso Towers S.A., Congo RDC Towers S.p.r.l., Congo Towers S.A., Gabon Towers S.A., Kenya Towers Limited, Madagascar Towers S.A., Mobile Commerce Congo S.A., Niger Towers S.A., Tanzania Towers Limited, Tchad Towers S.A., Towers Support Nigeria Limited, Bharti Airtel Developers Forum Ltd., Bangladesh Infratel Networks Limited, Africa Towers Services Limited, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Burkina Faso S.A., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Uganda Limited, Airtel Rwanda Limited, Airtel Towers (S.L.) Company Limited, Bharti Airtel Cameroon B.V., Airtel Tchad S.A., Rwanda Towers Limited, Zambian Towers Limited, Zebrano (Mauritius) Limited, Airtel Mobile Commerce Rwanda Limited.

**Disclaimer:** - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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## Section 1

### BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	UNITS	Full Year Ended			Quarter Ended				
		2011	2012	2013	Mar 2012	Jun 2012	Sep 2012	Dec 2012	Mar 2013
<b><u>Operating Highlights</u></b>									
Total Customer Base	000's	220,877	251,646	271,227	251,646	260,710	262,555	262,275	271,227
Total Minutes on Network	Mn Min	890,093	1,020,615	1,127,149	265,235	274,616	274,820	284,041	293,672
Sites on Network	Nos	131,304	141,059	156,905	141,059	147,010	151,219	152,491	156,905
Total Employees <sup>3</sup>	Nos	23,371	20,479	26,596	20,479	20,892	21,299	23,413	26,596
No. of countries of operation	Nos	19	20	20	20	20	20	20	20
Population Covered	Bn	1.83	1.84	1.85	1.84	1.84	1.85	1.85	1.85
<b><u>Consolidated Financials (Rs Mn)</u></b>									
Total Revenue	Rs Mn	595,383	714,508	803,112	187,294	193,501	202,732	202,395	204,484
EBITDA	Rs Mn	200,718	237,123	248,704	62,329	58,487	63,508	61,839	64,870
EBIT	Rs Mn	98,652	103,442	93,740	27,646	20,916	24,948	22,834	25,042
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	180,581	204,836	208,008	53,581	48,671	53,539	50,995	54,805
Profit / (Loss) before Tax	Rs Mn	76,782	65,183	49,820	17,056	12,629	14,729	9,515	12,947
Net income	Rs Mn	60,467	42,594	22,757	10,059	7,622	7,212	2,837	5,086
Capex	Rs Mn	140,100	135,804	135,364	23,801	35,758	40,549	23,826	35,231
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	60,617	101,319	113,340	38,528	22,729	22,959	38,013	29,639
Net Debt	Rs Mn	599,512	650,394	638,395	650,394	682,983	667,600	642,825	638,395
Shareholder's Equity	Rs Mn	487,668	506,113	503,217	506,113	495,150	493,070	516,274	503,217
<b><u>Consolidated Financials (US\$ Mn)</u></b>									
Total Revenue <sup>1</sup>	US\$ Mn	13,063	14,937	14,754	3,723	3,583	3,673	3,719	3,779
EBITDA <sup>1</sup>	US\$ Mn	4,403	4,957	4,569	1,239	1,083	1,151	1,136	1,199
EBIT <sup>1</sup>	US\$ Mn	2,163	2,162	1,722	550	387	452	420	463
Cash profit from operations before Derivative & Exchange Fluctuations <sup>1</sup>	US\$ Mn	3,961	4,282	3,821	1,065	901	970	937	1,013
Profit / (Loss) before Tax <sup>1</sup>	US\$ Mn	1,682	1,363	915	339	234	267	175	239
Net income <sup>1</sup>	US\$ Mn	1,325	890	418	200	141	131	52	94
Capex <sup>1</sup>	US\$ Mn	3,072	2,839	2,486	473	662	735	438	651
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	1,330	2,118	2,083	766	421	416	699	548
Net Debt <sup>2</sup>	US\$ Mn	13,427	12,714	11,738	12,714	12,129	12,669	11,735	11,738
Shareholder's Equity <sup>2</sup>	US\$ Mn	10,922	9,893	9,252	9,893	8,793	9,357	9,425	9,252
<b><u>Key Ratios</u></b>									
EBITDA Margin	%	33.7%	33.2%	31.0%	33.3%	30.2%	31.3%	30.6%	31.7%
EBIT Margin	%	16.6%	14.5%	11.7%	14.8%	10.8%	12.3%	11.3%	12.2%
Net Profit Margin	%	10.2%	6.0%	2.8%	5.4%	3.9%	3.6%	1.4%	2.5%
Net Debt to Funded Equity Ratio	Times	1.23	1.29	1.27	1.29	1.38	1.35	1.25	1.27
Net Debt to EBITDA (LTM) - US\$	Times	2.95	2.56	2.57	2.56	2.54	2.72	2.55	2.57
Net Debt to EBITDA (Annualised) - US\$	Times	2.95	2.56	2.57	2.56	2.80	2.75	2.58	2.45
Interest Coverage ratio	Times	11.20	8.40	6.47	7.55	6.29	6.40	6.35	6.83
Return on Shareholder's Equity	%	13.3%	8.6%	4.5%	8.6%	7.7%	7.1%	5.6%	4.5%
Return on Capital employed	%	10.8%	7.2%	5.8%	7.2%	6.6%	6.2%	6.0%	5.7%
<b><u>Valuation Indicators</u></b>									
Market Capitalization	Rs Bn	1,358	1,279	1,108	1,279	1,158	1,006	1,203	1,108
Market Capitalization	US\$ Bn	30.4	25.0	20.4	25.0	20.6	19.1	22.0	20.4
Enterprise Value	Rs Bn	1,957	1,929	1,747	1,929	1,841	1,673	1,846	1,747
EV / EBITDA (Annualised)	Times	9.75	8.14	7.02	7.74	7.87	6.59	7.46	6.73

1. Average exchange rates used for Rupee conversion to US\$ is (a) Rs. 45.60 for the financial year ended March 31, 2011, (b) Rs. 47.84 for the financial year ended March 31, 2012 (c) Rs. 54.43 for the financial year ended March 31, 2013 (d) Rs. 50.30 for the quarter ended March 31, 2012 (e) Rs. 54.00 for the quarter ended June 30, 2012 (f) Rs. 55.19 for the quarter ended September 30, 2012 (g) Rs. 54.42 for the quarter ended December 31, 2012 (h) Rs. 54.12 for the quarter ended March 31, 2013 based on the RBI Reference rate.

2. Closing exchange rates used for Rupee conversion to US\$ is (a) Rs. 44.65 for the financial year ended March 31, 2011 (b) Rs. 51.16 for the quarter and financial year ended March 31, 2012 (c) Rs. 54.39 for the quarter and financial year ended March 31, 2013 (d) Rs. 56.31 for the quarter ended June 30, 2012 (e) Rs. 52.70 for the quarter ended September 30, 2012 (f) Rs. 54.78 for the quarter ended December 31, 2012 being the RBI Reference rate.

3. Total employees include proportionate consolidation of 42% of Indus Towers Employees.

4. Key Ratios computed using translated US\$ values may yield different results in comparison with ratios computed using Rupee values.

## Section 2

### AN OVERVIEW

#### 2.1 Introduction

We are one of the world's leading providers of telecommunication services with significant presence in 20 countries including India, Bangladesh, Sri Lanka and 17 countries in Africa. We served over 271 million customers as of March 31, 2013.

Our bouquet of services include telecommunication services under wireless and fixed line technology, integrated suite of telecom solutions to our enterprise customers and providing long distance connectivity both nationally and internationally. We also offer Digital TV and IPTV Services. All these services are rendered under a unified brand "airtel". The Company also deploys, owns and manages Tower infrastructure pertaining to telecom operations through its subsidiary and its joint venture entity.

#### 2.2 Business Divisions

##### 2.2.1 India & South Asia

The operations of Bharti Airtel in India and South Asia are divided into two distinct Customer Business Units (CBU) with clear focus on B2C (Business to Customer) and B2B (Business to Business) segments. The B2C organization consists of Consumer Business and Market Operations. The B2B business unit (Airtel Business) focuses on serving large corporate and carriers through Bharti Airtel's wide portfolio of telecommunication solutions.

##### **B2C Services:**

**Mobile Services (India & South Asia):** We offer mobile services using GSM technology in South East Asia across India, Sri Lanka and Bangladesh, serving a total of 196 million customers in these geographies.

In India, we have 188 million mobile customers as on March 31, 2013, which makes us the largest wireless operator in the country both in terms of customers and revenues. We offer postpaid, pre-paid, roaming, internet, m-Commerce and other value added services through our extensive sales and distribution network covering over 1.4 million outlets. Our network is present in 5,121 census towns and 460,361 non-census towns and villages in India, covering approximately 86.7% of the country's population. We also provide 3G services in key cities of the country offering host of innovative services to our customers like Mobile TV, video calls, live streaming of videos, gaming along with access to high speed internet. We have 8.4 million active 3G customers of which 6.4 million are active 3G data customers as on March 31, 2013.

Our Airtel Money is a prepaid mobile wallet that can run on any Airtel GSM cell phone through a simple menu, providing an extensive range of services across merchants, including bill payments, e-ticketing, recharges, online shopping, money transfers etc.

Airtel 4G services, currently present in 4 markets, offer the fastest wireless internet service to customers. 4G also known as LTE (Long Term Evolution) provides multi-tasking capabilities like superfast downloads, seamless video calling, office on the go & HD video streaming without any buffering.

Our national long distance infrastructure comprises of 171,610 Rkms of optical fibre, thereby providing a pan India reach.

Airtel Sri Lanka has 1.7 million customers with presence in all 25 administrative districts of Sri Lanka. We have launched 3.5G services in major towns and have created a nationwide distribution network comprising of over 40,000 retailers.

Airtel Bangladesh has 6.2 million customers and offers mobile services across 64 districts of Bangladesh with a distribution network comprising of around 96,000 retailers across the country. The burgeoning economy of Bangladesh coupled with growing population coverage of nearly 77% presents a unique market opportunity for telecom services.

**Telemedia Services** – Telemedia Services is India's leading fixed line provider for broadband (DSL) for the Homes Segment and data & telephone services (fixed line) for the Office segment in 87 cities. It has 3.3 million fixed line customers of which 1.4 million have subscribed to broadband services as on March 31, 2013.

In the Homes segment, our product offerings include High Speed Broadband (up to 100 mbps speeds) along with local, national and international long distance voice connectivity. In the Office segment, we are a trusted solution provider for voice and data connectivity, offering services like fixed line voice (PRIs), internet leased lines, MPLS etc. We also provide mobile enablement solutions like BYOD and mobile tracking as part of our Office solution suite. Our cloud portfolio includes a cloud enablement platform offering solutions like ERP, CRM, mail, storage and compute on a 'pay as you go' model for our SMB customers.

**Digital TV Services** – Airtel digital TV has 8.1 million customers on its Direct-To-Home (DTH) platform. We also offer High Definition (HD) Set Top Boxes and Digital TV Recorders with 3D capabilities, delivering superior customer experience. We currently offer a total of 373 channels and services including 15 HD channels and 6 interactive services. We are the first Company in India to provide real-time integration of all the three screens viz. television, mobile and computer enabling our customers to record their favourite TV programs through mobile and web. Recording facility has also been introduced on HD boxes, enabling the customer to record content on a USB drive while watching his favourite channel.

##### **B2B Services:**

**Airtel Business** – Airtel business is India's leading and most trusted provider of ICT services that provides a diverse portfolio of services including voice, data, video, network integration, data center, managed services, enterprise mobility applications and digital media. Airtel business consistently delivers cutting edge integrated solutions, superior customer service and unmatched depth/reach to global markets, to enterprises, governments, carriers and small & medium businesses.

Its data center & managed services including entire suite of managed hosting, storage, business continuity, data security & cloud services have enabled a 'One solution, bill, support, face' experience to customers. Its digital media services and centralized online media management & distribution platform too will play a vital role in seamlessly linking content owners, production facilities and multiple screens across the globe. It is also creating business transformation through mobility by enabling end-to-end mobility data/application management, BYOD and machine-to-machine communication.

It offers global services for both voice and data including voice termination, VAS services like ITFS, SMS hubbing and connectivity services. Its strategically located submarine cable systems across the world and satellite connectivity in hard to reach areas enable the customers to connect and communicate from anywhere to everywhere in the world.

The airtel global network runs across 225,000 Rkms, covering 50 countries and 5 continents. Airtel's international infrastructure includes ownership of i2i submarine cable system connecting Chennai to Singapore, consortium ownership of SMW4 submarine cable system connecting Chennai and Mumbai to Singapore and Europe, and other cable system investments like Asia America Gateway (AAG), India Middle East & Western Europe (IMEWE), Unity, EIG (Europe India Gateway) and East Africa Submarine System (EASSy). It also has terrestrial express connectivity to neighboring countries including Nepal, Pakistan, Bhutan and China.

**Tower Infrastructure Services** – We provide tower infrastructure services through our subsidiary, Bharti Infratel and Indus Towers, a joint venture in which Bharti Infratel, Vodafone India and Aditya Birla Telecom hold equity interests of 42%, 42% and 16% respectively.

On a consolidated basis, Bharti Infratel is 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.

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 March 31, 2013, Bharti Infratel owned and operated 35,119 towers in 11 telecommunications Circles while Indus operated 111,819 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 82,083 towers in India as of March 31, 2013.

Bharti Infratel is listed on Indian Stock exchanges, NSE & BSE.

### 2.2.2 Africa

**Mobile Services** – We offer mobile services in 17 countries across Africa, namely: Nigeria, Burkina Faso, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Ghana, Kenya, Malawi, Seychelles, Sierra Leone, Tanzania, Uganda, Zambia and Rwanda. This makes Airtel's footprint across Africa, the largest amongst all telecommunication service providers in the continent. We continue to grow as the most loved brand and currently serve 63.7 million customers across these geographies. We offer wide range of services to our customers, which includes post-paid, pre-paid, roaming, One-Network, Airtel Money, internet services, content, media & entertainment and other non-voice services.

Innovation with a focus on 3G data and m-Commerce continues to be the next growth frontier. Airtel is focused on 3G through roll-out of new sites across markets to increase the user base. The Company is offering 3G services in 12 countries namely: Ghana, Kenya, Nigeria, Tanzania, Zambia, Congo B, Sierra Leone, Malawi, Uganda, Rwanda, Madagascar and Seychelles.

Our offerings under 'Airtel Money' brand allow our customers to enjoy the convenience of banking on their mobiles with new, secure & robust features and stable platforms in 15 countries across Africa.

## 2.3 Partners

**Strategic Equity Partners** - We have a strategic alliance with SingTel, which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. The investment made by SingTel in Bharti is one of their largest investments made in the world outside Singapore.

**Equipment and Technology Partners** - We have long term strategic partnerships in all areas including network equipment, Information technology and call center technology building upon the unique outsourcing business models we pioneered. Our business models have enabled us to partner with global leaders who share our drive for co-creating innovative and tailor-made solutions for the markets we operate in.

For 2G/2.5G and 3G network equipments, we have partnered with Ericsson, Nokia Siemens Networks (NSN) and Huawei for the markets in India, Africa, Sri Lanka and Bangladesh.

We have partnered with ZTE, Huawei & NSN for our TD-LTE (popularly known as 4G) networks in the BWA telecom circles of Kolkata & Punjab, Karnataka and Maharashtra respectively.

We have also entered into Supply & Services Contracts for enhanced packet core with Cisco, NSN & Huawei. These partners will design, deploy and maintain a state of the art packet core system to handle data traffic from 2G, 3G & LTE access networks.

For Wi-Fi, we have selected Cisco, Ericsson & Alcatel Lucent-Ruckus combine. These partners are deploying Wi-Fi hot spots in the top cities basis our business requirements.

Besides wireless network with strategic partners, we have also partnered with Alcatel Lucent, Huawei, ECI, Tejas Networks and Cisco for fiber/ carrier Ethernet based 3G backhaul products supply and deployment.

IBM is our strategic partner for all business and enterprise IT systems. Our path breaking contract with IBM caters to, among other things, technology evolution, scale, tariff changes and subscriber growth. It is a Global IT outsourcing contract covering India, Bangladesh, Sri Lanka and African regions thereby taking our relationship to a truly global level. Under this contract, IBM will provide and run all telecom-related IT systems, software and services to support business requirements. It is helping Bharti Airtel derive economies of scale benefits, while ensuring similar customer services and experience across regions.

IBM Daksh, Wipro, Mphasis, FirstSource, Aegis, Teleperformance, Tech Mahindra and HGSL are our call centre partners and provide an excellent customer experience through dedicated contact center operations. Our existing call centre technology partners are Avaya, Wipro and Cisco. Infosys is our technology partner for the Airtel m-Commerce services in India and Comviva is for Africa. We have also launched cloud based services in partnership with HP and Microsoft.

We work with other renowned organizations such as Comviva, OnMobile, Comverse, Acision, Yahoo, Google and Spice Digital, among others, to provide each of our customers with a unique experience in VAS like CRBT (caller ring back tone), Talk2Me (Interactive sessions with Celebrities), SMS, Music on Demand, Airtel Talkies (Movies via Audio), Buddy Finder, Email services and other Airtel Live applications. We also have an alliance with RIM for selling Blackberry enterprise & internet services and with Apple Inc for selling iPhone. We have also tied up with Nokia, Blackberry and Apple to bring apps to our customers from their respective App stores.

## SECTION 3

### FINANCIAL HIGHLIGHTS

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.

*Detailed financial statements, analysis & other related information is attached to this report (page 28 - 30). Also, kindly refer to Section 7.4 - use of Non - GAAP financial information (page 34) and Glossary (page 48) for detailed definitions.*

#### 3.1 Consolidated - Summary of Consolidated Financial Statements

##### 3.1.1 Consolidated Summarized Statement of Operations (net of inter segment eliminations)

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
<b>Total revenues</b>	<b>204,484</b>	<b>187,294</b>	<b>9%</b>	<b>803,112</b>	<b>714,508</b>	<b>12%</b>
EBITDA	64,870	62,329	4%	248,704	237,123	5%
<i>EBITDA / Total revenues</i>	<i>31.7%</i>	<i>33.3%</i>		<i>31.0%</i>	<i>33.2%</i>	
EBIT	25,042	27,646	-9%	93,740	103,442	-9%
Finance cost (net)	12,095	10,572	14%	43,844	38,185	15%
Profit / (Loss) before Tax	12,947	17,056	-24%	49,820	65,183	-24%
Income tax expense <sup>5</sup>	7,884	6,976	13%	27,151	22,602	20%
Net income / (loss) <sup>5</sup>	5,086	10,059	-49%	22,757	42,594	-47%
Capex	35,231	23,801	48%	135,364	135,804	0%
Operating Free Cash Flow (EBITDA - Capex)	29,639	38,528	-23%	113,340	101,319	12%
Cumulative Investments	1,956,723	1,776,759	10%	1,956,723	1,776,759	10%

*Note 5: During the quarter ended March 31, 2013, the Group has recognized additional tax charges of Rs 374 Mn on account of dividend distribution tax relating to dividends received from Indus Towers Ltd for which no tax credit is available to the Group, and Rs 959 Mn on account of additional deferred tax charge due to the increase in surcharge from 5% to 10% as per the Finance Bill 2013. As a result, the income tax expense for the quarter is higher by Rs 1,333 Mn and net income is lower by Rs 1,178 Mn.*

##### 3.1.2 Consolidated Summarized Statement of Financial Position

Particulars	Amount in Rs mn	
	As at March 31, 2013	As at March 31, 2012
<b>Assets</b>		
Non-current assets	1,470,328	1,422,532
Current assets	202,904	148,084
<b>Total assets</b>	<b>1,673,232</b>	<b>1,570,616</b>
Non-current liabilities	678,708	547,935
Current liabilities	450,421	488,873
<b>Total liabilities</b>	<b>1,129,129</b>	<b>1,036,808</b>
<b>Equity &amp; Minority Interest</b>		
Equity	503,217	506,113
Non-Controlling Interest	40,886	27,695
<b>Total Equity &amp; Minority Interest</b>	<b>544,103</b>	<b>533,808</b>
<b>Total Equity and liabilities</b>	<b>1,673,232</b>	<b>1,570,616</b>

### 3.2 Region wise - Summary of Consolidated Financial Statements

#### 3.2.1 Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended Mar 2013			Quarter Ended Mar 2012			Year Ended Mar 2013			Year Ended Mar 2012		
	India & SA	Africa	Total	India & SA	Africa	Total	India & SA	Africa	Total	India & SA	Africa	Total
<b>Total revenues</b>	<b>145,512</b>	<b>60,647</b>	<b>204,484</b>	<b>134,210</b>	<b>53,874</b>	<b>187,294</b>	<b>569,549</b>	<b>240,439</b>	<b>803,112</b>	<b>518,934</b>	<b>198,266</b>	<b>714,508</b>
EBITDA	49,435	15,426	64,870	47,352	14,983	62,329	185,572	63,147	248,704	184,311	52,791	237,123
<i>EBITDA / Total revenues</i>	<i>34.0%</i>	<i>25.4%</i>	<i>31.7%</i>	<i>35.3%</i>	<i>27.8%</i>	<i>33.3%</i>	<i>32.6%</i>	<i>26.3%</i>	<i>31.0%</i>	<i>35.5%</i>	<i>26.6%</i>	<i>33.2%</i>
EBIT	21,672	3,361	25,042	22,544	5,108	27,646	78,186	15,569	93,740	89,274	14,146	103,442
<b>Net income / (loss)</b>	<b>9,934</b>	<b>(4,857)</b>	<b>5,086</b>	<b>13,472</b>	<b>(3,406)</b>	<b>10,059</b>	<b>44,870</b>	<b>(22,098)</b>	<b>22,757</b>	<b>55,860</b>	<b>(13,286)</b>	<b>42,594</b>
Capex	22,539	12,692	35,231	11,000	12,801	23,801	95,959	39,405	135,364	64,145	71,659	135,804
Operating Free Cash Flow (EBITDA - Capex)	26,896	2,734	29,639	36,352	2,182	38,528	89,613	23,742	113,340	120,166	(18,869)	101,319
Cumulative Investments	1,220,104	736,619	1,956,723	1,089,393	687,366	1,776,759	1,220,104	736,619	1,956,723	1,089,393	687,366	1,776,759

#### 3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs mn

Particulars	As at Mar 31, 2013			
	India & SA	Africa	Eliminations	Total
<b>Assets</b>				
Non-current assets	938,423	680,437	(148,532)	1,470,328
Current assets	164,003	48,542	(9,641)	202,904
<b>Total assets</b>	<b>1,102,426</b>	<b>728,979</b>	<b>(158,173)</b>	<b>1,673,232</b>
<b>Liabilities</b>				
Non-current liabilities	197,258	481,450	-	678,708
Current liabilities	252,847	207,222	(9,648)	450,421
<b>Total liabilities</b>	<b>450,105</b>	<b>688,672</b>	<b>(9,648)</b>	<b>1,129,129</b>
<b>Equity &amp; Minority Interest</b>				
Equity	607,861	43,881	(148,525)	503,217
Minority Interest	44,460	(3,574)	-	40,886
<b>Total Equity &amp; Minority Interest</b>	<b>652,321</b>	<b>40,307</b>	<b>(148,525)</b>	<b>544,103</b>
<b>Total Equity and liabilities</b>	<b>1,102,426</b>	<b>728,979</b>	<b>(158,173)</b>	<b>1,673,232</b>



### 3.3 Segment wise Summarized Statement of Operations

#### INDIA & SOUTH ASIA

##### B2C Services

**3.3.1 Mobile Services (India & South Asia)** – comprises of Consolidated Statement of Operations of Mobile Services India & South Asia.

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
Total revenues	112,853	105,096	7%	440,235	403,091	9%
EBITDA	35,267	35,696	-1%	135,138	136,667	-1%
<i>EBITDA / Total revenues</i>	<i>31.3%</i>	<i>34.0%</i>		<i>30.7%</i>	<i>33.9%</i>	
EBIT	18,514	21,415	-14%	70,677	82,221	-14%
Capex	13,003	4,745	174%	56,788	32,086	77%
Operating Free Cash Flow (EBITDA - Capex)	22,264	30,951	-28%	78,350	104,581	-25%
Cumulative Investments	772,586	678,860	14%	772,586	678,860	14%

Note 6: Effective quarter ended Jun'12, Cumulative investments include investments in 4G earlier reported under Telemedia services. Previous quarters' have been restated accordingly.

##### **3.3.2 Telemedia Services**

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
Total revenues	9,621	9,159	5%	38,158	37,271	2%
EBITDA	4,191	3,777	11%	16,204	15,836	2%
<i>EBITDA / Total revenues</i>	<i>43.6%</i>	<i>41.2%</i>		<i>42.5%</i>	<i>42.5%</i>	
EBIT	1,669	1,540	8%	6,447	7,172	-10%
Capex	2,250	1,496	50%	8,067	7,426	9%
Operating Free Cash Flow (EBITDA - Capex)	1,941	2,281	-15%	8,137	8,410	-3%
Cumulative Investments	101,703	93,317	9%	101,703	93,317	9%

Note 7: Effective quarter ended Jun'12, Cumulative investments in 4G earlier reported under Telemedia services have now been reported under Mobile services (India & South Asia). Previous quarters' have been restated accordingly.

Note 8: Effective quarter ended March'13, Telemedia Services includes results of Telesonic Networks Limited, a 100% subsidiary (formerly known as Alcatel Lucent Network Management Services India Limited).

##### **3.3.3 Digital TV Services**

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
Total revenues	4,419	3,565	24%	16,294	12,960	26%
EBITDA	296	209	42%	452	465	-3%
<i>EBITDA / Total revenues</i>	<i>6.7%</i>	<i>5.9%</i>		<i>2.8%</i>	<i>3.6%</i>	
EBIT	(1,784)	(1,944)	8%	(8,105)	(7,198)	-13%
Capex	1,326	981	35%	7,548	8,109	-7%
Operating Free Cash Flow (EBITDA - Capex)	(1,030)	(772)	-33%	(7,096)	(7,643)	7%
Cumulative Investments	40,366	32,980	22%	40,366	32,980	22%

## **B2B Services**

### **3.3.4 Airtel Business**

*Amount in Rs mn, except ratios*

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
Total revenues	13,143	11,209	17%	53,202	44,541	19%
EBITDA	2,952	1,631	81%	9,361	8,312	13%
<i>EBITDA / Total revenues</i>	<i>22.5%</i>	<i>14.5%</i>		<i>17.6%</i>	<i>18.7%</i>	
EBIT	1,444	181	697%	3,693	2,629	40%
Capex	38	338	-89%	801	1,206	-34%
Operating Free Cash Flow (EBITDA - Capex)	2,914	1,293	125%	8,560	7,106	20%
Cumulative Investments	43,136	42,493	2%	43,136	42,493	2%

### **3.3.5 Tower Infrastructure Services**

*Amount in Rs mn, except ratios*

Particulars	Quarter Ended			Year Ended		
	Mar-13 <sup>9</sup>	Mar-12	Y-on-Y Growth	Mar-13 <sup>9</sup>	Mar-12	Y-on-Y Growth
Total revenues	27,189	24,183	12%	103,154	95,109	8%
EBITDA	10,435	9,346	12%	38,560	35,943	7%
<i>EBITDA / Total revenues</i>	<i>38.4%</i>	<i>38.6%</i>		<i>37.4%</i>	<i>37.8%</i>	
EBIT	4,654	3,930	18%	16,364	14,641	12%
Capex	5,702	3,427	66%	19,727	13,726	44%
Operating Free Cash Flow (EBITDA - Capex)	4,733	5,919	-20%	18,833	22,217	-15%
Cumulative Investments	251,725	234,730	7%	251,725	234,730	7%

*Note 9: Revenue, EBITDA and EBIT for the quarter and full year ended March 31 2013 are higher by Rs 340 Mn, Rs 313 Mn and Rs 22 Mn respectively on account of pre-closure of agreement by certain customers on specified tenancies.*

## **Others**

### **3.3.6 Others (India & South Asia)<sup>10</sup>**

*Amount in Rs mn, except ratios*

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
Total revenues	857	738	16%	3,402	3,054	11%
EBITDA	(2,710)	(2,505)	-8%	(10,463)	(9,680)	-8%
EBIT	(2,820)	(2,631)	-7%	(10,972)	(10,206)	-7%
Capex	220	13	1534%	3,028	1,592	90%
Operating Free Cash Flow (EBITDA - Capex)	(2,930)	(2,519)	-16%	(13,491)	(11,272)	-20%
Cumulative Investments	10,588	7,013	51%	10,588	7,013	51%

*Note 10: Includes Airtel M-commerce Services Limited (AMSL), corporate office and other support units.*

## **AFRICA**

**3.3.7 Consolidated Africa** – comprises of 17 country operations in Africa.

*Amount in US \$ mn, except ratios*

Particulars	Quarter Ended			Year Ended		
	Mar-13	Mar-12	Y-on-Y Growth	Mar-13	Mar-12	Y-on-Y Growth
Total revenues	1,120	1,071	5%	4,417	4,137	7%
EBITDA	285	298	-4%	1,158	1,097	6%
<i>EBITDA / Total revenues</i>	<i>25.4%</i>	<i>27.8%</i>		<i>26.2%</i>	<i>26.5%</i>	
EBIT	62	102	-39%	284	291	-3%
Capex	235	254	-8%	724	1,514	-52%
Operating Free Cash Flow (EBITDA - Capex)	50	44	15%	434	(417)	204%
Cumulative Investments	13,543	13,432	1%	13,543	13,432	1%

*Note 11: Africa financials reported above are in their functional currency i.e., US\$.*

*Note 12: In constant currency terms, the reported revenues of \$ 1,120 million & \$ 4,417 million for the quarter ended and full year ended Mar'13, represents a growth of 7.4% and 12.0% respectively. (Refer page 36 for QoQ revenues in constant currency).*

### 3.4 Region wise & Segment wise Investment & Contribution

#### 3.4.1 India and South Asia

Amount in Rs mn, except ratios

Segment	Quarter Ended Mar 2013						As at Mar 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services <sup>13</sup>	112,853	78%	35,267	71%	13,003	58%	772,586	63%
Telemedia Services	9,621	7%	4,191	8%	2,250	10%	101,703	8%
Digital TV Services	4,419	3%	296	1%	1,326	6%	40,366	3%
Airtel Business	13,143	9%	2,952	6%	38	0%	43,136	4%
Tower Infrastructure Services	27,189	19%	10,435	21%	5,702	25%	251,725	21%
Others	857	1%	(2,710)	-5%	220	1%	10,588	1%
<b>Sub Total</b>	<b>168,082</b>	<b>116%</b>	<b>50,431</b>	<b>102%</b>	<b>22,539</b>	<b>100%</b>	<b>1,220,104</b>	<b>100%</b>
Eliminations	(22,570)	-16%	(996)	-2%	-	0%		
Accumulated Depreciation And Amortization							(482,866)	
<b>Total (India &amp; SA)</b>	<b>145,512</b>	<b>100%</b>	<b>49,435</b>	<b>100%</b>	<b>22,539</b>	<b>100%</b>	<b>737,238</b>	
<b>Consolidated</b>	<b>204,484</b>		<b>64,870</b>		<b>35,231</b>		<b>1,956,723</b>	
<b>% of Consolidated</b>	<b>71%</b>		<b>76%</b>		<b>64%</b>		<b>62%</b>	

Amount in Rs mn, except ratios

Segment	Year Ended Mar 2013						As at Mar 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services <sup>13</sup>	440,235	77%	135,138	73%	56,788	59%	772,586	63%
Telemedia Services	38,158	7%	16,204	9%	8,067	8%	101,703	8%
Digital TV Services	16,294	3%	452	0%	7,548	8%	40,366	3%
Airtel Business	53,202	9%	9,361	5%	801	1%	43,136	4%
Tower Infrastructure Services	103,154	18%	38,560	21%	19,727	21%	251,725	21%
Others	3,402	1%	(10,463)	-6%	3,028	3%	10,588	1%
<b>Sub Total</b>	<b>654,445</b>	<b>115%</b>	<b>189,252</b>	<b>102%</b>	<b>95,959</b>	<b>100%</b>	<b>1,220,104</b>	<b>100%</b>
Eliminations	(84,897)	-15%	(3,680)	-2%	-	0%		
Accumulated Depreciation And Amortization							(482,866)	
<b>Total (India &amp; SA)</b>	<b>569,548</b>	<b>100%</b>	<b>185,572</b>	<b>100%</b>	<b>95,959</b>	<b>100%</b>	<b>737,238</b>	
<b>Consolidated</b>	<b>803,112</b>		<b>248,704</b>		<b>135,364</b>		<b>1,956,723</b>	
<b>% of Consolidated</b>	<b>71%</b>		<b>75%</b>		<b>71%</b>		<b>62%</b>	

Note 13: Cumulative Investments includes National optic fibre network.

### 3.4.2 Africa

Amount in US\$ mn, except ratios

Segment	Quarter Ended Mar 2013						As at Mar 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Consolidated Africa	1,120	100%	285	100%	235	100%	13,543	100%
Accumulated Depreciation And Amortization							(1,915)	
<b>Total (Africa)</b>	<b>1,120</b>	<b>100%</b>	<b>285</b>	<b>100%</b>	<b>235</b>	<b>100%</b>	<b>11,628</b>	
<b>% of Consolidated</b>	<b>29%</b>		<b>24%</b>		<b>36%</b>		<b>38%</b>	

Amount in US\$ mn, except ratios

Segment	Year Ended Mar 2013						As at Mar 31, 2013	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Consolidated Africa	4,417	100%	1,158	100%	724	100%	13,543	100%
Accumulated Depreciation And Amortization							(1,915)	
<b>Total (Africa)</b>	<b>4,417</b>	<b>100%</b>	<b>1,158</b>	<b>100%</b>	<b>724</b>	<b>100%</b>	<b>11,628</b>	
<b>% of Consolidated</b>	<b>29%</b>		<b>25%</b>		<b>29%</b>		<b>38%</b>	

**SECTION 4**  
**OPERATING HIGHLIGHTS**

The financial figures used for computing ARPU, Realization per Minute, Revenue per Site, Non Voice revenue, Messaging & VAS revenue, Data revenue, Others revenue, Gross revenue per employee per month, Personnel cost per employee per month are based on IFRS.

**4.1 Customers and Non Voice % - Consolidated**

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
<b>Mobile Services</b>	<b>000's</b>	<b>259,844</b>	<b>251,103</b>	<b>3%</b>	<b>241,148</b>	<b>8%</b>
India & South Asia	000's	196,126	189,416	4%	188,008	4%
Africa	000's	63,718	61,687	3%	53,140	20%
Telemidia Services	000's	3,283	3,278	0%	3,270	0%
Digital TV Services	000's	8,100	7,894	3%	7,228	12%
<b>Total</b>	<b>000's</b>	<b>271,227</b>	<b>262,275</b>	<b>3%</b>	<b>251,646</b>	<b>8%</b>
Non Voice Revenue as a % of Total Revenues	%	28.5%	28.5%		25.5%	

*Note 14: Effective quarter ended Jun'12, Non Voice revenue includes revenue from non-telecom (refer glossary for definition). Previous quarters' have been restated accordingly.*

**4.2 Traffic Details – Consolidated**

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
<b>Mobile Services</b>	<b>Mn Min</b>	<b>286,364</b>	<b>276,218</b>	<b>4%</b>	<b>257,910</b>	<b>11%</b>
India & South Asia	Mn Min	263,004	250,044	5%	238,779	10%
Africa	Mn Min	23,360	26,174	-11%	19,131	22%
Telemidia Services	Mn Min	3,988	3,958	1%	4,145	-4%
National Long Distance Services	Mn Min	24,534	23,216	6%	21,588	14%
International Long Distance Services	Mn Min	3,794	4,303	-12%	3,518	8%
<b>Total Minutes on Network (Gross)</b>	<b>Mn Min</b>	<b>318,680</b>	<b>307,695</b>	<b>4%</b>	<b>287,161</b>	<b>11%</b>
Eliminations	Mn Min	(25,008)	(23,654)	6%	(21,926)	14%
<b>Total Minutes on Network (Net)</b>	<b>Mn Min</b>	<b>293,672</b>	<b>284,041</b>	<b>3%</b>	<b>265,235</b>	<b>11%</b>

#### 4.3 Mobile Services India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Customer Base	000's	188,220	181,922	3%	181,279	4%
VLR	%	95.1%	95.0%		91.7%	
Net Additions	000's	6,298	(4,000)	257%	5,626	12%
Pre-Paid (as % of total Customer Base)	%	95.8%	95.8%		96.3%	
Monthly Churn	%	3.2%	5.9%		8.8%	
Average Revenue Per User (ARPU)	Rs	193	185	4%	189	2%
Average Revenue Per User (ARPU)	US\$	3.6	3.4	5%	3.8	-5%
Total Revenue / Minutes on Network	paisa	42.34	42.54	0%	43.80	-3%
Revenue per site per month	Rs	269,531	261,900	3%	280,332	-4%
<b>Voice</b>						
Minutes on the network	Mn	253,144	240,814	5%	230,365	10%
Voice Average Revenue Per User (ARPU)	Rs	159	153	4%	158	1%
Voice Usage per customer	min	455	435	5%	431	6%
Voice Realization per minute	paisa	35.00	35.17	-1%	36.71	-5%
<b>Non Voice Revenue</b>						
% of Mobile revenues	%	17.4%	17.3%		16.2%	
<b>Of Which</b>						
Messaging & VAS as % of Mobile revenues	%	9.1%	9.9%		11.0%	
Data as % of Mobile revenues	%	6.5%	5.7%		4.1%	
Others as % of Mobile revenues	%	1.8%	1.7%		1.1%	
<b>Data</b>						
Data Customer Base	000's	43,490	41,480	5%	35,780	22%
<i>Of which no. of 3G data customers</i>	000's	6,391	5,187	23%	2,711	136%
<i>As % of Customer Base</i>	%	23.1%	22.8%		19.7%	
Total MBs on the network	Mn MBs	23,937	19,777	21%	10,006	139%
Data Average Revenue Per User (ARPU)	Rs	55	47	16%	44	25%
Data Usage per customer	MBs	187	161	16%	107	75%
Data Realization per MB	paisa	29.27	29.32	0%	40.90	-28%

#### 4.4 Telemedia Services

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Telemedia Customers	000's	3,283	3,278	0%	3,270	0%
<i>Of which no. of broadband (DSL) customers</i>	000's	1,390	1,382	1%	1,369	2%
<i>As % of Customer Base</i>	%	42.3%	42.2%		41.9%	
Net additions	000's	5	4	25%	(47)	110%
Average Revenue Per User (ARPU)	Rs	978	973	0%	933	5%
Average Revenue Per User (ARPU)	US\$	18.1	17.9	1%	18.6	-3%
Non Voice Revenue as % of Telemedia revenues	%	58.2%	57.6%		55.8%	

#### 4.5 Digital TV Services

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Digital TV Customers	000's	8,100	7,894	3%	7,228	12%
Net additions	000's	207	439	-53%	159	30%
Average Revenue Per User (ARPU)	Rs	184	186	-1%	166	11%
Average Revenue Per User (ARPU)	US\$	3.4	3.4	0%	3.3	3%
Monthly Churn	%	1.1%	1.3%		1.2%	

#### 4.6 Network and Coverage - India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
<b>Mobile Services</b>						
Census Towns	Nos	5,121	5,121	-	5,118	3
Non-Census Towns and Villages	Nos	460,361	458,727	1,634	454,302	6,059
Population Coverage	%	86.7%	86.7%		86.4%	
Optic Fibre Network	R Kms	171,610	166,506	5,104	157,886	13,724
Sites on Network	Nos	133,778	131,450	2,328	120,905	12,873
<i>Of which no. of 3G sites</i>	Nos	24,573	22,515	2,058	16,162	8,411
<b>Telemedia Services</b>						
Cities covered	Nos	87	87	-	87	-
<b>Airtel Business</b>						
Submarine cable systems	Nos	7	7	-	7	-
<b>Digital TV Services</b>						
Districts Covered	Nos	639	632	7	609	30
Coverage	%	100%	99%		95%	

#### 4.7 Tower Infrastructure Services <sup>15</sup>

##### 4.7.1 Bharti Infratel Consolidated

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Total Towers	Nos	82,083	81,389	694	79,064	3,019
Total Co-locations	Nos	156,608	156,336	272	149,908	6,700
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	35,139	35,225	0%	34,824	1%
Average Sharing Factor	Times	1.91	1.92		1.89	

##### 4.7.2 Bharti Infratel Standalone

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Total Towers	Nos	35,119	34,668	451	33,147	1,972
Total Co-locations	Nos	63,573	63,080	493	60,160	3,413
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	37,467	37,863	-1%	37,151	1%
Average Sharing Factor	Times	1.81	1.82		1.82	

##### 4.7.3 Indus Towers

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Total Towers	Nos	111,819	111,240	579	109,325	2,494
Total Co-locations	Nos	221,511	222,038	(527)	213,685	7,826
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	31,718	31,969	-1%	32,114	-1%
Average Sharing Factor	Times	1.99	1.99		1.94	

Note 15: During the quarter ended Sep 30, 2012, the Company had changed the nomenclature and definitions of Tower infrastructure operational & financial performance indicators to reflect the globally used tower companies' terminologies. The revised definitions are enclosed as part of Glossary and wherever necessary the previous quarter figures have been restated accordingly so as to conform to the revised definitions.



#### 4.8 Human Resource Analysis – India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
<b>Consolidated</b>						
Total Employees <sup>16</sup>	Nos	20,925	17,801	3,124	14,935	5,990
Number of Customers per employee	Nos	9,539	10,847	(1,308)	12,841	(3,302)
Personnel cost per employee per month	Rs	98,836	108,030	-9%	110,252	-10%
Gross Revenue per employee per month	Rs	2,262,998	2,593,711	-13%	2,937,785	-23%

Note 16: Total Employees include proportionate consolidation of 42% Indus towers employees. Effective quarter ended March'13, total employees also include 3,041 employees of Telesonic Networks Limited, a 100% subsidiary (formerly known as Alcatel Lucent Network Management Services India Limited).

#### 4.9 Operational Performance - Africa

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Customer Base	000's	63,718	61,687	3%	53,140	20%
VLR	%	85.9%	86.1%		84.5%	
Net Additions	000's	2,031	3,020	-33%	2,191	-7%
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%		99.3%	
Monthly Churn	%	5.5%	5.1%		5.3%	
Average Revenue Per User (ARPU)	US\$	5.9	6.2	-5%	6.8	-13%
Total Revenue / Minutes on Network	USc	4.80	4.33	11%	5.60	-14%
Revenue per site per month	US\$	21,784	22,725	-4%	24,522	-11%
<b>Voice</b>						
Minutes on the network	Mn	23,360	26,174	-11%	19,131	22%
Voice Average Revenue Per User (ARPU)	US\$	4.9	5.3	-8%	6.1	-20%
Voice Usage per customer	min	123	144	-14%	122	1%
Voice Realization per minute	USc	3.95	3.68	7%	5.01	-21%
<b>Non Voice Revenue</b>						
% of Mobile revenues	%	17.7%	15.1%		10.6%	
<b>Of Which</b>						
Messaging & VAS as % of Mobile revenues	%	8.6%	7.8%		5.6%	
Data as % of Mobile revenues	%	4.4%	3.9%		3.2%	
Others as % of Mobile revenues	%	4.7%	3.3%		1.8%	
<b>Data</b>						
Data Customer Base	000's	14,535	14,107	3%	NA	NA
As % of Customer Base	%	22.8%	22.9%		NA	NA
Total MBs on the network	Mn MBs	3,003	2,450	23%	NA	NA
Data Average Revenue Per User (ARPU)	US\$	1.2	1.1	7%	NA	NA
Data Usage per customer	MBs	73	58	26%	NA	NA
Data Realization per MB	USc	1.64	1.94	-15%	NA	NA

Refer table A1.10 on page 42 for KPI's in constant currency.

#### 4.10 Network & Coverage - Africa

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Sites on Network	Nos	16,653	16,371	282	14,831	1,822
Of which no. of 3G sites	Nos	5,676	5,527	149	3,205	2,471

#### 4.11 Human Resource Analysis - Africa

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Q-on-Q Growth	Mar 31, 2012	Y-on-Y Growth
Total Employees	Nos	4,932	4,889	43	4,792	140
Number of Customers per employee	Nos	12,919	12,618	302	11,089	1,830
Personnel cost per employee per month	US\$	6,373	6,211	3%	6,006	6%
Gross Revenue per employee per month	US\$	75,728	77,280	-2%	75,800	0%

## SECTION 5

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 5.1 India and South Asia

##### A. Key Industry Developments

###### 1. Pre-Consultation on full MNP

On February 20, 2013 TRAI issued a pre consultation paper and invited comments on implementation of full MNP (Inter Circle). This paper covers issues with respect to the changes in MNP regulation, MNP process, call routing, MNP operators' interconnectivity and other technical impact on the network of the service providers.

###### 2. Telecom Consumer Protection Regulation, 2012 (6th Amendment)

On February 21, 2013 TRAI issued a Regulation regarding deactivation of SIMs on account of non usage. Key highlights of the Regulation are as follows:

- Definition of Non usage Criteria & period: a voice / Video call (O/G or I/C) or O/G SMS or a data session or usage of VAS or payment of rental of post paid, for a minimum period of 90 days.
- Automatic Number Retention scheme for Prepaid Customers wherein customers having balance greater than Rs 20 would be automatically given an extension of 30 days by deducting Rs 20.
- Safe Custody Scheme for Postpaid Customers – Operators can charge a maximum of Rs 150 for a period of 3 months.
- Grace period of 15 days for reactivation: During this period customer can reactivate his connection by making payment of Rs 20.

###### 3. Review of Tariffs for National Roaming Services

TRAI vide a Consultation paper dated February 25, 2013 has suggested below approaches for setting tariffs for national roaming services:

- **Approach 1:** Forbearance.
- **Approach 2:** Implementing Home price rule (HPR) in national roaming service with the recovery of carriage charge on account of incoming call from the calling party (Voice and SMS).
- **Approach 3:** Rationalizing tariff for national roaming service on the basis of present cost.
- **Approach 4:** Revise ceiling tariff for national roaming while the cost of incoming calls is recovered through outgoing roaming calls. This could be achieved through a glide path: approaching zero tariffs for incoming calls in a phased manner (say 3 years) and fixing year wise tariff ceiling for outgoing calls.

###### 4. TRAI QoS (CODE OF PRACTICE FOR METERING AND BILLING ACCURACY) (AMENDMENT) REGULATIONS, 2013

TRAI has issued an amendment to Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation on March 25, 2013. Vide this amendment, TRAI has introduced financial disincentives (Rs 100,000 per week for delay in submission of Audit reports and Action Taken reports and Rs 1,000,000 per Action Taken Report for false or incomplete information in the Action Taken Report) for addressing the problem of delay in submission of audit reports and action taken reports, false or incomplete audit and action taken reports and delayed refund of overcharges to affected consumers. Further, TRAI has also increased the periodicity of CDR audit for the improvement of quality of audit to ensure that the refunds if any are passed back to the customers when the error has happened within 2 months. As per the earlier regulations, by the time the error was detected and refunds processed many customers would have churned due to the short life cycle of the customer.

###### 5. Extension of prepaid services in J&K, Assam and North East service area

DoT has extended the prepaid services for a period of two years i.e. up to March 31, 2015 without any change in the existing terms & conditions of providing the prepaid services in these service areas.

##### B. Key Company Developments

- Airtel launched 4G services in Chandigarh, Mohali and Panchkula, thus offering the fastest high speed data experience to its prepaid and postpaid customers in Punjab.
- Bharti Airtel launched its first Sustainability Report for India operations for the year 2011-12 which presents the Company's approach, initiatives & future plans across social and environmental development.
- Bharti Airtel deploys Ericsson's Mobile Broadband charging solution and modernizes its pre-paid platform, thereby enabling flexible data charging, real time control and enriched customer experience across multiple domains – 2G, 3G, 4G/LTE and Wi-Fi.
- Bharti Airtel and Opera Software launched India's first 'Opera Web Pass' to offer a quicker data experience for customers.
- Airtel launched 'Apna Chaupal' - a first-of-its kind voice based one stop solution portal for value added services especially designed for the rural and semi-urban market in India.

- Airtel launched limited-period free Facebook access across the country for prepaid customers.
- Airtel announced the launch of its mEducation services enabling mobile customers to access convenient and affordable education services.
- Airtel powered up its core location with Solar Power at Gangaganj, Lucknow. This location is one of the major switching and routing centre, which processes the voice & data traffic for the telecom operator. The 100 KW non penetrating roof top solar power plant is the first of its kind in the Indian telecom industry and will save close to 26 thousand liters of diesel per year.
- Airtel became the first private operator to offer mobile connectivity in the toughest terrain of Kargil. With this, Airtel has covered the farthest destination on the network coverage map of J&K.
- Airtel launched Airtel Dynamic Mobile Exchange (DME) for corporate. Airtel DME ensures seamless implementation of the Enterprise BYOD concept without compromising on corporate data security by providing a complete array of security solutions beyond Mobile Device Management (MDM) tool.
- At Tele.net Telecom Awards 2013, Bharti Airtel received awards across categories of 'Most Admired Operator', 'Best National Mobile Operator', 'Best 3G provider', 'Best Ad Campaign' and 'Best VAS' for airtel money.
- 'myairtel' application was acknowledged as 'App of the Year' in 'Best Application using Network APIs' category at the prestigious Global Mobile Awards 2013 in Barcelona.
- Airtel bagged the 'Quality Excellence Award for Fastest Growing Company' at the National Quality Excellence Awards, held in Mumbai.
- Airtel won the 'Brand Leadership Award' in Telecom Sector for the year 2012 and 'Emerging Brand Award for airtel money' at the Brand Leadership Awards, held in Mumbai.

## 5.2 Africa

### A. Key Industry Developments

#### DRC

- **Mobile Termination Rate**  
In April 2012, the Regulator had set up a floor price of US¢ 8 per minute to avoid dilution of revenues of operators and regulatory taxes collected by the Government from telecoms operators. The floor price determination ended on March 31, 2013 and the Regulator decided to extend it for another 3 months until June 30, 2013. However operators have expressed their intention for a full year extension until March 31, 2014.

#### Gabon

- **3G & 4G license**  
The Regulator issued draft license terms and conditions and invited operators to comment. Airtel has

sent comments and is awaiting invitation for final discussions.

#### Kenya

- **LTE**  
Kenyan Government engaged lawyers to progress on structure, financing and other issues for a LTE operator participation consortium.

#### Madagascar

- **3G license**  
The Regulator sent a letter to operators indicating its willingness to sign an addendum to current 2G licenses granting 3G licenses and 5MHz frequencies in 2100 band to each operator. We are waiting for the further course of action from the Government's side.

#### Nigeria

- **KYC**  
Nigeria Communications Commission (NCC) has directed all operators to disconnect unregistered SIM cards on their networks by June 30, 2013. Negotiation is ongoing with the NCC for the postponement of the aforementioned implementation date.
- **Mobile Termination Rate (MTR)**  
After series of consultations with the industry, the NCC has published a new Interconnect Rate regime effective April 01, 2013 which specifies:
  - a) Higher asymmetric MTR for operators with less than 7.5% market share.
  - b) Reduction in MTR for Tier I operators from N 8.20 per minute to N 4.90 per minute.
  - c) Glide paths for both Tier I (Airtel, Etisalat, Glomobile, MTN) and Tier II (CDMA) Operators will ensure annual reduction of the rates until harmonization at N 3.90 per minute on April 01, 2015.
- **MNP**  
MNP implementation date earlier scheduled for March 26, 2013 was later launched on April 22, 2013 by the NCC. The postponement was due to the inability of ICN (MNP Clearing House) to finalize the IOT (Inter-Operator Testing) within the specified timeline.

#### Rwanda

- **LTE**  
Government has signed a MoU with Korea Telecom to build LTE infrastructure and insists that LTE services be done through consortium along public private partnership model.
- **KYC**  
Rwanda Utilities Regulatory Authorities (RURA) has directed the Operators that the KYC process has commenced from January 2013 and deadline to complete the registration is July 2013.
- **MNP**  
The Regulator confirmed introduction of MNP once penetration reaches 60%. Currently, the penetration in Rwanda is 56%.

## Tanzania

- **Mobile Termination Rate (MTR)**

With effect from March 01, 2013, Tanzania Communications Regulatory Authority (TCRA) has reduced the MTR from 112 TSH to 34.92 TSH per minute with a further glide path spread over 4 years, to 26.96 TSH on January 01, 2017.

## Uganda

- **KYC**

Uganda Communications Commission (UCC) has extended the initial deadline of February 28, 2013 for KYC completion by 6 months: 3 months for registration and 3 months for cleaning up of operator subscriber base.

- **Draft Telecommunications Bill**

The President assented to the Bill on January 18, 2013 and the Regulator has communicated to the Operators that the regulatory fee will be increased from 1% to 2% (combination of regulatory fees and USO). Discussions are ongoing with the Regulator to agree on implementation.

- **Counterfeit Phones**

Regulator has sent letter to the operators to eliminate counterfeit phones by October 2013.

## B. Key Company Developments

- With the launch of 3G services in Seychelles in this quarter, Airtel has launched 3G in 12 countries and is ahead of competition in terms of quality & customer experience with a focus on coverage, speed and affordability. All 3G launches coincide with Video Calling, Airtel Live 2.0 and a new set of aggressive & innovative tariff plans.
- A number of services and products have been launched under Airtel Business for corporate customers. This includes 'enterprise leased line managed service' which has been launched in all countries and 'Office in a box'

(a product with data, internet router and voice services) which has been rolled out in Zambia and Nigeria.

- A new 'Go to Market' strategy for Airtel Business has been implemented in 8 countries viz. Nigeria, Kenya, Tanzania, Zambia, Ghana, Uganda, DRC and Gabon. This includes a segmented approach to the corporate segment, account sizing, a planning & development tool for key accounts and a sales KPI management tool.
- Airtel Premier, a high value customer programme, was further extended to Malawi, Niger and Uganda; taking the count of countries in which it is live to 8 (the first five are Nigeria, Zambia, Gabon, Burkina Faso and Madagascar).
- Thematic campaigns under the umbrella theme of 'Success anchored on friendship' have been launched in Sahel region and Ghana.
- A new network campaign 'One Airtel One Africa' has been launched in Msafiri, a high end leading international Kenya Airways magazine. The campaign's objective is to establish the strength of Airtel which has created a borderless Africa for its roaming customers in Africa, offering them free incoming calls, flat data & SMS rates and ability to make local top ups in the roaming country. A similar 360 degree network coverage campaign has been launched in Nigeria as well.
- Airtel Ghana wins two awards at the 1<sup>st</sup> public relations excellence awards in recognition for its contribution towards the Ghanaian society.
- Airtel Niger was named the 'Most Socially Responsible Company' in Niger at the 3<sup>rd</sup> national excellence awards. Airtel was conferred with this prestigious award for its corporate social responsibility (CSR) initiative of adoption and refurbishment of schools in underprivileged & remote areas of the country.

## 5.3 Results of Operations

*The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.*

### **Key Highlights - For the full year ended March 31, 2013**

- Overall customer base at 271.2 million.
- Net addition of 19.6 million customers in a year.
- Total Revenues of Rs 803.1 billion (up 12% Y-o-Y).
- EBITDA at Rs 248.7 billion (up 5% Y-o-Y).
- Net Income of Rs 22.8 billion (down 47% Y-o-Y).
- Operating free cash flow of Rs 113.3 billion (up 12% Y-o-Y).

### **Key Highlights - For the quarter ended March 31, 2013**

- Net addition of 8.95 million customers in the quarter.
- Total Revenues of Rs 204.5 billion (up 9% Y-o-Y).
- EBITDA at Rs 64.9 billion (up 4% Y-o-Y).
- Net Income of Rs 5.1 billion (down 49% Y-o-Y).

## **Bharti Airtel Consolidated**

### **Results of the full year ended March 31, 2013**

#### **Our operations during the year**

The year was marked by several regulatory and fiscal interventions which had significant impact on the telecom sector in India. The TRAI imposed restrictions on special tariff vouchers and 'combo packs', curbing pricing flexibility. This was followed by a 2% hike in service tax, which rendered telecom services costlier. In the second quarter, TRAI mandated all operators to seek prior confirmation from customers before activation of VAS services. In the second half, the new 'FTA' (first time activations) process came into effect, which mandated stringent verification norms at the time of customer acquisition. This had an industry-wide impact leading to a sharp slowdown in new customer additions; with continuing churn of old customers, this led to two quarters of customer base reduction. Post the Feb 2012 judgement of the Hon'ble Supreme Court cancelling 122 telecom licenses some impacted operators started winding up operations in the respective circles. As a result, their customers have now either reverted to the other operators or reduced the multiple SIM phenomenon.

The prepaid market which had got 'overheated' on customer acquisitions and multiple SIMs, went through a correction as most operators started adopting prudent trade practices, which was followed by the regulatory directives on first time activations. Most of these corrections however happened in the second half of the year. At the end of the year, Airtel has emerged stronger from these big changes. Monthly churn improved from 7.6% last year to 6.6%, with the Q4 reporting a significantly improved churn of 3.2%. Voice MoU per customer was 435 minutes per month, an improvement from 430 last year. Q4 ended with voice MoU of 455 minutes.

Competition however continued to be intense despite the shut down by the impacted operators. Promotions and discount packs for customers have continued to be available. Airtel being the largest player has maintained its competitiveness in the market. The overall voice realization rate per minute has decreased by 3.6% from 36.64p to 35.31p.

The overall data ecosystem including affordable handsets, explosive growth in smartphones and tablets, and popularity of applications, coupled with the expansion of 3G networks has enabled an internet revolution in the country. The

Company continued its investments in India on 3G to enhance coverage and quality through roll out of 8,411 new sites. Wireless data revenues grew by 66% to Rs 22,362 million during the year, accounting for 5.4% of the total wireless revenues (3.5% in the previous year).

The much-awaited digitization of broadcasting services happened during the year, with the Metro cities going live in the first phase. The second phase of additional 37 cities is likely to take off in the coming months. This change has helped the DTH business in growing the top line through a steadily increasing base of active subscribers. Further, the growing adoption of HDTV and pricing corrections has resulted in ARPU enhancement and reduction of set top box subsidy, all leading to lower cash burn.

In Africa, the telecom sector was impacted by several factors: economic headwinds especially in the Francophone countries which have strong linkages to the euro area, currency movements and inflation, and political unrest in some countries or regions. Competitive intensity was high especially in Nigeria where the market leader dropped tariffs by almost 30%. Price tables were subdued across Africa, and the average ARPU declined from \$ 6.4 to \$ 5.3. Data usage is growing rapidly, but the revenue base is still small to neutralize the impact of voice revenue decline.

Airtel Africa's network transformation continued with expansion of 3G networks (ending with 5,676 sites across 12 countries) and improving the stability of 2G networks. The airtel money service is now offered across 15 countries now. The Company tied up with major device manufacturers to aggressively drive sales of data enabled handsets, especially 3G, and tablets.

The operating metrics of our African business are a mixed bag: growth in customer base by 10.6 million, traffic up by 29%, voice minute usage per customer up from 124 mins to 131 mins, and data accounted for 3.8% of overall revenues, up from 2.9% last year. However, due to the pricing pressures, voice realization per minute fell from 5.16 cents to 4.06 cents, and ARPU declined from \$ 6.4 to \$ 5.3.

### **Financials for the year ended March 31, 2013**

During the year ended March 31, 2013, the Company recorded revenues of Rs 803,112 million, a growth of 12.4% over the previous year ended March 31, 2012, the highlights being mobile data growth of 66% in India, 26% in Digital TV, 19% in 'airtel business' and 21% in Africa (in Rupee terms).

In constant currency terms, Africa revenues grew by 12% over last year. A favourable TDSAT ruling in Q2 resulted in a one-time recording of revenues in India of Rs 5,861 million pertaining to previous periods. Ratio of access and inter-connection charges to revenues in India & South Asia increased from 11.5% to 13.3% mainly due to fall in mobile voice realization rates and increased traffic of international wholesale voice minutes. The same ratio in Africa improved from 19.8% to 17.8%.

During the year ended March 31, 2013; the Company incurred an operating expenditure (excluding access charges and license fees) of Rs 375,173 million representing 47% of the total revenues, and a 17% increase over the previous year. Operating expenditure in India & South Asia was Rs 252,841 million, an increase of 13%, explained by: 18% in network costs, 11% in personnel costs and 8% in selling, general and administrative (SGA) costs. Operating expenditure in Africa was \$ 2,278 million, an increase of 11%, explained by: 15% in network costs, 4% in personnel costs, 135% in cost of goods sold and 5% in SGA costs. The sharp increase in network costs in India & SA is explained by the impact of network roll-out in India and Bangladesh, and rising energy costs. The sharp rise in cost of goods sold and network costs in Africa are due to higher sale of devices and site roll outs respectively.

Consolidated EBITDA at Rs 248,704 million grew by 5%, and the EBITDA margin for the full year at 31.0% dropped from 33.2% last year mainly due to cost pressures and decline in voice realization rates across India and Africa. In India & SA, the Mobile EBITDA margin dropped by 3.2% from 33.9% to 30.7%, Telemedia was held at 42.5%, Digital TV had positive margin of 2.8%, and airtel business was lower at 17.6%.

Depreciation and amortization (D&A) costs for the year were higher by Rs 21,283 million (an increase of 16%) due to continued expansion of networks and investments in new technologies and licenses. D&A costs in India & SA grew by 13% and in Africa by 23%. Consolidated EBIT at Rs 93,740 million dropped by 9% and the EBIT margin for the full year at 11.7% dropped from 14.5% last year, due to EBITDA margin drop and higher D&A costs in India. Full year EBIT margin of India & SA stands at 13.7% and of Africa at 6.4%.

Net interest costs at Rs 40,697 million were higher by Rs 8,410 million, mainly due to increase in floating rates in Africa, the impact of interest on BWA loans in India and the impact of Rupee translation of the Africa interest costs. Derivatives and forex fluctuations for the full year resulted in net losses of Rs 3,148 million, down from Rs 5,898 million last year.

The tax charge for the full year was Rs 27,151 million, up by Rs 4,549 million over the previous year, of which dividend distribution tax accounted for Rs 1,031 million and deferred tax charge due to increase in surcharge from 5% to 10% amounted to Rs 959 million. Excluding the impact of these additional tax charges, the effective tax rate for India & SA for the year ended March 31, 2013 was 29.2%, as compared to 24.1% for the previous year, the increase is due to the mix impact of taxable and tax-free profits.

The resultant Consolidated Net Income for the year ended March 31, 2013 came in at Rs 22,757 million, a drop of 47% from Rs 42,594 million in the previous year. The major reasons for this decline are: EBIT drop in India by Rs 11,087 million, higher net interest costs of Rs 8,410 million, lower forex losses by Rs 2,750 million and higher tax charges of Rs 4,549 million.

The capital expenditure for the full year was Rs 135,364 million (US\$ 2,486 million), almost on par with Rs 135,804 million in the previous year. India & South Asia accounted for Rs 95,959 million, which included Rs 19,727 million in Tower Companies. India & SA spent Rs 31,814 million more than last year, while Africa's capex spend was lower by \$ 790 million. During the year, 12,873 new 2G sites and 8,411 new 3G sites were rolled out in India. In Africa, 1,822 new 2G sites and 2,471 new 3G sites were rolled out. The optic fibre network in India was expanded by 13,724 R Kms. Significant upgrades were carried out in the network systems to improve quality of the network, especially for data.

Consolidated Operating Free Cash Flow for the year was higher at 113,340 million. India & South Asia delivered Rs 89,613 million (Rs 120,166 million in the previous year) and Africa generated \$ 434 million (negative \$ 417 million in the previous year).

The year was marked by several Treasury initiatives impacting the balance sheet. In Q1, the Company accounted for Rs 23,719 million representing 49% of the debt of the Qualcomm subsidiaries which are holding the BWA licenses in 4 circles. In Q3, Bharti Infratel, through initial public offering (IPO) raised equity of Rs 32,303 million (US\$ 590 million) by issue of 188.9 million equity shares at an average price of Rs 220 per share of face value Rs 10 each. In Q4, the Company's subsidiary in Netherlands raised \$ 1.5 billion through a dollar bond issue at attractive terms (10-year bullet repayment, at a coupon rate of 5.125%). The bonds are listed on the SGX in Singapore. An amount of \$ 1 Bn was utilized towards retirement of existing debts before March 31, 2013, while the second tranche of \$ 0.5 Bn was utilized for retiring existing debts post March 31, 2013.

Consolidated Net debt of the Company at the end of March 31, 2013 at \$ 11,738 million has been reduced by \$ 976 million during the year. The Net Debt-Equity ratio at 1.27 (FY12: 1.29) and Net Debt to EBITDA ratio (USD terms) at 2.57 (FY12: 2.56) indicates tight management of the balance sheet. Equity movement during the year included a net charge of Rs 26,545 million on account of foreign currency translation arising from the movements in the Rupee and various functional currencies of overseas operations.

## **Results for the quarter ended March 31, 2013**

### **Consolidated Financials**

As on March 31, 2013, the Company had an aggregate of 271.2 million customers consisting of 259.8 million Mobile, 3.3 million Telemedia and 8.1 million Digital TV customers. Its total customer base increased by 8% compared to its customer base as on March 31, 2012.

During the quarter, the Company recorded revenues of Rs 204,484 million, a growth of 9% compared to the quarter ended March 31, 2012. Non-voice revenues contribute 28.7% of the total revenues for the quarter, a significant improvement from 25.5% in the same quarter last year.

During the quarter, access charges were Rs 27,498 million, which is a reduction of Rs 1,658 million compared to the previous quarter ended December 31, 2012; this reduction is mainly attributable to the lower volumes in the international wholesale voice business which is part of the India & South Asia segment.

During the quarter, the Company incurred operating expenditure of Rs 95,303 million representing 46.6% of the total revenues. The improved customer acquisition

processes and bad debt recoveries collections have enabled a significant sequential reduction in selling, general & administrative costs in India & South Asia by Rs 2,095 million compared to the previous quarter ended December 31, 2012.

During the quarter, the Company had an EBITDA of Rs 64,870 million, a growth of 4% compared to the quarter ended March 31, 2012. The consolidated EBITDA margin for the quarter was 31.7%, compared to 33.3% in the same quarter last year, this reduction can be broadly analyzed into: a) margin drop of 1.3% in India & South Asia over the same period due to 4.7% decline in mobile voice realization rate per minute, significant network expansion and energy cost escalations, partly neutralized by savings of Rs 1,520 million in SGA costs, b) margin drop of 2.4% in Africa mainly caused by 21% decline in voice realization per minute, higher sale of devices and network costs.

During the quarter, the Company had depreciation and amortization expenses of Rs 39,828 million on the back of continuing investments in network, an increase of 15% over the quarter ended March 31, 2012. The resultant EBIT for the quarter was Rs 25,042 million, a decline of 9% over the same period. The net finance cost for the quarter ended March 31, 2013 was Rs 12,095 million. During the quarter, the interest on borrowings & finance charges was Rs 11,674 million, derivatives & exchange fluctuation loss was Rs 2,030 million and the investment income (primarily related to income on marketable securities) has risen to Rs 1,609 million, mainly contributed by Bharti Infratel.

The Profit / (Loss) before tax for the quarter was Rs 12,947 million, a decrease of 24%, as compared to the quarter ended March 31, 2012 on account of lower EBIT and higher net finance costs. The current tax for the quarter was Rs 6,768 million, deferred tax expense was Rs 387 million (inclusive of additional charge of Rs 959 million on account of increase in surcharge from 5% to 10%), dividend distribution tax was Rs 374 million and withholding taxes were Rs 355 million. The net income for the quarter ended March 31, 2013 was Rs 5,086 million representing a Y-o-Y decline of 49%, the main reasons being higher depreciation & amortization expenses (Rs 5,145 million) and net interest cost (Rs 1,317 million). Compared to the quarter ended December 31, 2012, the consolidated net income has increased by Rs 2,249 million, lifted by better operating performance, lower net interest costs and reduced forex losses, despite additional tax charge of Rs 1,333 million.

During the quarter ended March 31, 2013, the Company incurred capital expenditure of Rs 35,231 million. The Operating Free Cash Flow during the quarter was Rs 29,639 million.

## **B2C Services – India & South Asia**

### **Mobile Services**

The performance highlights for the quarter ended March 31, 2013 are: positive customer net additions, lower churn, all time high incremental minutes in the last five quarters, stabilization in rates and continued momentum in data revenue. It is also reflective of strong seasonality and benefits of corrective actions initiated in the earlier quarters.

As on March 31, 2013, the Company had 188.2 million GSM mobile customers on its network of which 8.4 million were 3G customers. The average monthly churn at 3.2% for the quarter ended March 31, 2013 has significantly come down over the past two quarters from earlier levels of 8%. This

improvement in churn is an outcome of disciplined approach to the new customer acquisition process. The VLR ratio has also improved over the quarter to 95.1% reflecting significant proportion of customers being active.

During the quarter, the blended ARPU of Rs 193 (US\$ 3.6) per month was lifted by significant growth on the voice side with per sub usage moving by 20 minutes to 455 minutes per month. Voice ARPU was Rs 159 and voice realization was stable at 35.00 paisa per minute. The company continues to pursue opportunities for realization improvement while remaining competitive in the market. Value added services contributed to approximately 9.1% of the revenues.

Data continues to lead the Mobile segment growth, through deeper penetration and consumption. Data consumption continues to grow 20% every quarter and has reached 24 Bn MBs in this quarter. Data now contributes around 6.5% of the total mobile revenues (against 5.7% in Q3'FY13). The Company had 43.5 million Data (Mobile Internet) customers, of which 6.4 million used 3G data services. Data ARPU came in at Rs 55, helped by average data download of 187 MBs per user per month (an increase of 26 MB per user over previous quarter), and blended data realization rate being stable at 29.27 paisa per MB.

The overall revenues for the segment during the quarter ended March 31, 2013 stood at Rs 112,853 million, a growth of 7% over the corresponding quarter last year. The EBITDA during the quarter was Rs 35,267 million representing a decline of 1% over the same quarter last year. The EBITDA margin was 31.3%, compared to 34.0% in the quarter ended March 31, 2012. The key reasons for this drop in margins are: decline of 4.7% in realized voice rates in a hyper competitive environment, and 22% increase in network operating costs caused by an expanded network, rising energy costs and site closures, partly neutralized by efficiencies in customer acquisition costs. Investment in network has also resulted in 17% higher depreciation expenses. Consequently, the EBIT for the quarter was Rs 18,514 million, a decline of 14% over the same quarter last year.

During the quarter ended March 31, 2013, the Company incurred a capital expenditure of Rs 13,003 million in Mobile Services.

### **Telemedia Services**

As on March 31, 2013, the Company had its Telemedia operations in 87 cities serving 3.3 million customers. The Company had approximately 1.4 million broadband (DSL) customers. The ARPU for the quarter was Rs 978 (US\$ 18.1) per month.

For the quarter ended March 31, 2013, the revenues from Telemedia operations stood at Rs 9,621 million, a growth of 5% over the corresponding quarter last year owing to increase in Data ARPU and internet penetration. The EBITDA for the quarter was Rs 4,191 million compared to Rs 3,777 million in the corresponding prior year quarter, a growth of 11%. The EBITDA margin for this segment was 43.6%, compared to 41.2% in the same quarter last year. This improvement is attributable to shift in revenue mix in favour of high yielding data revenues and improved cost efficiencies. The EBIT for quarter ended March 31, 2013 was Rs 1,669 million, a Y-o-Y growth of 8%.

During the quarter ended March 31, 2013, the Company incurred a capital expenditure of Rs 2,250 million in Telemedia Services.

### **Digital TV Services**

As on March 31, 2013, the Company had its Digital TV operations in 639 districts. The number of customers stood at 8.1 million customers as on March 31, 2013. The ARPU for the quarter was Rs 184 (US\$ 3.4) per month. The improvement in ARPU over the year has been achieved through product innovations, pricing corrections and up-selling. The digitization drive across the 4 metro cities of the country has contributed to increase in customer base.

For the quarter ended March 31, 2013, the revenues from Digital TV operations of Rs 4,419 million represented a growth of 24% over the corresponding quarter last year. The EBITDA for the quarter was Rs 296 million representing a growth of 42% over the corresponding quarter last year. The EBITDA margin for this segment was 6.7% for the quarter ended March 31, 2013. The EBIT loss for the quarter was lower at Rs 1,784 million as compared to Rs 1,944 million for the quarter ended March 31, 2012.

During the quarter ended March 31, 2013, the Company incurred a capital expenditure of Rs 1,326 million in Digital TV Services.

### **B2B Services – India & South Asia: Airtel Business**

The revenues for the quarter ended March 31, 2013 for Airtel Business stood at Rs 13,143 million, a healthy growth of 17% over the corresponding quarter last year. The revenue from this segment contributed to 9% of the total revenues of India and South Asia. The EBITDA during the quarter ended March 31, 2013 was Rs 2,952 million, a growth of 81% over the corresponding quarter last year. Significant increase in topline, improvements in voice realization rates and better collections have translated into the above EBITDA growth. While the EBITDA margin for the quarter ended March 31, 2013 was 22.5%, the full year margin of 17.6% and operating free cash flow of Rs 8,560 million are reflective of the underlying profit and free cash potential of this business. The EBIT for the quarter ended March 31, 2013 was Rs 1,444 million as compared to Rs 181 million for the quarter ended March 31, 2012, a growth of 697%.

During the quarter ended March 31, 2013, the Company incurred a capital expenditure of only Rs 38 million in Airtel Business. The segment contributed a healthy Operating Free Cash Flow of Rs 2,914 million; at 22.2% of revenues, this reflects a strong cash generating business.

### **Tower Infrastructure Services**

The revenues for the quarter ended March 31, 2013 for Tower Infrastructure Services were Rs 27,189 million, a growth of 12% over the corresponding quarter last year. The EBITDA during the quarter was Rs 10,435 million representing a growth of 12%, and the EBITDA margin was 38.4%. The EBIT for the quarter ended March 31, 2013 was Rs 4,654 million as compared to Rs 3,930 million for the quarter ended March 31, 2012, a growth of 18%.

During the quarter ended March 31, 2013, certain customers have exited from the specified tenancies resulting in group recovering penalties from such customers. As a result, the revenue, EBITDA and EBIT for the quarter ended March 31 2013 and full year ended March 31, 2013 is higher by Rs 340 Mn, Rs 313 Mn and Rs 22 Mn respectively.

During the quarter ended March 31, 2013, the Company incurred a capital expenditure of Rs 5,702 million in Tower Infrastructure Services.

As at the end of the quarter, Bharti Infratel had 35,119 towers and average sharing factor of 1.81 times. As at the end of the quarter, Indus Towers had 111,819 towers and an average sharing factor of 1.99 times.

### **Mobile Services – Africa**

This quarter is seasonally weak with significant slowdown in economic activity in many parts of Africa. Economic headwinds in the countries with euro linkages continued to prevail. Political instability and unrest in some regions further affected businesses across all sectors. The price table having come down in the first 3 quarters, the combined effect of all the adverse factors was reflected in the quarter's operational metrics and performance.

At the end of the quarter ended March 31, 2013, the Company had 63.7 million GSM mobile customers on its network. The Company added 2.0 million customers during the quarter. The ARPU for the quarter was US\$ 5.9 per month. Minutes on the network grew by 4.2 Bn (up 22%) over the quarter ended March 31, 2012. Intense competitive activities and pricing pressures from market leaders and newer entrants resulted in voice realization to fall by over 20% in this quarter as compared to the same quarter last year. The blended monthly voice usage per customer during the quarter ended March 31, 2013 was 123 minutes.

Non voice revenue, which includes revenue from services other than voice i.e., Messaging & VAS, Data, sale of devices, others etc. has significantly improved over the year and contributed approximately 17.7% of the total revenues in the quarter ended March 31, 2013 as compared to 10.6% in the same quarter last year.

With a focus on offering superior data experience against competition, the Company launched its 3G services in 12 countries with the roll out of 5,676 3G sites. The Company had 14.5 million Data (Mobile Internet) customers, which represents 22.8% of its total customer base. Data ARPU came in at US\$ 1.2 per month, helped by average data download of 73 MBs per user per month (an increase of 15 MB per user over previous quarter), and blended data realization rate of USc 1.64.

During the quarter, in constant currency terms, the Company's revenue in Africa grew by 7.4% over the corresponding period last year. In Rupee terms, Africa revenue came in at Rs 60,647 million representing a growth of 12.6% over last year.

EBITDA in Rupee terms of Rs 15,426 million has grown by 3% over the corresponding period last year. EBITDA margin of the Africa business in the quarter ended March 31, 2013 was 25.4% as compared to 27.8% in the quarter ended March 31, 2012, on account of higher spends on network and market stimulation activities. However, EBITDA margin for the full year ended March 31, 2013 remained range bound between 26% and 27%.

EBIT for the quarter ended March 31, 2013 was Rs 3,361 million representing a decline of 34% over the corresponding quarter last year. However, EBIT for the full year ended March 31, 2013 was Rs 15,569 million, representing a growth of 10% over the full year ended March 31, 2012.

During the quarter ended March 31, 2013, the Company incurred a capital expenditure of Rs 12,692 million on its African operations. Africa has now sustained positive cash generation for the last six quarters. The Operating Free Cash Flow in Africa was Rs 2,734 million for the quarter and Rs 23,742 million for the year ended March 31, 2013.



### 5.4 Bharti's Three Line Graph

The Company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

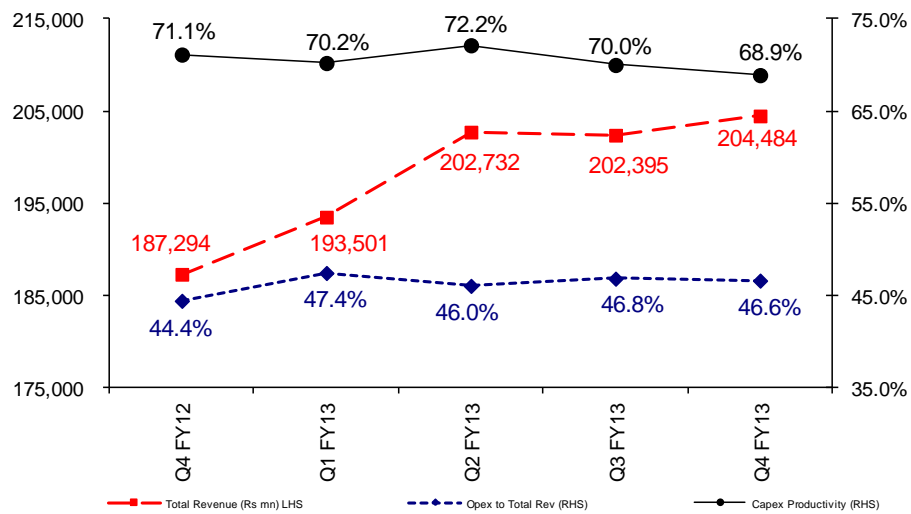
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – operating expenses divided by the total revenues for the respective period. Operating expenses is the sum of (i) equipment costs (ii) employee costs (iii) network operations costs & (iv)

selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company

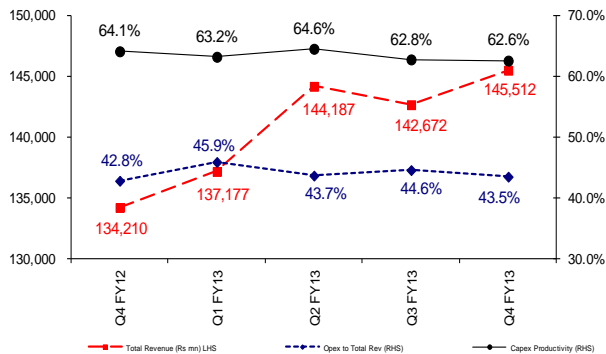
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

Given below are the graphs for the last five quarters of the Company:

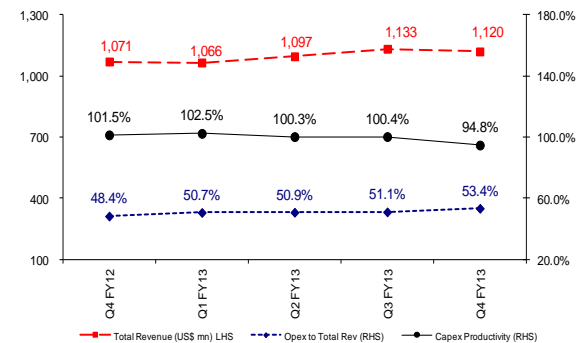
#### 5.4.1 Bharti Airtel Consolidated



#### 5.4.2 Bharti Airtel - India & South Asia



#### 5.4.3 Bharti Airtel – Africa



## SECTION 6

### STOCK MARKET HIGHLIGHTS

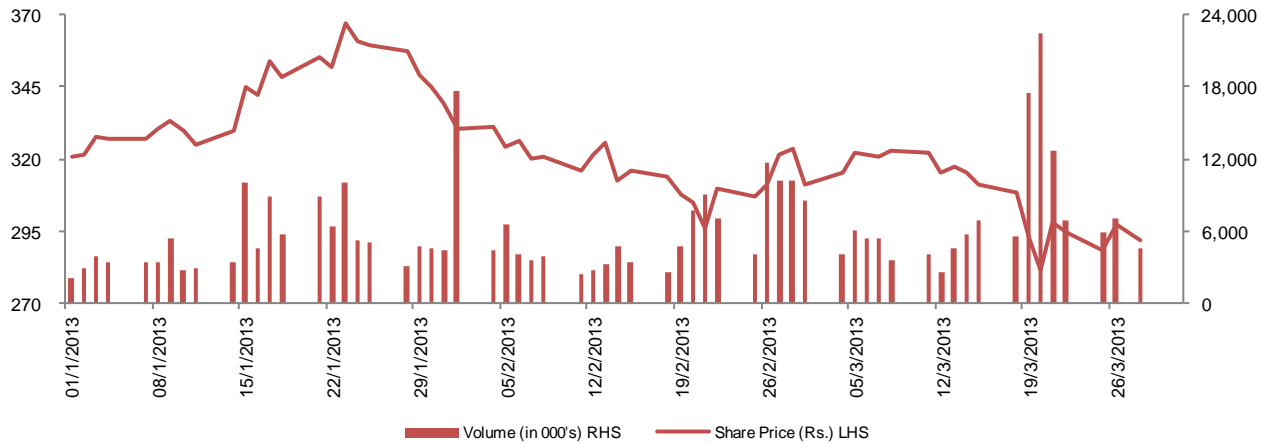
#### 6.1 General Information

<b>Shareholding and Financial Data</b>	<b>Unit</b>	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (28/03/13)	Mn Nos	3,797.53
Closing Market Price - BSE (28/03/13)	Rs /Share	291.80
Combined Volume (NSE & BSE) (01/01/13 - 28/03/13)	Nos in Mn/day	6.09
Combined Value (NSE & BSE) (01/01/13 - 28/03/13)	Rs bn /day	1.96
Market Capitalization	Rs bn	1,108
Market Capitalization	US\$ bn	20.37
Book Value Per Equity Share	Rs /share	132.51
Market Price/Book Value	Times	2.20
Enterprise Value	Rs bn	1,747
Enterprise Value	US\$ bn	32.11
Enterprise Value/ Annualised Q4 Revenue	Times	2.14
Enterprise Value/ Annualised Q4 EBITDA	Times	6.73

#### 6.2 Summarized Shareholding pattern as of March 31, 2013

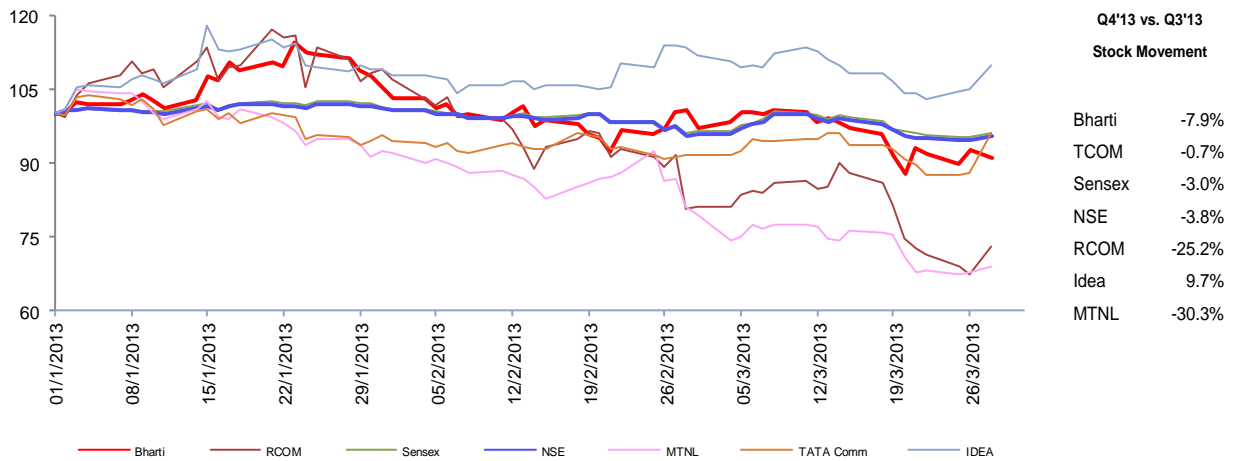
<b>Category</b>	<b>Number of Shares</b>	<b>%</b>
<b>Promoter &amp; Promoter Group</b>		
Indian	1,737,558,892	45.75%
Foreign	865,673,286	22.80%
<b>Sub total</b>	<b>2,603,232,178</b>	<b>68.55%</b>
<b>Public Shareholding</b>		
Institutions	980,749,378	25.83%
Non-institutions	213,548,540	5.62%
<b>Sub total</b>	<b>1,194,297,918</b>	<b>31.45%</b>
<b>Total</b>	<b>3,797,530,096</b>	<b>100.00%</b>

### 6.3 Bharti Airtel Daily Stock price (BSE) and Volume (BSE & NSE Combined) Movement



Source: Bloomberg

### 6.4 Comparison of Domestic Telecom Stock movement with Sensex and Nifty



Source: Bloomberg

## SECTION 7

### DETAILED FINANCIAL AND RELATED INFORMATION

#### 7.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS)

##### 7.1.1 Consolidated Statement of Income

*Amount in Rs mn, except ratios*

Particulars	Quarter Ended			Year Ended		
	Mar 2013	Mar 2012	Y-on-Y Growth	Mar 2013	Mar 2012	Y-on-Y Growth
Revenue	204,484	187,294	9%	803,112	714,508	12%
Other operating income	120	94	28%	478	550	-13%
Operating expenses	(139,734)	(125,059)	12%	(554,886)	(477,935)	16%
Depreciation & amortisation	(39,828)	(34,683)	15%	(154,964)	(133,681)	16%
<b>Profit / (Loss) from operations</b>	<b>25,042</b>	<b>27,646</b>	<b>-9%</b>	<b>93,740</b>	<b>103,442</b>	<b>-9%</b>
Share of results of associates	-	(18)		(76)	(74)	
<b>Profit / (Loss) before interest and tax</b>	<b>25,042</b>	<b>27,628</b>	<b>-9%</b>	<b>93,664</b>	<b>103,368</b>	<b>-9%</b>
Finance income	(1,512)	1,723	-188%	5,633	2,643	113%
Finance costs	(10,583)	(12,295)	-14%	(49,477)	(40,828)	21%
<b>Profit / (Loss) before tax</b>	<b>12,947</b>	<b>17,056</b>	<b>-24%</b>	<b>49,820</b>	<b>65,183</b>	<b>-24%</b>
Income tax income/(expense)	(7,884)	(6,976)	13%	(27,151)	(22,602)	20%
<b>Net income / (loss) for the period</b>	<b>5,063</b>	<b>10,080</b>	<b>-50%</b>	<b>22,669</b>	<b>42,581</b>	<b>-47%</b>
Income Attributable to :						
<b>Equity holders of the parent</b>	<b>5,086</b>	<b>10,059</b>	<b>-49%</b>	<b>22,757</b>	<b>42,594</b>	<b>-47%</b>
Non controlling interests	(23)	21	-210%	(88)	(13)	577%
Net Income / (Loss)	5,063	10,080	-50%	22,669	42,581	-47%
<b>Earning Per Share</b>						
Basic, profit attributable to equity holders of parent (In Rs)	1.34	2.65		6.00	11.22	
Diluted, profit attributable to equity holders of parent (In Rs)	1.34	2.65		6.00	11.22	

##### 7.1.2 Consolidated Statement of Comprehensive Income

*Amount in Rs mn, except ratios*

Particulars	Quarter Ended			Year Ended		
	Mar 2013	Mar 2012	Y-on-Y Growth	Mar 2013	Mar 2012	Y-on-Y Growth
Net income / (loss) for the period	5,063	10,080	-50%	22,669	42,581	-47%
Exchange differences on translation of foreign operations	(6,546)	4,012	-263%	(25,669)	(20,410)	26%
<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>(1,483)</b>	<b>14,092</b>	<b>-111%</b>	<b>(3,000)</b>	<b>22,171</b>	<b>-114%</b>
<b>Total comprehensive income / (loss) attributable to :</b>						
<b>Equity holders of the parent</b>	<b>(2,215)</b>	<b>14,169</b>	<b>-116%</b>	<b>(3,788)</b>	<b>22,550</b>	<b>-117%</b>
Non controlling interests	732	(77)	-1051%	788	(379)	-308%
<b>Total Comprehensive Income / (Loss)</b>	<b>(1,483)</b>	<b>14,092</b>	<b>-111%</b>	<b>(3,000)</b>	<b>22,171</b>	<b>-114%</b>

### 7.1.3 Consolidated Statement of Financial Position

Amount in Rs mn

Particulars	As at Mar 31, 2013	As at Mar 31, 2012
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	688,430	674,932
Intangible assets	680,808	660,889
Investment in associates	242	223
Derivative financial assets	3,566	2,756
Other financial assets	16,999	16,887
Other non - financial assets	21,038	15,568
Deferred tax asset	59,245	51,277
	<b>1,470,328</b>	<b>1,422,532</b>
<b>Current assets</b>		
Inventories	1,109	1,308
Trade and other receivable	66,430	63,735
Derivative financial assets	1,097	2,137
Prepayments and other assets	33,134	32,621
Income tax recoverable	12,040	9,049
Short term investments	67,451	18,132
Other financial assets	4,348	802
Cash and cash equivalents	17,295	20,300
	<b>202,904</b>	<b>148,084</b>
<b>Total assets</b>	<b>1,673,232</b>	<b>1,570,616</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Issued capital	18,988	18,988
Treasury shares	(674)	(282)
Share premium	56,499	56,499
Retained earnings / (deficit)	414,027	395,682
Foreign currency translation reserve	(32,571)	(6,026)
Other components of equity	46,948	41,252
<b>Equity attributable to equity holders of parent</b>	<b>503,217</b>	<b>506,113</b>
Non-controlling interest	40,886	27,695
<b>Total equity</b>	<b>544,103</b>	<b>533,808</b>
<b>Non-current liabilities</b>		
Borrowing	615,485	497,154
Deferred revenue	9,696	2,892
Provisions	10,548	7,240
Derivative financial liabilities	893	401
Deferred tax liability	15,873	11,621
Other financial liabilities	22,748	23,076
Other non - financial liabilities	3,465	5,551
	<b>678,708</b>	<b>547,935</b>
<b>Current liabilities</b>		
Borrowing	114,123	193,078
Deferred revenue	39,560	43,282
Provisions	1,835	1,290
Other non - financial liabilities	13,922	10,811
Derivative financial liabilities	219	166
Income tax liabilities	7,628	7,596
Trade & other payables	273,134	232,650
	<b>450,421</b>	<b>488,873</b>
<b>Total liabilities</b>	<b>1,129,129</b>	<b>1,036,808</b>
<b>Total equity and liabilities</b>	<b>1,673,232</b>	<b>1,570,616</b>

#### 7.1.4 Consolidated Statement of Cash Flows

Amount in Rs mn

Particulars	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>12,947</b>	<b>49,820</b>
<b>Adjustments for -</b>		
Depreciation and amortization	39,828	154,964
Finance income	1,512	(5,633)
Finance cost	10,583	49,477
Share of results of associated companies (post tax)	-	76
Amortization of stock based compensation	142	403
Other non-cash items	(33)	392
<b>Operating cash flow before changes in assets and liabilities</b>	<b>64,979</b>	<b>249,499</b>
Trade & other receivables and prepayments	4,258	(5,718)
Inventories	170	268
Trade and other payables	(6,151)	23,776
Change in provision	224	1,100
Other financial and non financial liabilities	(667)	73
Other financial and non financial assets	(2,019)	(3,978)
<b>Cash generated from operations</b>	<b>60,794</b>	<b>265,020</b>
Interest received	1,405	2,421
Income tax paid	(7,074)	(32,611)
<b>Net cash inflow from operating activities</b>	<b>55,125</b>	<b>234,830</b>
<b>Cash flows from investing activities</b>		
Proceeds/(Purchase) of property, plant and equipment	(34,268)	(131,654)
Purchase of intangible assets	(2,328)	(5,788)
Short term investments (Net)	2,639	(45,685)
Investment in subsidiary, net of cash acquired	102	102
Investment in associate / joint venture	-	(5,902)
Loan to associates	(30)	(130)
<b>Net cash outflow from investing activities</b>	<b>(33,885)</b>	<b>(189,057)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of borrowings <sup>18</sup>	78,825	312,800
Repayment of borrowings	(81,929)	(328,443)
Short term borrowings (net)	(5,253)	(7,282)
Purchase of Treasury stock	-	(762)
Interest paid	(7,479)	(39,443)
Proceeds from exercise of stock options	11	68
Dividend paid (including tax) to Company's shareholders	-	(4,412)
Dividend paid (including tax) to non - controlling interests	(96)	(1,126)
Proceeds from issuance of equity shares to non - controlling interests <sup>19</sup>	-	32,303
Share issue expenses	67	(579)
Payment of long term liability / acquisition of non-controlling interest	(12,782)	(12,782)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(28,636)</b>	<b>(49,658)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(7,396)</b>	<b>(3,885)</b>
Effect of exchange rate changes on cash and cash equivalents	(140)	(1,624)
Add : Balance as at the Beginning of the period	10,064	8,037
<b>Balance as at the end of the period</b>	<b>2,528</b>	<b>2,528</b>

Note 17: Cash and Cash Equivalents is excluding bank overdraft

Note 18: Includes net proceeds from bond issue \$ 1 Bn (Rs 54,293 million)

Note 19: Represents net proceeds from the Bharti Infratel Limited IPO.

## 7.2 Schedules to Financial Statements

### 7.2.1 India & South Asia

#### 7.2.1.1 Schedule of Operating Expenses

Particulars	Amount in Rs mn	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Access charges	18,723	75,860
Licence fees, revenue share & spectrum charges	14,175	55,716
Network operations costs	38,886	148,422
Cost of goods sold	451	1,327
Employee costs	5,945	21,696
Selling, general and administration expense	18,009	81,395
<b>Operating Expenses</b>	<b>96,189</b>	<b>384,416</b>

#### 7.2.1.2 Schedule of Depreciation & Amortization

Particulars	Amount in Rs mn	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Depreciation	24,429	94,560
Amortization	3,334	12,826
<b>Depreciation and Amortization</b>	<b>27,763</b>	<b>107,386</b>

#### 7.2.1.3 Schedule of Income Tax

Particulars	Amount in Rs mn	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Current tax expense	4,665	18,846
Deferred tax expense / (income) <sup>20</sup>	2,195	2,234
Dividend distribution tax	374	1,031
<b>Income tax expense</b>	<b>7,234</b>	<b>22,111</b>

Note 20: During the quarter ended March 31, 2013, the Group has recognized additional deferred tax charge of Rs 959 Mn on account of increase in surcharge from 5% to 10% as per the Finance Bill 2013.

## 7.2.2 Africa

### 7.2.2.1 Schedule of Operating Expenses

Particulars	<i>Amount in US\$ mn</i>	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Access charges	186	785
Licence fees, revenue share & spectrum charges	51	199
Network operations costs	193	762
Cost of goods sold	44	120
Employee costs	94	355
Selling, general and administration expense	268	1,040
<b>Operating Expenses</b>	<b>836</b>	<b>3,261</b>

### 7.2.2.2 Schedule of Depreciation & Amortization

Particulars	<i>Amount in US\$ mn</i>	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Depreciation	169	625
Amortization	54	249
<b>Depreciation and Amortization</b>	<b>223</b>	<b>874</b>

### 7.2.2.3 Schedule of Income Tax

Particulars	<i>Amount in US\$ mn</i>	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Current tax expense	39	152
Withholding taxes (WHT)	7	24
Deferred tax expense / (income)	(34)	(84)
<b>Income tax expense</b>	<b>12</b>	<b>92</b>



### 7.3 Consolidated Schedule of Net Debt & Finance Cost

#### 7.3.1 Schedule of Net Debt in INR

Particulars	Amount in Rs mn	
	As at Mar 31, 2013	As at Mar 31, 2012
Long term debt, net of current portion	615,486	497,154
Short-term borrowings and current portion of long-term debt <sup>21</sup>	114,121	193,079
<b>Less:</b>		
Cash and Cash Equivalents	17,295	20,300
Restricted Cash	4,298	989
Restricted Cash, non-current	2,167	417
Short term investments <sup>21</sup>	67,452	18,132
<b>Net Debt <sup>21</sup></b>	<b>638,395</b>	<b>650,394</b>

#### 7.3.2 Schedule of Net Debt in US\$

Particulars	Amount in US \$ mn	
	As at Mar 31, 2013	As at Mar 31, 2012
Long term debt, net of current portion	11,316	9,718
Short-term borrowings and current portion of long-term debt <sup>21</sup>	2,098	3,774
<b>Less:</b>		
Cash and Cash Equivalents	318	397
Restricted Cash	78	19
Restricted Cash, non-current	40	8
Short term investments <sup>21</sup>	1,240	354
<b>Net Debt <sup>21</sup></b>	<b>11,738</b>	<b>12,714</b>

Note 21: Includes debt of Rs 23,719 million (US\$ 450 million), representing 49% of the net debt of the Qualcomm subsidiaries, into which the Company had acquired stakes in May, 2012 and short term investments of Rs 31,657 million (US\$ 582 million) from proceeds of Bharti Infratel Limited IPO.

#### 7.3.3 Schedule of Finance Cost

Particulars	Amount in Rs mn	
	Quarter Ended Mar 31, 2013	Year Ended Mar 31, 2013
Interest on borrowings & Finance charges	11,674	45,673
Derivatives and exchange (gain)/loss	2,030	3,148
Investment Income	(1,609)	(4,976)
<b>Finance cost (net)</b>	<b>12,095</b>	<b>43,845</b>

#### 7.4 Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit / (Loss) from Operating Activities	Page 34
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit / (Loss) from Operating Activities	Page 34
Capex	NA	NA
Operating Free Cash flow	NA	NA
Cumulative investments	NA	NA

#### 7.4.1 Reconciliation of Non-GAAP financial information based on IFRS

Particulars	<i>Amount in Rs mn</i>	
	Quarter Ended Mar 2013	Year Ended Mar 2013
<b>Profit / (Loss) from Operating Activities To EBITDA</b>		
<b>Profit / (Loss) from Operating Activities</b>	<b>25,042</b>	<b>93,740</b>
Add: Depreciation and Amortization	39,828	154,964
<b>EBITDA</b>	<b>64,870</b>	<b>248,704</b>
<b>Reconciliation of Finance Cost</b>		
Finance Cost	10,583	<b>49,477</b>
Finance Income	1,512	(5,633)
<b>Finance Cost (net)</b>	<b>12,095</b>	<b>43,844</b>
<b>Profit / (Loss) from Operating Activities to Cash Profit from Operations before Derivative &amp; Exchange Fluctuation</b>		
<b>Profit / (Loss) from Operating Activities</b>	<b>25,042</b>	<b>93,740</b>
Add: Depreciation and Amortization	39,828	154,964
Less: Finance Cost (net)	12,095	43,844
Add: Derivatives and exchange (gain)/loss	2,030	3,148
<b>Cash Profit from Operations</b>	<b>54,805</b>	<b>208,008</b>

## ANNEXURE – TRENDS AND POLICIES

### A.1 Trends & Ratio Analysis

#### A.1.1 Based on Statement of Operations

##### Consolidated

*Amount in Rs mn*

Parameters	For the Quarter Ended				
	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
Total Revenues	204,484	202,395	202,732	193,501	187,294
Access and interconnection charges	27,498	29,156	29,526	27,045	25,658
Operating Expenses (Excl Access Charges & License Fee)	95,303	94,757	93,327	91,788	83,183
Licence Fee	16,933	16,785	16,469	16,300	16,218
EBITDA	64,870	61,839	63,508	58,487	62,329
Cash profit from operations before Derivative and Exchange Fluctuations	54,805	50,995	53,539	48,671	53,581
Profit / (Loss) before tax	12,947	9,515	14,729	12,629	17,056
Net income	5,086	2,837	7,212	7,622	10,059

	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
<b>As a % of Total Revenues</b>					
Access and interconnection charges	13.4%	14.4%	14.6%	14.0%	13.7%
Operating Expenses (Excl Access Charges & License Fee)	46.6%	46.8%	46.0%	47.4%	44.4%
Licence Fee	8.3%	8.3%	8.1%	8.4%	8.7%
EBITDA	31.7%	30.6%	31.3%	30.2%	33.3%
Cash profit from operations before Derivative and Exchange Fluctuations	26.8%	25.2%	26.4%	25.2%	28.6%
Profit / (Loss) before tax	6.3%	4.7%	7.3%	6.5%	9.1%
Net income	2.5%	1.4%	3.6%	3.9%	5.4%

##### India & South Asia

*Amount in Rs mn*

Parameters	For the Quarter Ended				
	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
Total Revenues	145,512	142,672	144,187	137,177	134,210
Access and interconnection charges	18,723	19,929	20,342	16,866	15,720
Operating Expenses (Excl Access Charges & License Fee)	63,291	63,603	62,966	62,980	57,462
Licence Fee	14,175	13,806	13,867	13,868	13,829
EBITDA	49,435	45,456	47,097	43,584	47,352
Profit / (Loss) before tax	17,878	12,964	19,716	18,416	18,606
Net income	9,934	8,041	12,601	14,293	13,472

	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
<b>As a % of Total Revenues</b>					
Access and interconnection charges	12.9%	14.0%	14.1%	12.3%	11.7%
Operating Expenses (Excl Access Charges & License Fee)	43.5%	44.6%	43.7%	45.9%	42.8%
Licence Fee	9.7%	9.7%	9.6%	10.1%	10.3%
EBITDA	34.0%	31.9%	32.7%	31.8%	35.3%
Profit / (Loss) before tax	12.3%	9.1%	13.7%	13.4%	13.9%
Net income	6.8%	5.6%	8.7%	10.4%	10.0%

**Africa**

Amount in US\$ mn

Parameters	For the Quarter Ended				
	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
Total Revenues	1,120	1,133	1,097	1,066	1,071
Access and interconnection charges	186	200	193	206	208
Operating Expenses (Excl Access Charges & License Fee)	599	579	558	541	518
Licence Fee	51	55	47	45	48
EBITDA	285	300	298	275	298
Profit / (Loss) before tax	(91)	(64)	(90)	(108)	(30)
Net income	(90)	(96)	(97)	(124)	(67)
Interest expense on acquisition loans	42	43	46	47	50
Net income from operations	(48)	(53)	(51)	(77)	(17)

Parameters	For the Quarter Ended				
	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
<b>Exchange Fluctuation Impact</b>					
Reported revenues (US \$)	1,120	1,133	1,097	1,066	1,071
a. QoQ growth (%)	-1.15%	3.37%	2.84%	-0.45%	1.30%
b. Impact of exchange fluctuation (%) <sup>22</sup>	-0.36%	-0.03%	-0.71%	-1.52%	-1.64%
c. QoQ growth in constant currency (%) (a - b)	-0.78%	3.40%	3.55%	1.07%	2.94%
Revenues in constant currency (US \$) <sup>23</sup>	1,120	1,129	1,092	1,055	1,043

Note 22: Based on QoQ variation and weighted on the revenues of each country for the current quarter

Note 23: Revenues for all prior periods restated at the average exchange rates of each country for the quarter ended March'13

	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
<b>As a % of Total Revenues</b>					
Access and interconnection charges	16.6%	17.6%	17.6%	19.3%	19.4%
Operating Expenses (Excl Access Charges & License Fee)	53.4%	51.1%	50.9%	50.7%	48.4%
Licence Fee	4.5%	4.8%	4.3%	4.2%	4.4%
EBITDA	25.4%	26.5%	27.2%	25.8%	27.8%
Profit / (Loss) before tax	-8.2%	-5.7%	-8.2%	-10.1%	-2.8%
Net income from operations	-4.3%	-4.7%	-4.6%	-7.2%	-1.7%

## A.1.2 Financial Trends of Business Operations

**Mobile Services India & South Asia** - Comprises of Consolidated Statement of Operations of Mobile Services India & South Asia.

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Mar 2013	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	112,853	109,364	111,170	106,848	105,096
EBITDA	35,267	33,083	34,437	32,350	35,696
<i>EBITDA / Total revenues</i>	31.3%	30.3%	31.0%	30.3%	34.0%
EBIT	18,514	16,713	18,438	17,012	21,415
Capex	13,003	7,029	17,345	19,411	4,745
Operating Free Cash Flow	22,264	26,054	17,092	12,939	30,951
Cumulative Investments	772,586	757,295	747,459	711,311	678,860

Note 24: Effective quarter ended Jun'12, Cumulative investments include investments in 4G earlier reported under Telemedia services. Previous quarters' have been restated accordingly.

### Telemedia Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Mar 2013	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	9,621	9,566	9,529	9,442	9,159
EBITDA	4,191	4,165	4,039	3,809	3,777
<i>EBITDA / Total revenues</i>	43.6%	43.5%	42.4%	40.3%	41.2%
EBIT	1,669	1,642	1,803	1,333	1,540
Capex	2,250	2,244	1,492	2,081	1,496
Operating Free Cash Flow	1,941	1,921	2,547	1,728	2,281
Cumulative Investments	101,703	99,016	96,817	95,305	93,317

Note 25: Effective quarter ended Jun'12, Cumulative investments in 4G earlier reported under Telemedia services have now been reported under Mobile services (India & South Asia). Previous quarters' have been restated accordingly.

Note 26: Effective quarter ended March'13, Telemedia Services includes results of Telesonic Networks Limited, a 100% subsidiary (formerly known as Alcatel Lucent Network Management Services India Limited).

### Digital TV Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Mar 2013	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	4,419	4,280	3,937	3,658	3,565
EBITDA	296	147	33	(23)	209
<i>EBITDA / Total revenues</i>	6.7%	3.4%	0.8%	-0.6%	5.9%
EBIT	(1,784)	(1,828)	(2,228)	(2,265)	(1,944)
Capex	1,326	1,351	1,630	3,241	981
Operating Free Cash Flow	(1,030)	(1,204)	(1,597)	(3,264)	(772)
Cumulative Investments	40,366	39,245	37,876	35,402	32,980

### Airtel Business

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Mar 2013	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	13,143	14,219	13,934	11,906	11,209
EBITDA	2,952	2,298	2,148	1,963	1,631
<i>EBITDA / Total revenues</i>	22.5%	16.2%	15.4%	16.5%	14.5%
EBIT	1,444	888	770	591	181
Capex	38	139	458	166	338
Operating Free Cash Flow	2,914	2,159	1,690	1,797	1,293
Cumulative Investments	43,136	42,806	42,268	42,927	42,493

## Tower Infrastructure Services

Amount in Rs mn except ratios

Particulars	Quarter Ended				
	Mar 2013 <sup>27</sup>	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	27,189	26,350	25,567	24,048	24,183
EBITDA	10,435	9,761	9,577	8,788	9,346
<i>EBITDA / Total revenues</i>	38.4%	37.0%	37.5%	36.5%	38.6%
EBIT	4,654	4,200	4,090	3,420	3,930
Capex	5,702	4,062	5,679	4,283	3,427
Operating Free Cash Flow	4,733	5,699	3,898	4,504	5,919
Cumulative Investments	251,725	246,740	243,664	238,467	234,730

Note 27: Revenue, EBITDA and EBIT for the quarter and full year ended March 31 2013 are higher by Rs 340 Mn, Rs 313 Mn and Rs 22 Mn respectively on account of pre-closure of agreement by certain customers on specified tenancies.

## Others

Amount in Rs mn

Particulars	Quarter Ended				
	Mar 2013	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	857	782	946	817	738
EBITDA	(2,710)	(3,010)	(2,249)	(2,495)	(2,505)
EBIT	(2,820)	(3,192)	(2,336)	(2,624)	(2,631)
Capex	220	330	2,353	126	13
Operating Free Cash Flow	(2,930)	(3,340)	(4,602)	(2,621)	(2,519)
Cumulative Investments	10,588	10,432	9,576	7,365	7,013

**Africa** - Comprises of 17 country operations in Africa.

Amount in US\$ mn except ratios

Particulars	Quarter Ended				
	Mar 2013	Dec 2012	Sep 2012	Jun 2012	Mar 2012
Total revenues	1,120	1,133	1,097	1,066	1,071
EBITDA	285	300	298	275	298
<i>EBITDA / Total revenues</i>	25.4%	26.5%	27.2%	25.8%	27.8%
EBIT	62	80	80	62	102
Capex	235	160	210	119	254
Operating Free Cash Flow	50	140	88	156	44
Cumulative Investments	13,543	13,425	13,274	13,041	13,432

### A.1.3 Based on Statement of Financial Position

#### Consolidated

Amount in Rs mn

Parameters	As at				
	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
Equity attributable to equity holders of parent	503,217	516,274	493,070	495,150	506,113
Net Debt	638,395	642,825	667,600	682,983	650,394
Net Debt (US \$)	11,738	11,735	12,669	12,129	12,714
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,141,611	1,159,098	1,160,670	1,178,133	1,156,507

Parameters	Mar-13	Dec-12	Sep-12	Jun-12	Mar-12
Return on Equity attributable to equity holders of parent (LTM)	4.5%	5.6%	7.1%	7.7%	8.6%
Return on Capital Employed (LTM)	5.7%	6.0%	6.2%	6.6%	7.2%
Net Debt to EBITDA (LTM) - US \$	2.57	2.55	2.72	2.54	2.56
Net Debt to EBITDA (Annualised) - US \$	2.45	2.58	2.75	2.80	2.56
Assets Turnover ratio (LTM)	68.7%	69.3%	69.7%	68.6%	67.3%
Interest Coverage ratio (times)	6.83	6.35	6.40	6.29	7.55
Net debt to Equity attributable to equity holders of parent (Times)	1.27	1.25	1.35	1.38	1.29
<b>Per share data (for the period)</b>					
Net profit/(loss) per common share (in Rs)	1.34	0.75	1.90	2.01	2.65
Net profit/(loss) per diluted share (in Rs)	1.34	0.75	1.90	2.01	2.65
Book Value Per Equity Share (in Rs)	132.5	135.9	129.8	130.4	133.3
Market Capitalization (Rs. bn)	1,108	1,203	1,006	1,158	1,279
Enterprise Value (Rs. bn)	1,747	1,846	1,673	1,841	1,929

#### A.1.4 Operational Performance – India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
<b>Total Customers Base</b>	<b>000's</b>	<b>199,604</b>	<b>193,094</b>	<b>196,652</b>	<b>197,974</b>	<b>191,777</b>
<b>Mobile Services</b>						
Customer Base	000's	188,220	181,922	185,922	187,302	181,279
VLR	%	95.1%	95.0%	91.5%	90.8%	91.7%
Net Additions	000's	6,298	(4,000)	(1,380)	6,023	5,626
Pre-Paid (as a % of total Customer Base)	%	95.8%	95.8%	96.0%	96.2%	96.3%
Monthly Churn	%	3.2%	5.9%	8.5%	8.8%	8.8%
Average Revenue Per User (ARPU)	Rs	193	185	177	185	189
Average Revenue Per User (ARPU)	US\$	3.6	3.4	3.2	3.4	3.8
Total Revenue / Minutes on Network	paisa	42.34	42.54	42.59	42.66	43.80
Revenue per site per month	Rs	269,531	261,900	260,380	275,647	280,332
<b>Voice</b>						
Minutes on the network	Mn	253,144	240,814	234,224	239,338	230,365
Voice Average Revenue Per User (ARPU)	Rs	159	153	148	154	158
Voice Usage per customer	min	455	435	417	433	431
Voice Realization per minute	paisa	35.00	35.17	35.43	35.68	36.71
<b>Non Voice Revenue</b>						
% of Mobile revenues	%	17.4%	17.3%	16.8%	16.3%	16.2%
<b>Of Which</b>						
Messaging & VAS as % of Mobile revenues	%	9.1%	9.9%	10.1%	10.8%	11.0%
Data as % of Mobile revenues	%	6.5%	5.7%	5.2%	4.3%	4.1%
Others as % of Mobile revenues	%	1.8%	1.7%	1.5%	1.2%	1.1%
<b>Data</b>						
Data Customer Base	000's	43,490	41,480	40,600	38,660	35,780
<i>Of which no. of 3G data customers</i>	000's	6,391	5,187	4,014	3,713	2,711
<i>As % of Customer Base</i>	%	23.1%	22.8%	21.8%	20.6%	19.7%
Total MBs on the network	Mn MBs	23,937	19,777	15,879	12,566	10,006
Data Average Revenue Per User (ARPU)	Rs	55	47	43	40	44
Data Usage per customer	MBs	187	161	133	112	107
Data Realization per MB	paisa	29.27	29.32	32.37	35.30	40.90
<b>Telemedia Services</b>						
Telemedia Customers	000's	3,283	3,278	3,275	3,272	3,270
<i>Of which no. of Broadband (DSL) customers</i>	000's	1,390	1,382	1,380	1,371	1,369
<i>As % of Customer Base</i>	%	42.3%	42.2%	42.1%	41.9%	41.9%
Net Additions	000's	5	4	3	2	(47)
Average Revenue Per User (ARPU)	Rs	978	973	971	962	933
Average Revenue Per User (ARPU)	US\$	18.1	17.9	17.6	17.8	18.6
Non Voice Revenue as % of Telemedia Revenues	%	58.2%	57.6%	55.4%	54.3%	55.8%
<b>Digital TV</b>						
Digital TV Customers	000's	8,100	7,894	7,455	7,400	7,228
Net additions	000's	207	439	55	172	159
Average Revenue Per User (ARPU)	Rs	184	186	177	166	166
Average Revenue Per User (ARPU)	US\$	3.4	3.4	3.2	3.1	3.3
Monthly Churn	%	1.1%	1.3%	1.9%	1.7%	1.2%

Note 28: In the quarter ended Sep 30, 2012, the Group was awarded a favourable order by TDSAT in respect of outstanding dispute pertaining to inter-connect agreements, for which accounting had been recognized, and for which KPI parameters reflect only the proportion applicable to the quarter ended Sep 30, 2012 with no prior period adjustments.



### A.1.5 Traffic Trends – India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Mobile Services	Mn Min	253,144	240,814	234,224	239,338	230,365
Telemedia Services	Mn Min	3,988	3,958	4,156	4,162	4,145
National Long Distance Services	Mn Min	24,533	23,216	22,997	22,241	21,588
International Long Distance Services	Mn Min	3,794	4,303	4,340	3,362	3,518
<b>Total Minutes on Network (Gross)</b>	<b>Mn Min</b>	<b>285,460</b>	<b>272,291</b>	<b>265,717</b>	<b>269,103</b>	<b>259,615</b>
Eliminations	Mn Min	(24,855)	(23,491)	(23,282)	(22,525)	(21,926)
<b>Total Minutes on Network (Net)</b>	<b>Mn Min</b>	<b>260,604</b>	<b>248,800</b>	<b>242,435</b>	<b>246,578</b>	<b>237,688</b>

### A.1.6 Coverage and Network Trends - India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
<b>Mobile Services</b>						
Census Towns	Nos	5,121	5,121	5,121	5,121	5,118
Non-Census Towns & Villages	Nos	460,361	458,727	457,053	455,575	454,302
Population Coverage	%	86.7%	86.7%	86.6%	86.5%	86.4%
Optic Fibre Network	R Kms	171,610	166,506	162,457	159,762	157,886
Sites on Network	Nos	133,778	131,450	129,411	126,010	120,905
<i>Of which no. of 3G sites</i>	Nos	24,573	22,515	20,333	18,012	16,162
<b>Telemedia Services</b>						
Cities covered	Nos	87	87	87	87	87
<b>Airtel Business</b>						
Submarine cable systems	Nos	7	7	7	7	7
<b>Digital TV Services</b>						
Districts Covered	Nos	639	632	632	616	609
Coverage	%	100%	99%	99%	96%	95%

### A.1.7 Tower Infrastructure Services <sup>29</sup>

#### A.1.7.1 Bharti Infratel Consol

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Total Towers	Nos	82,083	81,389	80,656	79,452	79,064
Total Co-locations	Nos	156,608	156,336	154,296	151,458	149,908
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	35,139	35,225	34,449	33,388	34,824
Average Sharing Factor	Times	1.91	1.92	1.91	1.90	1.89

#### A.1.7.2 Bharti Infratel Standalone

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Total Towers	Nos	35,119	34,668	34,220	33,446	33,147
Total Co-locations	Nos	63,573	63,080	62,027	60,714	60,160
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	37,467	37,863	36,839	36,170	37,151
Average Sharing Factor	Times	1.81	1.82	1.81	1.82	1.82

#### A.1.7.3 Indus Towers

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Total Towers	Nos	111,819	111,240	110,561	109,539	109,325
Total Co-locations	Nos	221,511	222,038	219,687	216,058	213,685
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	31,718	31,969	31,711	29,777	32,114
Average Sharing Factor	Times	1.99	1.99	1.98	1.96	1.94

Note 29: During the quarter ended Sep 30, 2012, the Company had changed the nomenclature and definitions of Tower infrastructure operational & financial performance indicators to reflect the globally used tower companies' terminologies. The revised definitions are enclosed as part of Glossary and wherever necessary the previous quarter figures have been restated accordingly so as to conform to the revised definitions.

### A.1.8 Human Resource Analysis - India

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
<b>Consolidated</b>						
Total Employees <sup>30</sup>	Nos	20,925	17,801	15,579	15,256	14,935
Number of Customers per employee	Nos	9,539	10,847	12,623	12,977	12,841
Personnel Cost per employee per month	Rs	98,836	108,030	118,425	118,119	110,252
Gross Revenue per employee per month	Rs	2,262,998	2,593,711	2,896,814	2,935,716	2,937,785

Note 30: Total Employees include proportionate consolidation of 42% Indus towers employees. Effective quarter ended March'13, total employees also include 3,041 employees of Telesonic Networks Limited, a 100% subsidiary (formerly known as Alcatel Lucent Network Management Services India Limited).

### A.1.9 Operational Performance – Africa

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Customer Base	000's	63,718	61,687	58,667	55,855	53,140
VLR	%	85.9%	86.1%	85.8%	85.3%	84.5%
Net Additions	000's	2,031	3,020	2,812	2,715	2,191
Pre-Paid (as % of total Customer Base)	%	99.3%	99.3%	99.3%	99.3%	99.3%
Monthly Churn	%	5.5%	5.1%	5.1%	5.1%	5.3%
Average Revenue Per User (ARPU)	US\$	5.9	6.2	6.4	6.5	6.8
Total Revenue / Minutes on Network	US¢	4.80	4.33	4.64	5.43	5.60
Revenue per site per month	US\$	21,784	22,725	22,872	23,134	24,522
<b>Voice</b>						
Minutes on the network	Mn	23,360	26,174	23,646	19,651	19,131
Voice Average Revenue Per User (ARPU)	US\$	4.9	5.3	5.5	5.7	6.1
Voice Usage per customer	min	123	144	138	120	122
Voice Realization per minute	US¢	3.95	3.68	4.03	4.73	5.01
<b>Non Voice Revenue</b>						
% of Mobile revenues	%	17.7%	15.1%	13.0%	12.9%	10.6%
<b>Of Which</b>						
Messaging & VAS as % of Mobile revenues	%	8.6%	7.8%	6.9%	7.0%	5.6%
Data as % of Mobile revenues	%	4.4%	3.9%	3.6%	3.4%	3.2%
Others as % of Mobile revenues	%	4.7%	3.3%	2.5%	2.5%	1.8%
<b>Data</b>						
Data Customer Base	000's	14,535	14,107	13,935	NA	NA
As % of Customer Base	%	22.8%	22.9%	23.8%	NA	NA
Total MBs on the network	Mn MBs	3,003	2,450	2,145	NA	NA
Data Average Revenue Per User (ARPU)	US\$	1.2	1.1	1.0	NA	NA
Data Usage per customer	MBs	73.4	58.3	56.2	NA	NA
Data Realization per MB	US¢	1.64	1.94	1.73	NA	NA

### A.1.10 Operational Performance – Africa (in constant currency)

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Average Revenue Per User (ARPU)	US\$	5.9	6.2	6.4	6.5	6.7
Total Revenue / Minutes on Network	US¢	4.80	4.31	4.62	5.37	5.46
Voice Average Revenue Per User (ARPU)	US\$	4.9	5.3	5.5	5.6	5.9
Voice Realization per minute	US¢	3.95	3.66	4.02	4.67	4.88

#### A.1.11 Coverage and Network Trends - Africa

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
Sites on Network	Nos	16,653	16,371	15,979	15,439	14,831
<i>Of which no. of 3G sites</i>	<i>Nos</i>	<i>5,676</i>	<i>5,527</i>	<i>5,347</i>	<i>4,787</i>	<i>3,205</i>

#### A.1.12 Human Resource Analysis - Africa

Parameters	Unit	Mar 31, 2013	Dec 31, 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012
<b>Total Employees</b>	<b>Nos</b>	<b>4,932</b>	<b>4,889</b>	<b>4,984</b>	<b>4,907</b>	<b>4,792</b>
Number of Customers per employee	Nos	12,919	12,618	11,771	11,383	11,089
Personnel Cost per employee per month	US\$	6,373	6,211	6,015	5,436	6,006
Gross Revenue per employee per month	US\$	75,728	77,280	73,335	72,831	75,800

## A.2 Key Accounting Policies as per IFRS

### 1. Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control; that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. The Group reports its interests in jointly controlled entities using proportionate consolidation. The Group's share of the assets, liabilities, income, expenses and cash flows of jointly controlled entities are combined with the equivalent items in the results on a line-by-line basis in the consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the parent Company. Adjustments are made where ever necessary, to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intra-group balances, income and expenses and unrealized gains and losses on transactions between the Group and its jointly controlled entities.

### 2. Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building	20
Network Equipment	3-20
Computer equipment	3
Office, furniture and equipment	2 - 5
Vehicles	3 - 5
Leasehold improvements	Remaining period of the lease or 10/20 years, as applicable, whichever is less
Assets individually costing Rs. 5 thousand or less	1
Customer premises equipment	5 – 6

Land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses arising from retirement or disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income on the date of retirement and disposal.

Costs of additions and substantial improvements to property and equipment are capitalized. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

### 3. Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition. Goodwill on acquisition of subsidiaries is disclosed separately. Goodwill arising on accounting for jointly controlled entities or entities in which the Group exercises significant influence is included in investments in the related associates/jointly controlled entities.

Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each date of statement of financial position. Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Negative goodwill arising on an acquisition is recognized directly in the statement of comprehensive income.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of comprehensive income on disposal.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

### 4. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Gains or losses resulting from foreign currency transactions are included in the consolidated statement of comprehensive income.

The assets and liabilities of foreign operations are translated into functional currency of parent (i.e. INR) at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at average exchange rates prevailing during the period. The exchange differences arising on the translation are recognized in 'foreign currency translation reserve (FCTR)'. Exchange differences arising on a monetary item that forms part of Group entity's net investment in a foreign operation is recognized in profit or loss in the separate financial statements of the Group entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences are recognized in other comprehensive income. On disposal of a foreign operation (reduction in percentage ownership interest), the component of FCTR relating to that

particular foreign operation is recognized in the statement of comprehensive income.

## **5. Capital leases**

### **Lessee accounting**

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of comprehensive income.

Amortization of leased assets is computed on straight line basis over the shorter of useful life of the assets or remaining lease period. Amortization charge for capital leases is included in depreciation expense for the period.

### **Lessor accounting**

Assets leased to others under capital leases are recognized as receivables at an amount equal to the net investment in the leased assets. The finance income is recognized based on periodic rate of return on the net investment of the lessor outstanding in respect of the capital lease.

## **6. Indefeasible right to use (IRU)**

The Group enters into agreements for leasing assets under 'Indefeasible right to use' with third parties. Under the arrangement the assets are taken or given on lease over the substantial part of the asset life. However the title to the assets and associated risks are retained by the lessor. Hence, such arrangements are recognized as operating lease. Direct expenditures incurred in connection with agreements are capitalized and expensed over the term of the agreement.

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

Exchange of network capabilities with other telecommunication service providers are recorded as non-monetary transactions and measured at the carrying amount of capacities relinquished, as these exchanges are for similar productive assets used to provide telecommunication services to customers.

## **7. Impairment of long – lived assets and intangible assets**

The Group reviews its long-lived assets, including identifiable intangibles with finite lives, for impairment whenever events or changes in business circumstances

indicate that the carrying amount of assets may not be fully recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings and material adverse changes in the economic climate. For assets that the Group intends to hold for use, if the total of the expected future undiscounted cash flows produced by the asset or asset Group is less than the carrying amount of the assets, a loss is recognized for the difference between the fair value and carrying value of the assets. For assets the Group intends to dispose of by sale, a loss is recognized for the amount by which the estimated fair value, less cost to sell, is less than the carrying value of the assets. Fair value is determined based on quoted market prices, if available, or other valuation techniques including discounted future net cash flows.

## **8. Revenue recognition**

### **(i) Service revenues**

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and VSAT/internet usage charges, roaming charges, activation fees, processing fees and fees for value added services ('VAS'). Service revenues also include revenues associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls.

Service revenues are recognized as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid cards are recognized based on actual usage. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortized over the estimated customer relationship period. The excess of activation costs over activation revenue, if any, are expensed as incurred. Subscriber acquisition costs are expensed as incurred. On introduction of new prepaid products, processing fees on recharge coupons is being recognized over the estimated customer relationship period or coupon validity period, whichever is lower.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and satellite services. Registration fee and installation charges are deferred and amortized over their expected customer relationship period of 12 months. Service revenue is recognized from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and satellite services. Revenue from prepaid dialup packs is recognized on an actual usage basis and is net of sales returns and discounts.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognized on completion of services while revenue from provision of bandwidth services is recognized over the period of arrangement.

Unbilled receivables represent revenues recognized from the bill cycle date to the end of each month. These are billed in subsequent periods based on the terms of the billing plans.

Unearned income includes amounts received in advance on pre-paid cards and advance monthly rentals on post-paid. The related services are expected to be performed within the next operating cycle.

## (ii) Equipment sales

Equipment sales consist primarily of revenues from sale of VSAT and internet equipment (hardware) and related accessories to subscribers. Equipment sales are treated as activation revenue and are deferred and amortized over the customer relationship period.

## (iii) Multiple element arrangements

The Group has entered into certain multiple-element revenue arrangements. These arrangements involve the delivery or performance of multiple products, services or rights to use assets including VSAT and internet equipment, internet and satellite services, set top boxes and subscription fees on DTH, indefeasible right to use and hardware and equipment maintenance. The Group evaluates all deliverables in an arrangement to determine whether they represent separate units of accounting at the inception of the arrangement in accordance "Revenue Arrangements with Multiple Deliverables" applying the hierarchy in IAS 8.12.

Revenue is determined for each of the units of accounting on the basis of their fair values. Arrangements involving the delivery of bundled products or services shall be separated into individual elements, each with own separate revenue contribution. Total arrangement consideration related to the bundled contract is allocated among the different elements based on their relative fair values (i.e., a ratio of the fair value of each element to the aggregated fair value of the bundled deliverables is generated). Where the Group has determined that the fair value of individual element is not ascertainable, equipment sales for these arrangements are deferred and amortized over the term of the arrangement.

## 9. License fees

Acquired licenses are shown at historical cost. Licenses acquired in a business combination are recognized at fair value at the acquisition date. License and spectrum entry fees are measured at cost less accumulated amortization. Amortization is charged to the statement of comprehensive income on a straight-line basis over the period of the license from the date of commencement of commercial operations in the respective jurisdiction and is disclosed as components of depreciation and amortization. The amortization period is determined primarily by reference to the unexpired license period.

Group's shares of licenses acquired under business combination are accounted for at their respective fair values as at the date of acquisition. The amounts are amortized on a straight-line basis over the remaining period of the license from the date of acquisition of respective circles.

The revenue-share fee on license and spectrum is computed as per the licensing agreement and is expensed as incurred.

## 10. Other intangible assets

Other intangible assets comprising enterprise resource planning software, bandwidth capacities, brands, customer relationships, distribution networks, licenses and non-compete clauses, are capitalized at the Group's share of respective fair values on the date of an acquisition. Amortization is charged to the statement of comprehensive

income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. The intangibles are amortized as follows:

- Software is amortized over the period of its license, not exceeding three years. Software up to Rs 500 thousand is amortized over a period of 1 year.
- Bandwidth capacities are amortized over the period of the agreement.
- Brand: Over the period of their expected benefits, not exceeding the life of the licenses and are written off in their entirety when no longer in use.
- Distribution network : Over estimated useful life
- Customer base: The estimated life of such relationships.

## 11. Income-taxes

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, and is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

## 12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalized based on actual investment in the asset at the average interest rate. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

## 13. Derivative financial instruments

The Group enters into derivative instruments, including interest rate swaps and foreign currency forward contracts, to manage interest rate movements of its debt obligations and foreign currency exposures related to the import of

equipment used in operations and its foreign currency denominated debt instruments.

All derivative instruments are recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or in other comprehensive income, depending on whether a derivative is designated as part of a hedging relationship and, if it is, depending on the type of hedging relationship.

#### **14. Asset Retirement Obligations**

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation using discounted cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

#### **15. Allowance for uncollectible accounts receivable**

The allowance for uncollectible accounts receivable reflects management's best estimate of probable losses inherent in the accounts receivable balance. Management primarily determines the allowance based on the aging of accounts receivable balances and historical write-off experience, net of recoveries. The Group provides for amounts outstanding net of security deposits, or in specific cases where management is of the view that the amounts are not recoverable. Amounts due from debtors that have been outstanding, though fully provided, are evaluated on a regular basis by the management and are written off, if as a result of such evaluation, it is determined that these amounts will not be collected.

#### **16. Issuance of Stock by Subsidiaries**

At the time a subsidiary sells its stock to unrelated parties at a price less than or in excess of its book value, the resultant change in the Company's interest in the net assets of that subsidiary is recognized directly in consolidated statement of changes in equity.

## GLOSSARY

### Technical and Industry Terms

Company Related	
3G	Third Generation of Mobile Telephony.
3G Customers	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 3G network in the last 30 days
3G Data Customers	A customer who used at least one data session of more than zero Kbs on 3G network in the last 30 days
Average Revenue per User (ARPU)	Average revenue per customer per month is computed by: dividing the total revenues (including sale of goods) during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non-current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations for the relevant period.
Average Sharing Factor	It 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.
Average Towers	Average towers are derived by computing the average of the Opening and Closing towers for the relevant period
Bn	Billion
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity holders of parent and net debt.
Cumulative Investments	Cumulative Investments comprises of gross value of property, plant & equipment (including CWIP & capital advances) and intangibles including investment in associates.
Cash Profit From Operations before Derivative & Exchange Fluctuation	It is not an IFRS measure and is defined as operating income adjusted for depreciation and amortization, pre-operating costs, interest expense and interest income before adjusting for derivative & exchange (gain)/ loss.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower, 'co-location' refers to that single operator. Co-locations as referred to are revenue generating Co-locations.
Customer Base	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G / 4G network in the last 30 days.



Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
Data as % of Mobile Revenue	It is computed by dividing the 'data' revenues by the total revenues of mobile services for the relevant period. Data revenue includes revenue from use of data session on GPRS / 3G including blackberry.
Data ARPU	Average revenue per data customer per month is computed by: dividing the total data revenues during the relevant period by the average data customers; and dividing the result by the number of months in the relevant period.
Data Customer Base	A customer who used at least one data session of more than 0 Kbs on GPRS / 3G network in the last 30 days.
Data Usage per Customer	It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period.
Data Realization per MB	It is computed by dividing the Data revenues by total MBs consumed on the network.
DTH / Digital TV Services	Direct to Home broadcast service
Earnings Per Basic Share.	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.  The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.
Earnings Per Diluted Share	Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above).
EBITDA	Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not a IFRS measure and is defined as operating income adjusted for depreciation and amortization and pre-operating costs.
EBITDA Margin	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	Earnings / (Loss) before interest, taxation for the relevant period.
Enterprise Valuation (EV)	Calculated as sum of Market Capitalization plus Net Debt as at the end of the relevant period.
EV / EBITDA (times)	Computed by dividing Enterprise Valuation as at the end of the relevant period (EV) by EBITDA for the relevant period (annualized).
Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
ILD	International Long Distance Services.
Intangibles	Comprises of goodwill, software, bandwidth, one-time entry fee paid towards acquisition of licenses, distribution network and customer relationships.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.
KPI	Key Performance Indicators

LTM	Last twelve months.
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period.
Mn	Million
Messaging & VAS as % of Mobile Revenue	It is computed by dividing 'messaging and VAS' revenue by the total revenues of mobile services for the relevant period. Messaging revenue includes revenue from exchange of text or multimedia messages (MMS) as well as termination revenues from other operators. VAS revenue includes revenue from hello tunes, ring tones, music downloads etc.
MNP	Mobile Network Portability
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	Multi Protocol Label Switching
Network Site	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not a IFRS measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents, restricted cash, restricted cash non-current and short-term investments as at the end of the relevant period.
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Net Debt to EBITDA (Annualized)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized).
Net Debt to Funded Equity Ratio	It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period.
Net Income from operations	It is calculated by adding back the interest expense on loans taken for the Africa acquisition to the net income of Africa.
Net Revenues	It is not IFRS measure and is defined as total revenues adjusted for access charges for the relevant period.
NLD	National Long Distance Services.
Non Voice Revenue as % of total revenue	It is computed by dividing the total non-voice revenue of the Company (consolidated) by the total revenues for the relevant period. Non-voice revenues include Messaging & VAS and Data revenues for Mobile, VAS and Internet Revenues for Telemedia Services, Bandwidth and Internet Revenues for Airtel Business Services, Media & Broadcasting revenues for DTH Services, site sharing revenues, sale of goods etc.
Non Voice Revenue as % of Mobile Revenue	It is computed by dividing the total non voice revenue of mobile services by the total revenues of mobile services for the relevant period. Non voice revenue, which includes revenue from services other than voice i.e., Messaging & VAS (including SMS, GPRS, MMS, Ring Back Tone), Data, others etc.
Non Voice Revenue as % of Telemedia Revenue	It is computed by dividing the total non voice revenue of Telemedia services by the total revenues of Telemedia services for the relevant period. Non voice revenue for Telemedia services includes revenues from services such as DSL, Leaseline, MPLS, IPTV etc.
Others as % of Mobile Revenues	It is computed by dividing 'other' revenue by the total revenues of mobile services for the relevant period. Others include revenue from infrastructure sharing & sale of goods.
Operating Free Cash flow	It is computed by subtracting capex from EBITDA.
Profit / (Loss) after current tax expense	It is not an IFRS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.

Return On Capital Employed (ROCE)	For the full year ended March 31, 2011, 2012 and 2013. ROCE is computed by dividing the sum of net profit and finance cost (net) for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Return On Equity attributable to equity holders of parent	For the full year ended March 31, 2011, 2012 and 2013, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.
SA	South Asia
Sharing revenue per Sharing Operator per month	It is calculated on the basis of the total revenues less energy and other pass through 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.
TD-LTE	Time Division – Long Term Evolution.
Total MBs on Network	Includes total MBs consumed on the network (uploaded & downloaded) on our network during the relevant period.
Towers	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. Towers as referred to are revenue generating Towers.
TSP	Telecom Service Provider
Total Operating Expenses	It is defined as sum of equipment costs, employee costs, network operations costs and selling, general and administrative cost for the relevant period.
VAS	Value Added Service
Voice Minutes on Network	Includes usage on our network (incoming, outgoing & in-roaming minutes) during the relevant period.
Voice ARPU	Voice Average revenue per customer per month is computed by: dividing the voice revenues during the relevant period by the average voice customers; and dividing the result by the number of months in the relevant period. Voice Revenues include airtime revenue from usage, processing fees, activation, roaming and termination charges from other operators.
Voice Minutes of Usage per Customer per month	It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Voice Realization per Minute	It is computed by dividing the voice revenues by voice minutes.

## Regulatory

BWA	Broadband Wireless Access
3G	Third - Generation Technology
4G	Fourth - Generation Technology
CCK	Communications Commission of Kenya

DoT	Department of Telecommunications
IP	Internet Protocol
ITFS	International Toll Free Service
QoS	Quality of Service
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
TRAI	Telecom Regulatory Authority of India
UAS	Unified Access Service
UASL	Unified Access Service License
USSD	Unstructured Supplementary Services Data
VSAT	Very Small Aperture Terminals
VLR	Visitor Location Register

#### Others

BSE	The Stock Exchange, Mumbai
CMAI	Communication Multimedia & Infrastructure
RBI	Reserve Bank of India
GSM	Global System for Mobile Communications.
CDMA	Code Division Multiple Access
DSL	Digital Subscriber Line
ICT	Information and Communication Technology
GAAP	Generally Accepted Accounting Principles
MMS	Multimedia Messaging Service
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
SMS	Short Messaging Service.
BYOD	Bring Your Own Device
SGX	Singapore Exchange

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