airtel

A world of *friendships*

Bharti Airtel Limited
Annual Report 2012-13

Vision

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

Corporate Information

Board of Directors

Mr. Sunil Bharti Mittal
Chairman

Mr. Manoj Kohli
Managing Director & CEO (International)

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

Non-Executive Directors

Mr. Ajay Lal
Ms. Chua Sock Koong
Mr. Craig Ehrlich
Mr. Manish Kejriwal
Mr. Nikesh Arora
Ms. Obiageli Ezekwesili
Mr. Pulak Prasad
Mr. Rajan Bharti Mittal
Ms. Tan Yong Choo
Mr. Tsun-yan Hsieh

Group General Counsel & Company Secretary

Mr. Mukesh Bhavnani

Statutory Auditors

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

Internal Auditors

M/s. PricewaterhouseCoopers Private Limited

M/s. ANB Consulting Private Limited

Registered & Corporate Office

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

Website

www.airtel.com

Contents

02-25 Company Overview

26-237 Statutory Reports & Financial Statements

A World of Friendships

4th
Ranked globally
(customer base)

20
Country presence

₹ 803.1 Bn
Global revenues in 2012-13

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

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

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

3,263 Mn
Daily minutes of usage between subscribers*
*(*Through wireless mobile services)*

465,482
Towns and villages covered by Airtel in India

1st
4G network in India

No. 1
Service brand in India*
(*As per The BrandZ Top 100 Most Valuable Global Brands study conducted by leading global research firm Millward Brown- May-2012)

One
No. 1
In 11 countries*
(*In terms of market share)

3G
14
Countries where 3G services are available*
(*Through wireless mobile services)

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

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

60.26 Mn
Active Data subscribers*
(*Through wireless mobile services)

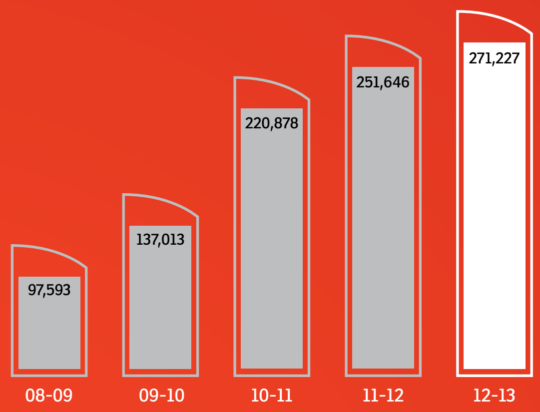
8.1 Mn
Digital TV services subscribers in India

Performance Highlights

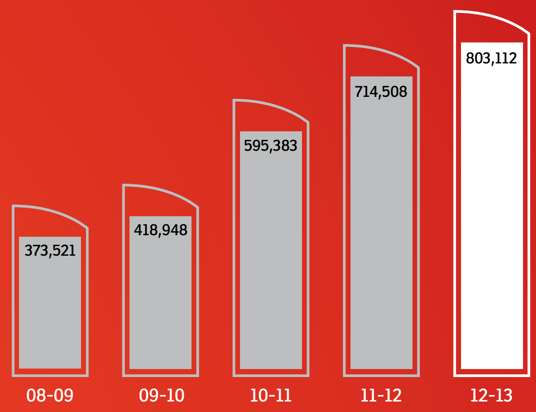
Particulars	Units	Financial Year Ended March 31				
		2009	2010	2011	2012	2013
Total Customer Base	000's	97,593	137,013	220,878	251,646	271,227
Mobile Services	000's	94,462	131,349	211,919	241,148	259,844
Broadband & Telephone Services	000's	2,726	3,067	3,296	3,270	3,283
Digital TV Services	000's	405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

Financial information for year ended March 31, 2009 is based on Indian GAAP and for years ended March 31, 2010, 2011, 2012 & 2013 are based on IFRS.
* During the financial year 2009-10, the Company has sub-divided (share split) its 1 equity share of ₹ 10 each into 2 equity shares of ₹ 5 each. Thus, previous year's figures have been restated accordingly.

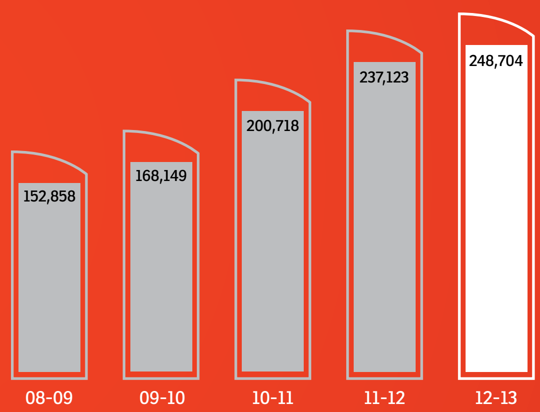
CUSTOMER BASE
(Nos. '000)



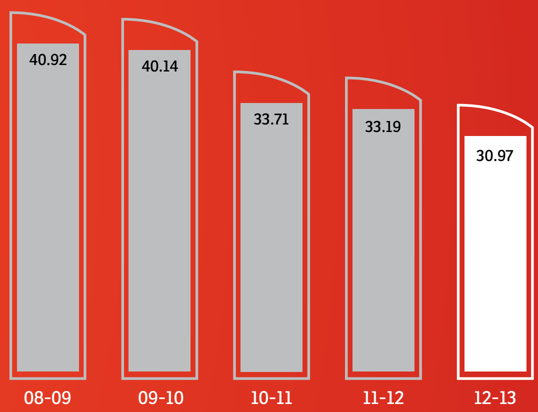
REVENUE
(₹ Millions)



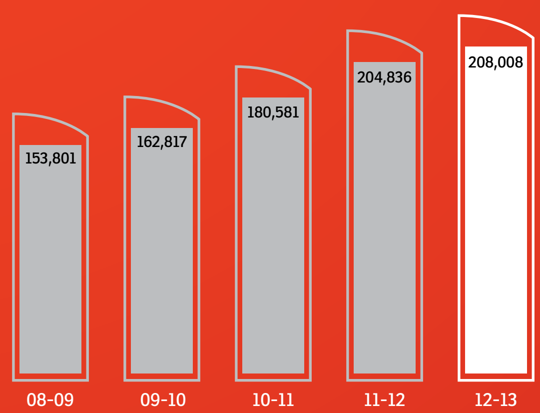
EBITDA
(₹ Millions)



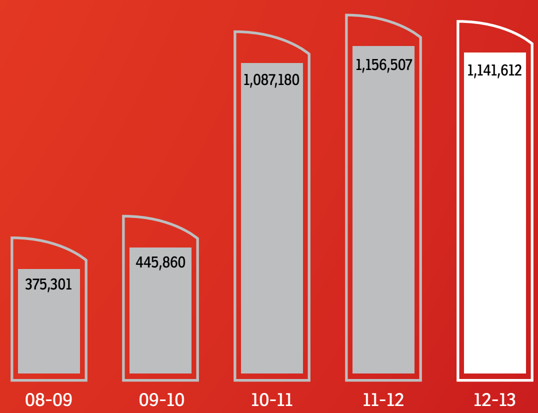
EBITDA MARGIN
(%)



CASH PROFIT
(₹ Millions)



CAPITAL EMPLOYED
(₹ Millions)



Message from Chairman

Dear Shareholders,

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

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

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

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

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

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

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

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

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

The year witnessed some key leadership changes at the top. While Manoj Kohli moved into the enhanced role of Managing Director & CEO (International) with the added responsibility of Bangladesh and Sri Lanka, Gopal Vittal took over as the Joint Managing Director & CEO (India).

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

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

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

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

Sunil Bharti Mittal

Message from MD & CEO (International)

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

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

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

Manoj Kohli

Message from JMD & CEO (India)

> We are the only Company that offers the widest range of telecom services – mobile, fixed line, 3G, 4G, Wi-Fi, Fibre, DSL, cloud and mobile money. We are children of competition, who have constantly innovated to transform a business with far-reaching impact, in step with India's GDP growth.

Dear Shareholders,

The last year has seen a lot of flux for us and the industry. In a difficult environment, we gained revenue share as well as new customers. Besides our operational successes, we also ushered in some key initiatives to reinforce our leadership in the marketplace.

Here are some highlights. Over the course of the year, data usage doubled and continues to grow at this pace. We created a world class Network Experience Centre in order to deliver a brilliant data experience. We were the first operator to launch 4G in four cities helping us learn and understand this emerging technology. We launched the Airtel Money Super Account in partnership with Axis Bank that allows customers to save and earn interest as well as take cash out as per their needs.

Today, our services have the power to transform lives. Whether it is helping the urban homemaker stay in touch with her family and friends, the migrant labour enjoy the little dose of entertainment and fun after a hard day's work or indeed businesses that can dramatically improve their productivity, telecom has an increasingly transformative impact. This is made even more exciting due to rapid changes in customer behaviour. Over the last few months, I have met several of these customers. Take the case of three 25-year-olds in a village near Allahabad, who took barely 5 minutes to understand how airtel *money* works and signed up. Or, a villager near Hyderabad who did not know English but had taught himself enough to download over 200 songs onto his phone. These are the customers of today and tomorrow. The only internet they know is the mobile internet. The only digital payment they know is through the mobile.

India is changing faster than we realise. In addition to rising incomes, there are two important shifts happening concurrently. First, the demographic shift with an increased number of young men and women who are curious, technologically savvy, open minded and quick to adopt new services. Second, the adoption of mobile internet through bigger and better phones, and its absorption into everyday lives. As we look at these shifts, we are incredibly excited because we are also strongly positioned to compete in this new environment.

Our strong brand appeals to young customers as much as our established base of 200 Mn customers. We have the best network with tremendous assets of fibre and cable systems on the ground. We are the only Company that offers the widest range of telecom services – mobile, fixed line, 3G, 4G, Wi-Fi, Fibre, DSL, cloud and mobile money. We are children of competition, who have constantly innovated to transform a business with far-reaching impact, in step with India's GDP growth.

As we compete and prepare ourselves for growth, we continue to operate with great responsibility. The Group philanthropic arm Bharti Foundation has grown stronger and our employees have been a source of great support through ACT by volunteering their personal time in the education of poor children. Last year, we also launched our first Sustainability Report for the India operations that presents our approach, initiatives and future plans for social and environmental sustainability. We will continue to push the envelope this year as well.

As we look forward to an exciting year, I would like to thank employees, shareholders and partners for their support through all these years. We look forward to your continued guidance in our journey.

Gopal Vittal

Board of Directors

Nikesh Arora

Gopal Vittal

Manish Kejriwal

Obiageli Ezekwesili

Ajay Lal

Tsun-yan Hsieh

Chua Sock Koong

Rajan Bharti Mittal

Pulak Prasad

Manoj Kohli

Sunil Bharti Mittal

Craig Ehrlich

Tan Yong Choo

Awards and Accolades

Achieved the *numero* uno position among service brands in 2012 in the Brand Equity's Most Trusted Brands Annual Survey

Conferred with the Star News Viewers' Choice award for the Best Mobile Network and the Best Quality Mobile Network Service Provider award at the 6th National Telecom Awards 2012 hosted by CMAI in May, 2012

Won five awards at tele.net Telecom Operator Awards 2013, held in March, 2013, including the Most Admired Telecom Operator, Best National Mobile Operator, Best Ad Campaign by an Operator, Best 3G Operator and Best VAS Provider (for airtel *money*) categories

Bagged the Quality Excellence Award for Fastest Growing Company at the National Quality Excellence Awards 2012

Airtel's myairtel application won the App of the Year award for Best Application using Network Application Programming Interfaces (APIs) at the prestigious GSMA Global Mobile Awards 2013

Bestowed with the Brand Leadership Award in Telecom Sector and the Emerging Brand Award for airtel *money* at the Brand Leadership Awards 2012

Felicitated with two awards in the categories of Value Creation and Innovation & Improvement at the SSON Excellence Awards 2012 for shared services in December, 2012

Awarded the Best Mobile Service Provider and Innovation in mMoney awards at the Aegis Graham Bell Awards held in November, 2012

Bharti Airtel's *'Har ek friend zaroori hota hai'* campaign won three Gold Effie awards in categories including Telecom & Related Services, Digital Advertising and Integrated Advertising

Bharti Airtel won one Silver Effie award for its *Baat sirf paison ki nahin hai* campaign for airtel *money* in the telecom category

Conferred with the most coveted Porter Prize, named after the strategy guru Michael Porter, in the Exploiting Trade-offs category in October, 2012; the award recognises and honours Indian companies, which have embraced the best strategic management practices

Won the Brand of the Year award at CNBC TV18's flagship initiative, the India Business Leader Awards (IBLA) for its *'Har ek friend zaroori hota hai'* campaign

Won three industry awards at the 8th edition of the Nigerian Telecoms Awards (September, 2012) - Most Innovative Telecom Company of the Year, Telecom Brand of the Year and Customer-friendly Operator of the Year

Named Most Socially Responsible Company in Niger in March, 2013

Airtel Rising Stars (ARS) Championships won The Sponsorship PR Campaign of the Year at the 12th PRSK Annual Awards in December, 2012

Won an award for the Best HR practice given by The Chartered Institute of Personnel Management (CIPM) in Nigeria in October, 2012

Airtel and ZTE won the Best Cost Efficiency Initiative at AfricaCom Awards (November, 2012)

Corporate Social Responsibility

Bharti Airtel partners organisations across countries of its operation to foster inclusive growth. The Company is actively pursuing its socio-economic priorities across multiple platforms. Its individual business units, spread across different geographies, have consistently tried to promote social inclusion in an environmentally sustainable manner.

India

Bharti Foundation: Towards delivering quality education

Bharti Foundation was established in 2000 with a vision 'to help underprivileged children and young people of the country realise their potential'. Its flagship initiative, the Satya Bharti School Programme, was launched in 2006.

254	Satya Bharti Schools in India
39,535	students enrolled in Satya Bharti Schools
49%	percentage of girls among total students
75%	percentage of students from disadvantaged communities
₹ 1,442.94 Mn*	investments made in Satya Bharti Schools since inception
1,477	young people employed as teachers at Satya Bharti Schools

The above data are as of April 30, 2013 except the investments made in Satya Bharti Schools since inception.

* In addition, ₹ 743.91 Mn has been spent on Capital Expenditure till March 2013.

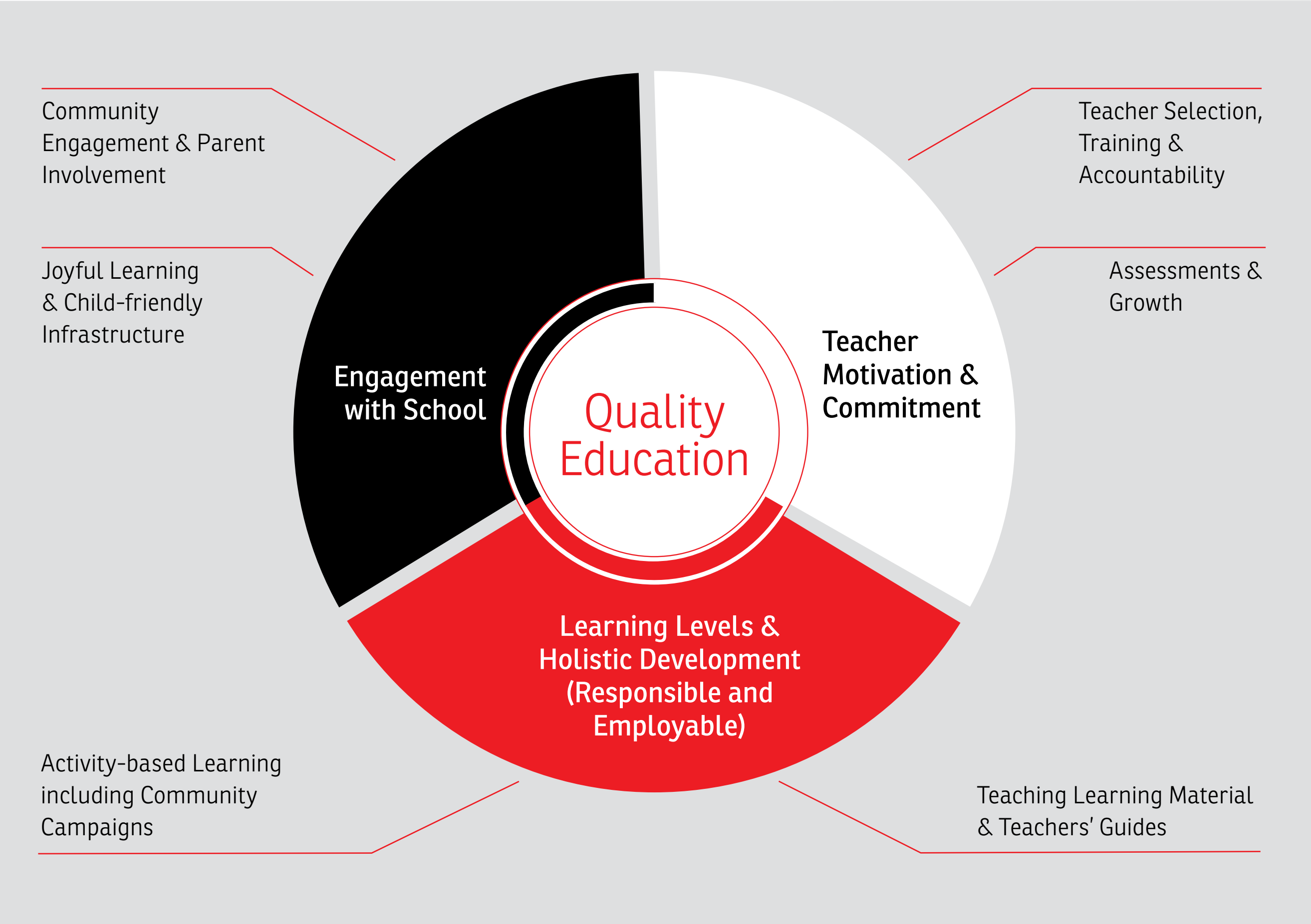
Flashback 2012-13

- Initiated a new programme to provide bridge courses to 'out of school children' to induct them into mainstream government schools (Satya Bharti Learning Centres)
- Launched a holistic pilot programme to improve the quality of education imparted in government schools (Quality Support Programme)

Objectives of Satya Bharti School Programme

- Provide free and quality education to rural, underprivileged children, with special focus on girls
- Help students emerge as educated, confident, responsible and self-reliant employable citizens, who are deeply committed to society
- Encourage active involvement with the community, parents and like-minded organisations
- Make a lasting and sustainable impact on the community, where schools are present
- Find innovative solutions through its primary, elementary and senior secondary schools to create replicable and scalable components in the programme to impart quality education

Sustainable Programme Model



Agents of Change

- The Students at Satya Bharti recognise their role in bringing about social transformation to emerge as responsible citizens
- Building 'individual responsibility' through Community Development Campaigns forms an integral part of the school curriculum. The campaigns enable students to address social problems by interacting closely with their surroundings
- Students of the Satya Bharti School spearheaded community development campaigns against social evils and engaged over 0.5 Mn local people to bring about positive changes at the grassroots level; moreover Satya Bharti students won 15 awards at the Design for Change School Contest 2012 and five awards at the Pramerica Spirit of Community Awards 2013 for their efforts to eradicate social evils

Fighting for a Cause

In a survey conducted by the Satya Bharti School students in the village, it was found that only 80% of the children population of Kurrian Kalan attended schools, while the remaining 20% were either school dropouts or were never enrolled. Deprived of their childhood, kids often took to odd jobs to earn some money. The Satya Bharti students met the village head ***(Sarpanch)*** and head teachers of other schools, ran a door-to-door communication campaign, convincing parents and community members about the children's Right to Education.

The campaign helped bring out of school children back to schools and helped drive home the message of a child's right to education and childhood.

Programme Expansion

Educate A Child

- Educate A Child is a global initiative launched by Her Highness Sheikha Moza bint Nasser of Qatar, which aims to reduce the number of out of school children worldwide to ensuring their Right to Education
- Bharti Foundation is Educate A Child's strategic partner in India. The Foundation is setting up Satya Bharti Learning Centres in the villages of Rajasthan along with the State Government to enrol out of school children
- Under the Satya Bharti School Programme, the Foundation partnered the state government to establish 45 Satya Bharti Learning Centres in Government schools in Jodhpur, Rajasthan. These centres have 1,134 out of school students undertaking bridge educational courses to get ready for age-appropriate classes

The Quality Support Programme

- The Quality Support Programme aims to collaborate with the Government and work towards improving the quality of education through need-based interventions. The intervention model developed for the government schools focuses upon the optimal utilisation of government resources and pooling best practices to address their hierarchy of needs

Winds of Change by a 12 Year Old

Arti Verma, a Class V student of Satya Bharti Government Upper Primary School, Raiwana, Rajasthan, was instrumental in getting her friend social recognition. Seeing that her friend was denied entry into the village temple, Arti raised her voice against untouchability and fought for an impartial society. She gained her father's support in her crusade. Post approval from her parents, she met the villagers and sensitised them towards the issue through meetings, rallies, hand-made posters and slogans. Gradually her efforts started showing results. The villagers started accepting the once considered 'untouchables' into the community. Many children from the lower castes were allowed to enter the schools. A few men and women found employment and started to take part in socio-economic activities. The 12 year old was instrumental in bringing a change in the mindset of the villagers towards untouchability. Her endeavour to create an equitable society was appreciated by the jury of Pramerica Spirit of Community Awards.

- The Quality Support Model offers the participating schools a range of support material/services ranging from entailing curriculum material, teacher training, school processes, pedagogical tools and mentoring sessions
- A Memorandum of Understanding (MoU) has been signed with Punjab and Haryana Government for this intervention

Bharti Foundation: A Resource Organisation in Education Space

- Bharti Foundation plays a key role as a resource organisation to many national and international institutions, such as:
  - Ministry of Human Resource Development (MHRD)
  - Confederation of Indian Industry (CII)
  - Federation of Indian Chambers of Commerce and Industry (FICCI)
  - World Bank and Indian Institute of Corporate Affairs (IICA)
  - Supplemental Type Inspection Report (STiR)
- Bharti Foundation's international presence:
  - Infopoverty World Conference organised in the UN headquarters, New York
  - Learning for All Ministerial Country Meetings in Washington

Awards and Accolades

- 2012 World Innovation Summit for Education (WISE) Award
- ICICI Foundation & CNBC TV-18 Inclusive India Award 2012
- Quality Council of India - D.L. Shah Quality Awards 2012-13

Airtel Delhi Half Marathon: Raising Funds

- The Airtel Delhi Half Marathon created an excellent platform to bring together corporates, individuals, employees and students of schools and colleges. It created a perfect space for Bharti Foundation to drive awareness about the Satya Bharti School Programme
- The theme for this year's campaign of Airtel Delhi Half Marathon was - 'Student Stars'. A total of ₹ 13.7 Mn was raised through the participation from corporates, individuals and other special initiatives

Strengthening the Bond

Bharti Airtel joined other group companies to undertake efforts to support the Satya Bharti School Programme.

- **The Young Leader Programme**
  Under the Young Leader Programme, as a part of the corporate induction schedule at Bharti Airtel, every fresh batch of MBAs joining the Company from premium institutes participates in this two-week programme. In 2012-13, as many as 98 Young Leaders volunteered in 49 Satya Bharti Schools in Rajasthan
- **Employee Philanthropy Programme** – **ACT (A Caring Touch)**
  A Caring Touch (ACT) is an employee payroll giving programme for Bharti Group of Companies. Initiated in August 2006, the Programme encourages employees to give back to the society in terms of money, time, skills or knowledge. All contributions are matched by the Company based on their respective band limits, thus doubling the amount for the receiving charity. In the year 2012-13, of the ₹ 19.0 Mn contributions made towards the Satya Bharti School Programme, a total of ₹ 12 Mn were contributed by Bharti Airtel and Bharti Airtel Services along with their employees

Business Sustainability

Bharti Airtel extended its sustainability network through the following initiatives:

Farmers and Fishermen

IFFCO Kisan Sanchar Limited (IKSL), the joint venture with the Indian Farmers Fertiliser Cooperative Limited (IFFCO), functioned along with Agricultural Technology Management Agency (ATMA) in different states to provide technical information related to education, government schemes, health, loans from banks and so on.

In Odisha, IKSL teamed up with The National Federation of Fishermen's Cooperatives Ltd. (FISHCOPFED) and the state government to provide customised content to fishermen.

The services included information on Potential Fishing Zone (PFZ), advance weather forecasting, tidal wavelength, fishing regulatories, basic hygiene on fishing, health, fishing tips and government schemes.

100,000+ fishermen benefited by Bharti Airtel's customised information

Apna Chaupal

Airtel Uttar Pradesh & Uttaranchal's (UPU) Apna Chaupal is a first-of-its-kind, voice-based, one-stop solution portal for value-added services. The service was formally launched in Khindora of Bagpat district, Uttar Pradesh, especially for the rural and semi-urban markets.

The innovative service empowers pan-India mobile customers to easily browse and subscribe to a bouquet of value-added services, while on the move, by just dialling a toll-free number.

Cyber Security

The Company regularly supports government agencies like CERT.in, IB, NTRO and NATGRID to provide services, including threat mitigation like botnet threat, stuxnet propagation and others; proactively mitigate threats to national critical services (attack simulation exercises). The Company also works closely with DSCI to evolve the privacy framework.

Certifications

ISO 22301

- Bharti Airtel invested substantially in business continuity and disaster recovery plans across all its geographies
- It became the first telco to be certified against ISO 22301 for India, Srilanka and Bangladesh operations
- Airtel M Commerce Services was also certified against ISO 22301 and was achieved without a single non-conformity. This was one of the most complex implementations and certification efforts in business continuity globally

ISO 27001

- Bharti Airtel's robust information security management system and operations were certified against ISO 27001
- Airtel M Commerce Services was also certified against ISO 27001
- The Company also pioneered the innovation and implementation of integrated approach for ISO 22301 and ISO 27001; it holds the distinction of being the first Company globally to have implemented an integrated ISMS-BCMS across Sri Lanka, Bangladesh and 16 business units of India

Making the World Greener

Bharti Airtel has been continuously evaluating the environmental footprint of the services offered by it and its infrastructure partners on resource and energy consumption, greenhouse gas (GHG) emissions and waste handling procedures. The Company encourages its employees to act in their workplaces and business operations to reduce energy consumption and waste. It also endeavours to drive the use of available technology to cut down business travel.

10,300	Green sites, on which the Company's network operates
21,400	Trees saved annually by communicating through e-bills
50 Mn	Customers under e-billing

Green Energy

- A 100 kwp solar power plant was commissioned at one of the Main Switching Centres (MSCs) of the Company in India. This is the largest rooftop installation in India's entire telecom sector, generating 1.5 Lakh units of green energy annually; moreover, planning to replicate this in its other MSC locations with 300 kwp solar power plants
- Implemented solar solutions at mobile base stations and transport network site and battery hybrid solution at BTS sites
- Completed successfully the trial of biomass gasifier to replace DG running at BTS sites at Airtel network

Green Networks

- **Conversion of Indoor Sites into Outdoor Ones**
  This year, Bharti Airtel converted about 1,680 base stations from indoor to outdoor sites, eliminating the use of air conditioner at these locations. This is over and above its initiative to deploy 81% new sites as outdoors
- **Network Deployment with Low Power Consuming BTS**
  The Company endeavours to build the network with power-efficient electronics. The new family of BTS consumes 0.8-1.0 KW power. Its diligent efforts in the last five years helped to reduce power consumption per BTS by 60%
- **Auto TRX Shutdown Feature at Existing Sites**
  During non-peak hours, some of the TRX can be switched off to reduce power requirement at existing sites. With help from its vendor-partners, the Company has developed and implemented Auto TRX shut down. This feature is now active at about 61,000 pan-network sites
- **Network Deployment as Sharer**
  In 2012-13, as much as 68% of the incremental sites were deployed on a sharing basis. These sites share the existing power infrastructure with tower companies to reduce carbon footprint

Partnering for a Greener World

- **Project P7 with Bharti Infratel**
  Continuing its efforts with Infratel to shape a greener world, Bharti Airtel eliminated diesel generators (DGs) running across 3,200 sites in 2012-13, converting them into green sites
- **Project Green City with Indus**
  Project Green City, which was launched last year, now has 10,300 green, diesel-free sites

e-Waste Management

As a part of the green IT initiative and according to the directive from the Ministry of Environment and Forests, the IT Team started an e-Waste Initiative, along with the SCM team. The objective is to ensure that all the scrap IT Assets are recycled/e-Wastes can be disposed of according to applicable WEEE (Waste Electrical and Electronic Equipment) norms. At Airtel Centre, 500 IT assets were recycled with e-waste recycler vendors in FY 2012-13.

e- Annual Report

Bharti Airtel has started distributing annual reports through email, thus helping reduce paper consumption. The Company has sent the electronic version of the Annual Report to more than 2 Lakhs shareholders, saving over 2 Cr. pages.

e-Bills

The Company was successful in its endeavour to launch e-bills for its post-paid and fixed-line customers. Today, over 50 Mn of its customers use e-bills. This go-green drive enabled the Company to save 21,400 trees annually. Moreover, the process of address verification of post-paid acquisitions also went digital. eWaivers, introduced nationally for getting waivers approved, is another key initiative aimed at ushering in paperless processes.

Community Development

Bharti Airtel encourages its employees to engage meaningfully with the community through multiple services.

Plantation Drive

Airtel Centre, Gurgaon, collaborated with an NGO, *IamGurgaon*, under the project Million Trees Gurgaon to plant 2,000 saplings in the bio-diversity park, Gurgaon. Around 200 employees, along with the CEO, participated in this drive. NESA and UPU circles planted around 500 saplings, while Airtel Rajasthan, along with a local NGO, Paaniram, planted 2,500 plants.

Disaster Relief

Bharti Airtel continued to extend its support to the society in times of natural calamities and other disasters. The NESA circle supported the victims of communal clashes in Lower Assam whose houses were destroyed in August 2012. 200 volunteers participated and provided food packets and clothes to the victims. Additionally, the Company donated significant sums of money, which were used to buy essential food items for the victims. Delhi NCR Circle, in association with the NGO Goonj, undertook a drive to collect a huge quantity of old wearable clothing for the underprivileged. Moreover, employees of Rajasthan Circle and Airtel Centre collected and contributed old wearable clothing to Mother Teresa Home and the NGO, CRY.

Blood Donation Camp

Bharti Airtel has been holding Blood Donation Camps for several years across various circles in India to save human lives. This year also, Airtel Centre – Gurgaon, Airtel Business, NESA Circle, Karnataka Circle, UPU Circle and Shared Services organised Blood Donation Camps. A large number of employees participated to make these initiatives successful.

SMS Campaigns

The Company launched various SMS campaigns across different markets to enhance social welfare and drive awareness. These included alerts on polio prevention dosage, traffic rules, reminder on right to vote, fraudulent calls, corruption/bribes and drug trafficking.

Africa

Our School

Airtel Africa's 'Our School' programme is a school-adoption initiative, under which the Company adopted 38 rural primary schools across 17 African countries. Working closely with governments in these countries, it aims to improve the quality of education imparted to children in underprivileged communities.

Currently, these adopted schools cater to more than 18,000 children. The scope of activities involves supporting infrastructural refurbishment of classrooms, providing uniforms, books, ICT and broadband connectivity.

Moreover, through the 'Our School' programme, the Company also works towards building community and employee engagement with the adopted schools. The school calendar ensures that there is enough opportunity for the community to understand and be engaged with the programme, participating in cleanliness drives, tree plantations and other events that are undertaken. Employees of Airtel Africa, on the other hand, are encouraged to donate funds and spend time towards improving the schools. They also volunteer onsite, visiting the schools regularly and interacting with the teachers and students.

17	Countries in Africa covered under this programme
18,000	Children covered
38	Primary schools in rural areas adapted

In Tanzania, under its continuous nationwide book campaign, the Company collaborated with the government through the Ministry of Education and Vocational Training. The objective was to improve the country's educational facilities to help develop a well-equipped future workforce. It donated four computers and books for Mazombe Secondary School in Iringa under the programme. Airtel Africa aims to use this platform to reach out to more schools throughout Tanzania.

Mobile Sustainability

Africa, more than any other region in the world, needs the most concentrated efforts at social inclusion.

Airtel Africa is sensitive to this need and believes in the power of technology to drive the change. One of the major steps to bring about a change was to bridge the gap between the privileged and the underprivileged. The Company performed this task by bringing its products and services into the daily lives of people.

Partnership with Nokia

Airtel Africa, in collaboration with Nokia, developed an ICT-based initiative, Nokia Education Delivery (NED), to provide broadband connectivity to rural schools. Under this programme, Nokia uses mobile technology to offer educational videos, both classroom lessons and training sessions. These videos are meant for teachers across 100 schools in remote Nigeria and 13 schools in almost inaccessible areas in other African countries.

Partnership with Earth Institute

Airtel Africa has also partnered with the Earth Institute, a non-profit organisation in Africa, to provide telecommunication services to eight villages in six countries (one each in Ghana, Malawi, Tanzania and Uganda and two each in Kenya and Nigeria). People who belong to these rural pockets, also known as Millennium Villages, are provided with internet connections. Besides, this initiative also provides cellular phone connections and free-of-cost local helpline numbers maintained by the Company for community health workers.

Initiatives in Millennium Villages

Child Count: A mobile health application developed to improve delivery of healthcare, child survival rate and maternal health.

Shared Solar Power System: A modular solar (or hybrid) powered system to meet the basic electrical needs of up to 20 consumers simultaneously.

Connect to Learn: An information and communications technology in schools that specifically emphasises on the quality of education imparted to girls and addresses challenges they face in getting enrolled and continuing their education.

The initiative has also brought together and enabled partnerships with local communities, government entities, international organisations, non-profit institutions, research and academic institutions and others working as part of the Millennium Villages project.

Partnership with Sanlam

Airtel Africa entered into a strategic agreement with Sanlam, a South Africa-based financial services group. The objective was to develop low-cost insurance and health funding products across Kenya, Ghana, Tanzania, Zambia, Uganda, Malawi and Nigeria.

Making the World Greener

To reduce its carbon footprint, Airtel Africa started converting high OPEX sites to their OPEX-efficient counterparts through a three-way approach:

1. Increasing grid connection percentage, i.e. converting off-grid sites into grid sites
2. Deploying hybrid batteries on bad grid and off-grid sites
3. Deploying green energy solution (solar) on off-grid sites

Till date, over 105 solar sites have been set up in Nigeria, reducing diesel generator usage from 24 hours a day to just three to four hours daily. By 2013, Airtel Africa aims to completely eradicate the constant use of diesel and make its network entirely green power driven. In the last two years, Airtel reduced the diesel consumption by 25% across all sites.

Community Development

Airtel Rising Stars

The Airtel Africa Championship is a part of the Airtel Rising Stars programme, a talent search initiative focused on identifying and nurturing soccer talent from the grassroots on to a national stage. Touted as the continent's biggest tournament, the championship attracted approximately 18,000 youth teams and 324,000 young players across 15 countries. In addition to galvanising the biggest turnout during the qualification stage, the programme also broke new grounds by introducing girls to a pan-African tournament.

Promoting Public Health

Airtel Ghana funded the construction of a purpose-built Clinical Teaching Facility and Diagnostic Centre at the School of Medical Sciences, University of Cape Coast. The objective was to benefit more people by reaching out to them with medical sciences.

Business Responsibility Report

Section A: General Information about the Company

1.	Corporate Identity Number (CIN)	L74899DL1995PLC070609
2.	Name of the Company	Bharti Airtel Limited
3.	Registered Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070
4.	Website	www.airtel.com
5.	Email id	compliance.officer@bharti.in
6.	Financial Year reported	2012 – 2013
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunication services, Passive Infrastructure services, Direct to home services, Mobile Commerce Services either directly or through its subsidiary companies

Industrial Group	Description
61	Telecommunication Services Passive Infrastructure Services (Through Subsidiary Company) Direct to Home Services (Through Subsidiary Company) Mobile Commerce Services (Through Subsidiary Company)

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	Mobile Services, Broadband Services and Telephone Services
9.	Total number of locations where business activity is undertaken by the Company	
	Number of International Locations (Provide details of major 5)	Bharti Airtel Limited has business activity undertaken with significant presence in 19 countries beside India. Major International locations where the company provides services through subsidiary companies are Nigeria, Congo, Gabon, Zambia and Tanzania.
	Number of National Locations	Bharti Airtel provides a suite of Telecom Services across all states and union territories in India. The Company presently has 13 circle offices as detailed on Page No. 238 of the Annual Report.
10.	Markets served by the Company - Local/ State/National/International	Bharti Airtel Limited has business activity carried out all over India. The Company's network is present in 5,121 census towns and 460,361 non-census towns and villages, covering approximately 86.7% of the country's population. In addition to serving the Indian markets, the Company also provides telecom services through subsidiary companies in Lanka, Bangladesh and 17 countries in Africa.

Section B: Financial Details of the Company

1.	Paid up capital (₹)	18,988 Mn
2.	Total turnover (₹)	453,509 Mn
3.	Total profit after taxes (₹)	50,963 Mn
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During FY 2012-13, the Company's total spent on CSR is 0.58% of the net profit after taxes
5.	List of activities in which expenditure in 4 above has been incurred	1) Promotion of education through Bharti Foundation schools and other education trusts 2) Health services and awareness 3) Higher and technical education 4) Child welfare programmes 5) Disaster relief initiatives 6) Community development programmes 7) Environment initiatives and awareness

Section C: Other Details

1. *Does the Company have any Subsidiary Company/Companies?*

   Yes. As on March 31, 2013, Bharti Airtel Limited had 119 direct and indirect subsidiary companies.

2. *Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).*

   All subsidiary companies of Bharti Airtel Limited participate in its Business Responsibility Initiatives.

3. *Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]*

   Yes, Bharti Airtel Limited actively promote its suppliers and distributors to participate in its BR initiatives on a wide range of social and environmental issues. Currently, less than 30% of other entities participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

   a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

DIN Number	:	00028016
Name	:	Rajan Bharti Mittal
Designation	:	Director

   b) Details of the BR head:

Name	:	Jyoti Pawar
Designation	:	Director – Legal & Regulatory
Telephone no.	:	+91 124 4243188
Email id	:	Jyoti.Pawar@bharti.in

> A substantial portion of the beneficiaries of Bharti Foundation and its programmes are centred around the economically weak and disadvantaged groups, specially SC/ST/OBC categories and girl students.

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3

Businesses should promote the well-being of all employees

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5

Businesses should respect and promote human rights

Principle 6

Businesses should respect, protect, and make efforts to restore the environment

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8

Businesses should support inclusive growth and equitable development

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	*Do you have a policy/policies for...*	Y	N*	Y	Y	Y	Y	N*	Y	Y
2.	*Has the policy been formulated in consultation with the relevant stakeholders?*	Y	-	Y	Y	Y	Y	-	Y	Y
3.	*Does the policy conform to any national/ international standards? If Yes, specify? (50 words)*	Y	-	Y	Y	Y	Y	-	Y	Y
4.	*Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?*	Y	-	Y	Y	Y	Y	-	Y	Y
5.	*Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?*	Y	-	Y	Y	Y	Y	-	Y	Y
6.	*Indicate the link for the policy to be viewed online?*	Y	-	N	N	N	N	-	N	N
7.	*Has the policy been formally communicated to all relevant internal and external stakeholders?*	Y	-	Y	Y	Y	Y	-	Y	Y
8.	*Does the Company have in-house structure to implement the policy/policies?*	Y	-	Y	Y	Y	Y	-	Y	Y
9.	*Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?*	Y	-	Y	Y	Y	-	-	-	Y
10.	*Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	Y	-	Y	Y	Y	-	-	Y	Y

*It is planned to be done within next six months

- All the policies are formulated with detailed consultation and benchmarking across industry. The Polices also confirm compliance with all mandatory/ applicable national/international laws, rules, regulations, guidelines and standards.
- As per company practice, all the policies are approved by respective Business CEOs/Functional Directors.
- All the policies have a Policy Owner and the respective policy owners are responsible for implementation of the Policy.
- Except Code of Conduct all other policies are the internal policy of the Company and therefore are not available on the website of the Company. The Code of Conduct can be accessed through the following link:
  http://www.airtel.com/wps/wcm/connect/africaairtel/Africa/code_of_conduct/en
  & http://www.airtel.in/partnerworld/Business_Code_of_conduct.htm
- Except the Ombudsperson Policy, which is available on the website of the Company all other policies being in house are uploaded on the intranet and are accessible to all employees of the Company.
- Any Grievance relating to any of the policy can be escalated to the Ombudsperson. The Grievance relating to customer services, in case not resolved properly, can be escalated to the respective nodal officer appointed in each service area.

3. Governance related to BR

- *Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.*

  The Board reviews CSR performance twice a year.

- *Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?*

  Yes, the Company publishes separate Annual Sustainability Report. The electronic version of the report is uploaded on the Company's website and can be viewed by clicking the link www.airtel.in/sustainability.

Section E: Principle-wise Performance

Principle 01

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. *Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs Others?*

   Bharti Airtel's commitment towards compliance to the highest governance standard is backed by an independent and fully informed Board, comprehensive processes, policies and communication. The Company adheres to the highest levels of ethical business practices as articulated by its Code of Conduct to achieve our performance with integrity. Policy relating to ethics, bribery and corruption is covered under Bharti Code of Conduct (Pg. 15, 16, 39) referring to bribes, kickbacks and improper payments and Clause 5.2 of the Code of Conduct for Business Associates. The Policy extends to the entire Bharti Group and covers employees, suppliers & contractors, service providers, channel partners and their employees. In addition to this, the Company's Consequence Management Policy prescribes the action to be initiated in all confirmed cases of violation.

2. *How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.*

   In FY 2012-13, nine allegations of bribery/corruption were received. Investigations were completed in six cases and actions were initiated according to the Consequence Management Policy. The remaining three cases are under various stages of investigation and completion.

Principle 02

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. *List up to three of your products or services whose designs have incorporated social or environmental concerns, risks and/or opportunities.*

   Bharti Airtel is leveraging its existing services of Mobile DTH and Broadband to provide basic life services of financial inclusion, health and education through mobile money, mobile health, mobile education and agricultural awareness.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material and so on) per unit of product (optional):*

   i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain.

      These services have a social impact and as they leverage on the existing platforms provided by the Company, they have no impact on sourcing/production or distribution.

   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      No broad-based impact on energy and water due to these services.

3. *Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Besides, provide details thereof in about 50 words or so.*

   Yes. The Company has implemented various sustainable supply chain practices and initiatives and at the same time ensure timely and cost-effective deliveries for necessary resources. Details of the same can be found in point No. 4 below.

4. *Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?*

   Recognising the socio-economic benefits of local procurement, the Company encouraged sourcing from within the region's economy. At an aggregate level, nearly 94% of our suppliers are based in India. Around 74% of the procurement for the year in terms of value was from these India-based partners. The Company has also started to consolidate our supply-chain base to make our engagement more focused and meaningful. Besides, the Company is developing a framework to promote underprivileged groups in society with a special focus on promoting women entrepreneurs and small businesses.

5. *Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling them (separately as <5%, 5-10%, >10%)? Besides, provide details thereof in about 50 words or so.*

   Being an ICT sector player, the most significant waste generated by the Company is E-waste. Various strategies have been put in place to achieve reduction of e-waste through employee awareness, extended use of network and IT equipment. It is ensured that the e-waste is recycled and the residual is disposed of through recycling facilities as per the guidelines of the Government of India.

Principle 03

Businesses should promote employee well-being

1. *Please indicate the total number of employees.*
   As of March 31, 2013, the strength of Bharti Airtel's workforce stood at a total of 15, 563 employees.

2. *Please indicate the total number of employees hired on temporary/contractual/casual basis.*

Category of employees	No of employees
Temporary employees	Nil
Sub-contracted employees (For the calendar year 2012, As per Form 12)	17,794
Casual employees	Nil
Total	**17,794**

3. *Please indicate the number of permanent women employees.*

   As of March 31, 2013, a total of 1,531 women employees, representing around 10% of its total permanent workforce, were the part of Bharti Airtel's family.

4. *Please indicate the number of permanent employees with disabilities.*

   The number of permanent employees with disabilities associated with the Company is 58.

5. *Do you have an employee association that is recognised by the Management?*

   No

6. *What percentage of your permanent employees is member of this recognised employee association?*

   N/A

7. *Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.*

   Nil

8. *How many of your under-mentioned employees were given safety and skill up-gradation training in the last year?*

Category	Safety (No. of employees)	Skill Upgradation (No. of employees)
Permanent employees	12,581	11,835
Permanent women employees	868	1,088
Casual/Temporary/ Contractual employees	6,873	*
Employees with disabilities	36	25

*Tracking initiated.

Principle 04

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. *Has the Company mapped its internal and external stakeholders? Yes/No*

   Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement process. Key categories include: Customers, suppliers/vendors, employees, community at large, investors, governmental bodies, industry forum.

2. *Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?*

   Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders through its association with Bharti Foundation. A substantial portion of the beneficiaries of Bharti Foundation and its programmes are centred around the economically weak and disadvantaged groups, specially SC/ST/OBC categories and girl students. Besides, over the years, the Company has also been focusing on increasing rural penetration of its services.

Bharti Airtel continuously strives to bring maximum people under digi-presence, which it defines as creating a platform for digital accessibility of telecommunication, internet and digital television services. It is determined to take the benefits of digi-presence beyond urban or affluent areas to remote areas. Bharti Airtel's innovative and emerging business models like airtel *money*, mEducation and mHealth are focused on overcoming the obstacles to social development and inclusion.

3. *Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.*

- Community outreach forms an integral constituent of the Satya Bharti School Programme. Aiming to build the trust and ownership of parents and community members, the format ensures that there is enough opportunity for the community to understand and be engaged with the schools
- Young Leaders from Bharti Airtel volunteer on locations at the Satya Bharti Schools as a part of their corporate induction schedule. It is a two-week programme where the volunteers are expected to assist Satya Bharti School teachers, assist them to organise upcoming events, strengthen their English and basic computer knowledge and help raise the profile of the village school
- Bharti Airtel employees are encouraged to volunteer at Satya Bharti Schools and share their time, skills and knowledge with the children

Principle 05

Businesses should respect and promote human rights

1. *Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?*

Bharti Airtel does not have a stated specific Human Rights policy. However, all aspects of the Human Rights have been covered in Bharti Airtel's Code of Conduct, which extends to all employees and contractors, group companies, joint ventures and suppliers.

2. *How many stakeholder complaints were received in the past financial year and what percent was satisfactorily resolved by the Management?*

Nil

Principle 06

Businesses should respect, protect, and make efforts to restore the environment

1. *Do the policies related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?*

The environment health and safety policy extends to Bharti Airtel and its subsidiaries.

2. *Does the Company have strategies/initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage and so on.*

Yes, few strategies to address the sustainability issues like climate change and energy are given as below:

1) Alternate Energy Sources

A) Solar PV power base stations and Solar DG Hybrid Solution

B) Fuel Cells

C) Wind powered electricity generators for base stations

D) Use of bio-diesel in place of petro diesel

E) Biomass based solution

2) Energy Efficiency measures

A) Fuel Catalyst

B) Variable Speed DC DG

C) Use of FCU unit & temperature management

D) Deployment of Low-power Consuming Base Transceiver Station (BTS) (have been able to achieve a reduction in power consumption by a minimum of 30% over the last 4-5 years)

E) Use energy-efficient retrofit in base stations such as Integrated power management systems, efficient DC to AC converters, etc

F) Improvement of Power Utilisation Effectiveness (PUE) in our Data Centres

G) Deployment of Power Management Units (PMUs)

H) Deployment of new generation base stations with significantly lower energy consumption

I) Outdoor BTS deployment, reducing energy requirements by 30%

J) Use of Solar thermal solution

K) Energy efficiency in air conditioning

L) Application of variable speed drives, Lighting energy savers, etc

3) Demand side Management

A) DC Free Cooling Unit (DCFCU)

B) Installation of GenX

4) Design modifications and innovations

A) Green Shelters: Shelters with optimal cooling, power and thermal management systems, minimising the running of DG sets, reducing energy consumption by 40%

B) Reducing use of indoor BTS, which reduces the air-conditioning load and resulting power consumption by 35-40%

C) Upgrading the existing sites with auto-TRX shutdown feature, which during the non-peak hours at few sites can switch the TRX to reduce the power requirement

These strategies are detailed on the following link: http://www.airtel.in/sustainability-file/our-planet.html

3. *Does the Company identify and assess potential environmental risks? Y/N*

Yes, the Company has identified climate change and waste management as material issues from a sustainability perspective and has aligned its sustainability strategy around the same.

4. *Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Besides, if yes, mention whether any environmental compliance report is filed?*

No. Currently, the Company is not undertaking any project related to CDM.

5. *Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy and so on? If yes, please give hyperlink to web page and others.*

Yes, the Company has taken multiple initiatives towards energy efficiency and use of renewable energy in its facilities and data centres. Moreover, the Company collaborated with its infrastructure partners to implement the renewable energy technologies on network sites and reduce energy consumption in the existing infrastructure. The details of these initiatives can be found on our website, www.airtel.in/sustainability.

6. *Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year under review?*

Yes, the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. *Number of show cause/legal notices received from CPCB/SPCB, which are pending (i.e. not resolved to satisfaction) as at the end of the financial year.*

There have been two show cause/legal notices received from CPCB/SPCB by the Company in FY 2012-13, which are under various stages of closure.

Principle 07

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. *Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.*

The Company is member of various business associations including the followings:

- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Cellular Operators Association of India (COAI)
- Association of Unified Telecom Service Providers of India (ASUPI)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- VSAT Services Association of India (VSAI)
- DTH Association of India
- The Internet Service Providers Association of India (ISPAI)

2. *Have you advocated/lobbied through the above associations for the advancement or improvement of public good?*

Yes/No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development polices, energy security, water, food security, sustainable business principles and others).

Wherever any consultation paper is released by TRAI, the Company provides its inputs to the association for an appropriate representation to the Regulator. Bharti Airtel focuses on public policies that maximise the ability of individuals and companies to innovate, benefit the daily lives of people and strengthen the country's economy. Bharti Airtel works to ensure that its public policy positions complement or advance its sustainability and citizenship objectives. In taking public policy positions, Bharti Airtel strives to advance in innovation, enhance competitiveness, and increase job creation, economic growth and sustainable standards of living. Our policy agenda is centred around the provision of network coverage, affordable access to the customers, digital inclusion, quality of service offerings, tariff, environment and so on.

Principle 08

Businesses should support inclusive growth and equitable development

1. *Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, provide details thereof.*

   Bharti Airtel's blueprint of social inclusion aims at ensuring that millions more are included and empowered through sustainable economic growth. This objective is guided by its three Social Pillars, namely:

   1) Increasing digital footprint and bringing everyone into digi-presence
   2) Applying Bharti Airtel's existing platforms to the universe of health, education and financial services to the weaker sections of the society
   3) Fostering community development through active community service and engagement through Bharti Airtel's reach and accessibility in urban and rural India

   These objectives are accomplished by:

   - Bridging the digital divide through its robust network and far-reaching distribution
   - Working towards expanding bouquet of services and enhancing its communication technologies
   - Emerging and innovative business models like Airtel *money*, mHealth, mEducation are focused on overcoming the sustainability barriers

   In addition, the Company also supports philanthropic activities of Bharti Foundation, which provides quality education, free of cost to underprivileged children in rural India, with a special focus on the girl child and the weaker sections of society [SC/ST/OBC], the programme is one of the largest end-to-end education initiatives by a corporate group in the country. In addition, Bharti Foundation also provides income generation, employment opportunities to the local community through the following:

   - Recruiting local youth as teachers and training them continuously to upgrade their skills. Most of these teachers also belong to marginalised sections
   - Employing mothers of children as Mid-Day Meal (MDM) vendors. Most of these women MDM vendors have opened an account for the first time in their lives

2. *Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?*

   Bharti Foundation is the philanthropic arm of the Bharti Group. Bharti Airtel's philanthropic initiatives are mainly implemented through Bharti Foundation.

3. *Have you done any impact assessment of your initiative?*

   Yes. Impact assessment is done by both internally and through the third party.

   Internal assessments

   - Monthly School Report measuring performance of schools with an easy-to-fill excel-based school-level database
   - School Report Card giving overall grade to a school, based on its performance on various inputs, processes and output parameters
   - Process Audits conducted by the quality team at individual schools to identify process gaps, on the basis of School Operating Manual

   External assessments

   - Students' learning levels have been validated by external evaluations. The first external evaluation was undertaken by Indus Learning Solutions and supported by the World Bank in FY 2010-11 and by Educational Initiatives in FY 2011-12. The external assessors provided valuable insights on students' performance, improvements needed in training as well as curriculum interventions

4. *What is the Company's direct contribution to community development projects? Provide the amount in ₹ and the details of the projects undertaken?*

   During the year 2012-13, Bharti Airtel has contributed the following amount in various philanthropic activities:

   Bharti Foundation toward furtherance of its objectives - ₹ 105.82 Mn

   Bharti Foundation (toward scholarship) – ₹ 0.97 Mn

   Various NGOs (toward various philanthropy programmes) – ₹ 1.48 Mn

5. *Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in around 50 words.*

Community involvement, participation and their sustained support towards the Satya Bharti Schools have been a key component of the programme over the last six years. Bharti Foundation ensures adoption of its various initiatives through the following ways:

School's connect with the community

- Regular home visits by teachers
- Structured parent-teacher meetings
- Community development campaigns

Community connecting schools with local culture

- Community Volunteering Week
    - Community members teach local history, traditions, art and craft to Satya Bharti Schools students
- Community participation in school events

Principle 09

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. *What percentage of customer complaints/consumer cases is pending, as at the end of the financial year?*

Only 0.059% of the customer complaints received in FY 2012-13 is pending and is being carried forward in FY 2014 for resolution, as on March 31, 2013. Around 64% of the 312 legal/consumer cases received in FY2012-13 are at various stages of resolution, as on March 31, 2013.

2. *Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).*

Since the Company is engaged in the business of providing suite of telecommunication services, the clause has limited applicability. Notwithstanding Bharti Airtel has been transparently communicating service mandatory information regarding enrolment and deactivation, tariff, usage, contact and grievance information, in addition to others on its periodical bills, enrolment form, booklets, website and POS displays to the extent possible.

3. *Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as at the end of the financial year? If so, provide details thereof, in about 50 words or so.*

Nil

4. *Did your Company carry out any consumer survey/ consumer satisfaction trends?*

Yes, the Company conducts customer satisfaction trends, both for individual and enterprise customers at every stage of the interaction through IVR-based Customer Feedback in our Contact Centres. Along with this, Customer Transaction Assessment and Customer Relationship Assessment are conducted by a third party to evaluate customer perception and discover areas critical to maintaining customer loyalty.

The customer satisfaction score for FY 2012-13 stood at 86.75% and 81.75% for prepaid and postpaid services, respectively.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 18th Annual Report on the Company's business and operations, together with the audited financial statements for the year ended March 31, 2013.

Company Overview

Bharti Airtel continued to be among the top four mobile service providers globally with presence in 20 countries, including India, Sri Lanka, Bangladesh and 17 countries in the African continent. The Company's diversified service range includes mobile, voice and data solutions using 2G, 3G and 4G technologies. Its service portfolio also comprises an integrated suite of telecom solutions to its customers, besides providing long-distance connectivity in India, Africa and rest of the world. The Company also offers Digital TV and IPTV services in India.

All these services are rendered under a unified brand 'airtel', either directly or through subsidiary companies. The Company also deploys, owns and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel Limited, which owns 42% of Indus Towers Limited. Together, Bharti Infratel and Indus Towers are the largest passive infrastructure service providers in India.

Financial Results

In line with the statutory guidelines, the Company has adopted International Financial Reporting Standards (IFRS) for accounts consolidation from FY 2010-11. Consolidated and standalone financial highlights of the Company's operations are as follows:

Consolidated Financial Highlights (IFRS)

Particulars	FY 2012-13		FY 2011-12	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	803,112	14,754	714,508	14,937
EBITDA	248,704	4,569	237,123	4,957
Cash profit from operations before derivatives and forex fluctuations	208,008	3,821	204,836	4,282
Earnings before taxation	49,820	915	65,183	1,363
Net profit	22,757	418	42,594	890

* 1 USD = ₹ 54.43 Exchange Rate for financial year ended March 31, 2013 (1 USD = ₹ 47.84 for financial year ended March 31, 2012).

Standalone Financial Highlights (IGAAP)

Particulars	FY 2012-13		FY 2011-12	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	453,509	8,332	416,038	8,696
EBITDA	149,633	2,749	143,016	2,989
Cash profit from operations after derivatives and forex fluctuations	132,815	2,440	128,722	2,691
Earnings before taxation	64,548	1,186	69,562	1,454
Net profit	50,963	936	57,300	1,198

* 1 USD = ₹ 54.43 Exchange Rate for financial year ended March 31, 2013 (1 USD = ₹ 47.84 for financial year ended March 31, 2012).

The financial results and the results of operations have further been discussed in detail in the Management Discussion and Analysis section.

Share Capital

During the year, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2013, it stood at ₹ 18,987,650,480, divided into 3,797,530,096 equity shares of ₹ 5 each.

General Reserve

An amount of ₹ 3,830 Mn has been transferred to the General Reserve out of Bharti Airtel's total standalone profit of ₹ 50,963 Mn for the financial year ended March 31, 2013.

Dividend

The Board recommends a final dividend of ₹ 1 per equity share of ₹ 5 each (20% of face value) for the financial year 2012-13. The total dividend payout will amount to ₹ 3,798 Mn excluding tax on dividend. The payment of dividend is subject to the approval of the shareholders in the Company's ensuing Annual General Meeting.

Transfer of Amount to Investor Education and Protection Fund

Since the Company declared its maiden dividend in August 2009 for the FY 2008-09, no unclaimed dividend is due for transfer to Investor Education and Protection Fund.

Fixed Deposits

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

Capital Market Ratings

As on March 31, 2013, Bharti Airtel is rated by two domestic rating agencies, namely CRISIL and ICRA, and two international rating agencies, viz. Fitch Ratings and S&P.

- CRISIL and ICRA revised their long-term ratings of the Company. Currently, they rate the Company at [CRISIL] AA+/[ICRA] AA+ with a stable outlook. Short-term ratings were reaffirmed at the highest end of the rating scale at [CRISIL] A1+/[ICRA] A1+
- Fitch Ratings and S&P reaffirmed their respective ratings at BBB- with negative outlook and BB+ with stable outlook

Employee Stock Option Plan

The Company presently has two Employee Stock Option (ESOP) schemes, namely the (Employee Stock Option Scheme 2001) and the Employee Stock Option Scheme 2005. Besides attracting talent, the Schemes also helped to retain talent and experience.

Both the above mentioned ESOP schemes are presently administered through a Trust, whereby the shares held/ acquired by the Trust are transferred to the employees upon exercises of stock options as per the terms of the Scheme.

> The Company completely revamped its internet and social media presence. This initiative helped increase its community sizes by more than 600% to over 7 Mn and create one of India's buzziest and most engaging social media brands.

In view of the recent Circular issued by SEBI, the Company stopped acquiring further shares from the open market toward appropriation of the same for the ESOP scheme 2005. The shares acquired/held by the Trust prior to the circular will be utilised to administer the above schemes in accordance with the applicable regulations.

The ESOP Compensation Committee, constituted in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guidelines), administers and monitors the Company's ESOP schemes. The applicable disclosures as stipulated under the SEBI Guidelines, as on March 31, 2013, are provided in **Annexure C** to this report.

A certificate from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company's ESOP schemes, would be placed before the shareholders at the ensuing Annual General Meeting. A copy of the same will also be available for inspection at the Company's registered office.

Branding

FY 2012-13 was marked by significant achievements on the brand front. Strategic repositioning of brand airtel was accelerated to make it younger, livelier and better connected. The brand followed a coherent strategy for a younger and fresher brand anchored in the 'Friendship' communication territory.

In India, various advertisement campaigns, including *Har Friend Zaroori, Jo Mera Hai* TV Commercial and others enhanced the popularity of brand airtel further. Airtel Rising Stars gained more popularity in 2012, as it engaged the youth across India, Sri Lanka and Bangladesh. Our association with Manchester United was leveraged, allowing young people to go for training at the Manchester Soccer School Academy, UK. In 2012, Bharti Airtel helped ingrain the love for F1 sport in the minds of the Indian audience through the stars Michael Schumacher and Nico Rosberg.

In Africa, Innovative trade branding toolkits were successfully rolled out in all countries. During the year, over 650,000 square metres of wall branding were completed, and Picture of Success (PICOS) rolled out in over 231,000 retail outlets, 625 express shops and about 6,000 pan-Africa extra outlets. The Company also created airtel Smartphones logo for device merchandising, which was implemented in 13 countries. ARS Africa Championship, the largest and first-of-its-kind youth soccer tournament for boys and girls in the continent, was successfully inaugurated in Nairobi, Kenya. As many as 15 countries participated in the event, which was endorsed and flagged off by the Kenyan Prime Minister. The Company rolled out airtel Football TV Show on DSTV, which premiered on the popular SuperSport channel. It also launched digital platforms for consumer engagement via airtel-football.com and facebook.com/AirtelFootball.

The Company completely revamped its internet and social media presence. This initiative helped increase its community sizes by more than 600% to over 7 Mn and created one of India's buzziest and most engaging social media brands.

Brand airtel was ranked as No. 1 among the service brands in 2012 by Brand Equity's Most Trusted Brand Survey. It also won several awards, including seven Abbies at GoaFest, four Effies, three Bloomberg Brand Leadership awards, CNN-IBN's Brand of the Year award, Yahoo's 360 Campaign of the Year award, agency faq's third Buzziest Indian Brand and so on. Bharti Airtel captured the *numero uno* position among telecom brands in Economic Times' Brand Trust ratings. It also entered the Financial Times London's list of Top 100 Global Brands. The Nigeria Half Dollar campaign was listed as a finalist in the Facebook Studio Awards.

Major Agreements and Alliances

The Company signed the following key agreements/alliances in the year under review with:

- Ericsson for Access Agnostic Packet Core catering to 2G, 3G and, in future, 4G customers in all countries of Africa
- HP to provide Cloud-enabled platform (CLEP) to offer Cloud-based services across all geographies in Africa
- Ceragon, NSN and Ericsson for supply and installation of Trunk Microwave to create high-capacity backbones across all geographies in Africa
- Huawei and Ericsson for IN system to implement latest features, hardware modernisation and geographical redundancy in India
- Cisco and Alcatel Lucent (using Ruckus technology) to deploy Wi-Fi hotspots in high footfall areas in top Indian cities
- Spirent, Agilent Technologies, Rohde & Schwarz, JDSU and IXIA Wirtel to augment our state-of-the-art, in-house validation laboratory capabilities for India
- Microsoft to launch Office 365 (O365) product for its subscribers in India through airtel Cloud Enablement Platform
- TURNER for two new advertisement-free channels on airtel digital TV in India, namely HBO Hits and HBO Defined, to deliver a new, premium movie-viewing experience to the subscribers
- SAREGAMA and Timbre Media to provide 12 radio channels for iMusicspace service on airtel digital TV to enable genre-wise music-listening experience to the subscribers

New Products/Initiatives

During the year under review, the Company launched various new and innovative products and services, directly as well as through its subsidiaries. These offerings enabled it to strengthen its leadership in an intensely competitive market. Some of the key launches/initiatives across geographies during the year in retrospect are discussed below.

India

Superior customer experience has been at the heart of all initiatives and products that were launched during the year. The Company's presence across platforms – 2G, 3G, 4G and DSL – enables our customers to experience data across screens. For improved data experience, we launched near real-time GPRS usage monitoring tool and, thereby reduced customer complaints.

To improve platinum and solitaire customer satisfaction, the Company initiated several focused programmes like priority access at call centres and offering attractive deals and discounts.

With our focus on customer convenience, adding non-traditional channels of contact became a focus area. We have established our presence across popular social networking sites and online forums.

During 2012-13, we undertook several key initiatives including the following:

- Launched 4G services in Pune, followed by Chandigarh, taking the total number of cities with 4G services to four (Bangalore, Kolkata, Pune and Chandigarh)
- Developed *Apps and Games Store with APPIA,* which is ranked third globally as an Apps and games Store, and helped consumers download data; a maximum of 100,000 downloads were performed in a day
- *Launched HD gaming, offering* high-definition games for smartphones like android and 3G devices
- Launched *airtel live Wap portal* in Hindi to open up the world of internet for even a larger number of consumers
- Collaborated strategically with *Opera Browser* to enhance Mobile Internet browsing experience on 2G networks
- Integrated Billing API with Nokia Store to help customers pay from their airtel wallet and download apps and games from Nokia Store
- Launched *mBazaar,* a unique service, which uses an innovative business model of lead generation to provide a market place to customers and enables an unlimited search and deals at the location nearest to them at a very nominal price
- Introduced Rural Portal - a first-of-its-kind innovative service catering to the rural segment
- Launched the unique *Emergency Alerts* service to enable subscribers send instant and *automatic alerts*
- Introduced new innovative services in the DTH business; added recording facility on High Definition (HD) boxes to help a customer record content on USB drives, while watching his/her favourite channel on High Definition (HD) Set Top Boxes and Digital Video Recorders (DVR) with 3D capabilities
- Introduced iExam with content on Bank PO, MBA, Medical, Class 8th, 9th and 10th exams
- Opened up money transfer through airtel *money* to any bank account in India on the non-KYC Express wallet, along with P2P transfers to any other airtel *money* account
- Partnered with Axis Bank to launch the Super Account in May 2012 to help customers save and earn interest on their airtel *money* account, as well as cash-out according to their requirement

Africa

- Implemented Cloud Portal (without Billing) for Nigeria
- Introduced 64K SIM Standardisation in 14 countries to ensure higher capacity SIM card availability to increase VAS content for the subscriber and to standardise SIM card profiles across the African countries
- Implemented *Doctor on Call* in Malawi to give customers the opportunity to consult doctors over mobile phone
- Launched BB10 in Nigeria, making it the first country to introduce this BlackBerry device that offers new look and feel and provides a different BlackBerry experience; the operator's infrastructure, as well as the way the BlackBerry services will be packaged and commercialised are also different

Other Developments

During the year, Bharti Infratel Limited, the Company's subsidiary, made an Initial Public Offering (IPO) through book building process. The subsidiary raised ₹ 32,303 Mn from the fresh issue of 146.2 Mn equity shares at an average price of ₹ 220.90 per share of face value ₹ 10 each. Bharti Infratel's shares were listed on December 28, 2012, on NSE and BSE.

Directors

During the year under review w.e.f. September 06, 2012, Lord Evan Mervyn Davies and H.E. Dr. Salim Ahmed Salim and w.e.f. September 26, 2012, Mr. Akhil Gupta, Mr. Rakesh Bharti Mittal and Mr. Hui Weng Cheong ceased to be the Directors and Mr. N. Kumar retired from the Board w.e.f. February 01, 2013. The Directors place on record their appreciation for the help, guidance and contribution made by them during their tenure as Directors.

Ms. Obiageli Ezekwesili and Mr. Manish Kejriwal were appointed as Additional Directors w.e.f. September 26, 2012. They will cease to hold office at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received notices from members under Section 257 of the Companies Act, 1956, proposing the appointment of Ms. Obiageli Ezekwesili and Mr. Manish Kejriwal as the Company's Non-Executive Directors. The Board recommends their appointment.

Mr. Manoj Kohli and Mr. Gopal Vittal were also appointed as Managing Director and Joint Managing Director, respectively, of the Company for a period of five years w.e.f. February 01, 2013. The approval of the members was obtained for this through postal ballot notice dated February 1, 2013.

Ms. Tan Yong Choo, Mr. Ajay Lal and Mr. Pulak Prasad retire by rotation at the forthcoming Annual General Meeting. Ms. Tan Yong Choo and Mr. Ajay Lal, being eligible, have offered themselves for re-appointment. In terms of the policy on Independent Directors adopted by the Board, Mr. Pulak Prasad, Independent Director, has completed his term of office and does not seek re-appointment for succeeding term in the ensuing Annual General Meeting.

A brief resume of the Directors proposed to be appointed/re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is appended as an annexure to the Notice of the ensuing Annual General Meeting.

Subsidiary Companies

As on March 31, 2013, your Company has 119 subsidiary companies, as set out in page no. 227 of the Annual Report (for abridged Annual Report please refer page no. 87).

Pursuant to the General Circular No. 2/2011, dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet, statement of profit & loss, and other documents, as set out in Section 212(1) of the Companies Act, 1956, in respect of its subsidiary companies, for the year ended March 31, 2013.

Annual accounts of these subsidiary companies, along with related information, are available for inspection at the Company's registered office and the registered office of the respected subsidiary companies. Copies of the Annual Report of the subsidiary companies will also be made available to the investors of Bharti Airtel and those of the subsidiary companies upon request.

The statement pursuant to the above referred circular is annexed on page no. 93 of the Abridged Annual Report and page no. 234 of the full version Annual Report.

Abridged Financial Statements

In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Board of Directors has decided to circulate printed copy of the Abridged Annual Report containing salient features of the balance sheet and the statement of profit & loss to the shareholders for the financial year 2012-13, who have not registered their email id. Full version of the Annual Report will be available on the Company's website, *www.airtel.com,* and will be sent to the investors by email. To support the green initiative of the Ministry of Corporate Affairs, the Company has also decided to send all communications, including the Annual Report, through email to those shareholders, who have registered their email id with their depository participant/Company's registrar and share transfer agent. If a shareholder wishes to receive a printed copy of such communications, he/she may please send a request to the Company, the same will be sent a printed copy of the communication.

Management Discussion & Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming a part of the Annual Report.

Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance. The Company adhere to the requirements set out by SEBI's Corporate Governance practices. The Company has implemented all the stipulations prescribed.

A detailed report on Corporate Governance, pursuant to the requirements of Clause 49 of the Listing Agreement, forms a part of the Annual Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Act and Clause 32 of the Listing Agreement, the abridged Annual Report, excluding this report, will be sent to the Company's members. Members who desire to obtain the full version of the report may write to the Company Secretary at the registered office address and will be provided with a copy of the same. A certificate from the Company's Auditors, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants,Gurgaon, confirming compliance of conditions of Corporate Governance, as stipulated under Clause 49, is annexed to the report as **Annexure A**.

Corporate Social Responsibility and Business Responsibility Report

At Bharti Airtel, Corporate Social Responsibility (CSR) encompasses much more than social outreach programmes. It lies at the heart of the Company's business operations. Detailed information on the Company's CSR initiatives is provided in this Annual Report's CSR section and the Business Responsibility Report.

SEBI, vide its Circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated the top 100 listed entities, based on market capitalisation at BSE and NSE, to include Business Responsibility Report as a part of the Annual Report describing the initiatives taken by the companies from Environmental, Social and Governance perspective.

Accordingly, a detailed report on Corporate Social Responsibility and Business Responsibility Report forms a part of the Annual Report. However, in terms of the provisions of Section 219(1)(b)(iv) of the Act and Clause 32 of the Listing Agreement, the Abridged Annual Report, excluding this report, will be sent to the Company's members. Members who desire to obtain the full version of the report may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

Sustainability Journey

Sustainability initiatives have been integral to the Company's journey since inception. The last two years witnessed the Company adding a more comprehensive and structured sustainability plan with active cooperation of all stakeholders. The objective is to benefit our community and the planet through all our operations and engagements. Bharti Airtel is strengthening its efforts on issues like climate change, employee engagement, waste management, digital inclusion and impact on communities, among many others. The Company is committed to maintain the highest standards of governance, safety and environmental performance across the value chain. The Company released its first sustainability report 2012 highlighting its various initiatives. The Company's first sustainability report is available on the website of the Company and can be accessed at *http://www.airtel.in/sustainability/*

Statutory Auditors

The Company's Statutory Auditors, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, retire at the conclusion of the Company's ensuing Annual General Meeting and have confirmed their willingness and eligibility for re-appointment.

The Company has received letters from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956, and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report.

As regards the comments under para i(a) of the annexure to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets, the Company has strengthened its processes whereby the fixed assets register for new assets is being updated for the quantitative and situation details on a real time basis. The Company has made significant progress in updation of the situation details for majority of the sites for past period capitalisation, and intends to complete the site wise updation of quantitative details as per the ongoing physical verification plan.

Cost Auditors

Pursuant to the direction of the Central Government, the Company has appointed M/s. R. J. Goel & Co., Cost Accountants, as Cost Auditors for FY 2013-14. The Cost Auditors will submit their report for FY 2012-13 to the Government on or before the due date.

Secretarial Audit Report

The Company has appointed M/s. Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct its Secretarial Audit for the financial year ended March 31, 2013. The Auditors have submitted their report confirming compliance with all the applicable provisions of various corporate laws. The Secretarial Audit Report is provided separately in the Annual Report. In terms of the provisions of Section 219(1)(b)(iv) of the Act and Clause 32 of the Listing Agreement, the abridged Annual Report, excluding this annexure, will be sent to the Company's members. Members who desire to obtain this information may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

Particulars of Employees

The information, as required to be provided in terms of Section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, have been set out in the annexure to this report. In terms of the provisions of Section 219(1)(b)(iv) of the Act and Clause 32 of the Listing Agreement, the Abridged Annual Report, excluding this annexure, will be sent to the Company's members. Members who desire to obtain this information may write to the Company Secretary at the registered office address and will be provided with a copy of the same.

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings and Outgo

Being a service providing organisation, most of the information of the Company, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, as amended, is not applicable. However, the information, as applicable, has been given in **Annexure B** to this report.

Directors' Responsibility Statement

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

I. The applicable accounting standards have been followed, along with proper explanation relating to material departures, in the preparation of the annual accounts for the year ended March 31, 2013.

II. They have selected and applied consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the Company's state of affairs and profits, as at the end of the financial year.

III. They have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, and to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

IV. They have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors wish to place on record their appreciation to the Department of Telecommunications (DoT), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 17 countries in Africa, Company's Bankers and business associates, for assistance, co-operation and encouragement they extended to the Company. The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz. Bharti Telecom, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board

Date: May 2, 2013
Place: New Delhi

Sunil Bharti Mittal
Chairman

Annexure A

Auditors Certificate Regarding Compliance of Conditions of Corporate Governance

To

The Members of Bharti Airtel Limited,

We have examined the compliance of conditions of Corporate Governance by Bharti Airtel Limited ("the Company"),for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

For **S. R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814
Place: New Delhi
Date: May 2, 2013

Annexure B

Information relating to conservation of energy, technology absorption, research and development, and foreign exchange earnings and outgo forming parts of Directors' Report in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

Conservation of Energy and Technology Absorption

The information in Part A and B, pertaining to conservation of energy and technology absorption, are not applicable to Bharti Airtel, as it is a telecommunication services provider. However, the Company requires energy for its operations and every endeavour has been made to ensure the optimum energy use, avoid wastage and conserve energy as much as possible.

The Company continuously evaluates global innovation and technology as a benchmark and, whenever required, enters into arrangements to avail of the latest technology trends and practices.

Foreign Exchange Earnings and Outgo

Activities relating to initiatives taken to increase exports; development of new export markets for products and services, and export plans.

International Long-distance Business

The Company has a global footprint with services in 26 countries with 13 points of presence (PoPs). It continues to focus on emerging markets. The infrastructure establishes a seamless connectivity globally, offering at least three cables on every route, thereby providing unparalleled diversity and resilience. The Company witnessed growth in its long-distance voice business, emerging among the Top 10 Global Carriers. It believes that its presence and operations in developing markets, especially Asia and Africa, coupled with strong bilateral global relationships, will further strengthen its position, therefore increasing global traffic share.

Telecom Services in Other Countries

Bharti Airtel Lanka (Pvt) Limited is Sri Lanka's fastest growing wireless service provider. It expanded its footprint by starting commercial operations in the country's eastern and northern parts. Airtel Lanka ended the financial year with 1.7 Mn customers. The Company continues to gain leadership in both incremental customer market share and revenue market share through aggressive marketing and strong distribution network.

Airtel Bangladesh Limited continues to grow and currently has over 6.2 Mn customers. The Company has 135 distributors and over 96,000 retailers across the country. In the six markets, which are extremely competitive for the operators, the Company's immediate focus is to ensure faster quality network rollout across the country and build a strong dynamic brand. As in March 2013, Airtel Bangladesh Limited reached population coverage of about 77%.

Airtel Africa continues to grow with the ending revenue earning customer base for the year at 63.3 Mn; the Company crossed the 60 Mn mark in October 2012. Nigeria, which is the largest market, contributes 30% to the revenue-earning customer base, while the Francophone and Anglophone regions contribute 29% and 41%, respectively. Network rollout continued aggressively, with the total number of sites ending at 16,653 at the end of March 2013.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earning ₹ 27,824 Mn

(b) Total Foreign Exchange Outgo ₹ 47,568 Mn

Annexure C

Information Regarding The Employees Stock Option Scheme (As on March 31, 2013)

S. No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
1)	Number of stock options granted	27,397,047*	40,530,078**
2)	Pricing Formula	Exercise Price not less than the par value of the equity share and not more than the price prescribed under Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 on Grant Date	29,015,686 @ 11.25 1,760,000 @ 0.45 4,380,000 @ 35.00 142,530@ 0.00 5,166,862 @ 5.00 40,000 @ 60.00 25,000 @ 110.50
3)	Options vested	21,993,165	39,034,250
4)	Number of options exercised	5,396,795	30,181,543
5)	Number of shares arising as a result of exercise of option during the financial year 2012-13	Nil	Nil
6)	Number of options lapsed	12,095,302	9,163,883
7)	Money realised by exercise of options	₹ 621,402,051	₹ 389,387,285
8)	Total number of options in force	9,903,950	1,185,150
9)	Options granted to senior managerial personnel during the financial year 2012-13		
	Mr. Bhaskar Chakraborty	8,400	-
	Mr. Narender Gupta	9,700	-
	Mr. Christopher Tobit	4,800	-
	Mr. Najib Khan	5,500	-
	Mr. Srinivas K	20,100	-
	Mr. Rajnish Singh Baweja	6,900	-
	Mr. N. Arjun	12,700	-
	Mr. Sam Elangalloor	3,200	-
	Mr. Shivan Bhargava	7,100	-
	Mr. Raghunath Mandava	11,700	-
	Mr. Deven Khanna	18,700	-
	Mr. Sarvjit Singh Dhillon	46,800	-
	Mr. Rajan Swaroop	12,500	-
	Mr. Ajai Puri	13,000	-
	Mr. Shashi Arora	6,900	-
	Mr. Nilanjan Roy	17,600	-
	Mr. S. Asokan	15,900	-
	Mr. Rahul Gupta	9,600	-
	Mr. K. Shankar	24,300	-
	Mr. Inder Walia	41,000	-
	Ms. Jyoti Pawar	16,000	-
	Mr. Sriraman Jagannathan	15,600	-
	Mr. Mohit Beotra	5,800	-
	Mr. Alexander Andrew Kelton	20,100	-

S. No.	Particulars	ESOP Scheme 2005	ESOP Scheme 2001
	Mr. Sunil Colaso	10,200	-
	Mr. Mrinal Roy	8,400	-
	Mr. V. G. Somasekhar	13,000	-
	Mr. N. Rajaram	11,400	-
	Mr. Jagbir Singh	23,000	-
	Mr. Mukesh Bhavnani	19,600	-
	Mr. Bharat Bambawale	21,100	-
	Mr. Joaquim Mario Do Carmo Pereira	30,000	-
	Mr. Gopal Vittal	150,000	12,500
	Mr. Moti Gyamlani	-	50,000
10)	Diluted earning per share (EPS) as per AS 20	N.A.	N.A.
11)	Difference between the employees compensation cost based on intrinsic value of the stock and the fair value for the year and its impact on profits and on EPS of the Company	N.A.	N.A.
12)	a) Weighted average exercise price	₹ 212.08	a) ₹ 11.25; ₹ 0.45; ₹ 35; ₹ 0; ₹ 5; ₹ 60; ₹ 110.5
	b) Weighted average fair price	₹ 185.12	b) NA; NA; NA; ₹ 69.70; ₹ 263.19; ₹ 84.43; ₹ 357.63
13)	Method and significant assumptions used to estimate the fair values of options	Black Scholes/Lattice Valuation Model/Monte Carlo Simulation	
	(i) risk - free interest rate	i) 7.88% p.a. to 8.84% p.a. (The Government Securities curve yields are considered as on valuation date)	
	(ii) expected life	ii) 48 to 60 months	
	(iii) expected volatility	iii) 36.42% to 41.58% (assuming 250 trading days to annualise)	
	(iv) expected dividends	iv) 20% (Dividend yield of 0.28% to 0.36%)	
	(v) market price of the underlying share on grant date	v) ₹ 274.40 to ₹ 336.70 per equity share	

Notes:

* Granted 8,662,495 options out of the options lapsed over a period of time.

** Granted 8,850,078 options out of the options lapsed over a period of time.

- The options granted to the senior managerial personnel under both the schemes are subject to the adjustments as per the terms of respective performance share plan.
- During the year, the ESOP Compensation Committee had revised the performance measures and vesting schedule of performance linked options granted to Mr. Manoj Kohli and Mr. Sanjay Kapoor under ESOP scheme 2001 and 2005.
- No employee was granted stock options exceeding 5% of the total grants or exceeding 1% of the issued capital during the year.

Annexure D

Statement of particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended March 31, 2013 and forming part of the Directors' Report

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/Designation
(A) EMPLOYED THROUGHOUT THE FINANCIAL YEAR									
1	A M Rai	Hub - Chief Technical Officer	B.E/B.Tech	52	28-Sep-00	30	Operations	8,577,288	Fibcom/Project Lead
2	Abhay Johorey	Head - Airtel.com	PGDBM	48	18-Oct-10	25	Business Head	12,001,994	Aviva Asia PTE LTD/Director Operations
3	Abhay Savargaonkar	Head - Operations	B.E/B.Tech	48	5-Aug-06	23	Operations	14,227,752	Bharti Infotel Ltd/Chief Technology Officer
4	Abhilasha Hans	CSO - B2C	MBA	48	23-Jan-07	22	Customer Service Delivery	17,808,715	Teletech Services India Limited/Sr. Vice President
5	Ajai Puri	Director - DTH	Post Graduation	52	15-May-04	32	Business Head	18,773,382	Cargill Foods India/Business Head-India Foods
6	Ajay Chitkara	Head - Global Data Business	PGDBM	41	1-May-01	19	Business Head	9,592,940	Comsat Max Limited/Area Sales Manager
7	Alexander Andrew Kelton	President - Enterprise Services	BSc. Electrical Engineering, Chartered Engineer (Eeng) and MIET	54	5-Jul-10	34	Business Head	39,118,244	Telstra International/Managing Director
8	Alok Bafna	Sr. Vice President- Finance	CA	39	29-Dec-03	15	Finance	6,291,117	Idea Cellular Ltd./Manager - Finance
9	Anand Kumar Tk	Hub - Chief Technical Officer	M.Tech/M.S	57	5-May-10	24	Operations	6,315,856	Sistema shyam teleservices ltd/Director
10	Anant Arora	CEO-Market Operations Gujarat	B.E/B.Tech	46	11-Apr-03	23	Business Head	11,938,077	Reliance Infocomm Ltd/Head - Sales Operations
11	Anantharaman R	Head - IFFCO	Post Graduation	46	26-Sep-03	22	Business Head	7,271,361	BPL Mobile Cellular Ltd/Business Head
12	Anjani Rathor	Head Products	PGDBM	40	10-Dec-07	16	M Commerce	8,861,423	Delhi Accenture Boeing/Director, Strategy and Business Development
13	Anuj Khungar	Hub - Chief Technical Officer	Post Graduation	49	28-Feb-05	25	Operations	6,903,699	Reliance Infocomm Ltd/Chief Technical Officer
14	Anuradha Sehgal	Head - Brand & Advertising	MBA	40	4-Oct-10	18	Brand	6,177,100	Reckitt Benckiser India Ltd./Marketing Manager
15	Argha Basu	Product Head	Post Graduation	45	25-Feb-08	22	Prod Dev & Business Sol Group	8,169,349	VSNL/Business Head-Mpls
16	Ashish Arora	Chief Operating Officer -ES Corporate-HO	MBA	43	3-Apr-07	18	Sales	8,819,452	Sify Ltd/National Sales Head
17	Avinash Deepak	Regional Business Head	B.E/B.Tech	42	28-Aug-06	19	Sales	6,015,208	BT Infonet/National Head - Strategic Accounts
18	Badal Bagri	Chief Controller B2C	CA	41	24-Sep-10	13	Finance	17,085,102	Genpact/Sr Vice President and Global Controller
19	Bharat Bambawale	Director - Global Brand	B.Sc.	51	1-Aug-11	29	Brand	14,187,247	J Walter Thompson/Global Business Director
20	Deepa Chadha	Vice President - HR	PG Diploma	41	9-Feb-09	18	Human Resources	6,304,074	Genpact/Vice president HR Shared Services
21	Deepak Bhatia	Head - Service Experience	MBA	40	10-Oct-05	17	Customer Service Delivery	6,201,000	Tata Tele Services Ltd/Head - CSD
22	Deven Khanna	Director - CMD's Office	B.Com, CA	53	1-Sep-04	23	Finance	16,413,348	Triveni Engineering Industries Ltd./VP-Corp Finance & Planning
23	Dharmender Khajuria	Chief Operating Officer -J&K	MBA	44	21-Nov-01	21	Business Head	6,787,854	National Panasonic/Sr. Sales Officer
24	Dhruv Bhagat	CEO-Market Operations Bihar	PGDBM	43	1-Sep-06	17	Business Head	9,153,860	Hutchison Essar Ltd./Business Head
25	Dipak Roy	Business HR Head	MBA	46	19-Jun-06	25	Human Resources	11,792,491	IBM/General Manager
26	Dushyant Kumar	Sr. VP - Deployment & Operations Head	B.E/B.Tech	47	2-Nov-98	21	Deployment	6,561,512	Bharti BT Internet Ltd/manager
27	Felix Mohan	Head SCG	Post Graduation	57	9-Oct-06	33	Information Technology	10,029,871	Secure Synergy/Director
28	Gautam Anand	Vice President -Business Head	MBA	36	30-Jul-09	14	Business Head	6,425,595	Citibank/Portfolio Management
29	George Mathen	CEO-Market Operations Assam	Post Graduation	44	17-Nov-06	22	Business Head	8,431,917	Coca Cola India/Head - Sales
30	George Fanthome	Chief Informations Officer - B2B	MBA	46	9-Jul-07	24	Information Technology	8,366,493	Genpact/Vice President
31	H Cajetan Rubenselvadoray	Head HR	Post Graduation	42	18-Jul-05	19	Human Resources	6,855,483	Motorola India Ltd./Head Learning, HR Strategy and OD
32	Harjeet Kohli	Group Treasurer	MBA	39	19-Jan-09	15	Finance	9,076,909	Citigroup India/Director
33	Harjinder Singh Kohli	Head - Government Vertical	Graduation	46	22-Sep-11	26	Sales	6,326,312	Sify Technologies Limited/Sr Vice President & Head Government Business
34	Heera Lal Gupta	Head - Planning	B.E/B.Tech	45	16-Feb-99	24	Planning	7,971,657	Koshika Telecom Ltd./Sr.Manager
35	Indeevar Krishna	Head - Ops. And Customer services (AMSL)	PGDBM	44	1-Nov-10	19	Customer Service Delivery	7,592,798	CITIBANK/Head - Branch Operations and Service, North
36	Inder Walia	Group Director - Human Resources	PGDBM	55	6-Aug-07	29	Human Resources	36,709,008	Arcelor Mittal/Executive Vice President, HR
37	Jagbir Singh	Director - Network Service Group (India & South Asia)	MBA	48	13-Apr-11	26	Technical	26,936,824	Reliance Communications Ltd./CTO
38	Jai Menon	Director - Global Innovation & IT	MS–Mech Engg. & PhD Mech Engg & Computer Sciences	49	4-Apr-11	21	Information Technology	62,823,020	Vodafone Group Services Ltd./Group Technology Strategy Director
39	Jayant Sood	Head Customer services - Market Ops India	CA	48	12-Aug-09	28	Customer Service Delivery	11,688,569	American Express/Business Leader

Annexure D (Contd.)

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/Designation
(A) EMPLOYED THROUGHOUT THE FINANCIAL YEAR									
40	Joaquim Mario Do Carmo Pereira	Group Director - Internal Assurance	ACCA	51	6-Feb-12	28	Corporate Audit Group	8,915,636	Millicom International Cellular S.A./Head of Internal Audit, Compliance & Revenue Assurance
41	Jyoti Pawar	Director - Legal & Regulatory	Solicitor's Degree, LLB	47	18-Aug-08	21	Legal	14,079,764	GE Money/Senior VP- Legal & Compliance
42	K Srinivas	President - Consumer Business	BE, PGDBM	50	7-Nov-02	25	Business Head	32,199,270	Hindustan Lever Ltd./Business Manager New Ventures
43	Kaushal Modi	Head - Digital Media	Post Graduation	39	12-Jul-10	15	Business Head	8,290,477	Prime Focus Technologies Private Limited/Vice President - Business Development & Sales
44	Kishor Asrani	Chief Operating Officer -ES Corporate-South	Graduation	43	15-Feb-05	22	Business Head	7,272,649	HCL Infinet Limited/Zonal Head - North & East
45	Krish Shankar	Executive Director - Human Resources	PGDBM	50	23-Mar-07	29	Human Resources	29,125,910	Unilever Asia Africa Singapore (Hindustan Lever Ltd.)/Vice President - HR
46	Krishan Mohan Saxena	Head - Internal Enterprise Systems	B.E/B.Tech	47	19-May-08	26	Information Technology	6,286,966	Genpact India/Vice President
47	Lal Bahadur Prasad	Head CSD	Post Graduation	46	1-Jul-02	24	Customer Service Delivery	7,538,586	Wipro Infotech/Regional Manager
48	M.p. Deepu	Sales & Marketing Head	Graduation	40	15-Oct-96	18	Sales	8,318,981	"HAB EST, Saudi Arabia"/Sales Executive
49	Manish Mamtani	Head Governance & PMO	B.E/B.Tech	44	5-May-08	22	Information Technology	7,166,249	Genpact/Vice President
50	Manoj Kumar Garg	Head HR - Consumer Business & Central Functions	MBA	44	17-Aug-09	19	Human Resources	6,700,011	DELL International Services/Site HR Head
51	Manoj Murali	Chief Operating Officer -AP	MBA	42	1-Oct-01	18	Business Head	6,270,851	Crompton Greaves/Area Sales Manager
52	Manoj Paul	Chief Operating Officer -ES Corporate	BE & MBA	45	8-Apr-02	22	Business Head	8,083,811	HCL Commet/GM Legal
53	Manu Sood	Head Distribution	MBA	40	13-Jan-12	12	Business Head	8,181,447	Hindustan Lever Limited/General Manager - North India
54	Meenakshi Vajpai	Head Architecture	Post Graduation	50	12-Aug-03	24	Information Technology	6,736,828	vCustomer Services India Pvt Ltd/GM
55	Milan Rao	Head - Enterprise & Government	BE & MBA	42	1-Apr-03	19	Business Head	8,786,572	JM Morgan Stanley/Head Sales
56	Mohit Beotra	Head - Emerging Business	MBA	45	22-Mar-10	23	Business Head	12,253,083	Lowe Lintas India Limited/Executive Director
57	Mukesh Bhavnani	Group General Counsel & Co. Secretary	LLB, ACS	58	2-Jun-11	35	Co. Secretary	20,697,740	Essar Group/Group President - Legal
58	Munish Kanotra	Head - BPCI	PGDBM	42	9-Oct-01	17	Marketing	10,592,270	Spice Telecommunications/Sr Manager
59	Murali Kittu	Chief Operating Officer -Tamil Nadu	MBA	44	1-Jul-05	21	Business Head	7,777,382	Standard Chartered Bank/National Manager
60	N Rajaram	Chief Marketing Officer - B2C	MBA	45	1-Apr-11	21	Marketing	15,709,447	HINDUSTAN UNILEVER LIMITED/VICE PRESIDENT
61	Najib Khan	Chief Marketing Officer	BE & MBA	43	3-Jul-01	21	Marketing	9,225,388	Alcatel Business Systems/Technical Manager
62	Narender Gupta	Group Director - Corporate Affairs	B.Com, PGDBM, FCS, LLB	55	1-Feb-99	33	Corporate Secretarial & Regulatory	14,392,886	DLF Cement Ltd./Sr.Manager-Legal to GM-Legal
63	Neil Pollock	Head - Service Operations and CSD Transformation	MBA	47	23-Nov-09	26	Customer Service Delivery	26,860,654	Optus Pty. Ltd./Head of Strategy & Productivity
64	Nilanjan Roy	CFO India & South Asia	CA	47	1-Mar-06	23	Finance	19,074,355	Unilever Nv/Plc, Usa/Finance Director
65	Pankaj Sarna	Head Taxation	CA	52	16-Jan-99	28	Finance	6,469,674	Modi Xerox Ltd./Controller - Indirect Channels
66	Prasanta Dassarma	CEO-Market Operations West Bengal	BE & MBA	50	19-Aug-02	28	Business Head	14,599,164	HFCL/Associate Vice President
67	Prashant Dogra	Head - Entertainment & Education	PGDBM	41	2-Jun-11	15	Marketing	6,002,321	NAVTEQ India Pvt. Ltd/Head - Customer Marketing
68	Puneet Garg	VP - BW Access Planning & Engineering	B.E/B.Tech	44	30-Jan-06	21	Planning	6,778,732	Lucent Technologies/Asst. Director - NOS
69	Pvv Srinivasa Rao	CEO-Market Operations UP East	PGDBM	45	19-Aug-10	22	Business Head	8,129,486	Cambridge Systems Inc/COO
70	R Mahalakshmi	Sr. Vice President - HR	MBA	39	30-Oct-08	16	Human Resources	8,799,150	Ranbaxy Laboratories Ltd/GM-HR (L & D)
71	Raghunath Mandava	Operations Director - East Hub	BE & MBA	46	29-Sep-03	23	Business Head	16,868,617	Hindustan Lever Ltd./Operations & Marketing Manager
72	Rajesh Joshi	Chief Operating Officer -Maharashtra	MBA	43	9-Mar-09	18	Business Head	7,181,035	Pantaloon Retail (India) Ltd./Head - Properties & Malls and Zonal Head - West
73	Rajnish Kaul	CEO-Market Operations MP&CG	Graduation	45	28-Jan-03	24	Business Head	9,472,116	Escotel Mobile Communications Ltd/ Head Sales
74	Rakesh Kumar	Head NLD Ops	PGDBM	45	1-Apr-06	23	Operations	6,474,094	BSNL/Joint Deputy Director General

Annexure D (Contd.)

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/Designation
(A) EMPLOYED THROUGHOUT THE FINANCIAL YEAR									
75	Ramesh Menon	CEO-Market Operations Maharashtra	PGDBM	46	26-Oct-09	23	Business Head	12,638,389	Spencers Retail Ltd/Sr VP- Operations
76	Ravi Kumar Sreeramulu	Chief Supply Chain Officer Operations	BE & MBA	52	5-Aug-10	27	Supply Chain Management	14,690,750	Samsonite Singapore Pte Ltd/Vice President - Southeast Asia
77	Ravindra Singh Negi	Chief Operating Officer -UP East	PGDBM	41	1-Aug-00	18	Business Head	8,199,438	Koshika Telecom Ltd./Product Manager - Prepaid
78	Rohit Gothi	CEO-Market Operations NCR	MBA	45	17-Apr-09	22	Business Head	12,876,900	Lornamead Acquisitions, London/Country Director, India
79	Rohit Malhotra	CEO-Market Operations KK	PGDM	45	15-Apr-09	21	Business Head	11,448,036	Pantaloon Retail India Ltd/Head Operation - South Zone
80	S Asokan	Executive Director - Supply Chain	B.E (Mechanical),AICWA	55	7-Jun-06	28	Supply Chain Management	20,905,698	Eicher Good Earth Limited/General Manager
81	S Balasubramanian	Chief Accounting Officer	CA	47	8-Aug-05	22	Finance	7,210,466	Coke/General Chief Accountant
82	S K Sharma	Head - OE & Quality	B.E/B.Tech	57	9-May-03	34	Operational Excellence	8,440,202	GE Capital/Vice President - Quality
83	Samit Guha	Financial Controller India & South Asia	CA	43	17-Mar-04	22	Finance	7,088,177	Philips India Limited/Factory Controller
84	Sanjay Kapoor	CEO- Bharti Airtel- India & South Asia	B.Com (Hons), MBA	51	1-Jul-98	29	Business Head	88,002,849	Tele Tech Services India Ltd./President & CEO
85	Sanjay Kumar Jain	Circle - Chief Technical Officer	B.E/B.Tech	45	3-Aug-09	21	Operations	6,147,888	Smart Digivision Pvt. Ltd./CTO
86	Sanjeev Bedekar	Sr VP - Network Quality & Governance	M.Tech/M.S	48	24-Aug-06	26	Quality	7,714,394	Tata Teleservices Ltd/Vice President
87	Sanjeev Kumar	Global Chief - Revenue Assurance	CS	48	30-Jan-95	26	Finance	8,796,189	A F Ferguson/Consultant
88	Sanjeev Mahajan	Head - Enterprise Voice & Solution	Graduation	45	19-Sep-05	22	Prod Dev & Business Sol Group	6,165,222	Idea Cellular Limited/DGM-National Accounts
89	Sanjeev Singh	Head - Contact Experience	Post Graduation	47	7-Jul-11	23	Customer Service Delivery	7,031,400	Genpact/Senior Vice President
90	Sarang Kanade	CEO-Market Operations Punjab	Post Graduation	42	2-Mar-10	16	Business Head	7,150,013	Spencers Retail Ltd/VP Operation
91	Sarvjit Singh Dhillon	Group CFO	BA.,(Hons) FCIMA, MBA	47	29-Jun-01	25	Finance	32,411,662	British Telecom/ED & CFO
92	Saurabh Goel	Chief Operating Officer -KK	Post Graduation	45	27-Jun-03	17	Business Head	8,615,305	Hughes Escorts Comm. Ltd./Team Lead
93	Sayali Phatak	Vice President-Legal	LLB	47	22-Dec-10	17	Legal	6,168,203	Nokia siemens Network/Vice President
94	Shaikhali Soyeabalibarodawala	Regional Business Head	Graduation	46	28-Jan-02	27	Sales	6,092,037	SATYAM INFOWAY/Regional Manager
95	Sharlin Thayil	CEO-Market Operations AP	PGDBM	51	28-Dec-00	27	Business Head	19,443,917	BILT/Deputy General Manager-South
96	Shashi Arora	CEO - DTH -Media	BE & MBA	48	1-Feb-06	23	Business Head	12,795,238	Kotak Mahindra Bank/Group Head - Marketing
97	Shefali Malhotra	Finance Controller	CA	40	1-Mar-00	18	Finance	7,409,150	Airborne Express/Manager Accounts
98	Shishir Kumar	CEO-Market Operations Punjab	PGDBM	49	31-Aug-06	26	Business Head	8,494,238	Beta Healthcare International Ltd/Chief Operating Officer
99	Soumya Ranjan Jena	Circle - Chief Technical Officer	B.E/B.Tech	46	5-Apr-07	18	Operations	6,235,453	Ecnet (Celtel Nigeria Ltd)/Manager
100	Srikanth Balachandran	Airtel CFO	CA, B.Com	52	17-Nov-08	32	Finance	29,081,057	Hindustan Unilever Limited/Programme Leader – Global Finance
101	Sriraman Jagannathan	CEO M-Commerce	BE & MBA	47	4-Jan-10	24	M Commerce	17,790,052	Citibank/Vice President
102	Sudipto Chowdhury	CEO-Market Operations Rajasthan	Graduation	49	16-Jun-03	27	Business Head	14,739,602	Bharti Hexaom Ltd./Vice President
103	Sukesh Jain	Chief Marketing Officer	BE & MBA	45	1-Jun-00	21	Marketing	7,947,631	Procall/Sr. Manager
104	Suman Kargupta	Head - Transformation Projects	Diploma	43	23-Mar-09	21	Customer Service Delivery	6,299,220	Tata Teleservices Limited/Head - Business Excellence and Customer Relationship Management
105	Sunil Bharti Mittal	Chairman	Graduate	55	1-Oct-01	27	General Management	225,568,548	Bharti Cellular Ltd./CMD
106	Surendra Bisht	Deputy General Manager	BE & MBA	38	9-Feb-09	17	Sales	6,291,885	Quantum Corporation/National Pre-sales Manager
107	Surendran C	Chief Operating Officer -NCR	BE & MBA	47	4-Nov-03	25	Business Head	9,265,809	Modi Xerox/Head-Outsourcing
108	Umesh Gupta	Head Infrastructure	PGDSM	45	12-Dec-06	22	Information Technology	8,507,714	Equinox Overseas Private Limited/Chief Information Officer
109	V Sankaranarayanan	Head - Special Projects	B.E/B.Tech	57	1-Feb-11	32	Operations	8,606,041	ETISALATDB/OPerations Head
110	Venkatesh Vijay Raghavan	Head - Mkt Ops India	PGDBM	40	4-Jul-03	18	Marketing	7,055,471	Reliance Infocom Ltd./Product Manager-Marketing
111	Vijai Prakash Tripathi	Head UNOC	Post Graduation	50	15-Dec-97	25	Operations	6,730,679	Optel Telecom Ltd./Project Lead
112	Vikas Singh	CEO KTN	MBA	46	22-Aug-06	23	Business Head	13,223,979	Hutch India/AVP-Sales & Marketing Operations
113	Vir Inder Nath	Chief Operating Officer -West Bengal	PGDBM	40	23-Apr-07	16	Business Head	6,131,873	IDEA Cellular/DGM
114	Vivek Manglik	Head Voice Sales International	PGDBM	43	6-Sep-10	18	Sales	6,810,963	TATA COMMUNICATIONS LIMITED/GM SALES
115	Zairus Master	Head - Devices	MBA	41	18-Apr-11	16	Marketing	7,554,200	Nokia India pvt Ltd/Head Solution Marketing

Annexure D (Contd.)

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/ Designation
(B) EMPLOYED FOR PART OF THE FINANCIAL YEAR									
1	A Ganesh	Sr. Vice President -Business Head	PGDBM/B. Tech	36	1-Feb-13	12	Business Head	1,118,686	Hindustan Unilever Limited/ General Manager
2	Amit Vyas	Head Submarine Cable Projects	MBA	39	14-Jun-04	16	Network	3,484,032	N.M. Rothschild/Sr Consultant
3	Amrita Gangotra	CIO - India & South Asia	Post Graduation	48	25-Nov-02	23	Information Technology	15,241,694	HCL Comnet Ltd/Chief Information Officer
4	Ananda Mukerji	Group Director - Business Development	PGDBM, B.Tech	53	7-Mar-11	27	Business Development	23,029,275	Firstsource Solutions Limited/Founding Managing Director & CEO
5	Anil Sharma	Advisor - Group Corporate Affairs	B.A.	60	19-Mar-12	37	Corporate Affairs	5,275,316	JSW Ispat Steel Limited/ Director - Corporaye Affairs
6	Anupma Suneja	Head - Measurement & Research	PGDBM	41	9-Apr-07	16	Operational Excellence	1,301,620	Synovate India/Research Director
7	Ashish D Kalay	Chief Informations Officer - B2C	MBA	48	8-Nov-10	23	Information Technology	8,768,495	Colt Telecom/Director/IT Head- India
8	Gopal Vittal	JMD & CEO (India)	MBA	47	3-Apr-12	22	Business Head	27,045,755	Hindustan Unilever Limited/ Executive Director
9	Jitin Wasan	Head - Legal & Compliance	CS	37	27-Jan-03	13	Legal	4,798,688	Rajinder Narain & Co. Advocates/Associate
10	Kamal Hingorani	Head - Internal Audit, India & South Asia	BE & MBA	42	28-Jul-09	18	Corp Audit Group	7,334,803	Standard Chartered Bank/ Senior Audit Manager
11	Krishna K Ganesan	Head - Commerce & Emerging Mkts	MBA	47	1-Nov-10	21	Information Technology	3,004,331	BA Continuum Solutions/SVP Global Banking Technology
12	L Ramakrishna	CSCO	Post Graduation	48	29-Sep-00	25	Supply Chain Management	3,133,008	Alcatel Business Systems/Sr Manager
13	Moti Gyamlani	Global Head - Supply Chain Management	Masters in International Business Administration	40	17-Dec-12	17	Supply Chain Management	6,957,444	GE Energy/Group Vice President - Global supply Chain
14	N Arjun	Director - Projects	B.Com, MBA and P.G. Diploma in International Trade	56	17-Jan-83	30	Business Head	7,320,570	Bharti tele Ventures Ltd/Chief Operating Officer
15	N L Garg	CSCO	B.E/B.Tech	48	19-Jul-04	26	Supply Chain Management	6,865,569	Escotel Mobile Communications Ltd/Dy Manager
16	Partha Roy	Market Operations - India	Post Graduation	45	16-Apr-98	22	Supply Chain Management	4,308,089	Onida Savak Ltd.(Noida)/ Deputy Manager
17	Rajan Swaroop	Executive Director - NSBU	BE & MBA	56	15-Nov-04	31	Business Head	16,960,374	Escotel Mobile Communication/CEO & ED
18	Rajiv Rajgopal	Head - Broad Band & Data	MBA	45	12-Sep-07	22	Business Head	13,351,429	Castrol India Limited/VP Sales - Retail
19	Ramamurthy Kolluri	VP - Telecom & Service Management	Post Graduation	58	3-Nov-00	33	Strategic Architectural Engineering	6,051,224	Siemens Public Communication Networks Ltd/VP Information & Broadband
20	Ravi Chandran	Head - BSG	Post Graduation	48	31-Dec-07	22	Prod Dev & Business Sol Group	5,602,187	Reliance Communication/ Head - Pragramme Mgmt
21	Ravi Kaushal	Senior Vice President --Business Head	CA	57	17-Apr-95	33	Business Head	3,692,288	TCILL Bellsouth Ltd./General Manager-Finance
22	S. Sriram	Head Marketing - DTH & Media	Post Graduation	40	18-Oct-04	16	Marketing	1,337,609	Mother Dairy Ltd./Marketing Mgr.

Annexure D (Contd.)

Sl. No.	Name	Designation	Qualification(s)	Age (In years)	Date of Commencement of Employment	Total experience (in years)	Nature of duties of the employee	Gross Remuneration (in ₹)	Previous employment/ Designation
(B) EMPLOYED FOR PART OF THE FINANCIAL YEAR									
23	Sameer Kirit Anjaria	Chief Operating Officer -Orissa	MMS/B.E	40	3-Dec-12	16	Business Head	2,046,720	Nokia Corporation MEA/Head Care Channel Development, IMEA
24	Sanjay Berry	Head - Corporate Planning & Reporting	CA	44	29-May-12	18	Finance	5,307,515	SCS India Pvt Ltd/Director - Tax
25	Shankar Halder	Chief of Network Operation	B.E/B.Tech	54	19-Apr-04	30	Network	20,349,816	Escotel Ltd./Chief Technical Officer
26	Shyam P Mardikar	Head - SAE	B.E/B.Tech	42	26-Jul-12	20	Strategic Architectural Engineering	4,936,759	Leara/Chief Technical Officer
27	Srikanth Gummadi	VP - Standardization & Industry Coorporation	M.Tech/M.S	37	14-Feb-11	12	Strategic Architectural Engineering	3,240,632	Qualcomm Inc/Principal Engineer
28	Sudeep Banerjee	Head HR Telemedia	MBA	43	21-Feb-05	21	Human Resources	8,818,722	Aventis/General Manager-HR
29	Sugato Banerji	VP - Marketing Projects	PGDBM	49	17-Sep-07	22	Marketing	4,714,827	VISA/Director-Prepaid,Business Development,South Asia
30	Suresh Kumar Jayaraju	Head - Application Data	PGDBM	39	3-Jul-12	16	Marketing	4,503,621	Reliance Communications Ltd/V.P., Head of New Age VAS
31	Vineet Taneja	Operations Director - South Hub	BE & MBA	49	17-May-10	25	Business Head	19,597,102	Nokia India/Head of Marketing

Notes:
1. Gross remuneration comprises of Salary, Allowances and taxable value of perquisites.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 6,000,000 per annum.
   For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹ 500,000 per month.
3. None of the employees mentioned above is a relative of any Directors of the Company except Mr. Sunil B Mittal and Mr. Rajan B Mittal, who are brothers.
4. None of the employees mentioned above hold 2% or more share capital of the Company.
5. The designation -' Director' wherever prefixed describing the area of responsibility occurring in the above Statement is not a Board position except that of Mr. Sunil B Mittal and Mr. Gopal Vittal.
6. There are no specific terms and conditions for employment.
7. Nature of employment for all the employees is permanent except for Mr. Sunil Bharti Mittal, Mr. Gopal Vittal and Mr. Neil Pollock which is contractual.

Management Discussion and Analysis

Economic Overview

Global Review

The global economy in financial year 2013 projected a wide canvas of concern and measured optimism. The Eurozone crisis deepened, triggering emergency rescue efforts by the European Central Bank to reduce tail risks in the region. On the other hand, sustained fiscal prudence is enabling the US economy to strengthen its macroeconomic fundamentals. Besides, Japan, after years of stagnation, is back with a growth strategy designed to jolt the economy out of the doldrums. At the other end of the spectrum are emerging economies, which remained resilient to headwinds, but failed to sustain a high growth trajectory. However, there is urgency for policies to be revisited and financial buffers reinforced in line with evolving economic realities.

The World Economic Outlook published by the International Monetary Fund (IMF) in April 2013 reported global GDP growth of 3.2% in 2012; it is projected to inch up to 3.3% in 2013, and then likely to touch 4% in 2014. Growth in emerging markets and developing economies slowed down from 6.4% in 2011 to 5.1% in 2012; it is expected to reach 5.3% in 2013 and touch 5.7% in 2014. The slowdown in 2012 can be attributed to a sharp demand deceleration in key advanced economies, domestic liquidity tightening and bleak investment scenario in major emerging economies.

Indian Economy

India's GDP growth in FY 2012-13 moderated to 5% from 6.2% in FY 2011-12, primarily due to global economic contraction, domestic infrastructural bottlenecks, policy uncertainty and regulatory obstacles. Consumption demand and consumer-related sectors were impacted by inflation and high interest rates. However, the moderation in core inflation and some progress on fiscal consolidation have provided enough headroom to reduce interest rates and spur economic activity. The Government is also initiating measures to limit the fiscal deficit for FY 2013-14 to 4.8% of GDP and drive infrastructure investments under the 12th Five Year Plan. Such measures will restore confidence in India's macroeconomic policy and drive big-ticket investment. The IMF's growth forecast for India is 5.7% in 2013, which can touch 6.2% in 2014, helped by growing domestic demand and enabling policy initiatives. Neighbouring Bangladesh and Sri Lanka are also expected to grow by 6% and 6.3%, respectively, in 2013.

African Economy

Sub-Saharan Africa is the most interesting story in a growth-hungry world. It is now the second fastest growing region globally, surpassed only by emerging Asia. More than half of the world's population already lives in cities and the urban population of Sub-Saharan Africa is projected to double by 2030 (Source: The United Nations). Growing urbanisation is expected to boost consumption and investment in the region. The IMF has projected 5.6% regional growth in 2013 and 6.1% in 2014, vis-à-vis 4.8% in 2012.

However, one needs to factor in the impact of weak Euro region on the Francophone countries, given their strong linkages in terms of currency, investments, capital flows and remittances.

Against the backdrop of global uncertainties, the relatively better economic prospects of India, South Asia and Sub-Saharan African regions augur well for the Company's business.

During the year ended March 31, 2013, the Company recorded consolidated revenues of ₹ 803,112 Mn, a growth of 12.4% over the year ended March 31, 2012.

Megatrends that Drive the Company's Business

The following megatrends augur well for the Company's business and brand building globally.

1. Growing demand for individual empowerment and an increasing sense of a single global community can be felt across the world. More openness and solidarity among people, driven by technology, is a conspicuous feature of the twenty-first century.
2. Power of social media, driven by mobile internet, is forcing socio-economic change, especially in Asia and Africa. It is compelling institutions, businesses and governments to be accountable to citizens in more ways than one.
3. People everywhere, but especially in South Asia and Africa, are aspiring for a better quality of life, a life of empowerment, dignity and opportunity. Besides, they are more vocal about it than ever before.
4. Young people are thirsty for digital data, a strongest driver of growth in the next phase of the telecom revolution.
5. Growing focus on literacy and urbanisation by governments across Asia and Africa will drive business prospects.
6. McKinsey Research forecasts India's internet users will increase five-fold by 2015, and more than three-quarters of them will choose mobile access, as the cost of handsets and wireless networks are declining globally.
7. South Asia and Africa are young continents. More than 50% of India is younger than 25 years and around 70% of the population in Sub-Saharan Africa is under 30.
8. The penetration of mobile telephony across South Asia and Africa is still low, compared to global standards.
9. By 2025, two thirds of the world's population will live in Asia, a seismic shift in global demographics to propel business prospects.
10. According to Census 2011, telephony in India is overwhelmingly about mobile phones. While 63% of households owned a phone, 53% owned a mobile phone only and another 6% owned both a landline and a mobile phone. A little over half of rural households and three-quarters of urban households now own a mobile phone. This demonstrates significant headroom for growth.

Industry Overview

Indian Telecom Sector

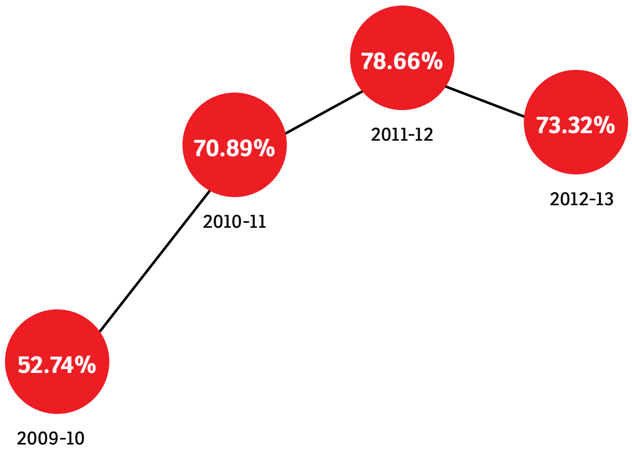
India's total customer base stood at 898.02 Mn, second only to China, with a teledensity of 73.32%, as in March 2013. The urban teledensity stood at 149.55%, whereas the rural teledensity stood at 39.90%, as in December 2012. Low cost and increasing competition ensured that the share of private sector in the total telecom space stood at 85.51%, as in December 2012. The announcement of the National Telecom Policy 2012 will also stand the Company in good stead with the primary objective of making affordable, reliable and secure telecommunication and broadband services across India.

Teledensity

Teledensity, which was 78.66% at the end of March 2012, increased to 79.58% by the end of June 2012 and then declined to 73.34% by the end of December 2012. Among the service areas, Tamil Nadu (109.64%) has the highest teledensity, followed by Himachal Pradesh (102.76%), Punjab (101.92%), Kerala (100.76%) and Karnataka (91.26%). Among the three metros, Delhi tops with 220.00% teledensity, followed by Mumbai (159.57%) and Kolkata (155.10%). On the other hand, the service areas, such as Assam (46.50%), Bihar (46.53%), Madhya Pradesh (52.23%), Uttar Pradesh (56.20%), West Bengal (56.85%) and Jammu and Kashmir (58.41%) have comparatively low teledensity. There has been a marginal improvement in rural teledensity during 2012-13 and it increased from 39.26% at the end of March 2012 to 39.90% at the end of December 2012.

The Company witnessed a rise in mobile data revenues in India by 66%. Digital TV grew by 26% and airtel business expanded by 19%. The Company's Africa business also grew by 21%.

TELEDENSITY: INDIA



(Source: Telecom Regulatory Authority of India)

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, followed by the regulatory directives on first-time activations. Most of these corrections happened in the second half of the year. This resulted in wireless customer base declining from 919 Mn, as at the end of March 2012 to 868 Mn at the end of March 2013. However, rural penetration is estimated to be still low at 40.23%, as at the end of March 2013. This offers immense growth potential in terms of both customers and usage.

The wire-line customer base continued to decrease from 32.17 Mn at the end of March 2012 to 30.21 Mn at the end of March 2013, representing a penetration of just 2.47%. While voice continues to evolve, given the current downward trends in the costs of internet access and mobile devices, India is on the verge of an internet boom.

India's trillion-dollar economy, with its young and increasingly urbanising consumer base, offers strong growth potential for internet usage. Decreasing smartphone prices, coupled with the proliferation of 2.5G EDGE/3G/4G services in India, are likely to reduce connectivity costs and overcome the challenge of limited fixed-line connections.

African Telecom Sector

Africa's telecom sector witnessed a healthy, double-digit compound annual revenue growth in the last decade. However, the year ended March 2013 was fraught with challenges emanating from economic headwinds, especially in the Francophone countries having strong Euro linkages. Currency movements and inflation as well as political unrest in some countries or regions also adversely impacted the African telecom sector's growth. Currencies of several countries in the region depreciated against the US dollar during the year.

The vast young population represents a major customer base that rapidly drives data usage, with significant future revenue potential. Mobile money, data and VAS remain the top three revenue growth engines across Africa. The Company has remained steadfast in its systematic efforts to develop its own network and distribution, and is contributing to the development of Africa's telecom ecosystem. Despite adversities, Africa offers the most valuable growth opportunities for telecom in the coming decade.

Development in Regulations

The year saw several regulatory changes and developments The highlights of significant regulatory changes are as follows:

India and South Asia

- **National Telecom Policy 2012:** The Union Cabinet of India approved the National Telecom Policy (NTP) 2012 that provides for 'One Nation, One License' across services and service areas, Free Roaming and Full Mobile Number Portability – to be rolled out in a period of time
- **Unified License and Uniform License Fee:** In FY 2012-13, TRAI released its recommendations on guidelines to Unified License, specifying issue of licenses at three different levels. It also specified the detailed fee structure and penalty at different levels. DoT has announced a uniform License Fee of 8% of AGR for all licenses, the implementation of which has been stayed by judicial bodies as of now
- **Port Charges:** TRAI issued further amendment to Port Charges Regulation, fixing the revised ceiling rates on the same

- **One-time spectrum charge:** The order of the DoT regarding one-time spectrum charge beyond 6.2 MHz, from July 2008 till December 2012, has been challenged before judicial/quasi judicial bodies
- The Government has also issued various tariff orders, EMF Radiation guidelines, revised subscriber verification guidelines and so on

Africa

- **3G Licences:** The Company has 3G licences in 14 countries and is striving to expand its base across other nations
- **LTE:** Various countries in Africa, including Kenya, Rwanda and Gabon, are working to implement the LTE Technology

Opportunities and Threats

Opportunities

The telecom industry is going through another round of structural changes from 'hyper competition' to 'perfect competition'. Taking advantage of these changes, we, at Bharti Airtel, are focusing on regaining back pricing that was lost due to hyper competition. With reduced new customer additions, the Company is moving its focus from 'hunting' to 'farming'. At the same time, the Company continues its drive for disruptive growth in data.

Voice

Mobile is a vibrant and evolving industry at the heart of everyday life for a growing proportion of the world's population. Given this dynamism, it is no surprise that the mobile industry makes a substantial economic contribution. At present, 10.9% of the Indian population is in the age group of 10-14 years. In the next four to eight years, this group will move to the 18+ segment and would drive future growth in mobile connections.

Besides, mobile penetration is varied across geographies and is lower particularly in the rural areas. With majority of the rural population yet to access telecommunication, and rural teledensity still at 40.23%, there is significant growth potential for the sector.

Similarly, Africa continues to offer significant growth opportunities to the telecom sector's participants. The growth prospects in the continent remain bright, driven by moderate penetration levels, growing young population and increased economic activities. Voice revenues remain an important growth area. The introduction of small denomination recharge vouchers, affordable tariffs and entry-level data-enabled handsets by Bharti Airtel has helped lower entry barriers. The launch of 3G data networks in 14 markets, combined with huge distribution expansion, is leading to a healthy growth in data revenues.

Due to the large young and increasing population, coupled with the lack of fixed-line data alternatives, the demand for mobile data services is exponentially growing. Economic growth, along with the lack of deep distribution of formal banking services in Sub-Sahara Africa, signifies a latent demand for access to mobile financial services to close the gap in the banking infrastructure. The Company has witnessed evidence of this opportunity in Kenya and Tanzania, where over 10% of the GDP is transacted through mobile commerce. Bharti Airtel is now very active in this arena after introducing airtel *money* to the unbanked population in 16 countries. This has allowed Bharti Airtel's customers to enjoy the convenience of services akin to banking, transferring funds and paying bills on their mobiles. The Company is further working on simplified user interfaces, enhanced security features and user education on airtel *money*.

Data

The growth of mobile data in emerging markets is driven by the penetration of smartphones and adoption of data among users. The territories of the Company's operation are young nations – India's median age is 26 years and this population segment is known as the internet generation. A little over 5% Indian customers use smartphones, and only two-third of them have enabled data on their devices. Hence, the opportunity is not only in growing penetration of smartphones, but also in the adoption of data among smartphone users. An Indian smartphone user spends around 2.5 hours daily on an average in his/her mobile, while the younger generation (aged between 15 and 24 years) spends, on an average, an hour more in surfing.

In the next two years, India will add nearly 17 Mn to the age group of 15 – 44 years, and the growth in data usage would be driven from these additional users. India is at the cusp of a new internet revolution, driven by youth (600+ Mn strong) and rural customers, who are experiencing internet for the first time on their mobile phones.

Threats

Regulatory and Economic Environment

The FY 2012-13 was no different from the previous year. The year was again marred by uncertain regulatory environment with new norms and policies being rolled pertaining to number portability, operating spectrum fees and license fees. All the recommendations if, accepted will have a significant impact on the telecom industry. The industry looks forward to a reasonable spectrum reserve pricing policy from the authorities in the light of the Government's own articulated policy directions on affordability and rural penetration.

In Africa too, there is a growing consensus among the government and regulator for laying stringent norms and requirements for coverage and quality of service, along with increasing taxes and levies on the telecom industry.

Competitive Environment

Apart from the above, increasing competition in India and Africa continue to remain a challenge for the Company. In both the regions, the Company continue to launch innovative products and services to counter aggression by all the competitors.

SCOT Analysis

STRENGTHS

- Present in more than 20 countries
- An integrated telecom company with complete tele-media solutions
- Present in the country with second largest population globally
- Largest operator in India and fourth largest in the world
- Technology, infrastructure and skilled manpower

OPPORTUNITIES

- Untapped telecom market in Africa and rural India
- Underpenetrated broadband connectivity
- Mandatory digitisation of cable television across the country
- Increasing data consumption over voice consumption

CHALLENGES

- High degree of financial leverage
- Inadequate infrastructure in rural regions pushing cost of operations
- Integration in operations across continents
- Understanding evolving customer perceptions in a multi-cultural and multi-lingual environment

THREATS

- Falling Average Revenue per User
- Political and economic uncertainties in Africa and India
- Cost inflation across countries
- Continued regulatory stringency
- Increasing competition and competitive pricing

Financial Review

Consolidated Figures

Particulars	FY 2012-13		FY 2011-12	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	803,112	14,754	714,508	14,937
EBITDA	248,704	4,569	237,123	4,957
Interest, Depreciation & Others	198,884	3,654	171,940	3,594
Profit before exceptional items and Tax	49,820	915	65,183	1,363
Profit before tax	49,820	915	65,183	1,363
Tax expense	27,151	499	22,602	472
Profit for the year	22,757	418	42,594	890
Earnings per share (in ₹/USD)	6.00	0.11	11.22	0.23

* 1 USD = ₹ 54.43 Exchange Rate for financial year ended March 31, 2013 (1 USD = ₹ 47.84 for financial year ended March 31, 2012).

Standalone Figures

Particulars	FY 2012-13		FY 2011-12	
	₹ Millions	USD Millions*	₹ Millions	USD Millions*
Gross revenue	453,509	8,332	416,038	8,696
EBITDA	149,633	2,749	143,016	2,989
Interest, Depreciation & Others	85,085	1,563	73,454	1,535
Profit before exceptional items and Tax	64,548	1,186	69,562	1,454
Profit before tax	64,548	1,186	69,562	1,454
Tax expense	13,585	250	12,262	256
Profit for the year	50,963	936	57,300	1,198
Earnings per share (in ₹/USD)	13.42	0.25	15.09	0.32

* 1 USD = ₹ 54.43 Exchange Rate for financial year ended March 31, 2013 (1 USD = ₹ 47.84 for financial year ended March 31, 2012).

During the year ended March 31, 2013, the Company recorded consolidated revenues of ₹ 803,112 Mn, a growth of 12.4% over the year ended March 31, 2012. The Company witnessed a rise in mobile data revenues in India by 66%. Digital TV grew by 26% and airtel business expanded by 19%. The Company's Africa business also grew by 21%. In constant currency terms, Africa's revenues grew by 12% over the last year. Ratio of access and inter-connection charges to revenues in India and South Asia increased from 11.5% to 13.3%, mainly due to fall in mobile voice realisation rates and increased traffic of international wholesale voice minutes. The same ratio in Africa improved from 19.8% to 17.8%.

Depreciation and Amortisation (D&A) costs for the year went higher by ₹ 21,283 Mn, up 16%, due to continued expansion of networks and investments in new technologies and licenses. D&A costs grew by 13% in India and South Asia and by 23% in Africa. Due to EBITDA margin drop and higher D&A costs in India, consolidated EBIT dropped by 9% to ₹ 93,740 Mn and the EBIT margin for the full year dropped from 14.5% last year to at 11.7%. Full year EBIT margin of India and South Asia stood at 13.7%, while the margin for Africa touched 6.4%.

Net interest costs at ₹ 40,697 Mn was higher by ₹ 8,410 Mn, mainly due to increase in floating rates in Africa. This increase was driven by the interest on BWA loans in India and the effect of the translation of rupees into Africa's interest costs. Derivatives and forex fluctuations for the full year resulted in net losses of ₹ 3,148 Mn, down from ₹ 5,898 Mn last year.

The tax charge for the full year was ₹ 27,151 Mn, up by ₹ 4,549 Mn over the previous year. Of these, the dividend distribution tax accounted for ₹ 1,031 Mn and deferred tax charge due to increase in surcharge from 5% to 10% amounted to ₹ 959 Mn. Excluding the impact of these additional tax charges, the effective tax rate for India and South Asia, for the year ended March 31, 2013, was 29.2%, as compared to 24.1% for the previous year.

Consolidated EBITDA at ₹ 248,704 Mn grew by 5%, and the EBITDA margin dropped from 33.2% for the previous year to 31.0% for the year under review. This decline was mainly due to cost pressures and fall in voice realisation rates across India and Africa. In India and South Asia, the Mobile EBITDA margin dropped by 3.2%, from 33.9% to 30.7%. Telemedia remained at 42.5%, while Digital TV had positive margin of 2.8%; Airtel business was lower at 17.6%.

The capital expenditure for the full year was ₹ 135,364 Mn (USD 2,486 Mn), almost at par with ₹ 135,804 Mn in the previous year. India and South Asia accounted for ₹ 95,959 Mn, which included ₹ 19,727 Mn towards payment to tower companies. The amount spent in the region was ₹ 31,814 Mn more than the last year, while Africa's capex spend was lower by USD 790 Mn. During the year, 12,873 new 2G sites and 8,411 new 3G sites were rolled out in India. In Africa, the numbers were 1,822 and 2,471, respectively. The optic fibre network in India was expanded by 13,724 Kms. Significant upgrades were carried out in the network systems to improve the network's quality, especially for data.

Liquidity

As on March 31, 2013, the Company had cash and cash equivalents of ₹ 17,295 Mn and short-term investments of ₹ 67,451 Mn. During the year ended March 31, 2013, the Company generated operating free cash flow of ₹ 113,340 Mn. The net debt-EBITDA ratio, as on March 31, 2013, was at 2.57, and the net debt-equity ratio was at 1.27. The net debt in USD terms decreased from USD 12,714 Mn, as on March 31, 2012, to USD 11,738 Mn, as on March 31, 2013.

The Company strategically debuted in the offshore corporate debt market by launching USD 1 Bn global bond of 10 years, for which the order-book totalled an impressive USD 9.5 Bn (subscribed 9.5 times). The Company decided to resourcefully tap the investor demand through a follow-on issuance for another USD 500 Mn. These bonds, with a 10-year bullet payment facility, allow the payment in 2023 and strengthen the Company's debt refinancing option perfectly.

Segment-wise Performance

B2C Services

Mobile Services: India and South Asia

Overview

India and South Asia, for the financial year ended March 31, 2013, witnessed a year-on-year growth of 9%, driven by increase in minute consumption and acceleration in data usage and revenues. The Company is India's largest wireless operator offering mobile services using GSM technology. It offers postpaid, prepaid, roaming, internet, m-Commerce and other value-added services through its extensive sales and distribution network. Competition, however, continued to be intense, despite cancellation of 2G licenses for many operators. Promotions and discount packs for customers have continued to be available. Bharti Airtel, being the largest player, has maintained its competitiveness in the market.

India

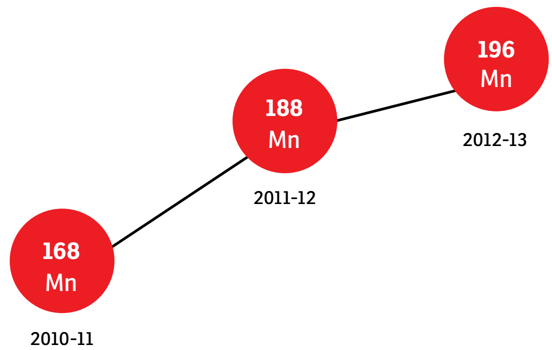
The Company's focus shifted towards acquiring quality customers to reduce churn and improve ARPU. The segment also had revenue upside from favourable TDSAT ruling on the long pending interconnect agreements with other operators. Operating expenses increased on account of: i) rise in network expenses due to aggressive roll out of 2G and 3G sites, hike in electricity and diesel tariffs and costs related to site closures; and ii) rise in human resource expenses due to increased headcount caused by the new first-time activation (FTA) process. The overall voice realisation rate per minute has decreased by 3.6% from 36.64p to 35.31p. Further, depreciation and amortisation expenses increased with continued network expansion and investments in new technologies and licenses (eg. LTE/4G), lowering EBIT by 14% Y-o-Y.

Key Results for the Year Ended March 31, 2013

(₹ Millions)

Particulars	FY 2012-13	FY 2011-12	Y-o-Y Growth
Gross Revenues	440,235	403,091	9%
EBIT	70,677	82,221	-14%

WIRELESS SUBSCRIBERS: INDIA & SOUTH ASIA



Key Initiatives

- To drive data adoption, the Company introduced innovative products like the Data Share Plan that allows customers to share 3G data across prepaid and postpaid platforms
- The Company positioned airtel live (operator portal) as a destination point for new internet users for existing Bharti Airtel customers and introduced 'My First Internet pack for ₹ 25' to simplify consumer entry into internet
- The Company is actively partnering with device manufacturers to improve penetration of Internet-enabled handsets and smartphones for both 2G and 3G data services. The launch of iPhone 5 is one such initiative, which was well received by the market
- The Company had over 43.5 Mn Mobile Internet customers at the end of March 31, 2013. Of these customers, 6.4 Mn are 3G data customers. Wireless data revenues grew by 66% to ₹ 22,362 Mn during the year, accounting for 5.4% of the total wireless revenues (3.5% in the previous year)

Sri Lanka

In Sri Lanka, the Company had 1.7 Mn customers at the end of the year, with presence in all 25 administrative districts. The Company offers 3G services in all major towns and has created a nationwide distribution network comprising over 40,000 retailers.

Bangladesh

Airtel Bangladesh had 6.2 Mn customers, as at the end of FY 2013, with presence across the country's 64 districts. The Company's distribution network comprises over 96,000 pan-Bangladesh retailers. Bangladesh's growing economy, low mobile penetration of 58.2% and a strong youth base present a unique growth opportunity for the country's telecom services.

Telemedia Services

Overview

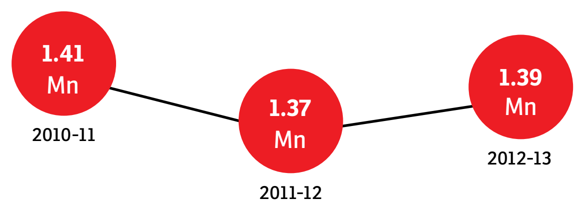
The Company provides fixed-line telephone and broadband (DSL) services for homes as well as offices in 87 pan-India cities. Bharti Airtel had 3.3 Mn customers, as on March 31, 2013. Out of them, 1.4 Mn customers were subscribed to its broadband/internet services. The product offerings include high-speed broadband, rising up to the speed of 100 mbps for the home segment. Besides, the Company's product portfolio also includes local, national and international long-distance voice connectivity. In the Office segment, Bharti Airtel is a trusted solution provider for fixed-line voice (PRIs), mobile, data and other connectivity solutions. Additionally, the Company offers solutions to businesses to improve employee productivity through collaborative solutions (Audio, Video and Web Conferencing). Cloud portfolio is also an integral part of its office solutions suite.

Key Results for the Year Ended March 31, 2013

(₹ Millions)

Particulars	FY 2012-13	FY 2011-12	Y-o-Y Growth
Gross Revenues	38,158	37,271	2%
EBIT	6,447	7,172	-10%

BROADBAND USERS



Key Initiatives

The Company made strides in its 4G LTE endeavours with launches in four Circles (Kolkata, Bangalore, Pune and Chandigarh), providing its customers with a wide range of services, including rich content, superfast access to High Definition (HD) video streaming, multiple chatting and instant photo uploads. The year also saw Bharti Airtel gain momentum on the Wi-Fi front. With over 1,700 pan-India hotspots, the Company ensures data offloading and reduces mobile network congestion, emerging as the country's second largest Wi-Fi hotspot provider.

Digital TV Services

Overview

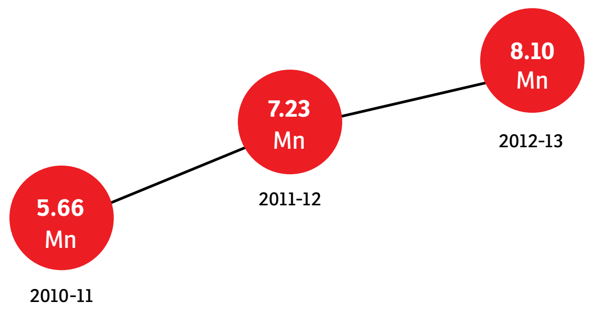
The Company served a customer base of 8.1 Mn on its Direct-to-Home platform (airtel digital TV), as on March 31, 2013, adding 0.9 Mn customers during the year. This comes in the midst of its focus on quality acquisitions to reduce rotational churn. The Company currently offers 373 channels and services, including 15 HD channels and six interactive services. The recently introduced recording facility on HD boxes helps a customer record content on a USB drive, while watching his/her favourite channel. Further, the High-definition (HD) Set Top Boxes and Digital Video Recorders (DVR) with 3D capabilities are path-breaking products delivering superior customer experience.

Key Results for the Year Ended March 31, 2013

(₹ Millions)

Particulars	FY 2012-13	FY 2011-12	Y-o-Y Growth
Gross Revenues	16,294	12,960	26%
EBIT (₹ Mn)	(8,105)	(7,198)	-13%

DTH SUBSCRIBER BASE



Key Initiatives

- The Company undertook corrective measures to reduce box subsidy by decreasing the free preview period and increasing the bare-box price
- Pricing corrections, coupled with growing adoption of HDTV, have resulted in ARPU enhancement and reduction in set top box subsidy, all leading to lower cash burn
- The Company continues to focus on presence in key traditional and modern retail outlets across the length and breadth of country with over 125,000 retailers
- Transformation from cable to digital tv post the launch of digitisation in 38 Tier-II cities in the second phase, has helped the DTH business to grow the topline through a steadily increasing base of active subscribers

B2B services

Airtel Business

Overview

Airtel business is India's leading and most trusted ICT services provider. Its diverse portfolio of services includes voice, data, video, network integration, data centre, 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 and medium businesses. The global data business, corporate accounts and government sector also contributed to the strong revenue growth.

Airtel business offers global services for both voice and data. Bharti Airtel's international infrastructure includes ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of SMW4 submarine cable system, which connects Chennai and Mumbai to Singapore and Europe. It also includes new cable system investments like Asia America Gateway (AAG), India, the Middle East and Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSy). The Company also offers terrestrial express connectivity to neighbouring countries, including Nepal, Pakistan, Bhutan and China. This, together with satellite connectivity in areas that are hard to reach, enable customers connect and communicate from anywhere to everywhere in the world.

Key Results for the Year Ended March 31, 2013

(₹ Millions)

Particulars	FY 2012-13	FY 2011-12	Y-o-Y Growth
Gross Revenues	53,202	44,541	19%
EBIT	3,693	2,629	40%

Key Initiatives

- The Company focused on expanding into emerging global markets, building the B2B brand, offering innovative products and services, and co-building or buying access networks
- Better controls on operating expenditure and improved receivables resulted in a healthy growth of 40% EBIT growth Y-o-Y
- The segment generated robust operating free cash flow of ₹ 8,560 Mn, up by 20% over the last year

Passive Infrastructure Services

Overview

Bharti Infratel Limited, a subsidiary of Bharti Airtel, provides passive infrastructure services on non-discriminatory basis to all telecom operators in India.

Bharti Infratel deploys, owns and manages telecom towers and communication structures in 11 circles of India. It also holds 42% share in Indus Towers (a joint venture between Bharti Infratel, Vodafone and Idea Cellular). Indus Towers operates in 15 circles (four common circles with Bharti Infratel, 11 circles on exclusive basis).

Key Results for the Year Ended March 31, 2013

(₹ Millions)

Particulars	FY 2012-13	FY 2011-12	Y-o-Y Growth
Gross Revenues	103,154	95,109	8%
EBIT	16,364	14,641	12%

Key Highlights

- The Company has a nationwide presence with operations in India's all 22 telecommunication circles
- As on 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
- Bharti Infratel's towers, including installations in its 42% interest in Indus, comprised an economic interest in the equivalent of 82,083 towers in India, as on March 31, 2013
- Bharti Infratel is listed on Indian Stock Exchanges, NSE and BSE. It has also been included in the FTSE Global Equity Indices, starting January 7, 2013

Africa

Overview

The African telecom sector was impacted by several headwinds, ranging from economic challenges, 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%. Airtel Africa's network transformation continued with expansion of 3G networks (ending with 5,676 sites across 14 countries) and improving stability of 2G networks. 'airtel *money*' service is offered across 16 countries now. The Company tied up with major device manufacturers to aggressively drive sales of data-enabled handsets, especially 3G, and tablets. The stabilisation of customer facing platforms also took centre stage during the year. The Company also continued to drive deep distribution (ending the year with 1.5 Mn outlets vs. 1.09 Mn at the end of March 2012) coupled with the rigorous execution of the 'zonalisation' project across Africa. Africa's price tables were subdued and the average ARPU declined from USD 6.4 to USD 5.3. Data usage is growing rapidly, but the revenue base is still small to neutralise the impact of voice revenue decline.

Key Results for the Year Ended March 31, 2013

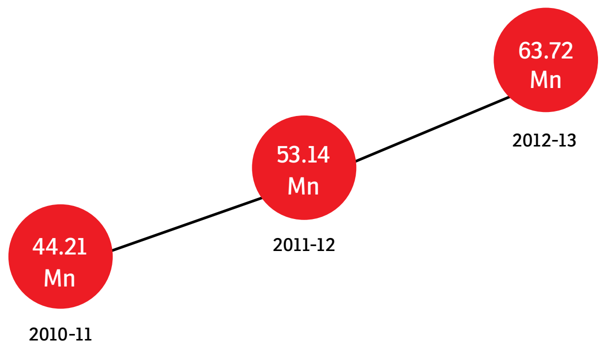
(₹ Millions)

Particulars	FY 2012-13	FY 2011-12	Y-o-Y Growth
Gross Revenues	240,439	198,265	21%
EBIT	15,569	14,147	10%

Area of Operation

Airtel Africa's network transformation continued with expansion of 3G networks (ending with 5,676 sites across 14 countries) and improving stability of their existing 2G counterparts. The airtel *money* service is now offered across 16 countries. The Company partnered with major device manufacturers to aggressively drive sales of data-enabled handsets, especially 3G and tablets.

WIRELESS SUBSCRIBERS: AFRICA



Risks and Concerns

This section discusses the various aspects of enterprise-wide risks. Readers are cautioned that risk-related information outlined here is not exhaustive and is for information purpose only.

Proactively identifying risks and managing them in a systematic manner are essential pre-requisites for effective Corporate Governance. Bharti Airtel has a robust process to identify key risks and prioritise relevant action plans to mitigate them.

At the apex level, the Risk Management Framework review is done annually by the Board and half yearly by the Audit Committee, which includes identifying and prioritising key risks and approving action plans to mitigate them. The Audit Committee also obtains periodic updates on the identified risks, including the nature, quantum and their likely impact on the business.

The key risks and their relevant mitigation measures have been enumerated below:

Political Instability: Telecom operations can be severely affected by political instability, civil unrest and other social tensions in Asia and Africa.

Mitigation: The Company engages proactively with key stakeholders in the countries of its operation and continuously assesses the impact of the evolving political scenario. It contributes to the country's social and economic development, especially in the field of education. Such efforts help us maintain cordial relationships with governments and other stakeholders across nations.

Economic Uncertainties: Operating in emerging and developing markets, characterised by low to medium mobile penetration and relatively lower per capita incomes, economic uncertainties (inflation, interest rates and currency fluctuations, among others) pose a threat to the Company's growth.

Mitigation: The Company has diversified its risks and opportunities across multiple offerings (voice, data, airtel *money* and value-added services) and markets. It also addresses a wide customer cross-section, minimising risks. To mitigate currency and interest rate risks, the Company follow a prudent risk management policy, including hedging mechanisms to protect cash flow. A pricing strategy based on the twin principles of profitability and affordability helps protect margins at times of inflation and market shares during market contraction.

Inadequate Infrastructure: Poor infrastructure across rural and the hinterland regions of Asia and Africa enhances operational costs and adversely impacts penetration.

Mitigation: Bharti Airtel's business philosophy is to share infrastructure with other operators and the Company is implementing this approach consistently. The Company operates during power outages, fibre cuts, VSAT breakdowns and other challenges through appropriate backups (generators, secondary links and others).

Technical Failures or Natural Disasters: Although covered by insurance, technical failures or natural disasters may temporarily disrupt the Company's services.

Mitigation: The Company follows a conservative insurance cover policy, which safeguards assets against fire, floods

The two CEOs, for India and international, are responsible for the implementation of the agreed framework, including the detailed processes of:

- Entire business environment, both internal and external, for identifying potential
- Classifying the various risks in terms of probability, impact and nature
- Developing objective measurement methodology for such risks
- Listing and prioritising the key risks to be addressed and managed
- Setting detailed action plans to manage key risks
- Fixing accountabilities of people and positions to implement the mitigating action plans
- Approving resources, including budgets for risk management
- Progress of action plans, taking stock of gross and net exposures and mandating corrective
- Reporting progress to the Audit Committee

and other natural disasters. It also consistently invests in business continuity plans and disaster recovery initiatives, which enables either zero or minimum disruption and speedy restoration of services. The Company is also focusing on quality improvement to eliminate network congestion and other causes of technical failures.

Adverse Regulatory or Taxation Developments: Recent regulatory developments in India have posed several challenges to the telecom sector. India's telecom sector is also highly taxed with enhanced revenue share-based license fee and spectrum charges, service tax and corporate tax. The telecom industry in Africa also operates in a high-tax regime.

Mitigation: The Company's world-class telecom infrastructure in India has enabled the availability of advanced telecom services, including the latest 3G and 4G technologies at affordable prices. Besides, Bharti Airtel's rural networks and internet services are helping accelerate socio-economic uplift. The Company expects a natural extension of the licenses with spectrum at market-determined prices, as and when the licenses approach their end of terms. As a frontrunner telecom operator in India, Bharti Airtel has always cooperated with the industry and policy makers to minimise environmental impact, lower operational costs and make services more affordable.

Anomalies in Internal Controls and Process Compliances: The Company serves over 271 Mn customers globally with a daily average of 3,200 Mn minutes of voice and 300 terra bytes of data carried on wireless network. Failure to ensure internal controls and process compliances can adversely impact the airtel brand.

Mitigation: Bharti Airtel's business philosophy is to ensure compliance with all legal and regulatory requirements. Compliance is regulated meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors. Besides internal audits, the Company also has a process of self-validation of several checklists and compliances as well as a 'maker-checker' division of duties to identify and rectify deviations early enough.

Unfulfilled Customer Expectations: Evolving customer aspirations and requirements pose a challenge to retain customer loyalty, market share and industry leadership.

Mitigation: At Bharti Airtel, organisational effectiveness is enhanced through appropriate design and creation of leaner and multi-functional teams. Customer service parameters are defined, deployed and monitored proactively. Bharti Airtel has successfully gained customer loyalty through innovative products and offerings, and this strategy continues to be an important pillar of the Company's sustainable growth.

Technology Shifts: Evolving technologies (2G, 3G, 4G) result in change in customer value propositions. Mobile money technologies, Cloud, M2M, SaaS and other technology-based VAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence.

Mitigation: Bharti Airtel's strong strategic vendor relationships – especially in areas of network technologies, IT, mobile money and a few other key VAS technologies – help us keep pace with technology shifts and retain market leadership. The potential risks of obsolescence are managed through leaner order pipelines, adequate capacity model of sourcing and formal swap arrangements with vendors. There is more scope to deploy appropriate technology for each market of the Company's operation.

Intellectual Capital Retention: Right talent with relevant skills (or the lack of it) can make a considerable difference to business growth in a fast evolving telecom sphere. Low availability of talent in Africa is also a matter of concern.

Mitigation: Bharti Airtel is strengthening a mutually rewarding relationship with its people. The members of the Company's Team are encouraged to think innovatively, take up challenges and are recognised and rewarded for outstanding performance. The HR polices accelerate career progression and skill development in line with the overarching objectives of the organisation. The Company's reward and compensation polices can attract relevant talent from universities and business schools. Bharti Airtel's mobility policy facilitates hassle-free relocation, enabling rapid resource deployment. Besides, cultural integration, including inculcation of Bharti Airtel's values, remains a key pillar of the Company's HR strategy.

Internal Controls

The Company's philosophy towards internal controls is based on the principle of healthy growth.

The Circle and Country Finance Heads are held accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. They are fully responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the Company's accounting policies. The Company deploys robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensure regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors.

With a view to improve the control environment consistently across the 20 countries, the Company has established the Airtel Centre of Excellence ('ACE') in Gurgaon and Bangalore to handle financial transactions and accounting operations. During the year, the ACE was benchmarked with several world-class organisations, and received various awards for excellence in controls and compliances, quality of service and innovative practices.

The Audit Committee reviews effectiveness of the internal control system, and also invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same.

In India and South Asia, M/s. PricewaterhouseCoopers Private Limited (PwC) and M/s. ANB Consulting Private Limited are the Internal Auditors of the Company and they submit quarterly audit reports to the Audit Committee. In Africa, PricewaterhouseCoopers have been engaged as Internal Auditors for all countries except Nigeria, where KPMG has been appointed. KPMG has also been engaged to perform forensics work in all African operations. The Company has taken several steps to enhance the internal control systems in the new geographies, viz., Bangladesh, Sri Lanka and Africa such as: significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of Revenue Assurance checks, segregation of duties, rolling out self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education. The Company has also completed the implementation of Oracle ERP system in 13 countries in Africa, with added features for better internal controls on purchase-to-pay, fixed assets capitalisation and inventory control processes. Centralisation of key Financial Reporting and Control activities as well as Revenue Assurance checks has been initiated. In India, a system of 24x7 continuous audit helps maintain oversight and monitoring of the Shared Services.

Material Developments in Human Resources

Building a customer-centric, data-savvy organisation comprising right skilled talent and visionary leadership form the core of the Company's people strategy.

The year saw a host of initiatives around talent management and development to identify and accelerate the Company's high - potential employees, as well as building the right set of capabilities for all businesses at Bharti Airtel. The year witnessed some key leadership changes at the top. While Manoj Kohli moved into the enhanced role of Managing Director & CEO (International) with the added responsibility of Bangladesh and Sri Lanka, Gopal Vittal took over as the Joint Managing Director & CEO (India).

Efforts on developing functional capabilities across the organisation continued with the review of the Company's current skill levels and launch of functional academies to build cutting-edge functional and domain skills. These academies make learning an ongoing process through use of methods beyond conventional workshops, like e-learning, learning from colleagues, e-libraries and so on. In the year gone by, rich investments have been made in developing Data, Marketing, Finance, Customer Service and HR capabilities among employees. These learning interventions, coupled with established and communicated career paths, will help employees make seamless transition to their next roles.

These efforts were rewarded externally as well in the prestigious First People 2012 Awards organised by Society of Human Resource Management (SHRM), in partnership with The Economic Times.

Outlook

Bharti Airtel launched India's first GSM service in 1995. That's how the Company's journey began. The Company has just turned 18 in 2013 and interestingly, its target audience is the aspirational 18-year-old, who has the potential to shape the future. The Company wants to partner the aspiration of the young adult to emerge as a positive global force, especially in South Asia and Africa. It is a young Company, serving the younger part of the world.

The world's economic centre of gravity is fast shifting towards Asia and Africa, continents of energy, optimism and potential for growth. The Company is contributing to this energy and optimism with growing enthusiasm. The 20 countries where the Company operates have more than 1.8 Bn people, representing over $\frac{1}{4}^{th}$ of the global population. India, home to 1.22 Bn people, is the world's second most populous nation. It is projected to surpass China by 2025. Bangladesh, with a population density of 1,034 (people per sq km), has the world's third largest population density. Besides, population growth (2.5% annually) in Sub-Saharan Africa is one of the world's highest. Home to 170 Mn people – with a median age of 19.2 years, according to UN studies – Nigeria will have almost 400 Mn people by 2050, making it the world's fourth populous country. With its significant presence in these geographies, Bharti Airtel is well poised to capitalise on these demographic trends.

With India's median age at around 26 years, and that of Sub-Saharan Africa at less than 20 years, the opportunities for doing and growing business in the youth segment will be attractive for many years to come. These are already evident in the continuing strong growth in mobile internet. Coupled with development of the smartphone ecosystem and affordable data-enabled handsets, the telecom sector is poised for the next round of growth.

Bharti Airtel has made significant investments in growth drivers, such as 3G and 4G networks in India, presence in South Asia and a large network across Africa. The airtel brand evokes youthfulness, dynamism and integrity. Airtel *money* services are now offered in 18 countries, and these are helping to increase customer loyalty. The Company's unique business model of elasticity and affordability is driving a virtuous cycle of profitable growth.

Summary

Bharti Airtel is committed to working with governments to develop a healthy telecom sector. It is important for governments and operators to collaborate and sustain competitive operations that serve customers well. Concurrently, these operations should provide fair returns to shareholders and create adequate surplus for investing back into the sector.

The Indian sub-continent and Sub-Saharan Africa have once again been identified among the most resilient and vibrant of the global economies. The Company is fortunate to be supported by a loyal customer base and the airtel brand commands huge respect. At this juncture, the Company commits itself to make a positive contribution to the socio-economic growth of the 20 countries that it serves.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may constitute a "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other incidental factors.

Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Bharti Airtel Limited and its commitment to conduct business in accordance with sound Corporate Governance practices.

Governance Philosophy

Corporate Governance may be defined as a set of systems, processes and principles, which ensure that a company is governed in the best interest of all stakeholders. It is the system that directs and controls respective companies. It is about promoting corporate fairness, transparency and accountability. In other words, 'Good Corporate Governance' is simply 'good business'.

In India, the question of Corporate Governance has emerged mainly in the wake of economic liberalisation and de-regularisation of industry and business. The objective of any Corporate Governance system is to simultaneously improve corporate performance and accountability. These, in turn, help to attract financial and human resources on the best possible terms and prevent corporate failure.

Corporate Governance consists of procedures and processes, according to which an organisation is directed and controlled. Its structure specifies the distribution of rights and responsibilities among different pan-organisational participants, such as the Board, managers, shareholders and other stakeholders. The system helps to lay down the rules and procedures for decision making.

The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximise long-term value for the Company's shareholders and all other partners. It integrates all the participants involved in a process, which is economic and, at the same time, social.

A well-defined and enforced Corporate Governance benefits everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices, as well as to formal laws.

Corporate Governance has received increased attention because of global financial melt-down, mega corporate failures and frauds of high-profile scandals involving abuse of corporate power and, in some cases, alleged criminal activity by corporate officers. An integral part of an effective Corporate Governance regime includes provisions for civil or criminal prosecution of individuals who conduct unethical or illegal acts in the name of the enterprise.

Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organisation.

Good Corporate Governance practices are also essential for

At Bharti Airtel , Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking.

a sustainable business model for generating long term value for all its stakeholders.

Beside the mandatory Clause 49 of the Listing Agreement, the Ministry of Corporate Affairs has also published detailed voluntary governance guidelines that interalia contains provisions relating to the role and responsibilities of the Board, disclosure of information to shareholders and Auditors tenure.

At Bharti Airtel, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking. Hence, they are based on the following broad principles:

- Bharti Airtel maintains a well-experienced and diverse Board of Directors, with members who have expertise across global finance, telecommunication, banking, administrative services and consulting
- Adopts transparent procedures and practices and arrives at decisions based on adequate information
- Ensures compliance with regulatory and fiduciary requirements in letter and spirit
- Offers high levels of disclosures to disseminate corporate, financial and operational information to all stakeholders
- Adopted policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and senior management
- Creates various committees for audit, senior management compensation, HR policy and management compensation, employee stock option plans and investor grievances
- Ensures complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in the guiding strategy
- Organises informal meeting of Independent Directors without the presence of any Non-Independent/Executive Directors to identify areas where they need more clarity or information, and then put them before the Board or management
- Offers a formal induction schedule for new Board members that enables them to meet individually with the top management team
- Reviews regularly and establishes effective meeting practices that encourage active participation and contribution from all members
- Ensures independence of Directors in reviewing and approving corporate strategy, major business plans and activities as well as senior management's appointments
- Keeps in place a well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organisation though the Board remains in effective control of affairs at all times

Corporate Governance Rating

CRISIL assigned its Governance and Value Creation (GVC) rating, viz. CRISIL GVC Level 1 on the Corporate Governance practices adopted by us. The rating indicates that Bharti Airtel's capability, with respect to Corporate Governance and value creation for all its stakeholders, is the highest. The Company acknowledges that standards are a constantly upwardly moving target. It aims to establish and benchmark itself with the best of companies in India and globally to maintain the highest rating for its practices.

Governance Structure

Building a culture of integrity in today's complex business environment demands high standards in every area of operation. Bharti Airtel's commitment to total compliance is backed by an independent and fully informed Board and comprehensive processes and policies that to enable transparency in our functioning. The organisation structure is headed by the Chairman, supported by the Managing Director & CEO (International) and Joint Managing Director & CEO (India). There is a clear demarcation of duties and responsibilities amongst the three positions:

- The Chairman is responsible for providing strategic initiatives, international opportunities and seeking alliances, strengthening governance practices, brand value enhancement besides effective management of the Company with a focus on enhancing Bharti's global image
- The Managing Director & CEO (International) is based in Nairobi, Kenya and is responsible for the certain global

functions like finance, regulatory etc., management and expansion of the international operations of the Company presently in Africa, Sri Lanka and Bangladesh and certain global support functions of Finance and Supply Chain. In this he is supported by the Airtel International Management Board (AIMB)

- The Joint Managing Director & CEO (India) heads the India operations and is responsible for overall business performance in this region including day to day affairs of the Company in India. He is supported by the Airtel Management Board (AMB)

Our Company's business is structured into five Business Units (BUs) i.e. Mobile Services, Telemedia Services, Airtel Business, Digital TV Services and Passive Infra Services each headed by a business president/CEO.

The Corporate Governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic Supervision and Direction – by the Board of Directors, which exercises independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders and hence plays a vital role in the oversight and management of the Company.

b) Control and Implementation – by the Airtel Management Board (AMB). The CEO's, the Presidents and the Functional Directors are members of the Airtel Management Board and responsible for the operations within India. The AMB meets monthly and takes decisions relating to Airtel India business strategy and looks at achieving operational synergies across business units. The team owns and drives company-wide processes, systems and policies. AMB also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company.

c) Operations Management – by the Management Boards of the various Business Units assisted by their respective Hub or Circle Executive Committees (ECs) for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the respective businesses and

d) One Airtel Councils viz. Shared Services Governance Council, Executive Finance Council, Brand Council, Customer Experience Council and Risk Committee.

   Shared Service Governance Council governs the effectiveness of the shared services support to all the business units of the Company, thus ensuring realisation of synergies across various shared services. Executive Finance Council reviews the financial performance of the Company on a monthly basis and approves the financial plans and forecasts. Brand Council drives the Brand Airtel Strategy of the Company and reviews the brand health scores on a periodic basis. Customer Experience Council reviews end to end customer service delivery ensuring superior and uniform customer experience across lines of business. Risk Committee monitors effectiveness of the risk management process and reviews and approves the risk mitigation strategies of the Company.

Our governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities, thus enabling them to perform those responsibilities in the most effective manner. It also allows us to maintain our focus on the organisational DNA and current and future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

Board of Directors

Composition of the Board

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors constituted in conformity with the provisions of the Listing Agreement, FDI guidelines, terms of the shareholders' agreement and other statutory provisions. The Board comprises of thirteen members with a Chairman, Managing Director & CEO (International) and Joint Managing Director & CEO (India) beside three Non-Executive and seven Non-Executive Independent Directors. Two of the Board members including Chairman are founder members.

Detailed profile of each of the Directors is available on the website of the Company at www.airtel.com in the Investor Relations section.

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

As per the Company's governance policy, the selection of a new board member is the responsibility of the Nomination Committee, which is subsequently approved by the entire Board and all the appointments are made with unanimous approval. The appointment of such Directors is subsequently approved by the shareholders at the annual general meeting. While the shareholders' representative Directors are proposed by the respective shareholders, the Independent Directors are selected from diverse academic, professional or technical business background depending upon the business need.

Independent Directors

Clause 49 of the Listing Agreement with the Stock Exchanges requires every listed company to have the requisite number of Independent Directors on its Board and also sets out various criteria for a person to be eligible for appointment as an Independent Director. We have adopted a comprehensive policy on Independent Directors that sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration, and other related terms of appointment. The Policy emphasises importance of independence and states that an Independent Director shall not have any kind of pecuniary relationship with the Company that could influence such Directors' position as an Independent Director. As per the policy:

a) The Independent Director must meet the baseline definition and criteria on "independence" as set out in Clause 49 of the Listing Agreement and other regulations, as amended from time to time.

b) The Independent Director must not be disqualified from being appointed as Director in terms of Section 274 and other applicable provisions of the Companies Act, 1956.

c) The minimum age is 25 years and the maximum is 70 years.

d) As a general principle, the Independent Director are recommended to not be on the Board of more than six public listed companies.

e) The recommended tenure is three terms of three years each. However keeping in mind the need to maintain continuity and cohesiveness, it is envisaged that not more than two Directors will retire in a financial year and if more than two changes are required within a year because of retirement or resignation, the Board may, in its discretion limit the number of Directors retiring during the year. In such case, the senior most in age will retire first and the remaining Director(s) will retire in the following year.

f) If the retirement of any Director pursuant to policy is close to the date of the Annual General Meeting, such Director will retire at the AGM.

g) As per the policy, tenure of Independent Directors on Board Committees is as under:

- Tenure for the chairmanship of the Audit Committee is three terms of three years each
- Tenure for the chairmanship of the HR committee is two terms of two years each
- The tenure of Lead Independent Director shall be two terms of two years each

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with various eligibility criteria laid down by the Company among other things. In addition, the Company also ensures that the Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

Role and Responsibility of Independent Directors

- To provide entrepreneurial leadership within a framework of prudent and effective controls
- To evaluate and review the management's strategic, financial and business plans
- To establish a framework of prudent and effective controls which enables risk to be assessed and managed as well as regular update on the effectiveness of implementation
- To monitor corporate performance against shared plans including the adequacy of resources (human and financial) to meet the objectives
- To help ensure ethical behaviour and compliance with laws and regulations, accounting and auditing principles and the Company's own governance documents
- To perform other functions prescribed by any law or regulation or assigned to the Board in the Company's organisational documents

Lead Independent Director

The Company since a long time has followed a practice of appointing a Lead Independent Director. The Ministry of Corporate Affairs through the Corporate Governance Voluntary Guidelines also recommends the appointment of a Lead Independent Director. After retirement of Mr. N. Kumar on February 01, 2013 from the Board, Mr. Craig Edward Ehrlich has been designated as the Lead Independent Director. His roles and responsibilities, inter alia, are to:

- Preside over all deliberation sessions of the Independent Directors
- Provide objective feedback of the Independent Directors as a group to the Board on various matters, including agenda and other matters relating to the Company
- Undertake such other assignments, as may be requested by the Board from time to time

Meeting of Independent Directors

All Independent Directors meet separately prior to the commencement of every Board Meeting, without the presence of any Non-Independent Directors and representatives of management to discuss and form an independent opinion on the agenda items and other Board related matters.

In the above referred meeting, the Independent Directors also meet the statutory as well as Internal Auditors atleast once in a year by rotation to discuss internal audit effectiveness, control environment and invite their general feedback. The Lead Independent Director updates the Audit Committee about the outcome of the meeting and action, if any, required to be taken by the Company.

Board Meeting Schedules and Agenda

The calendar for the board and committee meetings as well as major items of the agenda is fixed in advance for the whole year. The calendar for the board meeting in which financial results will be considered in the ensuing year are fixed in advance as a practice and have also been disclosed later in the report and have also been uploaded on the website of the Company. Board meetings are generally held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 4 months. In case of urgent necessity additional board meetings are called. Meetings are generally held at the registered office of the Company in New Delhi.

The Audit, Nomination, HR and ESOP compensation committee meetings are held on the same dates as board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Group General Counsel & Company Secretary, in consultation with the Chairman, prepares the agenda of the board and committee meetings. The detailed agenda along with explanatory notes and annexures, as applicable are sent to the Board members well in advance at least a week before the meetings. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item'. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

As a process prior to each board meeting, proposals are invited from Independent Directors for discussion/deliberation at the meeting(s) and these are included in the agenda of the meeting.

Group CFO and other senior management members are invited to the board meetings to present reports on the items being discussed at the meeting. In addition the functional heads of various business segments/functions are also invited at regular intervals to present updates on their core area.

Information Available to the Board

The Board has complete access to all the relevant information within the Company, and to all our employees. The information shared on a regular basis with the Board specifically includes:

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

Number of Board Meetings

During the FY 2012-13, the Board met four times, on May 01-02, 2012, August 07-08, 2012, November 06-07, 2012 and February 1, 2013. Requisite information, according to the requirements of Clause 49 of the Listing Agreement, is provided in the following table:

Name of Director	Director Identification Number	Category	Number of Directorships[1] and Committee[2] Memberships and Chairmanships			No. of Board Meetings attended (total held)	Whether attended last AGM
			Directorships	Chairmanships	Memberships		
Mr. Sunil Bharti Mittal	00042491	Chairman – Promoter	3	Nil	Nil	4 (4)	Yes
Mr. Manoj Kumar Kohli	00162071	Executive Director	1	Nil	1	4 (4)	No
Mr. Gopal Vittal[3]	02291778	Executive Director	1	Nil	Nil	1 (1)	N.A.
Ms. Chua Sock Koong[4]	00047851	Non-Executive Director	2	Nil	Nil	4 (4)	No
Mr. Hui Weng Cheong[5]	03269291	Non-Executive Director	N.A.	N.A.	N.A.	2 (2)	No
Mr. Akhil Kumar Gupta[5]	00028728	Non-Executive Director	N.A.	N.A.	N.A.	2 (2)	No
Mr. Rajan Bharti Mittal	00028016	Non-Executive Director – Promoter	5	3	3	4 (4)	Yes
Mr. Rakesh Bharti Mittal[5]	00042494	Non-Executive Director – Promoter	N.A.	N.A.	N.A.	2 (2)	Yes
Ms. Tan Yong Choo	02910529	Non-Executive Director	2	Nil	2	4 (4)	No
Mr. Ajay Lal	00030388	Independent Director	3	1	1	3 (4)	No
Mr. Craig Edward Ehrlich	02612082	Independent Director	1	Nil	1	4 (4)	No
Ms. Obiageli Ezekwesili[6]	06385532	Independent Director	1	Nil	1	1 (2)	N.A.
Mr. Nikesh Arora	02433389	Independent Director	1	Nil	Nil	3 (4)	No
Mr. Pulak Prasad	00003557	Independent Director	2	Nil	1	4 (4)	No
Mr. Manish Kejriwal[6]	00040055	Independent Director	3	Nil	3	2 (2)	N.A.
Mr. Tsun-yan Hsieh	03313649	Independent Director	1	Nil	Nil	3 (4)	No
Mr. N. Kumar[7]	00007848	Independent Director	N.A.	N.A.	N.A.	4 (4)	Yes
Lord Evan Mervyn Davies[8]	03265571	Independent Director	N.A.	N.A.	N.A.	0 (2)	No
H.E. Dr. Salim Ahmed Salim[8]	03269401	Independent Director	N.A.	N.A.	N.A.	1 (2)	No

1. Directorships held by the Directors, as mentioned above (i) do not include directorships held in foreign companies, private limited companies and companies under Section-25 of the Companies Act, 1956 (ii) include directorship in the Company and private limited companies, which are considered as public limited companies in terms of sec 3(1)(iv)(c) of the Companies Act, 1956.
2. Committees considered for the purpose are those prescribed under Clause 49(I)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and shareholders/ investors grievance committee of the Indian public limited companies (including private limited companies, which are considered as public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956). Committee membership details provided do not include chairmanship of committees as it has been provided separately.
3. Mr. Gopal Vittal, was appointed as Joint Managing Director w.e.f. February 01, 2013.
4. One meeting was attended by Ms. Jeann Low Ngiap Jong, alternate Director.
5. Mr. Hui Weng Cheong, Mr. Akhil Gupta and Mr. Rakesh Bharti Mittal resigned from the Board w.e.f. September 26, 2012.
6. Ms. Obiageli Ezekwesili and Mr. Manish Kejriwal were appointed as Independent Director w.e.f. September 26, 2012.
7. Mr. N. Kumar retired from the Board w.e.f. February 01, 2013.
8. Lord Evan Mervyn Davies and H.E. Dr. Salim Ahmed Salim resigned from the Board w.e.f. September 06, 2012.
9. Except Mr. Sunil Bharti Mittal, Mr. Rakesh Bharti Mittal and Mr. Rajan Bharti Mittal, who are brothers and Promoter Director, none of the Directors are relatives of any other Director.
10. As on March 31, 2013, the following Directors hold equity shares in the Company as detailed below:
    - Mr. Ajay Lal – 20,000 shares
    - Mr. Manoj Kohli – 275,739 shares
11. Mr. Manoj Kohli draws remuneration from Airtel Africa subsidiary company and is not paid any remuneration from India.

Remuneration Policy for Directors

The remuneration of Executive Directors, i.e. Mr. Sunil Bharti Mittal – Chairman, Mr. Gopal Vittal – Joint Managing Director & CEO (India), is approved by the Board of Directors within the limits approved by the shareholders on the basis of the recommendation of the HR Committee.

Remuneration of the Executive Directors has two components: fixed pay and variable pay (performance-linked incentive). While the fixed pay is paid to the Directors on a monthly basis, the performance-linked incentive is paid on the basis of individual performance after the end of the financial year.

The performance targets, i.e. the key result areas (KRA), together with performance indicators for the Executive Directors, based on the balanced score card, are approved by the HR Committee at the beginning of the year. At the end of the year, after announcement of the annual results, the HR Committee evaluates the performance of each of these Senior Executives against the targets set. The Committee also recommends the performance-linked incentive for each of them to the Board for payment.

Mr. Manoj Kohli, Managing Director is also a Managing Director of Bharti Airtel International (Netherlands) B.V., the

Company's wholly owned subsidiary. Hence, he draws his remuneration from the overseas subsidiary company instead of Bharti Airtel.

According to the policy for the payment of commission to Non-Executive Directors (including Independent Director) adopted by the Board, the Non-Executive Directors (including Independent Director) are also eligible for commission, which is linked to their tenure on the Board. The Executive Directors are not paid any commission.

The amount of commission payable to all the Non-Executive Directors is as follows:

Non-Executive Directors

- USD 50,000 per annum for Directors not residing in India
- ₹ 2,500,000 per annum for Directors residing in India

Independent Non-Executive Directors

- USD 100,000 per annum for Directors not residing in India
- ₹ 3,500,000 per annum for Directors residing in India

The Chairman of the Audit Committee is entitled to an additional sum of USD 10,000 per annum, if not residing in India, and ₹ 500,000 per annum, if residing in India.

The Commission is payable annually after approval of the respective financial statements.

Payment of aforesaid remuneration commission is subject to the availability of sufficient profits as well as overall ceiling of 1% of net profits, as approved by the shareholders in the General Meeting held on September 1, 2011.

In addition to the Commission, the Independent Non-Executive Directors are also paid the following sitting fees for the Board/Committee Meetings attended by them:

(i) ₹ 20,000/- for attending each meeting of the Board of Directors

(ii) ₹ 20,000/- for attending all the meetings of the Board Committees at one occasion

Remuneration to Directors

The details of the remuneration paid by the Company to all Directors during the FY 2012-13 are as under:

(Amount in ₹)

Name of Director	Sitting Fees	Salary and allowances	Performance linked incentive	Perquisites	Commission	Total
Executive Director						
Mr. Sunil Bharti Mittal	--	95,882,196	142,500,000	4,959,444	--	243,341,640
Mr. Manoj Kohli	--	--	--	--	--	--
Mr. Gopal Vittal	--	4,773,176	8,856,603	--	--	13,629,779
Non-Executive Director						
Mr. Akhil Gupta	--	--	--	--	1,222,223	1,222,223
Mr. Ajay Lal	120,000	--	--	--	3,583,333	3,703,333
Mr. Manish Kejriwal	80,000	--	--	--	1,798,611	1,878,611
Ms. Chua Sock Koong	--	--	--	--	2,867,460	2,867,460
Mr. Craig Ehrlich	160,000	--	--	--	5,734,920	5,894,920
Lord Evan Mervyn Davies	--	--	--	--	2,652,896	2,652,896
Mr. Hui Weng Cheong	--	--	--	--	1,477,487	1,477,487
Mr. N. Kumar	160,000	--	--	--	3,333,333	3,493,333
Ms. Obiageli Ezekwesili	40,000				2,795,012	2,835,012
Mr. Nikesh Arora	120,000	--	--	--	5,734,920	5,854,920
Mr. Pulak Prasad	160,000	--	--	--	5,734,920	5,894,920
Mr. Rajan Bharti Mittal	--	--	--	--	2,500,000	2,500,000
Mr. Rakesh Bharti Mittal	--	--	--	--	1,222,223	1,222,223
H.E. Dr. Salim Ahmed Salim	40,000	--	--	--	2,652,896	2,692,896
Ms. Tan Yong Choo	--	--	--	--	2,867,460	2,867,460
Mr. Tsun-yan Hsieh	120,000	--	--	--	5,734,920	5,854,920
Total	**1,000,000**	**100,655,372**	**151,356,603**	**4,959,444**	**51,912,614**	**309,884,033**

- The salary and allowance includes the Employers contribution to Provident Fund. Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, amount pertaining to the Directors is not ascertainable and, therefore, not included.
- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- During the year, Mr. Gopal Vittal was granted 1,62,500 stock options at an exercise price of ₹ 5, according to the details given below:
  - 12,500 stock option on April 03, 2012 under ESOP Scheme 2001 at an exercise price of ₹ 5 per option, with vesting period spread over two years.
  - 1,50,000 stock option on August 08, 2012 under ESOP Scheme 2005 at an exercise price of ₹ 5 per option, with vesting period spread over three years.

  The options can be converted into equity shares, either in full or in tranches, at any time upto seven years from the grant date. The unexercised vested options can be carried forward throughout the exercise period. The options, which are not exercised, will lapse after the expiry of the exercise period.
- No other Director has been granted any stock option during the year.
- The Company has entered into contracts with the Executive Directors, i.e. Mr. Sunil Bharti Mittal, dated October 1, 2011 and Mr. Gopal Vittal dated February 1, 2013, respectively. These are based on the approval of the shareholders. There are no other contracts with any other Director.
- No notice period or severance fee is payable to any Director.
- Performance-Linked Incentive (PLI) includes provision at 100% performance for the FY 2012-13 and adjustments of actual PLI payout for the FY 2011-12.
- Commission include provision for the FY 2012-13 and adjustments on account of actual payout for the FY 2011-12.

Code of Conduct

The Code of Conduct for all Directors and senior management personnel, laid down by the Board, is available on the Company's website (www.airtel.com). The Code is applicable to all Board Members and senior management executives who directly report to the Chairman, the Managing Director & CEO (International) and the Joint Managing Director & CEO (India). The Code is circulated annually among all Board members and senior management; the compliance is affirmed by them annually. Besides, the Company also procures a quarterly confirmation of transactions entered into by its senior management. A declaration signed by the Joint Managing Director & CEO (India), regarding affirmation of the compliance with the Code of Conduct by the Board members and senior management, is appended at the end of this report.

Along with the Code of Conduct for the Board members and senior management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation of compliance is also sought from all the employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes are conducted across locations to explain and reiterate importance of adherence to the Code.

Board Committees

In compliance with the Listing Agreements (both mandatory and non-mandatory), the SEBI Regulations, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter/terms of reference. Constitution and charter of the Board Committees are available on the Company's website, www.airtel.com, and are also given herein.

Audit Committee

The Company's Audit Committee comprises five Directors, four of whom are independent. The Chairman of the Audit Committee, Mr. Ajay Lal, is an Independent Director and has sound financial knowledge as well as many years of experience in general management. The majority of the Audit Committee members, including the Chairman, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Company Secretary is the secretary to the Committee. Managing Director & CEO (International) and Joint Managing Director & CEO (India), Group CFO, Group Director – Internal Assurance, Statutory Auditors and the Internal Auditors are permanent invitees.

Key Responsibilities of the Audit Committee

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor, Internal Auditors, Cost Auditors and determination of their audit fees
- Approving the payment to Statutory Auditors for any other services rendered by them
- Reviewing, with the management, annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement, which form part of the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Approval of all related party transactions
  - Qualifications in the draft Audit Report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems
- Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, availability and deployment of resources to complete their responsibilities and the performance of the out-sourced audit activity
- Discussing with Internal Auditors with respect to the coverage and frequency of internal audits as per the annual audit plan, nature of significant findings and follow up thereon
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

- Updating the Risk Management Framework and the manner in which risks are being addressed
- Discussing with Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Reviewing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the Whistle Blower Mechanism and the nature of complaints received by the Ombudsperson
- Review the following:
  - Management Discussion and Analysis of financial condition and results of operations
  - Statement of related party transactions with specific details of the transactions, which are not in the normal course of business or the transactions which are not at arms' length price
  - Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances
  - Management letters/letters of internal control weaknesses issued by the Statutory Auditors
  - Internal audit reports relating to internal control weaknesses
  - The appointment, removal and terms of remuneration of the chief internal auditor
  - The financial statements, in particular the investments, if any made by the unlisted subsidiary companies

  Such other function, as may be assigned by the Board of Directors from time to time or as may be stipulated under any law, rule or regulation including the Listing Agreement and the Companies Act, 1956.

The Chairman of the Audit Committee shall also review such other functions, as may be assigned by the Board of Directors from time to time, or as may be stipulated under any law, rule or regulation, including the Listing Agreement and the Companies Act, 1956.

Powers of the Audit Committee

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the assistance (including attendance) of outsiders with relevant experience and expertise, when considered necessary

Meetings, Attendance and Composition of the Audit Committee

During the FY 2012-13, the Audit Committee met four times, on May 01, 2012, August 07, 2012, November 06, 2012 and February 01, 2013. Time gap between any two meetings was less than four months. All the meetings were held in New Delhi, except the one on August 07, 2012, which was held in Singapore.

Beside the Committee Meetings as above, the Committee also held a conference call before every regular Audit Committee meeting to discuss routine internal audit issue. This provided an opportunity to the Audit Committee to devote more time on other significant matters in the regular Audit Committee meeting. During the financial year, the Committee met four times through the conference call, on April 24, 2012, July 31, 2012, October 30, 2012 and January 25, 2013.

The composition and the attendance of members at the meetings held during the FY 2012-13 are given below:

Member Director	Category	Number of meetings attended (total held)	Number of Conference call attended (total conducted)
Mr. N Kumar, (Chairman)[1]	Independent Director	4 (4)	4 (4)
Mr. Ajay Lal (Chairman)[2]	Independent Director	3 (4)	2 (4)
Mr. Craig Ehrlich	Independent Director	4 (4)	4 (4)
Mr. Pulak Prasad	Independent Director	4 (4)	3 (4)
Mr. Rakesh Bharti Mittal[3]	Non-Executive Director	2 (2)	2 (2)
Ms. Tan Yong Choo	Non-Executive Director	4 (4)	4 (4)
Mr. Manoj Kohli[4]	Executive Director	2 (2)	2 (2)
Ms. Obiageli Ezekwesili[5]	Independent Director	1 (2)	0 (2)

1. Ceased to be a member/Chairman of the Committee w.e.f. February 01, 2013.
2. Appointed as a Chairman of the Committee w.e.f. February 01, 2013.
3. Ceased to be a member of the committee w.e.f. September 26, 2012.
4. Appointed as a member of the Committee w.e.f. September 26, 2012 and ceased to be member w.e.f. May 01, 2013.
5. Appointed as a member of the Committee w.e.f. September 26, 2012.

Audit Committee Report for the year ended March 31, 2013

To the Shareholders of Bharti Airtel Limited:

The Audit Committee is pleased to present its report for the year ended March 31, 2013:

The Committee presently comprises of five members of whom two-third, including the Chairman, are Independent Directors, as per the requirements of Clause 49 of the Listing Agreement.

Responsibility for Company's internal controls and financial reporting processes lies with the management. The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the India's Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) and issuing a report thereon.

The Board has appointed two External and Independent Internal Auditors. They are responsible for ensuring adequacy of internal control systems and adherence to management policies and statutory requirements. The Company also has in place an internal assurance group headed by the Group Director-Internal Assurance. The Group is responsible for reviewing all the operations of the Company to evaluate the risks, internal controls and governance processes. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism. The Audit Committee oversees the work of the External Auditors, Internal Auditors, Internal Assurance Group and Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.

In this regard, the Committee reports as follows:

i. The Committee has discussed with the Company's Internal Auditors and Statutory Auditors the overall scope and plan for their respective audits. The Committee also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.

ii. The management presented the Company's financial statements to the Committee. They also affirmed that the Company's financial statements had been drawn in accordance with the Indian GAAP and IFRS. Based on its review and discussions conducted with the management and the Statutory Auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also considers that the financial statements are true and accurate, provide sufficient information. The Committee believes the Company has followed an adequate process to create them.

iii. The Committee reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2013. It has recommended the same for the Board's approval.

iv. The Committee reviewed the internal controls put in place to ensure that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the Company's internal control systems.

v. The Committee reviewed the Company's internal audit function and risk management systems from time to time.

vi. The Committee reviewed the Ombudsperson's report on the functioning of the Whistle Blower Mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Committee believes that the Company has effective Whistle Blower Mechanism and nobody has been denied access to this policy.

vii. The Committee reviewed with the management the independence and performance of the Statutory Auditors and has recommended to the Board the re-appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon, as the Company's Statutory Auditors for succeeding tenure.

viii. The Committee, along with the management, reviewed the performance of both the Internal Auditors and recommended to the Board the re-appointment of M/s. PricewaterhouseCoopers Private Limited and M/s. ANB Consulting Company Private Limited as the Company's Internal Auditors for succeeding tenure.

ix. The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.

x. The Audit Committee monitored and approved all related party transactions, including any modification/ amendment in any such transactions.

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

Place: New Delhi
Date: May 01, 2013

Ajay Lal
Chairman, Audit Committee

HR Committee

In compliance with the non-mandatory requirements of Clause 49 of the Listing Agreement, the Company has a remuneration committee known as the HR committee.

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman, are Independent Directors. The Company Secretary acts as the secretary of the Committee. The Group Director HR is the permanent invitee. Other senior management members are also invited to the committee meetings to present reports on the items being discussed at the meeting.

Key Responsibilities of the HR Committee

Besides reviewing the remuneration packages and other benefits of the Executive Directors, the HR Committee also oversees the functions related to the Company's human capital. The Committee's key responsibilities include:

- Developing recruitment and retention strategies for employees
- Formulating employee development strategies
- Deciding compensation (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and performance targets for the Chairman, Managing Director & CEO (International) and Joint Managing Director & CEO (India)
- Mitigating all human resource-related issues
- Solving other key issues/matters, as may be referred by the Board or as may be necessary in view of Clause 49 of the Listing Agreement or any other statutory provisions

Meetings, Attendance and Composition of the HR Committee

During the financial year 2012-13, the Committee met five times, on May 01, 2012, July 30, 2012, August 07, 2012, November 06, 2012 and February 01, 2013.

The composition and the attendance of members at the meetings held during the period are given below:

Member Director	Category	Number of meetings Attended (total held)
Lord Evan Mervyn Davies (Chairman)[1]	Independent Director	1 (3)
Mr. Hui Weng Cheong[2]	Non-Executive Director	3 (3)
Mr. Nikesh Arora	Independent Director	3 (5)
Mr. Rajan Bharti Mittal	Non-Executive Director	5 (5)
H. E. Dr. Salim Ahmed Salim[1]	Independent Director	1 (3)
Mr. Tsun-yan Hsieh (Chairman)[3]	Independent Director	3 (5)
Ms. Chua Sock Koong[3]	Non-Executive Director	2 (2)
Mr. Manish Kejriwal[3]	Independent Director	2 (2)

1. Ceased to be a member/Chairman of the Committee w.e.f. September 6, 2012.
2. Ceased to be a member of the Committee w.e.f. September 26, 2012.
3. Appointed as a Chairman/member of the Committee w.e.f. September 26, 2012.

ESOP Compensation Committee

The Board's ESOP Compensation Committee, constituted in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, comprises five Non-Executive members, three of whom are independent. The Chairman of the Committee, Mr. Rajan Bharti Mittal, is a Non-Executive Director. The Company Secretary acts as the secretary of the Committee. Group Director HR is the permanent invitee.

Key responsibilities of the ESOP Compensation Committee

The key responsibilities of the ESOP Compensation Committee include the following:

- To formulate ESOP plans and decide on future grants
- To formulate terms and conditions of the following under the Company's present Employee Stock Option Schemes:
  - The quantum of option to be granted under ESOP Scheme(s) per employee and in aggregate
  - The conditions under which options vested in employees may lapse in case of termination of employment for misconduct
  - The exercise period, within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period
  - The specified time period, within which the employee shall exercise the vested options in the event of termination or resignation of an employee
  - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period

- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions
- The grant, vesting and exercise of option in case of employees who are on long leave; and the procedure for cashless exercise of options
- Any other matter, which may be relevant for administration of ESOP Schemes from time to time
  - To frame suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995
  - Other key issues as may be referred by the Board

Meetings, Attendance and Composition of ESOP Compensation Committee

During the FY 2012-13, the Committee met four times, on May 01, 2012, August 07, 2012, November 06, 2012 and February 01, 2013. The composition and the attendance of members at the meetings held during the period are given below:

Member Director	Category	Number of meetings Attended (total held)
Mr. Rajan Bharti Mittal, (Chairman)	Non-Executive Director	4 (4)
Lord Evan Mervyn Davies[1]	Independent Director	0 (2)
Mr. Hui Weng Cheong[2]	Non-Executive Director	2 (2)
Mr. Nikesh Arora	Independent Director	3 (4)
H.E. Dr. Salim Ahmed Salim[1]	Independent Director	1 (2)
Mr. Tsun-yan Hsieh	Independent Director	3 (4)
Ms. Chua Sock Koong[3]	Non-Executive Director	2 (2)
Mr. Manish Kejriwal[3]	Independent Director	2 (2)

1. Ceased to be a member of the committee w.e.f. September 6, 2012.
2. Ceased to be a member of the committee w.e.f. September 26, 2012.
3. Appointed as a member of the Committee w.e.f. September 26, 2012

Investors' Grievance Committee

In compliance with the Listing Agreement requirements and provisions of the Companies Act, 1956, the Company has constituted an Investor Grievance Committee. The Committee comprises three members. Mr. Rajan Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Investor Grievance Committee

The key responsibilities of the Investor Grievance Committee include the following:

- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time
- Redressal of shareholders and investor complaints/ grievances regarding transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend and etc
- Approve, register, refuse to register transfer/ transmission of shares and other securities
- Sub-divide, consolidate and/or replace any share or other securities certificate(s) of the Company
- Issue duplicate share/other security(ies) certificate(s) in lieu of the Company's original share/security(ies) certificate(s)
- Approve transmission of shares or other securities arising as a result of the death of the sole/any one of the joint shareholders
- Dematerialise or rematerialise share certificates
- Delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s)

The meetings of the Committee are generally held on monthly basis to review and ensure that all investor requests/grievances are redressed within 7-10 days from the date of receipt of the complaint. These, however, do not include complaints/requests, which are constrained by legal impediments/procedural issues.

Meetings, Attendance and Composition of Investor Grievance Committee

During the FY 2012-13, the Committee met seven times, on May 04, 2012, May 22, 2012, June 11, 2012, June 22, 2012, November 06, 2012, December 05, 2012 and February 01, 2013. The composition and the attendance of members at the meetings held during the FY 2012-13, are given below:

Member Director	Category	Number of meetings Attended (total held)
Mr. Akhil Gupta (Chairman)[1]	Non-Executive Director	4 (4)
Mr. Rajan Bharti Mittal (Chairman)[2]	Non-Executive Director	7 (7)
Mr. Rakesh Bharti Mittal[1]	Non-Executive Director	3 (4)
Mr. Ajay lal[2]	Independent Director	2 (3)
Mr. Manish Kejriwal[2]	Independent Director	2 (3)

1. Ceased to be a member/Chairman of the Committee w.e.f. September 26, 2012.
2. Appointed as a Chairman/member of the Committee w.e.f. September 26, 2012.

Compliance Officer

Mr. Mukesh Bhavnani, Group General Counsel & Company Secretary, acts as the Company's Compliance Officer and is responsible for complying with the requirements of the Listing Agreement with the Stock Exchanges and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 1992.

Nature of Complaints and Redressal Status

To provide an appropriate disclosure of the investor complaint, the Company has formed and adopted a policy on classification of investor communications. The Policy endeavours to differentiate between general shareholders communications and complaints and has been duly approved by the Investor Grievance Committee.

During the FY 2012-13, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares, annual reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investors' complaints, as on March 31, 2013 are as follows:

Type of complaint	Number	Redressed	Pending
Non-receipt of securities	0	0	Nil
Non-receipt of Annual Report	1	1	Nil
Non–receipt of dividend/dividend warrants	12	12	Nil
Total	13	13	Nil

To redress investor grievances, the Company has a dedicated e-mail ID, compliance.officer@bharti.in to which investors may send complaints.

Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional committee known as the Committee of Directors. The Committee meets generally on a monthly basis.

Key Responsibilities of the Committee of Directors

Investment Related

- To make loans to any corporate body/entity within the limits approved by the Board of Directors
- To guarantee in connection with loan made to any corporate body/entity within the overall limits approved by the Board of Directors
- To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and/or Guarantee(s) from time to time
- To open, operate, close, change in authorisation for any Bank, Demat, Subsidiary General Ledger (SGL), Dematerialisation/Depository Account
- To purchase, sell, acquire, subscribe, transfer, sale or otherwise deal in the shares/securities of any company, body corporate or other entities within the limits approved by the Board

Borrowing Related

- To borrow such sum of money as may be required by the Company from time to time, provided that the money already borrowed, together with the amount to be borrowed by the Company, does not exceed the limits provided under Section 293(1)(d) of the Companies Act, 1956, i.e. upto the Company's paid up capital and free reserve
- To create security/charge(s) on all or any of the Company's assets to secure its credit facility(ies)
- To deal in government securities, units of mutual funds, fixed income and money market instruments (including commercial papers, ICDs and short-term deposits of corporates), fixed deposits and certificate of deposit programme of banks and other instruments/securities/ treasury products of banks and financial institutions and others, as per the Company's treasury policy
- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rates swaps
- To open, operate, close, change in authorisation for any Bank account, Subsidiary General Ledger (SGL) Account, Dematerialisation/Depository Account
- To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities including borrowing/credit facilities, creation of charge and so on

Allotment of Shares

- Issue and allot the Company's shares in one or more trenches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company
- Seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the Company's existing equity shares of the Company in all respects
- to do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares

General Authorisations

- To open, shift, merge, close any branch office, circle office and others
- To approve for participation into any tender, bid, auction and others by the Company
- To register the Company with any Central/State Government authorities, Semi-Government authorities, local authorities, tax authorities, including administrative authorities, business associations and governing bodies for sales tax, service tax, value-added tax, labour laws and others
- To purchase, sell, take on lease/license, transfer or otherwise deal with any property
- To apply for and surrender any electricity, power or water connection
- To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and/or Professionals for undertaking any assignment for and on behalf of the Company
- To constitute, reconstitute, modify or dissolve any trust or association with regard to the administrative matters or employee-related matters and to appoint, reappoint, remove, replace the trustees or representatives
- To authorise one or more employee(ies), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
  - Represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory/administrative authorities or any other entity
  - Negotiate, finalise, execute, modify, sign, accept and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds and all other documents and papers
  - Affix the Company's common seal
  - Enter into, sign, execute and deliver all contracts for and on behalf of the Company
- To do all such acts, deeds and things, as may be required for the smooth conduct of the Company's operations and which does not require the specific approval of the Company's Board of Directors or which has specifically been delegated by the Board to any of its other committees or any of its officer, employee or agent
- To perform such other functions as may be authorised/delegated by the Board of Directors or as might have been authorised/delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee
- To authorise/delegate any or all of its power to any person, officer, representative to do any act, deed or thing, as may be required to be done to give effect to the aforementioned resolution

Nomination Committee

During the year, the Board, in its meeting held on November 06, 2012, on the recommendation of the Independent Directors, constituted a Nomination Committee. The Committee comprises five members. Rajan Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

Key Responsibilities of the Nomination Committee

- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities required for a particular appointment
- Identify and nominate candidates, for the approval of the Board, to fill Board vacancies as and when they arise
- Review succession planning for Executive and Non-Executive Directors and other senior executives particularly the Chairman and CEOs
- Recommend suitable candidate for the role of Lead Independent Director
- Recommend the appointment of any Director or his relative to executive or other employments/places of profit in the Company
- Conduct an annual evaluation of the Board's overall effectiveness and its committees

Meetings, Attendance and Composition of Nomination Committee

During the FY 2012-13, the Committee met once on February 01, 2013. The composition and the attendance of members at the meetings held during the FY 2012-13, are given below:

Member Director	Category	Number of meetings attended (total held)
Mr. Rajan Bharti Mittal, Chairman	Non-Executive Director	1 (1)
Mr. Ajay Lal	Independent Director	1 (1)
Ms. Chua Sock Koong	Non-Executive Director	1 (1)
Mr. Craig Edward Ehrlich	Independent Director	1 (1)
Mr. N. Kumar[1]	Independent Director	1 (1)
Mr. Tsun-yan Hsieh	Independent Director	1 (1)

1. Ceased to be a member of the Committee w.e.f. February 01, 2013.

Subsidiary Companies

Since Bharti Infratel Limited, the Company's material Indian subsidiary, is now listed on the Stock Exchanges w.e.f. December 28, 2012, the Company is no more required to nominate a Director on the Board of Bharti Infratel.

General Body Meetings

The last three Annual General Meetings (AGMs) were held as under:

Financial Year	Location	Date	Time (IST)
2011-2012	Air Force Auditorium, Subroto Park, New Delhi	September 6, 2012	1530 Hrs.
2010-2011		September 1, 2011	1530 Hrs.
2009-2010		September 1, 2010	1530 Hrs.

Special Resolutions Passed at the Last Three AGMs

No special resolution was passed at the last AGM held on September 1, 2011 and September 6, 2012.

Following two special resolutions were passed at the AGM held on September 1, 2010:

- Consent for appointment of Mr. Shravin Mittal as an employee in a subsidiary company
- Payment of commission to the Company's Non-Executive Directors of the Company

No special resolution is proposed to be passed at the ensuing AGM

Postal Ballot/e-voting

During the previous year, the Company passed the following resolutions by postal ballot on Thursday, March 28, 2013:

- Ordinary Resolution for appointment of Mr. Sunil Bharti Mittal as Chairman
- Ordinary Resolution for appointment of Mr. Manoj Kohli as Managing Director
- Special Resolution for appointment of Mr. Gopal Vittal as a Director not liable to retire by rotation
- Ordinary Resolution for appointment of Gopal Vittal as Joint Managing Director

Person Conducting the Postal Ballot Exercise

Mr. Gopal Vittal, Joint Managing Director and Mr. Mukesh Bhavnani, Group General Counsel & Company Secretary were appointed as persons responsible for the postal ballot/e-voting process. Mr. Sanjay Grover of M/s. Sanjay Grover & Associates, Company Secretaries, New Delhi (the Scrutiniser) was appointed as scrutiniser for the postal ballot voting process. Mr. Sanjay Grover, Practicing Company Secretary conducted the process and submitted his report to the Company.

Procedure Followed

I. The Company issued the postal ballot notice dated February 1, 2013 containing draft resolutions together with the explanatory statements and the postal ballot forms and self-addressed envelopes to the members whose names appears in the register of members as on Friday, February 15, 2013 and others concerned.

II. Members were advised to read carefully the instructions printed on the postal ballot form and return the duly completed form in the attached self-addressed envelope so as to reach the scrutiniser on or before the close of business hours on Monday, March 25, 2013. The members who opted for the e-voting could vote on or before the business hours i.e. 6.30 P.M. on Monday, March 25, 2013.

III. After due scrutiny of all the postal ballot/e-voting forms received upto the close of the working hours on Monday, March 25, 2013, Scrutiniser submitted his final report on Tuesday, March 26, 2013 before close of business hours;

IV. The results of the postal ballot/e-voting were declared on Thursday, March 28, 2013. The date of declaration of the results of the postal ballot was taken as the date of passing of the solutions.

V. The results of the postal ballot were published in the newspapers within 48 hours of the declaration of the results and were also placed at the website of the Company at www.airtel.com.

Details of Voting Pattern

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

Detail of Agenda	No. of Valid Votes	No. of Votes – in Favour (%)	No. of Votes – Against (%)
Ordinary resolution for appointment of Mr. Sunil Bharti Mittal as the Company's Executive Chairman	3,172,811,660	3,165,386,323 (99.77%)	7,425,337 (0.23%)
Ordinary resolution for appointment of Mr. Manoj Kohli as the Company's Managing Director	3,172,810,517	3,165,384,233 (99.77%)	7,426,284 (0.23%)
Special resolution for appointment of Mr. Gopal Vittal as a Director not liable to retire by rotation	3,172,810,521	3,155,196,203 (99.44%)	17,614,318 (0.56%)
Ordinary Resolution for appointment of Mr. Gopal Vittal as the Company's Joint Managing Director	3,172,810,526	3,165,383,193 (99.77%)	7,427,333 (0.23%)

Disclosures

Disclosure on Materially Significant Related Party Transactions

The required statements/disclosures, with respect to the related party transactions, are placed before the Audit Committee as well as to the Board of Directors, on a quarterly basis in terms of Clause 49(IV)(A) of the Listing Agreement and other applicable laws for approval/information.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 46 of the Standalone Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and are all on an arm's length basis.

Disclosure on Risk Management

In compliance with Clause 49 of the Listing Agreement, the Company has established an enterprise-wide risk management (ERM) framework to optimally identify and manage risks as well as to address operational, strategic and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and is received by the Audit Committee at regular intervals.

The Board is regularly updated on the key risks and the steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Detailed update on risk management framework has been covered under the risk section forming apart of the Management Discussion and Analysis.

Details of Non-compliance with Regard to the Capital Market

There have been no instances of non-compliances by us and no penalties and/or strictures have been imposed on us by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

CEO and CFO Certification

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

Compliance with the Mandatory Requirements of Clause 49 of the Listing Agreement

Bharti Airtel has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Agreement. It has obtained a certificate affirming the compliances from M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, the Company's Statutory Auditors and the same is attached to the Directors' Report.

Adoption of Non-mandatory Requirements of Clause 49 of the Listing Agreement

The Company has adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:

- Remuneration Committee

  The Company has a remuneration committee, which is known as the HR Committee of the Board of Directors. A detailed note on the HR Committee has been provided in the Board Committees' section of this report.

- Shareholders' Rights and Auditors' Qualification

  The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to the Stock Exchanges within 15 minutes of the approval of the results. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release.

  During the previous financial year, none of the Auditors' Reports on quarterly results were qualified.

  On the day of announcement of the quarterly results, an earnings call is organised where the management responds to the queries of the investors/analysts. These calls are webcast live and transcripts posted on the website. In addition, discussion with the management team is webcast and also aired on the electronic media.

- Ombudsperson Policy

  Bharti Airtel has adopted an Ombudsperson Policy (includes Whistle Blower Policy). It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may breach the employees' Code of Conduct. The Policy aims to ensure that genuine complainants can raise their concerns in full confidence, without any fear of retaliation or victimisation. The Ombudsperson administers a formal process to review and investigate any concerns raised. It also undertakes all appropriate actions required to resolve the reported matter. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit Committee. All the employees of the Company as well as vendors/ partners and any person that has a grievance (excluding standard customer complaints) has full access to the Ombudsperson through phones, emails or even meetings in person.

- Compliance with the ICSI Secretarial Standards

  The Company has substantially complied with the Secretarial Standards as laid down by the Institute of Company Secretaries of India (ICSI).

- Memorandum and Articles of Associations

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

Compliance with the Corporate Governance Voluntary Guidelines 2009

To encourage voluntary adoption of better practices to achieve the highest standard of Corporate Governance, the Ministry of Corporate Affairs, Government of India, published the Corporate Governance Voluntary Guidelines 2009. The Company has substantially complied with the Corporate Governance Voluntary Guidelines 2009.

Adoption of International Financial Reporting Standards

Till 2009-2010, besides preparing the Indian GAAP(IGAAP) consolidated financial statements as per statutory requirements, the Company also used to prepare the financial statements under US GAAP voluntarily, which were audited by Ernst & Young. In April 2010, the Stock Exchanges had amended Clause 41 of the Listing Agreement and permitted the companies to prepare their consolidated financial statements. The statements needs to be prepared in accordance with IFRS in place of IGAAP from FY 2010-2011. The Ministry of Corporate Affairs, Government of India, has also issued a detailed roadmap for convergence of the IGAAP with IFRS. In line with the philosophy of the Government and amendment in the Listing Agreement, the Company has voluntarily migrated to IFRS accounting and accordingly the consolidated financial statements are prepared under IFRS from the financial year 2010-2011 onwards.

Green Initiatives by MCA

To protect the environment, and after withdrawal of the Certificate of Posting facility by the postal department, the ministry of corporate affairs had clarified that communication to the shareholders through email or equivalent mode will also be in compliance with the provisions of Section 53 of the Companies Act, 1956. Accordingly, the Company has decided to send all communications through email to those shareholders, who have registered their email id with their depository participant's/company's registrar and share transfer agent. In case the shareholders desire to receive printed copy of such communications, they may send requisition to the Company. The Company will forthwith send a printed copy of the communication to the respective shareholder.

Status of Dividend Declared in the Last Four Years

The Company declared its maiden dividend in August 2009 for the FY 2008-09. Status of the dividend declared by the Company for the last four years is as under.

Amount in ₹ Millions

Financial Year	Rate of Dividend	Total Pay-out	Amount Paid to the shareholders	Amount un-paid to the shareholders
2011-12	₹ 1 per equity share of ₹ 5 each	3,797.53	3,790.75 (99.82%)	6.78 (0.18%)
2010-11	₹ 1 per equity share of ₹ 5 each	3,797.53	3,791.12(99.83%)	6.41(0.17%)
2009-10	₹ 1 per equity share of ₹ 5 each	3,797.53	3,790.08 (99.80%)	7.45 (0.20%)
2008-09	₹ 2 per equity share of ₹ 10 each	3,796.48	3,790.39(99.84%)	6.09 (0.16%)

The Company constantly endeavours to reduce the unpaid dividend amount. The Shareholders who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

Means of Communication

Quarterly Results: The Company's quarterly audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan Hindi (vernacular newspaper) and are also posted on the Company's website.

Earning Calls and Presentations to Analysts: The Company organises an earnings call with analysts and investors on the day of announcement of results, which is also broadcast live on the Company's website. The transcript is posted on the website soon after. Any specific presentation made to the analysts/others is also posted on the website.

Website: Up-to-date financial results, Annual Reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on its website, www.airtel.com.

Since the time of listing of shares, Bharti Airtel adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights, non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges where the Company's shares are listed.

General Shareholders' Information

18th Annual General Meeting

Date	:	September 05, 2013
Day	:	Thursday
Time	:	3.30 p.m.
Venue	:	Air Force Auditorium, Subroto Park, New Delhi – 110 010

Financial Calendar (Tentative Schedule, subject to change)

Financial year	:	April 1 to March 31
Results for the quarter ending June 30, 2013	:	July 31, 2013, (Wednesday)
September 30, 2013	:	October 30, 2013, (Wednesday)
December 31, 2013		January 29, 2014, (Wednesday)
March 31, 2014		April 30, 2014 (Wednesday)
Book closure	:	Saturday, May 25, 2013 to Friday, May 31, 2013 (both days inclusive)
Dividend	:	₹ 1 per share of ₹ 5 each (20% on the face value of the shares)
Dividend pay-out date	:	On or after September 5, 2013 (within the statutory time limit of 30 days, i.e. up to October 4, 2013), subject to the approval of the shareholders
Plant locations	:	Being a service provider company, Bharti Airtel has no plant. However, the Company's Circle Office addresses are provided at the end of the Annual Report on page No. 238

Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid
National Stock Exchange of India Limited Exchange Plaza' 'C-1 Block G Bandra Kurla Complex, Bandra (E), Mumbai – 400001	BHARTIARTL	Paid
The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	532454	Paid

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

Stock Market Data from April 01, 2012 to March 31, 2013

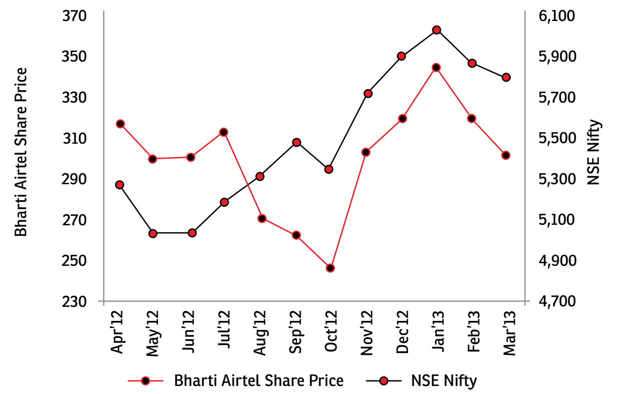
	NSE			BSE		
Month	**High**	**Low**	**Volume (Nos)**	**High**	**Low**	**Volume (Nos)**
April, 2012	343.85	288.95	72,880,704	344.00	289.05	6,349,443
May, 2012	319.95	280.10	71,882,405	319.90	280.10	5,338,041
June 2012	316.90	285.30	82,041,589	316.90	285.50	4,378,773
July 2012	328.80	298.00	80,846,857	328.85	298.00	5,471,622
August 2012	303.15	238.45	196,049,249	303.00	238.50	22,412,673
September 2012	283.00	241.30	130,018,988	283.00	241.45	15,700,583
October 2012	276.60	215.80	73,146,771	276.40	256.65	5,707,209
November 2012	340.70	267.70	123,671,450	340.95	267.55	13,222,755
December 2012	340.00	299.55	86,899,248	340.00	299.10	5,666,932
January 2013	370.60	317.50	101,232,742	370.40	317.50	13,767,073
February 2013	346.80	291.50	114,699,136	347.20	291.65	8,746,910
March 2013	326.95	275.60	126,912,435	327.00	275.55	12,235,245

Source: www.nseindia.com

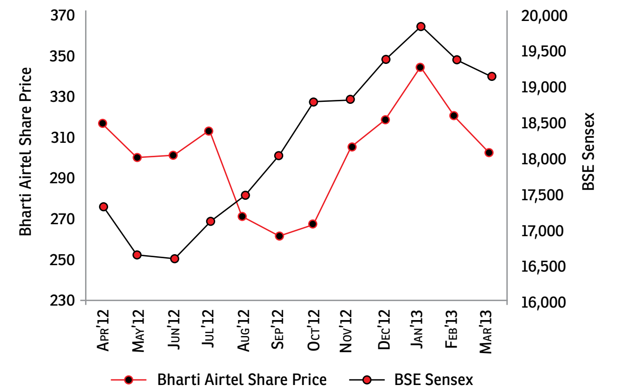
Source: www.bseindia.com

Share Price Performance in Comparison with NSE Nifty and BSE Sensex

BHARTI AIRTEL SHARE PRICE Vs. NSE NIFTY



BHARTI AIRTEL SHARE PRICE Vs. BSE SENSEX



Share Transfer System

As much as 99.86% of the Company's equity shares are in electronic format. These shares can be transferred through the depositories without the Company's involvement.

Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and submitted thereafter to the Company for approval. However, the Transfer Agent has been authorised to transfer minor shareholding up to 50 shares without the Company's involvement. Pursuant to Clause 47(c) of the Listing Agreements, the Company obtains certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed in the statutorily stipulated period. A copy of the certificate so received is submitted to both Stock Exchanges, where the Company's shares are listed.

Distribution of Shareholding

By number of shares held, as on March 31, 2013

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1 – 5000	296,881	97.69	27,033,251	0.71
2	5001 – 10000	3,326	1.09	5,015,048	0.13
3	10001 – 20000	1432	0.47	4,128,588	0.11
4	20001 – 30000	468	0.15	2,335,000	0.06
5	30001 – 40000	252	0.08	1,797,140	0.05
6	40001 – 50000	161	0.05	1,494,594	0.04
7	50001 – 100000	349	0.11	5,047,617	0.13
8	100001 – above	1029	0.34	3,750,678,858	98.77
	TOTAL	**303,898**	**100 %**	**3,797,530,096**	**100 %**

By category of holders as on March 31, 2013

S. no.		Category	No. of shares	% of holding
I		**Promoter and promoter group**		
	(i)	Indian promoters	1,737,558,892	45.75
	(ii)	Foreign promoters	865,673,286	22.80
		Total promoters shareholding	**2,603,232,178**	**68.55**
II		**Public shareholding**		
	(A)	Institutional investors		
	(i)	Mutual Funds and Unit Trust of India	120,943,413	3.19
	(ii)	Financial institutions and banks	2,275,873	0.06
	(iii)	Insurance companies	202,792,046	5.34
	(iv)	Foreign institutional investors	654,738,046	17.24
	(B)	**Others**		
	(i)	Bodies corporate (Indian)	147,458,621	3.88
	(ii)	Bodies corporate (foreign)	5,082,710	0.13
	(iii)	Trusts	4,995,977	0.13
	(iv)	NRIs/OCBs/Foreign nationals	3,037,664	0.08
	(v)	Indian public and others	52,973,568	1.40
		Total public shareholding	**1,194,297,918**	**31.45**
		Total shareholding	**3,797,530,096**	**100**

Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants registered with these depositories. ISIN for the Company's shares is INE 397D01024.

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

Communication Addresses

<table>
<tr><th></th><th>Contact</th><th>Email</th><th>Address</th></tr>
<tr><td>For Corporate Governance and Other Secretarial related matters</td><td>Mr. Mukesh Bhavnani
Group General Counsel and Company Secretary</td><td>compliance.officer@bharti.in</td><td rowspan="3">Bharti Airtel Limited
Bharti Crescent,
1, Nelson Mandela Road,
Vasant Kunj, Phase - II
New Delhi 110 070
Telephone No.: +91 11 46666100
Fax No.: +91 11 46666137
Website: www.airtel.com</td></tr>
<tr><td>For queries relating to Financial Statements</td><td>Mr. Harjeet Kohli
Corporate Head - Treasury & Investor Relations</td><td>ir@bharti.in</td></tr>
<tr><td>For Corporate Communication related matters</td><td>Mr. Raza Khan
Head - Group Corporate Communications</td><td>corporate.communications@bharti.in</td></tr>
<tr><td>Registrar & Transfer Agent</td><td>Karvy Computershare Pvt. Ltd.</td><td>einward.ris@karvy.com</td><td>Plot No. 17-24, Vittalrao Nagar
Madhapur,
Hyderabad 500 081
Telephone No.: 040-23420815-821
Fax No.: 040-23420814
Website: www.karvy.com
Toll Free No.: 1-800-3454001</td></tr>
</table>

Annexure A

Declaration

We hereby confirm that the Company has received from all the members of the Board and Senior Management,for the financial year ended March 31, 2013, a confirmation that they are in compliance with the Company's Code of Conduct.

Manoj Kohli
Managing Director & CEO (International)

Gopal Vittal
Joint Managing Director & CEO (India)

Date: May 02, 2013
Place: New Delhi

Annexure B

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

We, Manoj Kohli, Managing Director & CEO (International), Gopal Vittal, Joint Managing Director & CEO (India) and Srikanth Balachandran, Global Chief Financial Officer of Bharti Airtel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statements for the year ended March 31, 2013 and:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, no transactions entered into by the Company during the period that are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) Significant changes in the internal control over financial reporting during the year;

(ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Manoj Kohli
Managing Director & CEO (International)

Gopal Vittal
Joint Managing Director & CEO (India)

Srikanth Balachandran
Global Chief Financial Officer

Date: May 02, 2013
Place: New Delhi

Annual Secretarial Audit Report for Shareholders

To,

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

We have examined the registers, records and documents of Bharti Airtel Limited (the Company) for the financial year ended March 31, 2013 in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder
- The Depositories Act, 1996 and the Regulation made thereunder
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines 1999
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992 and
- The Listing Agreement with the National Stock Exchange of India Limited and BSE Limited

A. Based on our examination and verification of therecords made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines made thereunder, Listing Agreementas mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
2. Filing with the Registrar of Companies the Forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of Directors.
5. Remuneration of Executive and Non-Executive Directors.
6. Service of notice and agenda of Board Meetings and Meetings of the committee of Directors.
7. Meeting of the Board and its committees.
8. Holding Annual General Meeting and production of the various registers thereat.
9. Recording the minutes of proceedings of board meetings, committee meetings and General Meetings.
10. Appointment and remuneration of Auditors.
11. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of Section 205 of the Act during the year.
12. Registration of transfer of shares held in physical mode.
13. Dematerialisation and Rematerialisation of shares.
14. Execution of contracts, affixation of common seal, registered office and the name of the Company.
15. Conferment of options and transfer of shares under the Employee Stock Option Scheme of the Company.
16. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations 2011.
17. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations) 1992
18. Requirements set out in the Listing Agreement with the aforementioned Stock Exchanges.

B. We further report that the Company has complied with various requirements relating to disclosures, declarations made by the Directors with respect to directorships, memberships of committees of the Board of Companies of which they are Directors, their shareholding and interest of concern in the contracts entered into by the Company in course of the pursuing its normal business.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S Chandrasekaran
Senior Partner
FCS: 1644
CP: 715

Date: April 24, 2013
Place: New Delhi

Standalone Financial Statements

For Other Notes 28, 40, 41, 50, 52 to 59 refer pages 121, 129, 129, 148, 149 to 150 respectively.

Standalone Financial Statements with Auditor's Report

Independent Auditor's Report

To the Members of Bharti Airtel Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bharti Airtel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 26(ii)(h)(vi) to the financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;

   (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: May 2, 2013

Standalone Financial Statements with Auditor's Report

Annexure referred to in paragraph 1 of our report of even date

Re: BHARTI AIRTEL LIMITED ('the Company')

(i) (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, *however, is in the process of updating* quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

(b) The Company has physical verification programme of covering all fixed assets over a period of three years. Pursuant to the programme, during the year, a substantial portion of planned physical verification of fixed assets and capital work in progress has been conducted by the management which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The inventory (other than inventory with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Clause (iii) of the Companies (Auditor's Report) Order, 2003, (as amended) are not applicable to the Company for the current year and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any major weakness or continuing failure to correct any major weaknesses in the aforesaid internal control system.

(v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of accounts maintained by Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and cess and other material statutory dues applicable to it. The provisions relating to excise duty is not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Standalone Financial Statements with Auditor's Report

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty and cess on account of any dispute, are as follows:

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to Which it Relates	Forum where the dispute is pending
Andhra Pradesh VAT Act	Sales Tax	26	2007 - 10	Commercial tax Officer
Andhra Pradesh VAT Act	Sales Tax	5	2005 - 07	Deputy Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	34	2007 - 08	Assistant Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	20	2006 - 08	Commissioner
Bihar Value Added Sales Tax Act	Sales Tax	16	2012 - 13	High Court, Patna
Bihar Value Added Sales Tax Act	Sales Tax	0	2007 - 08	Joint Commissioner, Appeal
Bihar Value Added Sales Tax Act	Sales Tax	11	2005 - 07	Tribunal
Gujarat Sales Tax Act	Sales Tax	1	2006 - 07	Assistant Commissioner
Himachal Pradesh Value Added Tax Act	Sales Tax	1	1999 - 02	Additional Commissioner
J&K General Sales Tax	Sales Tax	34	2004 - 07	High Court , Jammu & Kashmir
Karnataka Sales Tax Act	Sales Tax	291	2005 - 06	Assistant Commissioner
Karnataka Sales Tax Act	Sales Tax	1	2001 - 06	Commercial tax Officer
Karnataka Sales Tax Act	Sales Tax	0	2005 - 06	High Court, Karnakata
Kerala Sales Tax Act	Sales Tax	1	2005 - 13	Commercial tax Officer
Kerala Sales Tax Act	Sales Tax	0	2010 - 11	Deputy Commissioner, Appeal
Kerala Sales Tax Act	Sales Tax	0	2009 - 10, 2012 - 13	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	2	2002 - 05	Tribunal
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	5	2008 - 09	Appellate authority
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2005 - 07	Assistant Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	0	2004 - 05, 2007 - 08	Commercial tax Officer
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	18	2006 - 10	Deputy Commissioner
Madhya Pradesh Commercial Sales Tax Act	Sales Tax	22	1997 - 01, 2003 - 04	Deputy Commissioner, Appeal
Maharashtra Sales Tax Act	Sales Tax	9	2003 - 04	High Court, Mumbai
Maharashtra Sales Tax Act	Sales Tax	0	2003 - 04	Joint Commissioner, Appeal
Orissa Value Added Tax Act	Sales Tax	1	2006 - 07	Additional Commissioner
Punjab Sales Tax Act	Sales Tax	1	2008 - 10	Deputy Commissioner, Appeal
Punjab Sales Tax Act	Sales Tax	30	2003 - 04	High Court
Punjab Sales Tax Act	Sales Tax	1	2002 - 03	Jt. Director (Enforcement)
UP VAT Act	Sales Tax	3	2007 - 08	Additional Commissioner
UP VAT Act	Sales Tax	13	2002 - 10, 2011 - 12	Assessing officer
UP VAT Act	Sales Tax	21	2002 - 05	Assistant Commissioner
UP VAT Act	Sales Tax	2	2005 - 08, 2009 - 10	Commercial tax Officer
UP VAT Act	Sales Tax	6	2008 - 09, 2010 - 11	High Court, Allahbad

Standalone Financial Statements with Auditor's Report

Name of the Statutes	Nature of the Dues	Amount Disputed (in ₹ Mn)	Period to Which it Relates	Forum where the dispute is pending
UP VAT Act	Sales Tax	2	2003 - 04, 2008 - 09, 2009 - 10	Joint Commissioner, Appeal
UP VAT Act	Sales Tax	12	2005 - 07	Tribunal
West Bengal Sales Tax Act	Sales Tax	0	1995 - 98	Assistant Commissioner
West Bengal Sales Tax Act	Sales Tax	11	2005 - 08	Revision Board
West Bengal Sales Tax Act	Sales Tax	1	2011 - 12	Tribunal
Sub Total (A)		**601**		
Finance Act, 1994 (Service tax provisions)	Service Tax	25	1999 - 09	Additional Commissioner
Finance Act, 1994 (Service tax provisions)	Service Tax	1,911	2002 - 12	Commissioner
Finance Act, 1994 (Service tax provisions)	Service Tax	0	1997 - 07	Commissioner, Appeal
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2000 - 08	Deputy Commissioner
Finance Act, 1994 (Service tax provisions)	Service Tax	0	2004 - 06	Deputy Commissioner, Appeal
Finance Act, 1994 (Service tax provisions)	Service Tax	309	2002 - 08	High Court, Mumbai
Finance Act, 1994 (Service tax provisions)	Service Tax	1	2006 - 08	Joint Commissioner
Finance Act, 1994 (Service tax provisions)	Service Tax	5	1995 - 97	Supreme Court
Finance Act, 1994 (Service tax provisions)	Service Tax	4,015	1994 - 09	Custom, Excise, service tax Appellate Tribunal
Sub Total (B)		**6,267**		
Income Tax Act, 1961	Income Tax	6	2002-04	Supreme Court
Income Tax Act, 1961	Income Tax	235	1996-97; 2006-09	High Court
Income Tax Act, 1961	Income Tax	45,677	2001-02; 2003-04 to 2009-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	3,980	1994-2002; 2004-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	527	2008-09	Dispute Resolution Panel
Income Tax Act, 1961	Income Tax	2,298	1994-95; 1996-98; 2004-12	Assessing Officer
Sub Total (C)		**52,723**		
Custom Act, 1962	Custom Act	4,329	2001 - 06, 2005 - 06	Supreme Court
Custom Act, 1962	Custom Act	134	2006 - 07, 2009 - 10	Tribunal
Sub Total (D)		**4,463**		

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of contingent liabilities. Of the above cases, total amount deposited in respect of sales tax is ₹ 231 Mn, Service tax is ₹ 54 Mn, Income Tax is ₹ 9,293 Mn and Custom Duty is ₹ 2,222 Mn.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that funds amounting to ₹ 114,045 million raised on short-term basis (primarily represented by capital creditors, short term borrowings from one of it's subsidiary, deferred revenue and trade creditors) have been used for long-term investment (primarily represented by fixed assets and investment in it's subsidiaries).

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: May 2, 2013

Balance Sheet as of March 31, 2013

(₹ Millions)

Particulars	Notes	As of March 31, 2013	As of March 31, 2012
Equity and Liabilities			
Shareholders' Funds			
Share capital	5	18,988	18,988
Reserves and surplus	6	522,474	475,308
Non-current Liabilities			
Long-term borrowings	7	98,408	82,338
Deferred tax liabilities (Net)	8	11,503	8,367
Other long term liabilities	9	31,708	25,184
Long term provisions	10	1,494	1,405
Current Liabilities			
Short-term borrowings	11	31,390	58,956
Trade payables	12	51,372	45,121
Other current liabilities	13	106,034	82,000
Short term provisions	14	5,461	5,570
Total		**878,832**	**803,237**
Assets			
Non-current Assets			
Fixed Assets			
Tangible assets	15	264,362	263,782
Intangible assets	16	167,464	140,626
Capital work-in-progress		10,308	9,230
Intangible assets under development		-	35,435
Non current investments	17	271,191	118,041
Long-term loans and advances	18	89,358	84,817
Other non-current assets	19	14,111	10,924
Current Assets			
Current investments	20	10,800	5,337
Inventories	21	21	321
Trade receivables	22	22,468	21,345
Cash and bank balances	23	3,627	4,812
Short-term loans and advances	24	14,133	98,047
Other current assets	25	10,989	10,520
Total		**878,832**	**803,237**

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO
(International)

Gopal Vittal
Joint Managing Director
& CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Statement of Profit and Loss for the year ended March 31, 2013

(₹ Millions, except per share data and as stated otherwise)

Particulars	Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
Income			
Revenue from operations	29	453,509	416,038
Other income	30	14,631	6,247
Total Income		**468,140**	**422,285**
Expenses			
Access charges		74,212	58,086
License fee and spectrum charges (revenue share)		48,815	46,942
Cost of goods sold	31	19	183
Employee benefits expenses	32	15,113	13,915
Power and fuel	33	35,699	29,727
Rent	33	52,225	47,714
Other expenses	33	92,424	82,702
Total Expenses		**318,507**	**279,269**
Profit before Finance Costs, Depreciation, Amortisation, Charity and Donation and Taxation		149,633	143,016
Finance costs	34	16,523	13,962
Depreciation and amortisation expense	35	68,267	59,160
Charity and donation [₹ Nil Mn (2011-12 ₹ 20 Mn) paid to Satya Electoral Trust for political purpose]		295	332
Profit before Tax		64,548	69,562
MAT credit		(3,155)	(5,227)
Tax Expense			
Current tax		13,604	14,398
Deferred tax		3,136	3,091
Profit for the year		**50,963**	**57,300**
Earnings per share (equity shares of par value ₹ 5 each)	37		
Basic and Diluted (In ₹)		13.42	15.09

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO (International)

Gopal Vittal
Joint Managing Director & CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2013

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flows from operating activities:		
Profit before tax	64,548	69,562
Adjustments for:		
Depreciation and amortisation expense	68,267	59,160
Interest income	(2,096)	(1,647)
(Profit)/loss on sale of investments	(1,208)	(1,015)
Finance costs	17,654	15,619
Unrealised foreign exchange (gain)/loss	(8,860)	(5,603)
Expenses on employee stock option plan	242	536
(Profit)/loss on sale of assets (net)	481	473
Dividend income	(4,100)	(263)
Operating cash flow before changes in assets and liabilities	**134,928**	**136,822**
Adjustments for changes in assets and liabilities :		
- (Increase)/decrease in trade receivables	(1,123)	(6,725)
- (Increase)/decrease in other receivables	(948)	(8,315)
- (Increase)/decrease in inventories	300	23
- Increase/(decrease) in trade and other payables	21,218	6,421
- Increase/(decrease) in provisions	304	115
Cash generated from operations	154,679	128,341
Taxes paid	(15,832)	(13,963)
Net cash flow from/(used in) operating activities	**138,847**	**114,378**
B. Cash flows from investing activities:		
Purchase of tangible assets	(44,213)	(45,692)
Purchase of intangible assets	(2,974)	(5,260)
Proceeds from sale of fixed assets	405	1,965
Purchase of investments (net)	(4,250)	(3,244)
Acquisition/subscription/investment in subsidiaries/associate/joint venture (Refer note 36)	(43,709)	(990)
Net movement in advances given to subsidiaries/associate/joint venture	(20,201)	(72,289)
Purchase of fixed deposits (with maturity more than three months)	(2,852)	(1,264)
Proceeds from maturity of fixed deposits (with maturity more than three months)	3,764	52
Interest received	2,933	341
Dividend received from subsidiary companies	3,838	263
Net cash flow from/(used in) investing activities	**(107,259)**	**(126,118)**
C. Cash flows from financing activities:		
Receipts from borrowings	54,511	100,868
Repayments of borrowings	(68,434)	(69,875)
Short-term borrowings (net)	2,022	(81)
Dividend paid	(3,798)	(3,798)
Tax on dividend paid	(8)	(616)
Interest and other finance charges paid	(16,126)	(12,838)
Gain/(loss) from swap arrangements	(24)	348
Net cash flow from/(used in) financing activities	**(31,857)**	**14,008**
Net increase/(decrease) in cash and cash equivalents during the year	(269)	2,268
Add: Balance as at the beginning of the year	3,548	1,280
Balance as at the end of the year (Refer note 23)	**3,279**	**3,548**

Notes :
1. Figures in brackets indicate cash out flow.
2. The above cash flow statement has been prepared under the indirect method setout in AS-3 'Cash Flow Statements' notified under the Companies (Accounting Standard) Rules, 2006 (as amended).
3. Cash and cash equivalents also includes ₹ 27 Mn as unpaid dividend (March 31, 2012- ₹ 14 Mn).
4. Advances given to Subsidiary Companies have been reported on net basis.
5. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these financial statements.

As per our report of even date
For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO
(International)

Gopal Vittal
Joint Managing Director
& CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

1. Corporate Information

Bharti Airtel Limited ('the Company') incorporated in India on July 7, 1995, is a company promoted by Bharti Telecom Limited ('BTL'), a company incorporated under the laws of India. The Company's shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is a leading telecommunication service provider in India providing telecommunication systems and services.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, ('as amended') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and on an accrual basis except in case of assets for which revaluation is carried out and certain derivative financial instruments (Refer note 3.13). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

These financial statements are presented in Indian Rupees ("Rupees' or '₹') and all amount are rounded to the nearest Mn, except as stated otherwise.

3. Summary of Significant Accounting Policies

3.1. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

3.2. Tangible Assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of tangible assets are required to be replaced in intervals, the Company recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Capital work in progress is valued at cost.

Where assets are installed on the premises of customers (commonly called Customer premise equipment –"CPE"), such assets continue to be treated as tangible assets as the associated risks and rewards remain with the Company and management is confident of exercising control over them.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of profit and loss on the date of retirement and disposal.

Depreciation on tangible assets is provided on the straight line method based on useful lives of respective assets as estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Freehold Land is not depreciated.

Notes to the financial statements for the year ended March 31, 2013

Estimated useful lives of the assets are as follows:

	Years
Leasehold Land	Period of lease
Building	20
Building on Leased Land	20
Leasehold Improvements	Period of lease or 10 years, whichever is less
Plant & Machinery	3 – 20
Computer	3
Office Equipment	2 - 5
Furniture and Fixtures	5
Vehicles	5

Assets individually costing Rupees five thousand or less are fully depreciated over a period of 12 months from the date placed in service.

3.3. Intangible Assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

(i) Software

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Software up to ₹ 500 thousand is amortised over a period of one year from the date of place in service.

(ii) Licenses

Acquired licenses (including spectrum) are initially recognised at cost. Subsequently, licenses are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction.

Intangible assets under development are valued at cost.

(iii) Bandwidth

Payment for bandwidth capacitites are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the latter case it is accounted for as intangible assets and the cost is amortised over the period of the agreements,which may exceed a period of ten years depending on the tenor of the agreement.

3.4. Leases

(i) Where the Company is the Lessee

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

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are classified as finance lease. Assets acquired on 'Finance Lease',which transfer risk and rewards of ownership to the Company, are capitalised as assets by the Company at the lower of fair value of the leased property or the present value of the minimum lease payments.

Amortisation of capitalised leased assets is computed on the straight line method over the useful life of the assets. Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

(ii) **Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income in respect of 'Operating Lease' is recognised in the statement of profit and loss on a straight-line basis over the lease term. Assets subject to operating leases are included in fixed assets. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease term.

Leases in which the Company transfer substantially all the risks and benefits of ownership of the asset are classified as finance leases.

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance Income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment of the lessor outstanding in respect of the lease.

Initial direct costs are expensed in the statement of profit and loss at the inception of the lease.

(iii) **Indefeasible Right to Use ('IRU')**

As a part of operations, the Company enters into agreement for leasing assets under "Indefeasible right to use" with third parties. Under the arrangement the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remain with the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in other long term liabilities and the amount recognisable within one year is disclosed as deferred revenue in current liabilities.

3.5. Borrowing Cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. 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 capitalised as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the interest rate for specific borrowings. All other borrowing costs are expensed in the period they occur.

3.6. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.7. Asset Retirement Obligations (ARO)

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset and depreciated prospectively over the remaining useful life.

3.8. Investment

Investment, which are readily realisable and intended to be held for not more than one year from the date

Notes to the financial statements for the year ended March 31, 2013

on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

3.9. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.10. Inventory

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

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

3.11. Revenue Recognition and Receivables

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable, excluding discounts, rebates, and value added tax ('VAT'), service tax or duty. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

(i) Service Revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and very small aperture terminal ('VSAT')/internet usage charges, bandwidth services,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 and data messaging services.

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

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and VSAT services. Registration fee and installation charges are deferred and amortised over the period of agreement with customer. Service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and VSAT services.

Revenues from national and international long distance operations comprise revenue from voice services which are recognised on provision of services while revenue from bandwidth services (including installation) is recognised over the period of arrangement.

Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.

(ii) Equipment Sales

Equipment sales consist primarily of revenues from sale of telecommunication equipment and related accessories to customers. Revenue from equipment sales transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer and when no significant uncertainty exists regarding realisation of consideration.

(iii) Investing and Other Activities

Income on account of interest and other activities are recognised on an accrual basis.

(iv) Dividend Income

Dividends are accounted for when the right to receive the payment is established.

(v) Provision for Doubtful Debts

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

For receivables due from the other operators on account of their National Long Distance (NLD) and International Long Distance (ILD) traffic for voice and Interconnect Usage charges (IUC), the Company provides for amounts outstanding for more than 120 days from the date of billing, net of any amounts payable to the operators or in specific cases where the management is of the view that the amounts from these operators are not recoverable.

(vi) Unbilled Revenue

Unbilled revenue represent revenue recognised in respect of services provided from the last bill cycle date to the end of the reporting period. These are billed in subsequent periods as per the terms of the billing plans/contractual arrangements.

3.12. License Fees – Revenue Share

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

3.13. Foreign Currency Translation, Accounting for Forward Contracts and Derivatives

Initial Recognition

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

Conversion

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

Exchange Differences

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

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

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

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

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

The Company enters into various foreign currency option contracts and interest rate swap contracts that are not in the nature of forward contracts designated under AS 11 as such and contracts that are not entered

Notes to the financial statements for the year ended March 31, 2013

to establish the amount of the reporting currency required or available at the settlement date of a transaction; to hedge its risks with respect to foreign currency fluctuations and interest rate exposure arising out of foreign currency loan. In accordance with the ICAI announcement, at every year end, all outstanding derivative contracts are fair valued on a mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss, on each contract basis. Any gain on mark-to-market valuation on respective contracts is not recognised by the Company, keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any reduction to fair values and any reversals of such reductions are included in statement of profit and loss of the year.

Embedded Derivative Instruments

The Company occasionally enters into contracts, that do not in their entirety meet the definition of a derivative instrument, that may contain "embedded" derivative instruments – implicit or explicit terms that affect some or all of the cash flow or the value of other exchanges required by the contract in a manner similar to a derivative instrument. The Company assesses whether the economic characteristics and risks of the embedded derivative are clearly and closely related to the economic characteristics and risks of the remaining component of the host contract and whether a separate, non-embedded instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. When it is determined that (1) the embedded derivative possesses economic characteristics and risks that are not clearly and closely related to the economic characteristics and risks of the host contract and (2) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument, the embedded derivative is separated from the host contract, carried at fair value as a trading or non-hedging derivative instrument. At every year end, all outstanding embedded derivative instruments are fair valued on mark-to-market basis and any loss on valuation is recognised in the statement of profit and loss for the year. Any reduction in mark to market valuations and reversals of such reductions are included in statement of profit and loss of the year.

Translation of Integral and Non-Integral Foreign Operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate; income and expense items are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

3.14. Employee Benefits

The Company's post employment benefits include defined benefit plan and defined contribution plans. The Company also provides other benefits in the form of deferred compensation and compensated absences.

Under the defined benefit retirement plan, the Company provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the balance sheet. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of balance sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the statement of profit and loss as incurred.

The Company's contributions to defined contribution plans are recognised in statement of profit and loss as they fall due. The Company has no further obligations under these plans beyond its periodic contributions.

The employees of the Company are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Company records liability based on actuarial valuation computed under projected unit credit method.

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits.

3.15. Share Based Compensation

The Company issues equity-settled share-based options to certain employees. Equity-settled share-based options are measured on fair value at the date of grant.

The fair value determined on the grant date of the equity settled share based options is expensed over the vesting period, based on the Company's estimate of the shares that will eventually vest.

Fair value is measured using Lattice-based option valuation model, Black-Scholes and Monte Carlo Simulation framework and is recognised as an expense, together with a corresponding increase in equity/ liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.16. Taxes

(i) Current Income Tax

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

(ii) Deferred Tax

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

(iii) MAT Credit

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the statement of profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

3.17. Segment Reporting

(i) Primary Segment

The Company operates in three primary business segments viz. Mobile Services, Telemedia Services and Airtel Business.

(ii) Secondary Segment

The Company has operations serving customers within India as well as in other countries located

Notes to the financial statements for the year ended March 31, 2013

outside India. The operations in India constitute the major part, which is the only reportable segment, the remaining portion being attributable to others.

3.18. Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti dilutive.

3.19. Provisions and Contingencies

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.20. Multiple Element Contracts with Vendors

The Company enters into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under such contracts are accounted as Tangible assets or as Intangible assets in view of the substance of these contracts and existence of economic ownership in these assets.

4. Information about Business Segments-Primary

Segment Definitions:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Effective April 1, 2012, in line with the changes in the internal reporting, the Broadband Wireless Access (BWA) services reported earlier under "Telemedia Services" , is now reported as part of "Mobile Services". Accordingly, previous year's segment figures have been regrouped/rearranged.

Mobile Services – These services cover voice and data telecom services provided through wireless technology in India (2G/3G/4G). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India

Telemedia Services – These services cover voice and data communications based on fixed network and broadband technology.

Airtel Business – These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Notes to the financial statements for the year ended March 31, 2013

Summary of the Segmental Information for the year ended and as of March 31, 2013

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated	Eliminations	Total
Revenue						
Revenue from operations	379,506	34,200	39,803	-	-	453,509
Inter Segment Revenue	19,648	3,547	9,329	-	(32,524)	-
Total Revenue	**399,154**	**37,747**	**49,132**	**-**	**(32,524)**	**453,509**
Results						
Segment Result- Profit/(Loss)*	67,415	6,431	1,977	(2,156)	-	73,667
Finance costs *	-	-	-	9,119	-	9,119
Profit/(Loss) before tax	**67,415**	**6,431**	**1,977**	**(11,275)**	**-**	**64,548**
Provision for Tax						
- Current Tax (including MAT credit)	-	-	-	10,449	-	10,449
- Deferred Tax (Credit)/Charge	-	-	-	3,136	-	3,136
Net Profit/(Loss) after tax	**67,415**	**6,431**	**1,977**	**(24,860)**	**-**	**50,963**
Other Information						
Capital Expenditure	89,530	8,022	6,256	821	(8,058)	96,571
Depreciation and amortisation	56,610	9,594	5,438	371	(3,746)	68,267
As of March 31, 2013						
Segment Assets	409,048	52,937	36,964	344,902	-	843,851
Inter Segment Assets	264,647	53,059	48,652	-	(366,358)	-
Advance tax (Net of provision for tax)	-	-	-	1,920	-	1,920
MAT Credit	-	-	-	33,061	-	33,061
Total Assets	**673,695**	**105,996**	**85,616**	**379,883**	**(366,358)**	**878,832**
Segment Liabilities**	140,714	10,824	20,808	153,521	-	325,867
Inter Segment Liabilities	24,002	54,347	19,675	268,334	(366,358)	-
Deferred Tax Liability (net)	-	-	-	11,503	-	11,503
Total Liabilities	**164,716**	**65,171**	**40,483**	**433,358**	**(366,358)**	**337,370**

*Segment result excludes finance income of ₹ 7,404 Mn, which is netted off from finance costs for the purpose of segment reporting.
**Unallocated liabilities includes amount borrowed for the acquisition of 3G & BWA Licenses of ₹ 52,225 Mn.

Notes to the financial statements for the year ended March 31, 2013

Summary of the Segmental Information for the year and as of March 31, 2012

(₹ Millions)

Particulars	Mobile Services	Telemedia Services	Airtel Business	Unallocated	Eliminations	Total
Revenue						
Revenue from operations	350,982	33,698	31,358	-	-	416,038
Inter Segment Revenue	16,173	3,169	9,405	-	(28,747)	-
Total Revenue	**367,155**	**36,867**	**40,763**	**-**	**(28,747)**	**416,038**
Results						
Segment Result- Profit/(Loss)*	77,945	7,006	(840)	(3,512)	-	80,599
Finance Costs *	-	-	-	11,037	-	11,037
Profit/(Loss) before tax	**77,945**	**7,006**	**(840)**	**(14,549)**	**-**	**69,562**
Provision for Tax						
- Current Tax (including MAT credit)	-	-	-	9,171	-	9,171
- Deferred Tax (Credit)/Charge	-	-	-	3,091	-	3,091
Net Profit/(Loss) after tax	**77,945**	**7,006**	**(840)**	**(26,811)**	**-**	**57,300**
Other Information						
Capital Expenditure	51,143	8,703	5,324	445	(7,071)	58,544
Depreciation and amortisation	47,945	8,523	5,502	423	(3,233)	59,160
As of March 31, 2012						
Segment Assets	413,823	52,908	38,424	268,176	-	773,331
Inter Segment Assets	164,654	22,991	45,857	-	(233,502)	-
MAT Credit	-	-	-	29,906	-	29,906
Total Assets	**578,477**	**75,899**	**84,281**	**298,082**	**(233,502)**	**803,237**
Segment Liabilities**	110,671	9,306	16,011	164,278	-	300,266
Inter Segment Liabilities	23,353	32,049	24,248	153,852	(233,502)	-
Provision for Tax (Net of Advance Tax)	-	-	-	308	-	308
Deferred Tax Liability (net)	-	-	-	8,367	-	8,367
Total Liabilities	**134,024**	**41,355**	**40,259**	**326,805**	**(233,502)**	**308,941**

* Segment result excludes finance income of ₹ 2,925 Mn which is netted off from finance cost for the purpose of segment reporting.

** Unallocated liabilities includes amount borrowed for the acquisiition of 3G & BWA Licenses of ₹ 61,117 Mn.

Notes:

1. Segment results represent profit/(loss) before finance costs (net of finance income) and tax.
2. Capital expenditure represents gross additions made to tangible and intangible assets during the year.
3. Segment assets include tangible, intangible, current and other non current assets and excludes non current investments, MAT credit, advance tax.
4. Segment liabilities include current, non current liabilities and excludes provision for tax, deferred tax liabilities.
5. Inter segment assets/liabilities represent the inter segment account balances.
6. Inter segment revenue is accounted for on terms established by the management on arm's length basis. These transactions have been eliminated at the Company level.
7. Unallocated includes other income, profits/(losses), assets and liabilities of the Company which are not allocated to the individual segments and is primarily related to the corporate headquarter of the Company.

Notes to the financial statements for the year ended March 31, 2013

Information about Geographical Segment – Secondary

The Company has operations serving customers within India as well as located in other countries. The information relating to the geographical segments in respect of customers being served and assets within India, which is the only reportable segment, the remaining portion being attributable to others, is presented below:

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Segment Revenue from external customers based on geographical location of customers		
Within India	425,772	395,990
Others	27,737	20,048
	453,509	**416,038**
Carrying amount of Segment Assets by geographical location of assets		
Within India	850,974	774,083
Others	27,858	29,154
	878,832	**803,237**
Cost incurred during the year to acquire Segment Assets by geographical location of assets		
Within India	95,974	57,716
Others	597	828
	96,571	**58,544**

Notes:
1. Segment assets include tangible, intangible, current and other non current assets.
2. Cost incurred during the year to acquire segment assets represents gross additions made to tangible and intangible assets during the year.

5. Share Capital

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Authorised shares		
5,000,000,000 (March 31, 2012 - 5,000,000,000) equity shares of ₹ 5 each	25,000	25,000
Issued, Subscribed and fully paid-up shares		
3,797,530,096 (March 31, 2012- 3,797,530,096) equity shares of ₹ 5 each	18,988	18,988
	18,988	**18,988**

Note: 21,474,527 Equity shares of ₹ 10 each are alloted as fully paid-up shares upon the conversion of Foreign Currency Convertible Bonds (FCCBs) (42,949,054 equity shares post share split of one equity share of ₹ 10 each into 2 equity shares of ₹ 5 each).

Notes to the financial statements for the year ended March 31, 2013

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As of March 31, 2013		As of March 31, 2012	
	No.	₹ Mn	No.	₹ Mn
At the beginning of the year	3,797,530,096	18,988	3,797,530,096	18,988
Issued during the year	-	-	-	-
Outstanding at the end of the year	**3,797,530,096**	**18,988**	**3,797,530,096**	**18,988**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013, the Board of Directors has proposed dividend of ₹ 1 per share of ₹ 5 each (March 31, 2012 ₹ 1.00).

c. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

Particulars	As of March 31, 2013		As of March 31, 2012	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid up				
Bharti Telecom Limited	1,737,558,892	45.75%	1,735,453,890	45.70%
Pastel Limited	591,319,300	15.57%	591,319,300	15.57%
Indian Continent Investment Limited	265,860,986	7.00%	265,860,986	7.00%

Shares held by holding/ultimate holding company and/or their subsidiaries/associates

6. Reserves and Surplus

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Capital Reserve	51	51
Securities Premium Reserve		
Opening balance	40,798	40,641
Additions during the year	98	157
Closing balance	**40,896**	**40,798**
Debenture Redemption Reserve		
Opening balance	-	32
Transferred to statement of profit and loss during the year	-	(32)
Closing balance	-	-
Revaluation Reserve	21	21
Employee Stock Options Outstanding		
Opening balance	3,391	3,694
Add: Granted during the year	362	369
Less:Forfeiture/Exercise	577	672
	3,176	3,391
Less:Deferred stock compentation	335	460
Closing balance	**2,841**	**2,931**

Notes to the financial statements for the year ended March 31, 2013

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Reserve for Business Restructuring	24,912	24,912
General Reserve		
Opening balance	23,157	18,865
Add: Adjustment on account of forfeiture of employee stock option	-	56
Add: Adjustment on account of exercise of stock options through open market purchase	(14)	(64)
Add: Transferred from surplus balance in statement of profit and loss	3,830	4,300
Closing balance	**26,973**	**23,157**
Surplus in the Statement of Profit and Loss		
Opening balance	383,438	334,820
Add: Profit for the year	50,963	57,300
Amount available for appropriation	434,401	392,120
Appropriations:		
Transferred from Debenture Redemption Reserve	-	32
Transferred to General Reserve	(3,830)	(4,300)
Dividend proposed	(3,798)	(3,798)
Tax on dividend proposed/paid*	7	(616)
Net surplus in the statement of profit and loss	**426,780**	**383,438**
Total	**522,474**	**475,308**

* Net of credit of ₹ 608 Mn dividend distribution tax on interim dividend from a subsidiary utilised against dividend distribution tax for the year ended March 31, 2012 and ₹ 45 Mn dividend distribution tax from a subsidiary to be utilised against dividend distribution tax for the year ended March 31, 2013.

7. Long-term Borrowings

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Secured		
Others	20	29
Total secured loans	**20**	**29**
Unsecured		
Term Loans		
From Banks	71,059	51,275
From Others	39,714	42,754
Total unsecured loans	**110,773**	**94,029**
Less: Current maturities (payable within 1 year)		
From Banks	8,294	5,642
From Others	4,091	6,078
	98,408	**82,338**

a. 'Others' under secured loans represent vehicle loans from bank which are secured by hypothecation of vehicles of the Company.

b. Details on analysis of borrowings i.e. Maturity profile, interest rate and currency of borrowings.

Notes to the financial statements for the year ended March 31, 2013

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2013	Maturity Profile			
			within one year	between one and two years	between two and five years	over five years
INR	10.68%	92,995	7,588	16,132	65,275	4,000
USD	0.97%	17,798	4,797	3,939	7,718	1,344
Total	**8.97%**	**110,793**	**12,385**	**20,071**	**72,993**	**5,344**

(₹ Millions)

Currency of borrowings	Rate of Interest (Weighted average)	As of March 31, 2012	Maturity Profile			
			within one year	between one and two years	between two and five years	over five years
INR	10.54%	70,029	2,268	6,760	51,001	10,000
JPY	0.79%	5,026	5,026	-	-	-
USD	0.78%	19,003	4,426	3,898	8,859	1,820
Total	**7.91%**	**94,058**	**11,720**	**10,658**	**59,860**	**11,820**

c. The borrowings of ₹ 110,793 Mn outstanding as of March 31, 2013 is repayable in total 315 half yearly installments (borrowings of ₹ 94,058 Mn outstanding as of March 31, 2012 is repayable in total 388 half yearly instalments).

8. Taxes

a. Deferred Tax Liabilities (Net)

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Deferred Tax Assets		
Provision for doubtful debts/advances charged in the statement of profit and loss but allowed as deduction under the Income Tax Act in future years (to the extent considered realisable)	4,995	4,264
Lease Rent Equalisation charged in the statement of profit and loss but allowed as deduction under the Income Tax Act in future years on actual payment basis	4,003	3,163
Foreign exchange fluctuation and mark to market losses charged in the statement of profit and loss but allowed as deduction under the Income Tax Act in future years (by way of depreciation and actual realisation)	2,940	2,123
Other expenses claimed as deduction in the statement of profit and loss but allowed as deduction under Income Tax Act in future year on actual payment (Net)	1,705	1,230
Gross Deferred Tax Assets	**13,643**	**10,780**
Deferred Tax Liabilities		
Depreciation claimed as deduction under Income Tax Act but chargeable in the statement of profit and loss in future years	(25,146)	(19,147)
Gross Deferred Tax Liabilities	**(25,146)**	**(19,147)**
Deferred Tax Assets/(Liabilities) (Net)	**(11,503)**	**(8,367)**

Notes to the financial statements for the year ended March 31, 2013

b. MAT credit includes expense of ₹ 1,481 Mn (March 31, 2012 – income of ₹ 206 Mn), current tax includes expense of ₹ 65 Mn (March 31, 2012 – income of ₹ 109 Mn) and deferred tax includes income of ₹ 291 Mn (March 31, 2012 – ₹ 81 Mn) relating to earlier years.

c. During the year ended March 31, 2013 and March 31, 2012, the Company has changed the trigger plan date for earlier years for certain business units enjoying Income tax holiday under the Indian Income tax laws. Accordingly, tax charge of ₹ 410 Mn pertaining to earlier years has been recognised during the year ended March 31, 2013 and tax credit of ₹ 903 Mn pertaining to earlier years has been recognised during the year ended March 31, 2012.

d. During the year ended March 31, 2013, the Company has recognised additional tax charge of ₹ 545 Mn on account of changes in tax rate from 32.445% to 33.99%, as proposed in the Finance Bill, 2013.

9. Other Long-term Liabilities

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Security deposit received	5,024	5,091
Equipment supply payable	1,737	4,475
Deferred revenue	11,641	4,730
Lease rent equalisation	12,994	10,692
Others	312	196
	31,708	**25,184**

Security deposit ₹ 5,024 Mn (March 31, 2012 ₹ 5, 091) included under 'Security deposit received', represents refundable security deposits received from subscribers on activation of connections granted thereto and are repayable on disconnection, net of outstanding, if any and security deposits received from channel partners. Trade receivables are secured to the extent of the amount outstanding against individual subscribers by way of security deposit received from them.

10. Long-term Provisions

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Provision for employee benefits (refer note 38)		
Provision for gratuity	988	847
Provision for deferred bonus & long term service award	66	119
	1,054	966
Other provisions		
Provision for asset retirement obligation	440	439
	1,494	**1,405**

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

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening balance	439	165
Addition during the year	1	274
Closing balance	**440**	**439**

Notes to the financial statements for the year ended March 31, 2013

11. Short-term Borrowings

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
(Unsecured unless stated otherwise)		
Loans		
From banks	8,395	43,383
From others	-	2,000
Loans repayable on demand		
Cash Credit	5	314
Loans from related parties (refer note 46)	22,990	13,259
	31,390	**58,956**

a. Details on analysis of borrowings i.e. interest rate and currency of borrowings

(₹ Millions)

Currency of Borrowings	As of March 31, 2013		As of March 31, 2012	
	Rate of Interest (Weighted average)	Amount outstanding	Rate of Interest (Weighted average)	Amount outstanding
INR	10.30%	3,500	10.72%	28,400
USD	3.28%	4,895	3.64%	16,983
Total	**8.49%**	**8,395**	**8.20%**	**45,383**

b. The borrowings of ₹ 8,395 Mn outstanding as of March 31, 2013 is repayable in 4 bullet instalments (borrowings of ₹ 45,383 Mn outstanding as of March 31, 2012 is repayable in 12 bullet instalments).

12. Trade Payables

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Dues to Micro and Small Enterprises *	16	50
Trade payables other than dues to Micro and Small Enterprises **	51,356	45,071
	51,372	**45,121**

* refer note 45 for details of dues to micro and small enterprises.
** amount payable to related parties ₹ 6,146 Mn (March 31, 2012 ₹ 4,914 Mn).

13. Other Current Liabilities

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Deferred revenue	20,584	24,079
Equipment supply payables	38,938	21,365
Payable to others	22,406	18,343
Advance received from customers	1,347	1,356
Current maturities of long term debt	12,385	11,720
Interest accrued but not due on borrowings	675	685
Other taxes payable	3,940	3,456
Unpaid dividends	27	20
Other liabilities*	5,732	976
	106,034	**82,000**

Payable to others and Other liabilities include provision of ₹ 17,900 Mn as of March 31, 2013 and ₹ 14,608 Mn as of March 31, 2012 towards sub judice matters.
*Includes payable to related party ₹ 4,793 Mn (March 31, 2012 Nil).

14. Short-term Provisions

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Provision for employee benefits (refer note 38)		
Provision for Gratuity	318	196
Provision for Leave Encashment	744	652
Total	**1,062**	**848**
Others		
Provision for Income Tax (net of advance tax of ₹ NIL (March 31, 2012 ₹ 77,304 Mn))	-	308
Proposed Dividend	3,798	3,798
Tax on Dividend	601	616
Total	**4,399**	**4,722**
	5,461	**5,570**

15. Tangible Assets

(₹ Millions)

Particulars	Leasehold Land	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer*	Leasehold improvements	Total
Cost										
As of April 1, 2011	383	1,474	5,122	423,440	1,380	272	2,613	24,046	3,618	462,348
Additions	-	25	291	35,822	20	24	122	1,854	105	38,263
Disposals	-	-	(11)	(2,157)	(32)	(22)	(9)	(41)	(111)	(2,383)
Reclassification/ adjustment	(31)	-	-	240	-	-	(5)	(204)	-	-
As of March 31, 2012	352	1,499	5,402	457,345	1,368	274	2,721	25,655	3,612	498,228
Additions	-	17	423	53,238	77	16	493	2,036	699	56,999
Disposals	-	-	-	(2,290)	(1)	(14)	(13)	(1,219)	(41)	(3,578)
Reclassification/ adjustment	62	(214)	106	91	(4)	-	2	5	(43)	5
As of March 31, 2013	414	1,302	5,931	508,384	1,440	276	3,203	26,477	4,227	551,654
Accumulated Depreciation										
As of April 1, 2011	15	-	1,149	161,717	948	162	1,742	20,011	1,828	187,572
Charge for the year	4	-	276	44,660	140	40	354	2,619	407	48,500
Disposals	-	-	(3)	(1,476)	(27)	(9)	(6)	(41)	(64)	(1,626)
Reclassification/ adjustment	-	-	-	14	-	-	(5)	(9)	-	-
As of March 31, 2012	19	-	1,422	204,915	1,061	193	2,085	22,580	2,171	234,446
Charge for the year	9	-	324	52,261	90	27	299	2,244	321	55,575
Disposals	-	-	-	(1,527)	(1)	(7)	(10)	(1,126)	(21)	(2,692)
Reclassification/ adjustment	-	-	(55)	(5)	28	1	(2)	(2)	(2)	(37)
As of March 31, 2013	28	-	1,691	255,644	1,178	214	2,372	23,696	2,469	287,292
Net Carrying Amount										
As of April 1, 2011	368	1,474	3,973	261,723	432	110	871	4,035	1,790	274,776
As of March 31, 2012	333	1,499	3,980	252,430	307	81	636	3,075	1,441	263,782
As of March 31, 2013	386	1,302	4,240	252,740	262	62	831	2,781	1,758	264,362

* With respect to assets where the Company has economic ownership, refer note 3.20.

Notes to the financial statements for the year ended March 31, 2013

a. Freehold Land and Building includes ₹ 4 Mn (March 31, 2012 ₹ 226 Mn) and ₹ 13 Mn (March 31, 2012 ₹ 13 Mn) respectively, in respect of which registration of title in favour of the Company is pending.

b. Building includes building on leashold land:

(₹ Millions)

Particulars	Gross Block					Depreciation					Net Block	
	As of April 1, 2012	Additions	Disposals	Reclassification/ adjustment	As of March 31, 2013	As of April 1, 2012	Charge for the year	Disposals	Reclassification/ adjustment	As of March 31, 2013	As of March 31, 2013	As of March 31, 2012
Building includes building on leasehold land	2,490	43	-	152	2,685	414	156	-	-	570	2,115	2,076

(₹ Millions)

Particulars	Gross Block					Depreciation					Net Block	
	As of April 1, 2011	Additions	Disposals	Reclassification/ adjustment	As of March 31, 2012	As of April 1, 2011	Charge for the year	Disposals	Reclassification/ adjustment	As of March 31, 2012	As of March 31, 2012	As of March 31, 2011
Building includes building on leasehold land	2,360	130	-	-	2,490	261	153	-	-	414	2,076	2,099

c. Reclassification/Adjustment includes reclass of assets between category of assets.During the year ended March 31, 2013, ₹ 5 Mn and ₹ (37) Mn gross block and accumulated deprecation respectively, has been reclassified from tangible assets to intangible assets.

d. Capital work in progress includes goods in transit ₹ 1,107 Mn (March 31, 2012 ₹ 785 Mn).

e. Refer note 10, 39 and 47 for ARO, jointly owned assets and assets given on operating lease respectively.

Notes to the financial statements for the year ended March 31, 2013

16. Intangible Assets

(₹ Millions)

Particulars	Software*	Bandwith	Licences	Total
Cost				
As of April 1, 2011	**6,111**	**18,393**	**127,522**	**152,026**
Additions	2,263	1,418	16,600	20,281
Disposals	-	(87)	-	(87)
Reclassification/adjustment	-	(1,380)	-	(1,380)
As of March 31, 2012	**8,374**	**18,344**	**144,122**	**170,840**
Additions	2,332	1,415	35,825	39,572
Reclassification/adjustment	(5)	-	-	(5)
As of March 31, 2013	**10,701**	**19,759**	**179,947**	**210,407**
Accumulated Amortisation				
As of April 1, 2011	**2,583**	**3,868**	**13,344**	**19,795**
Charge for the year	2,021	1,198	7,441	10,660
Reclassification/adjustment	-	(241)	-	(241)
As of March 31, 2012	**4,604**	**4,825**	**20,785**	**30,214**
Charge for the year	2,535	1,304	8,853	12,692
Reclassification/adjustment	20	17	-	37
As of March 31, 2013	**7,159**	**6,146**	**29,638**	**42,943**
Net Carrying Amount				
As of April 1, 2011	**3,528**	**14,525**	**114,178**	**132,231**
As of March 31, 2012	**3,770**	**13,519**	**123,337**	**140,626**
As of March 31, 2013	**3,542**	**13,613**	**150,309**	**167,464**

* With respect to assets where the Company has economic ownership, refer note 3.20.

a. The remaining amortisation period of licence fees as of March 31, 2013 ranges between 2 to 12 years for Unified Access Service Licences, 9 years for Long Distance Licences, 17.4 years for 3G spectrum fees and 17.4 years for BWA licence fees.

b. Licences includes Net Block of 3G and 4G spectrum fees of ₹ 144,135 Mn as of March 31, 2013 (March 31, 2012 ₹ 116,106 Mn)

c. Capitalised borrowing costs

The borrowing cost capitalised during the year ended March 31, 2013 was ₹ 298 Mn (March 31, 2012 ₹ 1,565 Mn). The Company capitalised this borrowing cost in the Intangible assets under development. The additions to licences includes borrowing cost of ₹ 2,591 Mn (March 31, 2012 ₹ 541 Mn) transferred from Intanginble assets under development.The amount of borrowing cost included in Intangible assets under development is ₹ Nil Mn (March 31, 2012 ₹ 2,293 Mn).

d. Reclassification/Adjustment includes reclass of assets between category of assets.During the year ended March 31, 2013, ₹ 5 Mn and ₹ (37) Mn gross block and accumulated deprecation respectively, has been reclassified from tangible assets to intangible assets.

Notes to the financial statements for the year ended March 31, 2013

17. Non-current Investments

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Trade investments (at cost)		
Investment in Equity Instruments (Un-quoted)		
Investment in Subsidiaries		
1) Bharti Hexacom Limited: 175,000,000 (March 31, 2012 - 175,000,000) Equity shares of ₹ 10 each fully paid up	5,718	5,718
2) Bharti Airtel Services Limited: 100,000 (March 31, 2012 - 100,000) Equity shares of ₹ 10 each fully paid up	1	1
3) Bharti Airtel (USA) Limited: 300 (March 31, 2012 - 300) Equity shares of USD .0001 each fully paid up	509	509
4) Bharti Airtel (UK) Limited:123,663 (March 31, 2012 - 123,663) Equity shares of GBP 1 each fully paid up	101	101
5) Bharti Airtel (Hongkong) Limited: 4,959,480 (March 31, 2012 - 4,959,480) Equity shares of HKD 1 each fully paid up	26	26
6) Bharti Airtel (Canada) Limited: 75,100 (March 31, 2012 - 75,100) Equity shares of Canadian Dollar (CAD) 1 each fully paid up	3	3
7) Network i2i Limited: 9,000,000 (March 31, 2012 - 9,000,000) Equity shares of USD 1 each fully paid up	5,316	5,316
8) Bharti Infratel Limited: 1,500,000,000 (March 31, 2012 - 500,000,000) Equity shares of ₹ 10 each fully paid up. (refer note 36 (vii))	82,182	82,182
9) Bharti Telemedia Limited: 9,690,000 (March 31, 2012 - 9,690,000) Equity shares of ₹ 10 each fully paid up	115	115
10) Bharti Airtel Lanka (Private) Limited: 525,596,420 (March 31, 2012 - 525,596,420) Equity shares of SLR 10 each fully paid up	2,049	2,049
11) Bharti Airtel Holdings (Singapore) Pte Limited: 1 (March 31, 2012 - 1) Equity share of Singapore Dollar (SGD) 1 each fully paid up and 338,642,771 (March 31, 2012 - 338,642,771) Equity shares of USD 1 each fully paid up	15,475	15,475
12) Bharti Airtel International (Mauritius) Ltd: 889,970,000 (March 31, 2012 - 104,970,000) Equity shares of USD 1 each fully paid up (refer note 36 (iii) and 36 (v))	48,121	4,847
13) Airtel M Commerce Services Limited: 156,000,000 (March 31, 2012 - 50,000,000) Equity shares of ₹ 10 each fully paid up (refer note 36 (iv))	1,560	500
14) Bharti International (Singapore) Pte. Ltd: 593,739,000 (March 31, 2012 - 18,739,000) Equity shares of USD 1 each fully paid up (refer note 36 (v))	33,035	851
15) Bharti Airtel International (Netherlands) B.V.: 908,443,919 (March 31, 2012 - 18,735) Equity shares of EURO 1 each fully paid up (refer note 36 (v))	67,354	1
16) Telesonic Networks Limited (earlier known as Alcatel-Lucent Network Management Service India Ltd): 89,230,796 (March 31, 2012 - 9,000,004) Equity shares of ₹ 10 each fully paid up.	91	-

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Investment in Joint Ventures		
1) Bridge Mobile PTE Limited: 2,200,000 (March 31, 2012- 2,200,000) Equity shares of USD 1 each fully paid up.	92	92
2) Wireless Broadband Business Services (Delhi) Private Limited: 348,560,439 (March 31, 2012- NIL) Equity shares of ₹ 10 each fully paid up. (refer note 36 (i))	4,225	-
3) Wireless Broadband Business Services (Haryana) Private Limited: 19,563,359 (March 31, 2012 NIL) Equity shares of ₹ 10 each fully paid up. (refer note 36 (i))	237	-
4) Wireless Broadband Business Services (Kerala) Private Limited: 40,974,544 (March 31, 2012 NIL) Equity shares of ₹ 10 each fully paid up. (refer note 36 (i))	497	-
5) Wireless Business Services Private Limited: 356,572,850 (March 31, 2012 NIL) Equity shares of ₹ 10 each fully paid up. (refer note 36 (i))	4,322	-
Investment in Associates		
1) Bharti Teleport Limited: 11,270,000 (March 31, 2012- 11,270,000) Equity shares of ₹ 10 each fully paid up	113	113
2) Telesonic Networks Limited (earlier known as Alcatel- Lucent Network Management Service India Ltd): NIL (March 31, 2012 - 9,000,004) Equity shares of ₹ 10 each fully paid up	-	90
Investment in other Equity Instrument		
1) IFFCO Kissan Sanchar Limited: 100,000 (March 31, 2012- 100,000) Equity shares of ₹ 10 each fully paid up.	50	50
	271,192	118,039
Other Investments (at cost)		
Investment in Government Securities - National Savings Certificate (Un-quoted) : 18 units (March 31, 2012 - 18 units)	2	2
Less: Provision for diminution in value of investments	3	-
	271,191	**118,041**
Aggregate value of Unquoted Investments	271,191	118,041
Aggregate value of Quoted Investments	-	-
Aggregate Market value of Quoted Investments	-	-
Aggregate provision for diminution in value of investments	3	-

Notes to the financial statements for the year ended March 31, 2013

18. Long-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2013		As of March 31, 2012	
Unsecured, considered good unless stated otherwise				
Capital Advances				
Considered good	1,195		1,495	
Considered doubtful	140		127	
Less: Provision for doubtful advances	(140)		(127)	
		1,195		1,495
Security Deposit				
Considered good	1,585		1,502	
Considered doubtful	541		372	
Less: Provision for doubtful deposit	(541)	1,585	(372)	1,502
Loans and advances to related parties (refer note 46) *		53,517		51,855
MAT Credit Entitlement		33,061		29,906
Others		-		59
		89,358		**84,817**

* Includes security deposit with related parties of ₹ 7,119 Mn (March 31, 2012 ₹ 9,755 Mn).

19. Other Non-current Assets

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Unsecured, considered good, unless stated otherwise		
Non-current bank balances (refer note 23)	10	6
Advances *	13,061	10,426
Unamortised upfront fees and Deferred Premium	1,040	492
	14,111	**10,924**

* Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 15,263 Mn (March 31, 2012 ₹ 10,670 Mn).

20. Current Investments

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Current investments (at lower of cost and fair market value)		
Investment in Mutual Funds	10,765	5,307
Investment in Deposits and Bonds	35	30
	10,800	**5,337**
Aggregate value of Unquoted Investments	35	30
Aggregate value of Quoted Investments	10,765	5,307
Aggregate Market Value of Quoted Investments	10,841	5,334
Aggregate provision for diminution in value of investments	-	-

Details of investments are provided below:

(₹ Millions, except as stated otherwise)

Particulars	As of March 31, 2013 (No. of Units)	As of March 31, 2013 Amount	As of March 31, 2012 (No. of Units)	As of March 31, 2012 Amount
Investment in mutual funds (Quoted)				
Tata Liquid Super High Inv. Fund - Appreciation	692,590	1,482	73,050	144
UTI Liquid Cash Plan Institutional - Growth Option	-	-	227,432	400
Axis Liquid Fund	32,545	42	90,627	107
Birla Sun Life Cash Plus - Instl. Prem. - Growth	4,684,442	872	3,344,423	572
L&T (DBS Chola) Liquid Fund - Super IP	-	-	523,248	762
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	3,460,250	594	5,695,150	901
IDBI Liquid Fund	-	-	47,104	54
JM High Liquidity Fund - Super Institutional Plan - Growth	-	-	46,527,132	776
JP Morgan India Liquid Fund	-	-	61,389,483	848
Peerless Liquid Fund Super IP	-	-	56,848,440	665
Religare Liquid Fund - Super Institutional Growth	577,406	924	52,837	78
Kotak Liquid (Institutional Premium Plan) - Growth	590,854	1,396	-	-
Reliance Liquidity Fund-Growth Option	720,786	1,264	-	-
DWS Insta Cash Plus Fund - Super Institutional Plan - Growth	4,726,818	715	-	-
DBS Chola Liq Sup Inst. Plan - Cumulative	174,694	276	-	-
UTI Money Market Fund - Institutional Growth Plan	-	-	-	-
JP Morgan India Liquid Fund- Super Inst. Growth Plan	86,125,530	1,300	-	-
IDFC Ultra Short Term Fund	116,730,561	1,900	-	-
Total	**218,516,476**	**10,765**	**174,818,926**	**5,307**
Investment in Deposits and Bonds (Unquoted)				
India Innovation Fund	10	5	1	2
7.30% REC Secured Bonds	30	30	30	28
Total	**40**	**35**	**31**	**30**

21. Inventories (valued at lower of cost and net realisable value)

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Stock-In-Trade*	21	321
	21	**321**

* Net of provision for diminution in value ₹ 512 Mn (March 31, 2012 ₹ 219 Mn).

Notes to the financial statements for the year ended March 31, 2013

22. Trade Receivables

(₹ Millions)

Particulars	As of March 31, 2013		As of March 31, 2012	
Unsecured, unless stated otherwise				
Receivables outstanding for a period exceeding six months				
Considered good	1,081		1,065	
Considered doubtful	9,649		8,289	
Less: Provision for doubtful receivables	(9,649)	1,081	(8,289)	1,065
Other receivables				
Considered good	21,387		20,280	
Considered doubtful	1,721		1,856	
Less: Provision for doubtful receivables	(1,721)	21,387	(1,856)	20,280
		22,468		**21,345**

Refer note 9 on security deposit.

23. Cash and Bank Balances

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Cash and cash equivalents		
Balances with banks		
- On current accounts	1,615	1,120
- Deposits with original maturity of 3 months or less	1,375	1,950
Cheques on hand	189	341
Cash on hand	73	123
On unpaid dividend account	27	14
	3,279	3,548
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 month	348	1,264
Deposits with original maturity of more than 12 months	5	2
Margin money deposit	5	4
	358	1,270
Less: Amount disclosed under non-current assets (refer note 19)	10	6
	3,627	**4,812**

24. Short-term Loans and Advances

(₹ Millions)

Particulars	As of March 31, 2013		As of March 31, 2012	
Unsecured, considered good unless stated otherwise				
Loans and advances to related parties (refer note 46)		1,242		85,211
Advances recoverable in cash or kind				
Considered good	5,925		9,695	
Considered doubtful	1,134		1,140	
Less: Provision for doubtful advances	(1,134)	5,925	(1,140)	9,695
Balances with customs, excise and other authorities		5,046		3,141
Advance Tax [net of provision for tax of ₹ 91,216 Mn (March 31, 2012 ₹ NIL Mn)] net off ₹ 269 Mn TDS receivable provided for March 31, 2012 ₹ NIL Mn)]		1,920		-
		14,133		**98,047**

25. Other Current Assets

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Unsecured, considered good, unless stated otherwise		
Unbilled Revenue	9,919	8,866
Interest accured on loan given to related parties	471	1,324
Unamortised upfront fees and Deferred Premium	266	254
Others	333	76
	10,989	**10,520**

26. Contingent Liabilities

(i) Total Guarantees outstanding as of March 31, 2013 amounting to ₹ 29,714 Mn (March 31, 2012 – ₹ 27,158 Mn) have been issued by banks and financial institutions on behalf of the Company. These guarantees include of certain financial bank guarantees which have been given for subjidice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under contingencies and liabilities, as applicable in compliance with the applicable Accounting standards.

Corporate Guarantees outstanding as of March 31, 2013 amounting to ₹ 537,606 Mn (March 31, 2012 - ₹ 481,376 Mn) have been given to banks, financial institutions and third parties on behalf of Group Companies at no cost to the latter.

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

Notes to the financial statements for the year ended March 31, 2013

a) Claims against the Company not acknowledged as debt

(₹ Millions)

	Particulars	As of March 31, 2013	As of March 31, 2012
(i)	Taxes, Duties and Other demands (under adjudication/appeal/dispute)		
	-Sales Tax (see 26 (ii) (b) below)	555	552
	-Service Tax (see 26 (ii) (c) below)	6,094	4,503
	-Income Tax (see 26 (ii) (d) below)	15,032	14,224
	-Customs Duty (see 26 (ii) (e) below)	4,463	2,198
	-Stamp Duty	351	353
	-Entry Tax (see 26 (ii) (f) below)	3,408	2,624
	-Municipal Taxes	111	1
	-Access Charges/Port Charges (see 26(ii) (g) below)	4,616	4,519
	-DoT demands (including 26 (ii) (h) below)*	2,362	3,369
	-Other miscellaneous demands (including 26 (ii) (i) below)	118	114
(ii)	Claims under legal cases including arbitration matters (including 26(ii) (i) below)	570	450
		37,680	**32,907**

* in addition, refer note (h) (v),(h) (vi) & (h) (vii) below for DoT matters not included above.

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

b) Sales Tax

The claims for sales tax as of March 31, 2013 comprised the cases relating to:

i. the appropriateness of the declarations made by the Company under the relevant sales tax legislations which was primarily procedural in nature;

ii. the applicable sales tax on disposals of certain property and equipment items;

iii. lease circuit/broadband connectivity services;

iv. the applicability of sales tax on sale of SIM cards, SIM replacements, VAS, Handsets and Modem rentals;

v. In the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

c) Service Tax

The service tax demands as of March 31, 2013 relate to:

i. cenvat claimed on tower and related material,

ii. levy of service tax on SIM cards,

iii. cenvat credit disallowed for procedural lapses and inadmissibility of credit and

iv. disallowance of cenvat credit used in excess of 20% limit.

v. employee talk time

d) Income Tax

Income tax demands under appeal mainly included the appeals filed by the Company before various appellate authorities against the disallowance of certain expenses being claimed under tax by income tax authorities, non-deduction of tax at source with respect to dealers/ distributor's margin and non-deduction of tax on payments to international operators for access charges, etc. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

e) Custom Duty

The custom authorities, in some states, demanded ₹ 4,463 Mn as of March 31, 2013 (March 31, 2012 - ₹ 2,198 Mn) for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it would be an operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

f) Entry Tax

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is *ultra vires* the Constitution. Classification issues have also been raised whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category. The amount under dispute as of March 31, 2013 was ₹ 3,408 Mn (March 31, 2012 - ₹ 2,624 Mn).

g) Access Charges (Interconnect Usage Charges)/Port Charges

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Supreme court. However, no stay has been granted.

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

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on Aug 30, 2010 Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish CDRs to TRAI. The CDRs have been furnished to TRAI. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed it's judgment in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. The management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable.

h) DoT Demands

i) The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

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

iii) DoT demands include alleged short payment of license fee for FY 2006-07 and FY 2007-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between the Company and DoT and interest thereon, against which the Company has obtained stay from appropriate Hon'ble High Court.

iv) DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address/Identity in a mobility circle.

Notes to the financial statements for the year ended March 31, 2013

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

In addition to the amount disclosed in the above table, the contingent liability on DOT matters includes the following:

v) Post the Hon'ble Supreme Court Judgment on October 11, 2011 on components of Adjusted Gross Revenue for computation of License fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences, the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities.

vi) On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company for ₹ 51,353 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 8,940 Mn for holding GSM Spectrum beyond 6.2 Mhz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,413 Mn for GSM spectrum held beyond 4.4 Mhz for the period from January 1, 2013, till the expiry of the initial terms of the respective licenses. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing, scheduled for May 6, 2013. The Company believes, based on independent legal opinions and its evaluation, that it is not probable that the claim will materialise and therefore, pending outcome of this matter, no provision has been recognised.

vii) Based upon the scope of Service under UAS License and the NIA for 3G/BWA with its clarifications, in 7 such circles where the Company has not been allocated 3G spectrum, the Company has been providing 3G service under a commercial arrangement .i.e " 3G Intra Circle Roaming Agreements with other operators".

The Department of Telecommunications issued notice to the Company dated December 23, 2011 along with other Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum which was challenged by the Company in TDSAT wherein stay was granted against the said order by TDSAT. TDSAT on July 3, 2012 gave a split verdict on the legality of telecom operators providing 3G services to its customers in circles, where they have not been allotted the 3G spectrum.

The Department of Telecommunications (DoT) vide its letter dated March 15, 2013 has directed the Company to stop providing 3G services in these 7 circles (under Intra Circle Roaming arrangements) and has also levied a financial penalty of ₹ 3,500 Mn. The same has been challenged by the Company before Hon'ble Delhi High Court which had granted a stay vide its order dated March 18, 2013. Subsequently, one of the operators (not being a party to the litigation) approached the Division Bench of Delhi High Court and, allowing its appeal, the Division Bench vacated the stay. The Company filed a Special Leave Petition before the Supreme Court, challenging the order of the Division Bench. The Supreme Court, vide its interim order dated April 11, 2013, restrained DoT from taking any coercive action and while adjourning the matter for final hearing to May 9, 2013, also directed the Company not to extend the facilities to any new customer on the basis of the Intra Circle Roaming Arrangements in the meantime . Pending further orders from the Court, the Company continues to provide such services to existing customers under the said commercial arrangement.

i) Others

Others mainly include disputed demands for consumption tax, disputes before consumer forum and with respect to labour cases and a potential claim for liquidated damages.

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

j) Bharti Mobinet Limited ('BMNL') Litigation

Bharti Airtel is in litigation in various proceedings at various stages and in various forums with DSS

Enterprises Private Limited (DSS) (which had 0.34% equity interest in erstwhile Bharti Cellular Limited (BCL)) on claims of specific performance in respect of alleged agreements to sell the equity interest of DSS in erstwhile BMNL to Bharti Airtel. In respect of one of the transactions with respect to purchase of 10.5% share of DSS in Skycell by Bharti, Crystal Technologies Private Limited ('Crystal'), an intermediary, initiated arbitration proceedings against the Company demanding ₹ 195 Mn regarding termination of its appointment as a consultant to negotiate with DSS for the sale of DSS stake in erstwhile BMNL to Bharti Airtel. The Ld. Arbitrator partly allowed the award for a sum of ₹ 31 Mn, 9% interest from period October 3, 2001 till date of award (i.e. May 28, 2009) and a further 18% interest from date of award to date of payment. The Company appealed against the award. The Single Judge while dismissing the appeal reduced the rate of interest from 18% to 12%. The matter was appealed thereafter to Division Bench and finally to Supreme Court wherein the matter has been admitted on the condition that the amount as per Single Judge Order shall be secured in the SC, which has been done. The matter will now come up in due course.

DSS has also filed a suit against a previous shareholder of BMNL and Bharti Airtel challenging the transfer of shares by that shareholder to Bharti Airtel. The matter is to be reheard.

DSS has also initiated arbitration proceedings seeking direction for restoration of the cellular license and the entire business associated with it including all assets of BCL/BMNL to DSS or alternatively, an award for damages. An interim stay was granted by the Delhi High Court with respect to the commencement of arbitration proceedings. The stay was made absolute.

The liability, if any, of Bharti Airtel arising out of above litigation cannot be currently estimated. Since the amalgamation of BCL and erstwhile Bharti Infotel Limited (BIL) with Bharti Airtel, DSS, a minority shareholder in BCL, had been issued 2,722,125 equity shares of ₹ 10 each (5,444,250 equity shares of ₹ 5 each post split) bringing the share of DSS in Bharti Airtel down to 0.14% as of March 31, 2013.

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

27. Capital and Other Commitments

a) Estimated amount of contracts to be executed on capital account and not provided for (net of advances) ₹ 17,041 Mn as of March 31, 2013 (March 31, 2012 - ₹ 32,252 Mn).

b) Under the IT Outsourcing Agreement, the Company has estimated commitments to pay ₹ 8,245 Mn as of March 31, 2013 (March 31, 2012 - ₹ 17,452 Mn) comprising of assets and service charges. The amount represents total minimum commitment over the unexpired period of the contracts i.e. between 1-5 years, since it is not possible for the Company to determine the extent of assets and services under the contract over the unexpired period. However, the actual charges/payments may exceed the above mentioned minimum commitment based on the terms of contract.

28. The Company has undertaken to provide financial support, to its subsidiaries and associates,namely, Bharti Airtel Services Limited, Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Hongkong) Limited,Bharti International (Singapore) Pte Limited, Bharti Airtel (Japan) Limited, Bharti Airtel (France) Limited, Bharti Telemedia Limited, Airtel M Commerce Services Limited, Bharti Airtel Lanka (Pvt) Limited, Airtel Bangladesh Limited, Bharti Airtel Holdings (Singapore) Pte Limited, Bharti Airtel International (Netherlands) B.V.including its subsidiaries and associates,Telesonic Networks Limited (earlier known as Alcatel-Lucent Network Management Services India Limited) and Bharti Teleports Limited.

Notes to the financial statements for the year ended March 31, 2013

29. Revenue from Operations

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Service Revenue		
- Voice revenue	357,425	323,312
- Others	96,061	92,513
Sale of products	23	213
	453,509	**416,038**

Note: Voice Revenue includes revenue from home network subscribers, roaming revenues and interconnect revenues.

30. Other Income

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest income on bank deposits	984	43
Interest income on loan given to related parties	1,112	1,604
Dividend income on investments in subsidiaries	4,100	263
Net gain on sale of investments	1,208	1,015
Net foreign exchange gain	6,597	2,601
Other non-operating income		
Lease rentals	6	4
Liabilities/Provision written back	144	175
Miscellaneous income	480	542
	14,631	**6,247**

31. Cost of Goods Sold

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Cost of material consumed (including internal consumption)	(1,817)	(2,182)
Cost of goods sold Purchase of Stock-in-Trade	1,836	2,365
	19	**183**

32. Employee Benefit Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	13,094	11,893
Contribution to provident and other funds	612	552
Expenses on employee stock option plan	242	536
Staff welfare expenses	622	519
Others	543	415
	15,113	**13,915**

33. Power and Fuel, Rent and Other Expenses

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Power and fuel		
Network	34,615	28,834
Others	1,084	893
	35,699	**29,727**
Rent		
Network	51,129	46,431
Others	1,096	1,283
	52,225	**47,714**
Other expenses		
Interconnect and Port charges	1,074	1,359
Insurance		
Network	501	313
Others	36	41
Installation	35	34
Repairs and Maintenance		
Plant and Machinery	20,507	16,630
Building	194	142
Others - Network	634	174
Others - Administrative	936	746
Leased Line and Gateway charges	1,323	1,357
Internet access and bandwidth charges	5,715	4,689
Advertisement and Marketing	5,993	5,586
Sales Commission, Customer verification and Content cost	21,108	20,643
Indirect Selling and Distribution	3,190	2,704
Sim card utilisation	1,920	1,915
Legal and Professional	2,141	1,615
Rates and Taxes	407	595
IT and Call Center Outsourcing	10,842	10,972
Traveling and Conveyance	1,243	997
Bad debts written off	1,881	2,745
Provision for doubtful debts and advances (refer note 51)	1,742	1,379
Provision for diminution in stock/capital work in progress	542	335
Collection and Recovery Expenses	4,482	3,470
Loss on sale of Fixed Assets (net)	481	473
Printing and Stationery	728	638
Miscellaneous Expenses		
Network	825	1,027
Sales and Marketing	3,209	1,256
Administrative	735	867
	92,424	**82,702**

Note: Miscellaneous Expenses (Sales and Marketing) above includes goodwill waivers which are other than trade discount, of ₹ 392 Mn (for the year ended March 31, 2012 ₹ 252 Mn).

Notes to the financial statements for the year ended March 31, 2013

34. Finance Costs

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense	14,885	11,086
Other borrowing cost	607	474
Loss from swap arrangements (net)	190	433
Applicable net (gain)/loss on foreign currency transactions	841	1,969
	16,523	**13,962**

35. Depreciation and Amortisation Expense

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation of tangible assets (refer note 15)	55,575	48,500
Amortisation of intangible assets (refer note 16)	12,692	10,660
	68,267	**59,160**

36. Acquisitions/Additional Investments/New Developments

(i) Pursuant to a definitive agreement dated May 24, 2012, Bharti Airtel Limited has acquired 49% stake for a consideration of ₹ 9,281 Mn (USD 165 Mn) in Qualcomm Asia Pacific's (Qualcomm AP) 4 Indian subsidiaries ("BWA entities"), (i) Wireless Business Services Private Limited- that holds Category 'A' ISP licenses and broadband wireless spectrum in the frequencies of 2327.5 - 2347.5 for the Service Area of Mumbai, 2327.5 - 2347.5 for the Service Area of Delhi, 2325.0 - 2345.0 for the Service Area of Kerala and 2362.5 - 2382.5 for the Service Area of Haryana, (ii) Wireless Broadband Business Services (Delhi) Private Limited (iii) Wireless Broadband Business Services (Kerala) Private Limited and (iv) Wireless Broadband Business Services (Haryana) Private Limited, partly by way of acquisition of 26% equity interest from its existing shareholders and balance 23% by way of subscription of fresh equity in the referred entities. The agreement contemplates that once commercial operations are launched, subject to certain terms and conditions, Bharti has the option to assume complete ownership and financial responsibility for the BWA entities by the end of 2014.

(ii) The Company has completed the launch of BWA services in Karnataka, Kolkata, Maharashtra and Punjab circles.

(iii) The Company has made equity investment of ₹ 33,367 Mn (USD 608 Mn) during the year in Bharti Airtel International (Mauritius) Limited and holds 100% shareholding.

(iv) The Company has made equity investment of ₹ 1,060 Mn in Airtel M Commerce Services Limited and holds 100% shareholding.

(v) The Company has increased its equity investment in the following subsidiaries by way of conversion of loan into equity:

- by ₹ 67,353 Mn (USD 1203.30 Mn) in Bharti Airtel International (Netherlands) B.V. (refer note 41(c))
- by ₹ 9,907 Mn (USD 177 Mn) in Bharti Airtel International (Mauritius) Limited (refer note 41(f))
- by ₹ 32,184 Mn (USD 575 Mn) in Bharti International (Singapore) Pte Limited (refer note 41(g))

(vi) On August 23, 2012, Bharti Infratel Limited ('BIL') allotted 1,000,000,000 equity shares as fully paid bonus shares.

37. Earnings Per Share

(₹ Millions, except per share data and as stated otherwise)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Basic and Diluted Earnings per Share:		
Nominal value of equity shares (₹)	5	5
Profit attributable to equity shareholders (A)	50,963	57,300
Weighted average number of equity shares outstanding during the year (Nos. in Mn) (B)	3,798	3,798
Basic/Diluted earnings per Share (₹) (A/B)	13.42	15.09

38. Employee Benefits

a) During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

i. Defined Contribution Plans

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Employer's Contribution to Provident Fund *@	608	552
Employer's Contribution to ESI *	4	-

* Included in Contribution to Provident and Other Funds (Refer note 32)
@ Includes contribution to Defined Contribution Plan for Key Managerial Personnel.

ii. Defined Benefit Plans

For the year ended March 31, 2013 (₹ Millions)

Particulars	Gratuity #	Leave Encashment #
Current service cost	221	152
Interest cost	95	55
Expected return on plan assets	(6)	-
Actuarial (gain)/loss	44	(70)
Total *	**354**	**137**

For the year ended March 31, 2012 (₹ Millions)

Particulars	Gratuity #	Leave Encashment #
Current service cost	199	146
Interest cost	80	49
Expected return on plan assets	(6)	-
Actuarial (gain)/loss	52	(41)
Total *	**325**	**154**

Included in Salaries and Wages (Refer note 32).
* Included in above is the charge towards Defined Benefit Plan for Key Managerial Personnel for Gratuity and Leave Encashment as these are provided on an actuarial basis for the Company as a whole.

Notes to the financial statements for the year ended March 31, 2013

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

For the year ended March 31, 2013

Particulars	Gratuity	Leave Encashment
Discount rate	8.50%	8.50%
Expected rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	8.00%	N.A.
Expected average remaining working lives of employees (years)	24.81	24.81

For the year ended March 31, 2012

Particulars	Gratuity	Leave Encashment
Discount rate	8.00%	8.00%
Expected rate of increase in compensation levels	9.00%	9.00%
Expected rate of return on plan assets	8.00%	N.A.
Expected average remaining working lives of employees (years)	23.80	23.80

c) Reconciliation of opening and closing balances of benefit obligations and plan assets is as follows:

For the year ended March 31, 2013 (₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	1,119	652
Current service cost	221	152
Interest cost	95	55
Benefits paid	(91)	(45)
Actuarial (gain)/loss	38	(70)
Projected benefit obligation at year end	**1,382**	**744**
Change in plan assets:		
Fair value of plan assets at beginning of year	76	-
Expected return on plan assets	6	-
Actuarial gain/(loss)	(6)	-
Fair value of plan assets at year end	**76**	**-**
Net funded status of the plan	**1,306**	**744**
Current Liabilities	318	744
Non-Current Liabilities	988	-

For the year ended March 31, 2012 (₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in Projected Benefit Obligation (PBO)		
Projected benefit obligation at beginning of year	995	606
Current service cost	199	146
Interest cost	80	49
Benefits paid	(201)	(108)
Actuarial (gain)/loss	46	(41)
Projected benefit obligation at year end	**1,119**	**652**

For the year ended March 31, 2012 (₹ Millions)

Particulars	Gratuity	Leave Encashment
Change in plan assets:		
Fair value of plan assets at beginning of year	76	-
Expected return on plan assets	6	-
Actuarial gain/(loss)	(6)	-
Fair value of plan assets at year end	**76**	**-**
Net funded status of the plan	**1,043**	**652**
Current Liabilities	196	652
Non-Current Liabilities	847	-

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

e) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) History of experience adjustment is as follows:

(₹ Millions)

Particulars	Gratuity				
	As of March 31, 2013	As of March 31, 2012	As of March 31, 2011	As of March 31, 2010	As of March 31, 2009
Defined benefit obligation	1,382	1,119	995	800	658
Plan assets	76	76	76	76	76
Surplus/(deficit)	(1,306)	(1,043)	(919)	(724)	(582)
Experience adjustments on plan liabilities	(31)	(57)	(87)	(130)	(82)
Experience adjustments on plan assets	(6)	(6)	(6)	(6)	(5)

(₹ Millions)

Particulars	Leave Encashment				
	As of March 31, 2013	As of March 31, 2012	As of March 31, 2011	As of March 31, 2010	As of March 31, 2009
Defined benefit obligation	744	652	607	534	478
Plan assets	-	-	-	-	-
Surplus/(deficit)	(744)	(652)	(606)	(534)	(478)
Experience adjustments on plan liabilities	79	51	(97)	(106)	(16)
Experience adjustments on plan assets	-	-	-	-	-

Notes to the financial statements for the year ended March 31, 2013

g) Movement in other long term employee benefits:

i) Movement in provision for Deferred Incentive Plan

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Balance	-	74
Addition during the year	-	40
Less: Utilised during the year	-	(114)
Closing Balance	-	-

ii) Long term service award provided by the Company as of March 31, 2013 is ₹ 67 Mn (March 31, 2012 ₹ 119 Mn).

39. Investment in Joint Ventures/Jointly Owned Assets

Jointly owned assets

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

As of March 31, 2013 (₹ Millions, except as stated otherwise)

Cable Project	Total Contribution	Capital Work In Progress	Net block as of March 31, 2013	Share %
SMW-4	3,284	-	2,080	13.12%
AAG - Project	1,843	-	1,435	7.06%
EASSY - Project	119	-	102	1.01%
EIG - Project	2,412	-	2,074	7.09%
IMEWE- Project	3,132	-	2,687	12.77%
Unity - Project - Common & Others	1,317	-	1,107	10.00%
Unity - Project - Light Up	149	-	125	13.91%

As of March 31, 2012 (₹ Millions, except as stated otherwise)

Cable Project	Total Contribution	Capital Work In Progress	Net block as of March 31, 2012	Share %
SMW-4	3,284	642	1,686	11.19%
AAG - Project	1,804	-	1,517	7.08%
EASSY - Project	119	-	108	1.00%
EIG - Project	2,412	-	2,235	7.09%
IMEWE- Project	2,800	31	2,557	12.79%
Unity - Project - Common & Others	1,287	-	1,149	10.00%
Unity - Project - Light Up	149	-	133	13.91%

Joint Ventures Entity

b) The Company entered into a Joint Venture with 9 other overseas mobile operators to form a regional alliance called the Bridge Mobile Alliance, incorporated in Singapore as Bridge Mobile Pte Limited. The principal activity of the venture is creating and developing regional mobile services and managing the Bridge Mobile Alliance Programme. The Company has invested USD 2.2 Mn, amounting to ₹ 92 Mn, in 2.2 Mn ordinary shares of USD 1 each which is equivalent to an ownership interest of 10.00% as of March 31, 2013 (March 31, 2012 USD 2.2 Mn, ₹ 92 Mn, ownership interest 10.00%).

During the year,the Company acquired 49% stake for a consideration of ₹ 9,281 Mn (USD 165 Mn) in Qualcomm Asia Pacific's (Qualcommn AP) 4 Indian Subsidiaries ("BWA entities"). The principal activity of the venture is to carry on the business of internet and broadband services.

Notes to the financial statements for the year ended March 31, 2013

The following represent the Company's share of assets and liabilities, and income and results of the joint venture.

(₹ Millions)

Particulars	As of March 31, 2013 (Unaudited)	As of March 31, 2012 (Unaudited)
Current assets	794	95
Non-current assets	36,796	2
Current liabilities	14,420	7
Non-current liabilities	15,674	8
Equity	**7,496**	**82**
Revenue	27	25
Other Income	82	-
Employee benefit expenses	17	15
Other expenses	20	7
Finance costs	225	-
Depreciation	1	1
Profit before tax	(154)	2
Tax Expense	32	-
Profit for the year	**(186)**	**2**

40. As of March 31, 2013, Bharti Airtel Employee's Welfare Trust ('the Trust') holds 3,937,055 equity shares (of face value of ₹ 5 each) (March 31, 2012 2,456,750 equity shares) of the Company, out of which 1,498,457 equity shares were issued by the Company at the rate of ₹ 25.68 per equity share fully paid up and 2,438,598 equity shares (of face value of ₹ 5 each) were purchased from open market at average rate of ₹ 260.68 per equity share.

41. Loans and advances in the nature of loans along with maximum amount outstanding during the year as per Clause 32 of the Listing Agreement are as follows:

(a) Loan and advance in the nature of loan bearing nil interest given to Bharti Telemedia Limited ₹ 35,026 Mn (March 31, 2012 ₹ 31,060 Mn at nil interest rate).

(b) Loan and advance in the nature of loan given to Bharti Airtel Lanka (Private) Limited is ₹ 11,047 Mn (March 31, 2012 ₹ 11,047 Mn at LIBOR + 4.5% interest rate). Effective February 10, 2012, no interest has been charged with an option for equity conversion.

(c) Loan and advance in the nature of loan given to Bharti Airtel International (Netherlands) B.V at LIBOR + 1.7% interest rate is ₹ 67,757 Mn (March 31, 2012 ₹ 50,686 Mn). Effective September 6, 2012, no interest has been charged as the outstanding loan has been converted into equity. (Refer note 36(v)).

(d) Loan and advance in the nature of loan given to Telesonic Networks Limited at SBI PLR + 1% interest rate is ₹ 90 Mn (March 31, 2012 ₹ 90 Mn).

(e) Loan and advance in the nature of loan given to Bharti Teleports Limited at 10.75% p.a. interest rate is ₹ 302 Mn (March 31, 2012 ₹ 332 Mn).

(f) Loan and advance in the nature of loan given to Bharti Airtel International (Mauritius) Limited at LIBOR + 1.7% interest rate is ₹ 9,967 Mn (March 31, 2012 ₹ 9,428 Mn). Effective September 6, 2012, no interest has been charged as the outstanding loan has been converted into equity. (refer note 36(v)).

(g) Loan and advance in the nature of loan given to Bharti International (Singapore) Pte Limited at LIBOR + 1.7% interest rate is ₹ 32,378 Mn (March 31, 2012 ₹ 24,939 Mn). Effective September 6, 2012, no interest has been charged as the outstanding loan has been converted into equity. (refer note 36(v)).

(h) Loan and advance in the nature of loan given to Bharti Airtel Service Limited at nil interest is ₹ 56 Mn (March 31, 2012 ₹ 56 Mn).

(i) Loan and advance in the nature of loan given to Bharti Airtel (USA) Limited at 7.33% interest rate is ₹ 53 Mn (March 31, 2012 ₹ 53 Mn).

Refer note 46 for closing amount outstanding for the year for the above entities.

Notes to the financial statements for the year ended March 31, 2013

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

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Expenditure		
On account of:		
Interest	304	336
Professional & Consultation Fees	37	8
Travelling (Net of Reimbursement)	22	-
Roaming Charges(Incl. Commission)	1,685	2,029
Membership & Subscription	46	15
Staff Training & Others	43	23
Network Services	345	207
Annual Maintenance	1,690	1,324
Bandwidth Charges	2,959	2,892
Access Charges	13,872	9,915
Repairs & Maintenance	7	-
Marketing	743	515
Content Charges	105	145
Directors Commission and Sitting Fees	36	-
Agency Fees & Premium fees	3	60
Income Tax	155	135
Total	**22,052**	**17,604**
Earnings		
Service Revenue	27,737	20,048
Management Charges	87	74
Total	**27,824**	**20,122**

43. CIF Value of Imports

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Capital Goods	25,516	17,628
Total	**25,516**	**17,628**

44. Auditors' Remuneration

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
- Audit Fee*	66	60
- Reimbursement of Expenses*	5	5
- As advisor for taxation matters*	1	-
- Other Services*	5	6
Total	**77**	**71**

* Excluding Service Tax

45. Details of Dues to Micro and Small Enterprises as Defined Under the MSMED Act, 2006

Amounts due to micro, and small enterprises under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 aggregate to ₹ 7 Mn (March 31, 2012 – ₹ 25 Mn) based on the information available with the Company and the confirmation received from the creditors till the year end.

(₹ Millions)

S. No.	Particulars	March 31, 2013	March 31, 2012
1	The principal amount and the interest due thereon [₹ Nil (March 31, 2012 – ₹ NIL)] remaining unpaid to any supplier as at the end of each accounting year	7	25
2	The amount of interest paid by the buyer in terms of Section 16 of the MSMED ACT, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT, 2006	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED ACT, 2006	-	-

46. Related Party Disclosures

In accordance with the requirements of Accounting Standards (AS) -18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships are:

Name of the related party and related party relationship:

(i) Key Management Personnel

Sunil Bharti Mittal

Manoj Kohli

Sanjay Kapoor (till February 28, 2013)

Gopal Vittal (effective from February 1, 2013)

(ii) Other Related Parties

(a) Entities where control exist – Subsidiary/ Subsidiaries of Subsidiary

Bharti Hexacom Limited

Bharti Airtel Services Limited

Bharti Telemedia Limited

Bharti Airtel (USA) Limited

Bharti Airtel Lanka (Private) Limited

Bharti Airtel (UK) Limited

Bharti Airtel (Canada) Limited

Bharti Airtel (Hongkong) Limited

Bharti Infratel Limited

Network i2i Limited

Bharti Airtel Holdings (Singapore) Pte Ltd

Bharti Infratel Lanka (Private) Limited (subsidiary of Bharti Airtel Lanka (Private) Limited)

Bharti Infratel Ventures Limited (subsidiary of Bharti Infratel Limited)

Airtel M Commerce Services Limited

Bharti Airtel (Japan) Kabushiki Kaisha (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)

Bharti Airtel (France) SAS (subsidiary of Bharti Airtel Holdings (Singapore) Pte Ltd)

Bharti Airtel International (Mauritius) Limited

Bharti International (Singapore) Pte Ltd

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

Bharti Airtel International (Netherlands) B.V.

Bangladesh Infratel Networks Limited (subsidiary of Airtel Bangladesh Limited)

Bharti Airtel Africa B.V. (subsidiary of Bharti Airtel International (Netherlands) B.V.)

Related Party Disclosures

Telesonic Networks Limited (earlier known as Alcatel-Lucent Network Management Services India Ltd) (effective from February 5, 2013)

Other subsidiaries of Bharti Airtel Africa B.V.:

Africa Towers N.V.

Africa Towers Services Limited

Airtel Ghana Limited

Airtel (SL) Limited

Airtel Burkina Faso S.A. #

Airtel Congo S.A. #

Airtel Direct to Home Services (Kenya) (dissolved on January 8, 2013)

Airtel DTH Services (SL) 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 Ghana Limited

Airtel DTH Services Madagascar S.A. (dissolved on October 5, 2012)

Airtel DTH Services Malawi Limited

Airtel DTH Services Niger S.A. (dissolved on November 14, 2012)

Airtel DTH Services Nigeria Limited

Airtel DTH Services T.Chad S.A. (dissolved on November 6, 2012)

Airtel DTH Services Tanzania Limited

Airtel DTH Services Uganda Limited

Bharti DTH Services Zambia Limited

Airtel Madagascar S.A.

Airtel Malawi Limited

Airtel Mobile Commerce (SL) Limited

Airtel Mobile Commerce B.V.

Airtel Mobile Commerce Burkina Faso S.A.

Airtel Mobile Commerce (Ghana) Limited

Airtel Mobile Commerce Holdings B.V.

Airtel Mobile Commerce Madagascar (S.A.)

Airtel Mobile Commerce Limited

Airtel Mobile Commerce (Tanzania) Limited

Airtel Mobile Commerce Tchad SARL

Airtel Mobile Commerce Uganda Limited

Airtel Mobile Commerce Rwanda Limited

Airtel Mobile Commerce (Kenya) Limited

Airtel Money Niger S.A.

Airtel Money (RDC) S.p.r.l

Airtel Networks Kenya Limited #

Airtel Networks Limited

Airtel Rwanda Limited

Airtel Tanzania Limited #

Airtel Towers (Ghana) Limited

Airtel Towers (S.L.) Company Limited

Airtel Uganda Limited

Airtel (Seychelles) Limited

Bharti Airtel Acquisition Holdings B.V.

Bharti Airtel Burkina Faso Holdings B.V.

Bharti Airtel Cameroon B.V.

Bharti Airtel Chad Holdings B.V.

Bharti Airtel Congo Holdings B.V.

Bharti Airtel Developers Forum Limited

Bharti Airtel DTH 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 Cameroon Holding B.V. (dissolved on March 27, 2013)

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. #

Burkina Faso Towers S.A.

Celtel (Mauritius) Holdings Limited

Celtel Cameroon SA (dissolved on March 26, 2013)

Celtel Congo (RDC) S.a.r.l. #

Airtel Gabon S.A. (formerly Celtel Gabon S.A w.e.f.July 11, 2012)

Celtel Niger S.A.

Airtel Tchad S.A. (formerly Celter Tchad S.A.w.e.f. June 1, 2012) #

Celtel Zambia plc

Channel Sea Management Company (Mauritius) Limited

Congo (RDC) Towers S.p.r.l.

Related Party Disclosures

Congo Towers S.A.

Gabon Towers S.A.

Indian Ocean Telecom Limited

Kenya Towers Limited

Madagascar Towers S.A.

Malawi Towers Limited

Mobile Commerce Congo S.A.

Airtel Money S.A. (Gabon) (formerly Mobile Commerce Gabon S.A w.e.f. June 25, 2012)

Montana International

MSI-Celtel Nigeria Limited

Niger Towers S.A.

Partnership Investments Sprl

Rwanda Towers Limited

Société Malgache de Telephonie Cellulaire SA

Tanzania Towers Limited

Tchad Towers S.A.

Towers Support Nigeria Limited

Uganda Towers Limited

Zambian Towers Limited

Zap Trust Company Nigeria Limited

Zebrano (Mauritius) Limited

ZMP Limited

(b) Associates/Associate of Subsidiary

Bharti Teleports Limited

Tanzania Telecommunications Company Limited (Associate of Bharti Airtel Tanzania B.V.)

Telesonic Networks Limited (earlier known as Alcatel-Lucent Network Management Services India Ltd) (till February 4, 2013)

Seychelles Cable Systems Company Limited (Associate of Airtel (Seychelles) Limited)

(c) Joint Ventures/Joint Venture of Subsidiary

Forum I Aviation Limited (Joint Venture of Bharti Airtel Services Limited)

Indus Towers Limited (Joint Venture of Bharti Infratel Limited)

Bridge Mobile Pte Limited

Wireless Broadband Business Services (Delhi) Private Limited (acquired on May 24, 2012)*

Wireless Broadband Business Services (Haryana) Private Limited (acquired on May 24, 2012)*

Wireless Broadband Business Services (Kerala) Private Limited (acquired on May 24, 2012)*

Wireless Business Services Private Limited (acquired on May 24, 2012)*

(d) Entities where Key Management Personnel and their relatives exercise significant influence/Group Companies

Beetel Teletech Limited

Bharti Airtel Employees Welfare Trust

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

Bharti Enterprises Limited

Bharti Foundation

Bharti Realty Holdings Limited

Bharti Realty Limited

Bharti Retail Limited

Bharti Softbank Holdings Pte Limited

Bharti Wal-Mart Private Limited

Centum Learning Limited

Comviva Technologies Limited (till December 13, 2012)

Fieldfresh Foods Private Limited

Guernsey Airtel Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Nile Tech Limited

Mehrauli Realty and Consultants Limited

(e) Entities having significant influence over the Company

Singapore Telecommunications Limited

Pastel Limited

Bharti Telecom Limited

* Refer note 36 above for details of new operations during the year.
# Transactions of similar nature with such subsidiaries have been clubbed and shown under the head 'Other African Subsidiaries' as their contribution to total transaction value is less than 10%.

Related Party Transaction for 2012-13

(₹ Millions)

Nature of transaction	Entities where control exist										
	Bharti Hexacom Limited (**)	Bharti Airtel Services Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited ($)	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holdings (Singapore) Pte Limited	Airtel Bangladesh Limited	Bharti Telemedia Limited	Bharti Infratel Limited (**)	Bharti Airtel Lanka (Private) Limited (@)
Purchase of fixed assets/bandwidth	(214)	(2)	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	1,259	-	3	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	6,450	-	280	11	-	7	11	0	239	169	282
Receiving of services	(2,105)	(2,522)	(394)	(128)	-	(75)	-	(3)	(40)	(12,062)	(379)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	(16,766)	-
Common cost allocation charged by the Company	659	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	361	1,681	-	0	-	1	-	-	386	13	-
Fund received/Expenses incurred on behalf of the Company	(68)	(1,575)	(10)	-	-	-	-	-	(254)	-	-
Employee related expenses incurred on behalf of others	90	138	-	-	-	-	-	-	302	28	-
Employee related expenses incurred on behalf of the Company	(8)	(21)	-	-	-	(0)	-	-	(52)	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	72	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	(816)	-
Loan received	-	-	-	-	-	-	-	-	-	(13,500)	-
Loan given	-	-	-	-	-	-	-	-	3,174	3,670	-
Subscription to share capital (refer note 36)	-	-	-	-	-	-	-	-	-	-	-
Interest charged by others	-	-	-	-	-	-	-	-	-	(1,743)	-
Interest charged by the Company	-	-	1	-	-	-	-	-	-	-	64
Dividend Paid/(Received)	(350)	-	-	-	-	-	-	-	-	(3,750)	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	(23,091)	-
Trade Payables	-	-	-	(15)	-	(6)	-	(6)	-	(2,199)	-
Loans and Advances (including security deposits) (refer note 41)	-	729	-	-	-	-	-	-	35,026	1,769	11,517
Trade Receivables	904	154	720	-	25	-	5	-	-	-	6
Total Balance	**904**	**883**	**720**	**(15)**	**25**	**(6)**	**5**	**(6)**	**35,026**	**(23,522)**	**11,523**
Maximum Loans and Advance Outstanding during the year		56	53						35,026		11,047
Guarantees and Collaterals (refer note 26(i))	2,096	86						10,878	582	-	

** Refer note 48 (viii).

@ Loans and advances also includes interest receivables.

$ Gross of ₹ 24 Mn provided for.

Related Party Transaction for 2012-13

(₹ Millions)

Nature of transaction	Entities where control exist												
	Network i2i Limited	Bharti Infratel Ventures Limited	Airtel M Commerce Services Limited	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited) (&)	Bharti Airtel (Japan) Kabushiki Kaisha	Bharti Airtel (France) SAS	Bharti Airtel International (Mauritius) Limited	Bharti International (Singapore) Pte Limited	Bharti Airtel International (Netherlands) B.V. (**)	Telecom (Seychelles) Limited	Airtel (Ghana) Limited	Airtel Networks Limited	Other African Subsidiaries
Purchase of fixed assets/ bandwidth	(106)	-	-	(330)	-	-	-	(121)	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	205	-	-	-	-	-	-	705	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	71	-	-	16	0	0	1	583	95	46	288	400	1,979
Receiving of services	(925)	-	(103)	(436)	(8)	(37)	-	(1,114)	-	(39)	(463)	(501)	(1,900)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charged by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	213	-	-	-	-	53	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	(58)	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	131	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	(1)	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	6	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	4,600	11,164	-	-	-	-
Subscription to share capital (refer note 36)	-	-	1,060	1	-	-	43,274	32,184	67,353	-	-	-	-
Interest charged by others	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest charged by the Company	-	-	-	-	-	-	93	294	614	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end													
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	(867)	(3)	(15)	-	-	-	-	(27)	-	(126)
Loans and Advances (including security deposits) (refer note 41)	-	-	-	90	-	-	-	-	-	-	-	-	-
Trade Receivables	371	6	62	-	-	-	1	1,136	38	0	-	191	-
Total Balance	**371**	**6**	**62**	**(777)**	**(3)**	**(15)**	**1**	**1,136**	**38**	**0**	**(27)**	**191**	**(126)**
Maximum Loans and Advance Outstanding during the year	-		-	90	-	-	9,967	32,378	67,757	-	-	-	-
Guarantees and Collaterals (refer note 26(i))								96,311	431,028				

** Refer note 48 (viii).

& ₹ 546.15 Mn loan to Telesonic Networks Ltd acquired for ₹ 0.5 Mn converted into equity.

Related Party Transaction for 2012-13

(₹ Millions)

Nature of transaction	Associates		Joint Venture/Joint Venture of Subsidiary							Entities where key management personnel and its relatives exercise significant influence						
	Telesonic Networks Limited (Formerly known as Alcatel-Lucent Network Management Services India Limited)	Bharti Teleport Limited	Wireless Business Services Private Limited (#)	Wireless Broadband Business Services (Delhi) Private Limited (#)	Wireless Broadband Business Services (Haryana) Private Limited (#)	Wireless Broadband Business Services (Kerala) Private Limited (#)	Forum 1 Aviation limited	Indus Towers Limited	Bridge Mobile Pte Limited	Bharti Wal-Mart Private Limited	Comviva Technologies Limited	Beetel Teletech Limited	Indian Continent Investment Limited	Bharti Realty Limited	Bharti Realty Holdings Limited	Field Fresh Foods Private Limited
Purchase of fixed assets/bandwidth	(1,583)	-	-	-	-	-	-	-	-	-	(0)	(257)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	0	-	-	0	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	81	4	-	-	-	-	-	22	-	12	3	-	-	-	-	1
Receiving of services	(2,182)	-	-	-	-	-	(54)	(30,146)	(29)	(2)	(672)	(103)	-	(510)	(187)	(1)
Reimbursement of energy expenses	-	-	-	-	-	-	-	(18,615)	-	-	-	-	-	-	-	-
Common cost allocation charged by the Company	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	14	-	-	-	-	-	-	-	-	-	(12)	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	15	39	-	-	-	192	-	-	-	-	-	31	-	-
Security deposit/Advances received	-	-	(2,257)	(2,206)	(124)	(259)	-	(2,180)	-	-	-	-	-	-	(8)	-
Loan received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	130	-	-	-	-	-	-	-	0	-	-	-	-	-	-
Subscription to share capital (refer note 36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest charged by others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest charged by the Company	14	32	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-	-	-	266	-	-	-
Outstanding balances at year end							-									
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	(2,242)	(2,167)	(124)	(259)	(3)	(6,708)	(5)	-	-	(21)	-	(4)	(3)	-
Loans and Advances (including security deposits) (refer note 41)	-	302	-	-	-	-	-	3,727	-	-	-	-	-	353	86	-
Trade Receivables	-	7	-	-	-	-	-	-	-	6	-	-	-	-	-	1
Total Balance	**-**	**309**	**(2,242)**	**(2,167)**	**(124)**	**(259)**	**(3)**	**(2,981)**	**(5)**	**6**	**-**	**(21)**	**-**	**350**	**83**	**1**
Maximum Loans and Advance Outstanding during the year		302														
Guarantees and Collaterals (refer note 26(i))																

Wireless Broadband Business Services Entities became joint ventures w.e.f. July 1, 2012. Advances worth ₹ 4847 Mn were received before July 1, 2012 when these entities were Associates.

Related Party Transaction for 2012-13

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence									
	Bharti AXA Life Insurance Company Limited	Bharti Foundation	Bharti Airtel Employees Welfare Trust	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited	Bharti AXA General Insurance Company Limited	Mehrauli Realty and Consultants Limited	Nile Tech Limited
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	0	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-
Rendering of services	12	-	-	21	-	-	44	-	-	-
Receiving of services	-	-	-	(1)	-	(423)	(23)	(9)	-	(590)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-
Common cost allocation charged by the Company	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	14	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	(669)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	(83)	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-
Donation	-	106	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	(369)	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	762	-	-	-	-	-	-	52
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (refer note 36)	-	-	-	-	-	-	-	-	-	-
Interest charged by others	-	-	-	-	-	-	-	-	-	-
Interest charged by the Company	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end										
Borrowings	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	(56)	(72)	-	-	(2)	-
Loans and Advances (including security deposits) (refer note 41)	-	-	662	-	-	60	-	-	-	395
Trade Receivables	3	-	-	1	-	-	31	18	-	-
Total Balance	**3**	**-**	**662**	**1**	**(56)**	**(12)**	**31**	**18**	**(2)**	**395**
Maximum Loans and Advance Outstanding during the year										
Guarantees and Collaterals (refer note 26(i))										

Related Party Transaction for 2012-13

(₹ Millions)

Nature of transaction	Entities having significant influence over the Company			Key Management Personnel		
	Singapore Telecommunications Limited	Pastel Limited	Bharti Telecom Limited	Sunil Bharti Mittal	Gopal Vittal	Sanjay Kapoor
Purchase of fixed assets/bandwidth	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	28	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-
Rendering of services	1,422	-	-	-	-	-
Receiving of services	(586)	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	-	-	-
Common cost allocation charged by the Company	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	(24)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-
Remuneration	-	-	-	243	14	82
Donation	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-
Loan received	-	-	-	-	-	-
Loan given	-	-	-	-	-	-
Subscription to share capital (refer note 36)	-	-	-	-	-	-
Interest charged by others	-	-	-	-	-	-
Interest charged by the Company	-	-	-	-	-	-
Dividend Paid/(Received)	-	591	1,735	-	-	-
Outstanding balances at year end						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	(143)	(9)	(12)
Loans and Advances (including security deposits) (refer note 41)	-	-	-	-	-	-
Trade Receivables	324	-	-	-	-	-
Total Balance	**324**	**-**	**-**	**(143)**	**(9)**	**(12)**
Maximum Loans and Advance						
Outstanding during the year						
Guarantees and Collaterals (refer note 26(i))						

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Entities where control exist										
	Bharti Hexacom Limited (**)	Bharti Airtel (Services) Limited	Bharti Airtel (USA) Limited	Bharti Airtel (UK) Limited	Bharti Airtel (Canada) Limited	Bharti Airtel (Hongkong) Limited	Bharti Airtel Holding (Singapore) Pte Limited	Airtel Bangladesh Limited	Bharti Telemedia Limited	Bharti Infratel Limited (**)	Bharti Airtel Lanka (Private Limited (@))
Purchase of fixed assets/bandwidth	(133)	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	485	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	(20)	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	5,708	-	115	7	1	2	11	-	397	131	171
Receiving of services	(1,828)	(2,457)	(217)	(31)	-	(10)	-	(9)	(48)	(15,063)	(82)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	(10,849)	-
Common cost allocation charge's Received	857	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	1,070	3,835	-	-	-	-	-	-	162	2	-
Fund received/Expenses incurred on behalf of the Company	(778)	(4,707)	(11)	-	-	-	-	-	(420)	-	-
Employee related expenses incurred on behalf of others	65	279	-	-	-	-	-	-	281	15	-
Employee related expenses incurred on behalf of the Company	(5)	(27)	-	-	-	-	-	-	(83)	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	54	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received***	-	-	-	-	-	-	-	-	-	(5,360)	-
Loan given	-	-	-	-	-	-	-	-	5,707	-	1,349
Subscription to share capital (Refer note 36)	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	(1,055)	-
Interest received	303	-	4	-	-	-	-	-	-	-	407
Dividend Paid/(Received)	(262)	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	(13,259)	-
Trade Payables	-	-	-	(280)	-	-	-	(5)	-	(1,702)	-
Loans and Advances (including security deposits) (Refer note 41)	-	785	51	-	-	-	-	-	30,945	2,512	11,454
Trade Receivables	270	281	698	-	23	2	11	-	24	-	55
Total Balance	**270**	**1,066**	**749**	**(280)**	**23**	**2**	**11**	**(5)**	**30,969**	**(12,449)**	**11,509**
Maximum Loans and Advance Outstanding during the year		56	53						31,060		11,047
Guarantees and Collaterals (Refer note 26 (i))	1,656	103						5500	663	-	

** Refer note 48(viii).
*** Net of repayment of loan of ₹ 6100 Mn.
@ Loan and advances also includes interest receivables.

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Entities where control exist: Network i2i Limited	Airtel M Commerce Services Limited	Bharti Airtel (Japan) Kabushiki Kaisha	Bharti Airtel (France) SAS	Bharti Airtel International (Mauritius) Limited (@)	Bharti International (Singapore) Pte Limited (@)	Bharti Airtel International (Netherlands) B.V. (**) (@)	Airtel (Seychelles) Limited	Airtel (Ghana) Limited	Airtel Networks Limited	Other African Subsidiaries
Purchase of fixed assets/bandwidth	(377)	-	-	-	-	(144)	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	1,421	10	-	-	-	94	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	103	-	-	-	-	501	72	41	139	378	311
Receiving of services	(1,130)	(6)	(2)	(21)	-	(1,114)	-	(44)	(95)	(103)	(133)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	8	268	-	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	(2)	-	-	-	(142)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	91	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	(6)	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	9,055	24,939	39,032	-	-	-	-
Subscription to share capital (Refer note 36)	-	460	-	-	201	211	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	126	301	464	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end											
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	(65)	-	-	-	(26)	-	-	-
Loans and Advances (including security deposits) (Refer note 41)	-	-	-	-	9,181	25,240	51,176	-	-	-	-
Trade Receivables	637	300	-	-	-	897	56	-	111	287	181
Total Balance	**637**	**300**	**-**	**(65)**	**9,181**	**26,137**	**51,232**	**(26)**	**111**	**287**	**181**
Maximum Loans and Advance Outstanding during the year	-	-	-	-	9,428	24,939	50,686	-	-	-	-
Guarantees and Collaterals (Refer note 26 (i))						82,365	391,130				

** Refer note 48(viii).

@ Loan and advances also includes interest receivables.

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Associates		Joint Venture/Joint Venture of Subsidiary			Entities where key management personnel and its relatives exercise significant influence						
	Alcatel-Lucent Network Management Services India Ltd.	Bharti Teleport Limited	Forum 1 Aviation Limited	Indus Towers Limited	Bridge Mobile Pte Limited	Bharti Wal-Mart Private Limited	Comviva Technolo-gies Limited	Beetel Teletech Limited	Indian Continent Investment Limited	Bharti Realty Limited	Bharti Realty Holdings Limited	Field Fresh Foods Private Limited
Purchase of fixed assets/bandwidth	(2,392)	-	-	-	-	-	(5)	(179)	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-
Rendering of services	131	5	-	29	-	6	3	11	-	-	-	2
Receiving of services	(2,194)	-	(35)	(25,385)	(20)	-	(673)	(84)	-	(383)	(183)	-
Reimbursement of energy expenses	-	-	-	(14,314)	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	1	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	8	-	-	-	-	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	15	-	-	-	-	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	163	-	-	-	-	-	70	-	-
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-	-	-
Loan given****	-	(38)	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer note 36)	-	98	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	14	33	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	266	-	-	-
Outstanding balances at year end												
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	(1,006)	(28)	(7)	(6,164)	(6)	-	-	(21)	-	-	-	-
Loans and Advances (including security deposits) (Refer note 41)	90	172	-	5,720	-	-	-	-	-	315	94	-
Trade Receivables	-	-	-	-	-	2	5	-	-	6	4	-
Total Balance	**(916)**	**144**	**(7)**	**(444)**	**(6)**	**2**	**5**	**(21)**	**-**	**321**	**98**	**-**
Maximum Loans and Advance Outstanding during the year	90	332										
Guarantees and Collaterals (Refer note 26 (i))												

**** Net of repayment of loan received from Bharti Teleports Limited of ₹ 235 Mn.

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Entities where key management personnel and its relatives exercise significant influence									
	Bharti AXA Life Insurance Company Limited	Bharti Foundation	Bharti Airtel Employees Welfare Trust	Jersey Airtel Limited	Bharti Enterprises Limited	Centum Learning Limited	Bharti Retail Limited	Bharti AXA General Insurance Company Limited	Mehrauli Realty and Consultants Limited	Nile Tech Limited
Purchase of fixed assets/bandwidth	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-
Rendering of services	1	-	-	26	3	-	36	-	-	-
Receiving of services	-	-	-	(1)	-	(477)	(16)	(3)	-	(510)
Reimbursement of energy expenses	-	-	-	-	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-	13	-	-	-
Fund received/Expenses incurred on behalf of the Company	-	-	-	-	(535)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	3	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	(12)	(1)	-	-	-
Remuneration	-	-	-	-	-	-	-	-	-	-
Donation	-	105	-	-	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	(539)	-	-	-	-	-		-
Security deposit/Advances paid	-	-	546	-	-	-	-	-	5	1
Security deposit/Advances received	-	-	-	-	-	-	-	-	-	-
Loan received	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	-	-	-	-	-	-	-	-
Subscription to share capital (Refer note 36)	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-
Dividend Paid/(Received)	-	-	-	-	-	-	-	-	-	-
Outstanding balances at year end										
Borrowings	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	(2)	-
Loans and Advances (including security deposits) (Refer note 41)	-	-	271	-	-	36	-	5	-	343
Trade Receivables	-	-	-	7	175	-	5	-		-
Total Balance	-	-	271	7	175	36	5	5	(2)	343
Maximum Loans and Advance Outstanding during the year										
Guarantees and Collaterals (Refer note 26 (i))										

Related Party Transaction for 2011-12

(₹ Millions)

Nature of transaction	Entities having significant influence over the Company			Key Management Personnel		
	Singapore Telecommunications Limited	Pastel Limited	Bharti Telecom Limited	Sunil Bharti Mittal	ManojKohli ($)	Sanjay Kapoor
Purchase of fixed assets/bandwidth	-	-	-	-	-	-
Sale of fixed assets/retirement of bandwidth	-	-	-	-	-	-
Purchase of Investments	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-
Rendering of services	1,047	-	-	-	-	-
Receiving of services	(450)	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	-	-	-
Common cost allocation charge's Received	-	-	-	-	-	-
Fund transferred/Expenses incurred on behalf of others	-	-	-	-	-	-
Fund received/Expenses incurred on behalf of the Company	(25)	-	-	-	-	-
Employee related expenses incurred on behalf of others	-	-	-	-	-	-
Employee related expenses incurred on behalf of the Company	-	-	-	-	-	-
Remuneration	-	-	-	213	(11)	40
Donation	-	-	-	-	-	-
Amount received on exercise of ESOP options	-	-	-	-	-	-
Security deposit/Advances paid	-	-	-	-	-	-
Security deposit/Advances received	-	-	-	-	-	-
Loan received	-	-	-	-	-	-
Loan given	-	-	-	-	-	-
Subscription to share capital (Refer note 36)	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Dividend Paid/(Received)	-	591	1,728	-	-	-
Outstanding balances at year end						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	(113)	-	(13)
Loans and Advances (including security deposits) (Refer note 41)	-	-	-	-	-	-
Trade Receivables	361	-	-	-	-	-
Total Balance	**361**	**-**	**-**	**(113)**	**-**	**(13)**
Maximum Loans and Advance Outstanding during the year						
Guarantees and Collaterals (Refer note 26 (i))						

$ Represents remuneration provided in earlier year reversed in the FY 2011-12.

Notes to the financial statements for the year ended March 31, 2013

47. Operating Lease - As a Lessee

The lease rentals charged during the year for cancellable/non-cancellable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancellable operating leases are as follows:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Lease Rentals [Excluding Lease Equalisation Reserve - ₹ 2,302 Mn (FY 2011-12 ₹ 2,353 Mn)]	49,925	45,361
Obligations on non cancellable leases :		
Not later than one year	52,044	31,687
Later than one year but not later than five years	138,302	111,625
Later than five years	147,548	145,862
Total	**337,894**	**289,174**

The escalation clause includes escalation ranging from 0 to 2.5%, includes option of renewal from 1 to 15 years and there are no restrictions imposed on lease arrangements.

Operating Lease – As a Lessor

i) The Company has entered into a non–cancellable lease arrangement to provide approximately 129,554 fiber pair kilometers of dark fiber on indefeasible right of use (IRU) basis for a period of 18 years. The lease rental receivable proportionate to actual kilometers accepted by the customer is credited to the statement of profit and loss on a straight – line basis over the lease term. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2013 and accordingly, disclosures required by AS 19 are not provided.

ii) The future minimum lease payments receivable are:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Not later than one year	115	50
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	**115**	**50**

48. Employee Stock Compensation

(i) Pursuant to the shareholders' resolutions dated February 27, 2001 and September 25, 2001, the Company introduced the "Bharti Tele-Ventures Employees' Stock Option Plan" (hereinafter called "the Old Scheme") under which the Company decided to grant, from time to time, options to the employees of the Company and its subsidiaries. The grant of options to the employees under the Old Scheme is on the basis of their performance and other eligibility criteria.

(ii) On August 31, 2001 and September 28, 2001, the Company issued a total of 1,440,000 (face value ₹ 10 each) equity shares at a price of ₹ 565 per equity share to the Trust. The Company issued bonus shares in the ratio of 10 equity shares for every one equity share held as at September 30, 2001, as a result of which the total number of shares allotted to the trust increased to 15,840,000 (face value ₹ 10 each) equity shares.

(iii) Pursuant to the shareholders' resolution dated September 6, 2005, the Company announced a new Employee Stock Option Scheme (hereinafter called "the New Scheme") under which the maximum quantum of options was determined at 9,367,276 (face value ₹ 10 each) options to be granted to the employees from time to time on the basis of their performance and other eligibility criteria.

(iv) The following table provides an overview of all existing share option plans of the Company:

Entity	Scheme	Plan	Year of issuance of plan	Share options granted (thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price	Classification /accounting treatment
Bharti Airtel	Scheme I	2001 Plan	2002	30,893	1 - 4	7	21.25	Equity settled
Bharti Airtel	Scheme I	2004 Plan	2004	4,380	1 - 4	7	35.00	Equity settled
Bharti Airtel	Scheme I	Superpot	2004	143	1 - 3	7	-	Equity settled
Bharti Airtel	Scheme I	2006 Plan	2006	5,114	1 - 5	7	5.52	Equity settled
Bharti Airtel	Scheme 2005	2005 Plan	2005	11,260	1 - 4	7	237.06	Equity settled
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	8,817	1 - 3	7	352.13	Equity settled
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	1,691	3 - 4	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Special ESOP & Restricted Share Units (RSU)	2010	3,615	1 - 5	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	LTI Plan	2011	422	1 - 3	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	LTI Plan	2012	1,593	1 - 3	7	5.00	Equity settled

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

(Shares in Thousands)	As of March 31, 2013		As of March 31, 2012	
	Number of share options	Weighted average exercise price (₹)	Number of share options	Weighted average exercise price (₹)
Scheme I - 2006 plan				
Number of shares under option:				
Outstanding at beginning of year	1,445	5.73	2,057	5.51
Granted	62	5.04	239	5.00
Exercised*	(294)	5.00	(594)	5.00
Expired	-	-	-	-
Forfeited	(28)	6.92	(257)	5.00
Outstanding at end of year	1,185	5.89	1,445	5.73
Exercisable at end of year	606	6.74	521	6.97
Scheme 2005 - 2005 plan				
Number of shares under option:				
Outstanding at beginning of year	2,602	331.48	3,468	309.34
Granted	-	-	28	156.50
Exercised#	(451)	127.44	(597)	166.80

Notes to the financial statements for the year ended March 31, 2013

(Shares in Thousands)	As of March 31, 2013 Number of share options	As of March 31, 2013 Weighted average exercise price (₹)	As of March 31, 2012 Number of share options	As of March 31, 2012 Weighted average exercise price (₹)
Expired	-	-	-	-
Forfeited	(415)	333.42	(297)	388.72
Outstanding at end of year	1,736	384.72	2,602	331.48
Exercisable at end of year	1,736	384.72	2,578	333.38
Scheme 2005 - 2008 plan and AGP				
Number of shares under option:				
Outstanding at beginning of year	4,835	355.84	5,915	355.16
Granted	-		34	373.38
Exercised#	(16)	314.70	(246)	329.61
Expired	-	-	-	-
Forfeited	(505)	358.49	(868)	359.35
Outstanding at end of year	4,314	355.80	4,835	355.84
Exercisable at end of year	4,305	355.61	4,224	349.26
Scheme 2005 - PSP 2009 plan				
Number of shares under option:				
Outstanding at beginning of year	1,256	5.00	1,456	5.00
Granted	-	-	40	5.00
Exercised#	(189)	5.00	-	-
Expired	-	-	-	-
Forfeited	(498)	5.00	(240)	5.00
Outstanding at end of year	569	5.00	1,256	5.00
Exercisable at end of year	24	5.00	-	-
Scheme 2005 - LTI Plan				
Number of shares under option:				
Outstanding at beginning of year	406	5.00	-	-
Granted	1,593	5.00	422	5.00
Exercised#	(37)	5.00	-	-
Expired	-	-	-	-
Forfeited	(147)	5.00	(16)	5.00
Outstanding at end of year	1,815	5.00	406	5.00
Exercisable at end of year	61	5.00	-	-
Scheme 2005 - Special ESOP & RSU Plan				
Number of shares under option:				
Outstanding at beginning of year	2,362	5.00	2,975	5.00
Granted	-	-	361	5.00
Exercised#	(478)	5.00	(578)	5.00
Expired	-	-	-	-
Forfeited	(414)	5.00	(396)	5.00
Outstanding at end of year	1,470	5.00	2,362	5.00
Exercisable at end of year	535	5.00	418	5.00

* Shares given on exercise of the options are out of the shares issued to the Trust.
# Shares given on exercise of the options are out of the purchase of shares from the open market by the Trust.

(vi) The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

Entity	Plan	Options Outstanding (thousands)	Remaining Contractual term (years)	Options Granted		Options Excercised	
				Options (thousands)	Weighted average Fair Value	Options (thousands)	Weighted average exercise price
Bharti Airtel	2006 Plan	1,185	0.17 to 6.72	62	302.91	294	5.00
Bharti Airtel	2005 Plan	1,736	0.17 to 5.10	-	-	451	127.44
Bharti Airtel	2008 Plan & Annual Grant Plan (AGP)	4,314	2.25 to 5.17	-	-	16	314.70
Bharti Airtel	Performance Share Plan (PSP) 2009 Plan	569	3.34 to 5.34	-	-	189	5.00
Bharti Airtel	Special ESOP & Restricted Share Units (RSU)	1,470	4.01 to 5.10	-	-	478	5.00
Bharti Airtel	LTI Plan	1,815	5.35 to 6.36	1,593	266.44	37	5.00

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Risk free interest rates	7.88% to 8.84%	7.76% to 8.63%
Expected life	48 to 60 months	48 to 60 months
Volatility	36.42% to 41.58%	41.07 to 42.09%
Dividend yield	0.28% to 0.36%	0.28%
Weighted average share price on the date of grant	274.40 to 336.70	361.83 to 424.11

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

(viii) The Company has granted stock options to the employees of the subsidiaries i.e. Bharti Hexacom Limited, Bharti Infratel Limited (BIL) and Bharti Airtel International (Netherlands) B.V. and the corresponding compensation cost is borne by the Company. Further BIL has also given stock options to certain employees of the Company and the corresponding compensation cost is borne by BIL.

49. Forward Contracts & Derivative Instruments and Unhedged Foreign Currency Exposure

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange contracts, option contracts and interest rate swaps to manage its exposures to interest rate and foreign exchange fluctuations.

Notes to the financial statements for the year ended March 31, 2013

The following table details the status of the Company's exposure as of March 31, 2013:

(₹ Millions)

Sr No	Particulars	Notional Value (March 31, 2013)	Notional Value (March 31, 2012)
A	For Loan related exposures *		
	a) Forwards	930	6,744
	b) Options	10,487	18,212
	c) Interest Rate Swaps (Principal amount of the contract)	-	1,279
	Total	**11,417**	**26,235**
B	For Trade related exposures *		
	a) Forwards	2,299	2,880
	b) Options	952	1,843
	Total	**3,251**	**4,723**
C	Unhedged foreign currency borrowing	11,276	19,665
D	Unhedged foreign currency payables	25,689	14,181
E	Unhedged foreign currency receivables	511	89,416

* All derivatives are taken for hedging purposes only and trade related exposure includes hedges taken for forecasted receivables.

The Company has accounted for derivatives, which are covered under the Announcement issued by the ICAI, on marked-to-market basis and has recorded losses of ₹ 233 Mn (including losses of ₹ 281 Mn towards embedded derivatives) for the year ended March 31, 2013 [recorded losses of ₹ 82 Mn (including losses of ₹ 156 Mn towards embedded derivatives) for the year ended March 31, 2012].

50. a) The Board of Directors, in its meeting held on May 2, 2012, recommended a final dividend of ₹ 1.00 per equity share of ₹ 5.00 each (20% of face value) for financial year 2011-12, which was duly approved by the shareholders of the Company in the Annual General Meeting held on September 6, 2012.

b) Net Dividend remitted in foreign exchange:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012*
Number of non-resident shareholders	5	5
Number of equity shares held on which dividend was due (Nos. in Mn)	862	862
Amount remitted (₹ in Mn)	862	862
Amount remitted (USD in Mn)	16	19

*Dividend of ₹ 1 per share (Face value per share ₹ 5) recommended for the year 2010-11.

51. Movement in Provision for Doubtful Debts/Advances

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Balance at the beginning of the year	11,656	10,277
Addition - Provision for the year	3,623	4,124
Application - Write off of bad debts (net off recovery)	(1,881)	(2,745)
Others*	(84)	-
Balance at the end of the year	**13,314**	**11,656**

* ₹ 84 Mn regrouped to advances under other Non-currrent assets as of March 31, 2013.

The movement of provision towards subjudice matters disclosed under other non-current assets (refer note 19) and other current liabilities (refer note 13) is as below:

(₹ Millions)

Particulars	**As of March 31, 2013**	**As of March 31, 2012**
Opening Balance	25,278	17,032
Additions (Net)	7,885	8,246
Closing Balance	**33,163**	**25,278**

52. Details of debt covenant w.r.t. the Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contains a negative pledge covenant that prevents the Company to create or allow to exist any Security Interest on any of its assets without prior written consent of the Lenders except in certain agreed circumstances.

53. The Company has approved the transfer of its co-ownership in the undersea cables and its indefeasible right of usage in related backhaul assets taken from other operators to its wholly owned subsidiary Network i2i Limited, a company incorporated and existing under the laws of Mauritius with the intention to aggregate all international undersea cables under a single entity. Pending approval from consortium partners/appropriate authorities, wherever applicable, no adjustment has been made in the financial statements for the year ended March 31, 2013 and the carrying amount of ₹ 4,842 Mn of identified assets (for which approval has been received) have been continued to be classified under Fixed Assets as the Company continues to use these cables. Further, the approval from appropriate authorities for remaining assets with the carrying amount of ₹ 4,767 Mn is pending to be received.

54. The Company has completed the transfer pricing study for the period upto March 31, 2012. For the year ended March 31, 2013, the Company is in the process of getting an independent evaluation done for certain transactions to determine whether the transactions with associated enterprises were undertaken at "arms length price". Based on the transfer pricing study, the Company believes that all transactions with associate enterprises are at arm length price, accordingly, there is no Transfer Pricing adjustments for the year under consideration.

55. During the year ended March 31, 2013, Bharti Infratel Limited (BIL), a subsidiary of the Company, has made Initial Public Offering (IPO) through book building process of 188,900,000 equity shares of ₹ 10 each. The IPO comprised of fresh issue of 146,234,112 equity shares of ₹ 10 each by BIL and an offer for sale of 42,665,888 equity shares of ₹ 10 each by the existing shareholders.

BIL has raised ₹ 32,303 Mn from fresh issue of shares. Post the issue, the holding of the Company in BIL has reduced from 86.09% to 79.42%. The equity shares were allotted on December 22, 2012.

56. During the year ended March 31, 2013, the Company was awarded a favorable order by the TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements. The Company, based on the TDSAT judgment and independent legal opinion, has recognised revenue of ₹ 5,167 Mn, resulting in higher profit before tax by ₹ 3,012 Mn, and net profit by ₹ 2,169 Mn, during the year ended March 31, 2013, relating to previous year.

57. During the year ended March 31, 2013, DoT has issued demand notices for the financial year 2006-07 to 2010-11 aggregating ₹ 23,763 Mn in respect of assessment of licenses towards disallowances of the permissible deductions.

Further, DoT has also issued demands in the matter of Spectrum Usage Charge (SUC) assessment for the financial years 2010-11 & 2011-12 aggregating ₹ 8,221 Mn arising on account of disallowance of adjustments made by the group in terms of TDSAT orders dated November 19, 2009 and April 22, 2010.

Notes to the financial statements for the year ended March 31, 2013

The Company has taken the appropriate action/legal recourse and believes that the probability of above claims getting materialised is remote.

58. The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the state of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). On December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September, 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High Court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Delhi High Court. The Appeal on the issue of condonation of delay is listed for arguments on May 8, 2013.

The Company is in the process of evaluating legal course of action for recovery of the amount paid under protest together with interest thereon. Pending such evaluation and thereby initiation of recovery process, the Group, based on independent legal opinion, has not given any accounting treatment for the impact of the judgement in the financial statements for the year ended March 31, 2013.

59. Previous year figures have been regrouped/reclassified where necessary to conform to current year's classification.

Consolidated Financial Statements

Consolidated Financial Statement with Auditor's Report

Independent Auditor's Report

To the Board of Directors of Bharti Airtel Limited

We have audited the accompanying consolidated financial statements ('financial statements') of Bharti Airtel Limited ('the Company') and its subsidiaries (together referred to as 'the Group') as at March 31, 2013, comprising of the consolidated statement of financial position as at March 31, 2013 and the related consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the requirements of International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement(s) of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements of the joint venture and consideration of unaudited financial statements of certain other joint venture entities of the Company as noted below, these financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 35(ii)(f)(vi) to the consolidated financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.

Other Matters

We did not audit the financial statements of a joint venture, included herein with the Company's share of total assets of ₹ 67,745 million as at March 31, 2013, total revenue (including recovery of power and fuel charges) of ₹ 55,425 million for the year then ended, on the basis of amounts reflected in the audited financial statements of the joint venture and before elimination of inter-company transactions between the Company and the joint venture on consolidation. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management, and our opinion is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

We have relied on the unaudited financial statements of certain other joint venture entities, included herein with the Company's share of total assets of ₹ 37,454 million as at March 31, 2013, total revenue of ₹ Nil for the year then ended. These unaudited financial statements as certified by the management of these joint ventures have been furnished to us by the management and our opinion in so far as it relates to the affairs of such joint ventures is based solely on such unaudited financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

per Nilangshu Katriar
Partner
Membership No: 58814

Place: New Delhi
Date: May 2, 2013

Consolidated Income Statement

(₹ Millions, except per share data)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Revenue	6	803,112	714,508
Other operating income		478	550
Operating expenses	8	(554,886)	(477,935)
		248,704	237,123
Depreciation and amortisation	9	(154,964)	(133,681)
Profit from operating activities		93,740	103,442
Share of results of associates	15	(76)	(74)
Profit before finance income, finance costs and tax		93,664	103,368
Finance income	10	5,633	2,643
Finance costs	10	(49,477)	(40,828)
Profit before tax		49,820	65,183
Income tax expense	11	(27,151)	(22,602)
Net profit for the year		**22,669**	**42,581**
attributable to:			
Equity holders of the Parent		22,757	42,594
Non-controlling interests		(88)	(13)
Net profit		**22,669**	**42,581**
Earnings per share (in ₹)	36		
Basic, profit attributable to equity holders of the Parent		6.00	11.22
Diluted, profit attributable to equity holders of the Parent		6.00	11.22

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Net profit for the year	22,669	42,581
Other comprehensive income		
Exchange differences on translation of foreign operations	(25,669)	(20,410)
Income tax effect	-	-
Other comprehensive income/(loss) for the year, net of tax	(25,669)	(20,410)
Total comprehensive income/(loss) for the year, net of tax	**(3,000)**	**22,171**
attributable to:		
Equity holders of the Parent	(3,788)	22,550
Non-controlling interests	788	(379)
Total comprehensive income	**(3,000)**	**22,171**

The accompanying notes form an integral part of these consolidated financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO
(International)

Gopal Vittal
Joint Managing Director
& CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Consolidated Statement of Financial Position

(₹ Millions)

Particulars	Notes	As of March 31, 2013	As of March 31, 2012
Assets			
Non-current Assets			
Property, plant and equipment	12	688,430	674,932
Intangible assets	13	680,808	660,889
Investment in associates	15	242	223
Derivative financial assets	16	3,566	2,756
Other financial assets	17	16,999	16,887
Other non-financial assets	18	21,038	15,568
Deferred tax asset	11	59,245	51,277
		1,470,328	1,422,532
Current Assets			
Inventories	19	1,109	1,308
Trade and other receivables	20	66,430	63,735
Derivative financial assets	16	1,097	2,137
Prepayments and other assets	21	33,134	32,621
Income tax recoverable		12,040	9,049
Short term investments	22	67,451	18,132
Other financial assets	23	4,348	802
Cash and cash equivalents	24	17,295	20,300
		202,904	148,084
Total Assets		**1,673,232**	**1,570,616**
Equity and Liabilities			
Equity			
Issued capital	30	18,988	18,988
Treasury shares	30	(674)	(282)
Share premium		56,499	56,499
Retained earnings		414,027	395,682
Foreign currency translation reserve		(32,571)	(6,026)
Other components of equity	30	46,948	41,252
Equity attributable to equity holders of the Parent		503,217	506,113
Non-controlling interests		40,886	27,695
Total Equity		**544,103**	**533,808**
Non-current Liabilities			
Borrowings	25	615,485	497,154
Deferred revenue		9,696	2,892
Provisions	26	10,548	7,240
Derivative financial liabilities	16	893	401
Deferred tax liability	11	15,873	11,621
Other financial liabilities	27	22,748	23,076
Other non - financial liabilities	28	3,465	5,551
		678,708	547,935
Current Liabilities			
Borrowings	25	114,123	193,078
Deferred revenue		39,560	43,282
Provisions	26	1,835	1,290
Other non-financial liabilities	28	13,922	10,811
Derivative financial liabilities	16	219	166
Income tax liabilities		7,628	7,596
Trade & other payables	31	273,134	232,650
		450,421	488,873
Total Liabilities		**1,129,129**	**1,036,808**
Total Equity and Liabilities		**1,673,232**	**1,570,616**

The accompanying notes form an integral part of these consolidated financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO
(International)

Gopal Vittal
Joint Managing Director
& CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel
& Company Secretary

Srikanth Balachandran
Global Chief
Financial Officer

Consolidated Statement of Changes in Equity

(₹ Millions except as stated otherwise)

Particulars	Attributable to equity holders of the Parent									
	No of shares (in '000) (Note 30)	Share capital (Note 30)	Treasury shares (Note 30)	Share premium	Retained earnings	Foreign currency translation reserve (Note 30)	Other components of equity (Note 30)	Total	Non-controlling interests	Total equity
As of April 1, 2011	3,797,531	18,988	(268)	56,499	357,446	14,018	40,985	487,668	28,563	516,231
Net income/(loss) for the year	-	-	-	-	42,594	-	-	42,594	(13)	42,581
Other comprehensive income/(loss)	-	-	-	-	-	(20,044)	-	(20,044)	(366)	(20,410)
Total Comprehensive Income/(Loss)	-	-	-	-	**42,594**	**(20,044)**	-	**22,550**	**(379)**	**22,171**
Share based compensation	-	-	-	-	-	-	884	884	40	924
Reclassification to provision for payment of share options (Refer note 30)	-	-	-	-	-	-	(121)	(121)	(20)	(141)
Transferred from debenture redemption reserve	-	-	-	-	32	-	(32)	-	-	-
Transferred from revaluation reserve	-	-	-	-	21	-	(21)	-	-	-
Purchase of treasury shares from market	-	-	(544)	-	-	-	-	(544)	-	(544)
Receipt on exercise of share options	-	-	530	-	-	-	(343)	187	-	187
Transaction with non-controlling interests (Refer note 7)	-	-	-	-	-	-	(100)	(100)	100	-
Change in non-controlling interests arising on a business combination (primarily on account of acquisition referred in note 7)	-	-	-	-	-	-	-	-	(715)	(715)
Dividend paid to Company's shareholders (Refer note 30)	-	-	-	-	(4,411)	-	-	(4,411)	-	(4,411)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(157)	(157)
Others (Refer note 7)	-	-	-	-	-	-	-	-	263	263
As of March 31, 2012	3,797,531	18,988	(282)	56,499	395,682	(6,026)	41,252	506,113	27,695	533,808
Net income/(loss) for the year	-	-	-	-	22,757	-	-	22,757	(88)	22,669
Other comprehensive income/(loss)	-	-	-	-	-	(26,545)	-	(26,545)	876	(25,669)
Total Comprehensive Income/(Loss)	-	-	-	-	**22,757**	**(26,545)**	-	**(3,788)**	**788**	**(3,000)**
Share based compensation	-	-	-	-	-	-	389	389	14	403
Reclassification to provision for payment of share options (Refer note 30)	-	-	-	-	-	-	(3)	(3)	-	(3)
Purchase of treasury shares from market	-	-	(762)	-	-	-	-	(762)	-	(762)
Receipt on exercise of share options	-	-	370	-	-	-	(302)	68	-	68
Transaction with non-controlling interests (Refer note 7)	-	-	-	-	-	-	5,612	5,612	(18,394)	(12,782)
Proceeds from issuance of equity shares to non - controlling interests (Refer note 7)	-	-	-	-	-	-	-	-	32,303	32,303
Share issue expenses (net of tax) (Refer note 7)	-	-	-	-	-	-	-	-	(394)	(394)
Dividend paid to Company's shareholders (Refer note 30)	-	-	-	-	(4,412)	-	-	(4,412)	-	(4,412)
Dividend paid to non-controlling Interests	-	-	-	-	-	-	-	-	(1,126)	(1,126)
As of March 31, 2013	**3,797,531**	**18,988**	**(674)**	**56,499**	**414,027**	**(32,571)**	**46,948**	**503,217**	**40,886**	**544,103**

The accompanying notes form an integral part of these consolidated financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO (International)

Gopal Vittal
Joint Managing Director & CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Consolidated Statement of Cash Flows

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Cash flows from operating activities		
Profit before tax	49,820	65,183
Adjustments for -		
Depreciation and amortisation	154,964	133,681
Finance income	(5,633)	(2,643)
Finance costs	49,477	40,828
Share of results of associates	76	74
Amortisation of share based compensation	403	783
Other non-cash items	392	1,534
Operating cash flow before changes in assets and liabilities	249,499	239,440
Trade & other receivables and prepayments	(5,718)	(14,094)
Inventories	268	1,475
Trade and other payables	23,776	23,961
Provisions	1,100	397
Other financial and non financial liabilities	73	9,505
Other financial and non financial assets	(3,978)	(6,194)
Cash generated from operations	265,020	254,490
Interest received	2,421	401
Income tax paid	(32,611)	(29,453)
Net cash inflow from operating activities	**234,830**	**225,438**
Cash flows from investing activities		
Purchase of property, plant and equipment	(133,167)	(144,436)
Proceeds from sale of property, plant and equipment	1,513	1,074
Purchase of intangible assets	(5,788)	(6,921)
Short term investments (net)	(45,685)	(10,823)
Investment in subsidiary, net of cash acquired (Refer note 7)	102	(24,985)
Proceeds from disposal of subsidiary	-	2,543
Investment in associate/joint venture (Refer note 7(a))	(5,902)	(285)
Loan to associates	(130)	(172)
Loan repayment received from associates	-	210
Net cash outflow from investing activities	**(189,057)**	**(183,795)**
Cash flows from financing activities		
Proceeds from borrowings	312,800	164,864
Repayment of borrowings	(328,443)	(163,343)
Short term borrowings (net)	(7,282)	(4,351)
Purchase of treasury shares	(762)	(544)
Interest paid	(39,443)	(32,352)
Proceeds from exercise of share options	68	187
Dividend paid (including tax) to Company's shareholders (Refer note 30)	(4,412)	(4,411)
Dividend paid (including tax) to non-controlling interests	(1,126)	(157)
Proceeds from issuance of equity shares to non-controlling interests (Refer note 7)	32,303	-
Share issue expenses of subsidiary (Refer note 7)	(579)	-
Payment of long term liability/acquisition of non-controlling interest (Refer note 7(f))	(12,782)	-
Net cash inflow/(outflow) from financing activities	**(49,658)**	**(40,107)**
Net increase/(decrease) in cash and cash equivalents during the year	(3,885)	1,536
Effect of exchange rate changes on cash and cash equivalents	(1,624)	493
Add: Balance as at the beginning of the year	8,037	6,008
Balance as at the end of the year (Refer note 24)	**2,528**	**8,037**

The accompanying notes form an integral part of these consolidated financial statements.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W

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

per Nilangshu Katriar
Partner
Membership No: 58814

Sunil Bharti Mittal
Chairman

Manoj Kohli
Managing Director & CEO (International)

Gopal Vittal
Joint Managing Director & CEO (India)

Place: New Delhi
Date: May 2, 2013

Mukesh Bhavnani
Group General Counsel & Company Secretary

Srikanth Balachandran
Global Chief Financial Officer

Notes to consolidated financial statements

1. Corporate Information

Bharti Airtel Limited ("Bharti Airtel" or "the Company" or "the Parent") is domiciled and incorporated in India and publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), India. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

Bharti Airtel together with its subsidiaries is hereinafter referred to as 'the Group'. The Group is a leading telecommunication service provider in India and also has strong presence in Africa and South Asia.

The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication systems and services, tower infrastructure services and direct to home services. The principal activities of the subsidiaries, joint ventures and associates are disclosed in note 40.

The services provided by the Group are disclosed in note 6 under segment reporting.

The Group's principal shareholders as of March 31, 2013 are Bharti Telecom Limited and Singapore Telecommunication International Pte. Limited.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorised for issue by the Board of Directors on May 2, 2013.

The preparation of the consolidated financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years, if the revision affects both current and future years (refer note 4 on significant accounting judgements, estimates and assumptions).

The significant accounting policies used in preparing the consolidated financial statements are set out in note 3 of the notes to the consolidated financial statements.

3. Summary of Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in note 4.2 (a), "Impairment reviews" and for the following amendments to the Standards effective from the current year.

S. No.	Amendments to the Standards	Month of Issue	Effective date - annual periods beginning on or after
1	Amendment to IAS 12, Deferred Tax: *Recovery of Underlying Assets*	December, 2010	January 1, 2012
2	Amendment to IFRS 1, *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	December, 2010	July 1, 2011
3	Amendment to IFRS 7, *Disclosures - Transfer of financial assets*	October, 2010	July 1, 2011

The adoption of the amendments to the Standards mentioned above does not have any impact on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.1 Basis of Measurement

The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. These consolidated financial statements are presented in Indian Rupees ('Rupees' or '₹'), which is the Company's functional and Group's presentation currency and all amounts are rounded to the nearest million, except as stated otherwise.

3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in note 40.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the non-controlling interests (NCI) have certain rights under

Notes to consolidated financial statements

shareholders' agreements, the Company evaluates whether these rights are in the nature of participative or protective rights for the purpose of ascertaining the control.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to a parent. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the business combination and the Non-controlling interests share of changes in equity since that date.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. However, the non-controlling interest share of losses of subsidiary are allocated against the interest of the Group where the non-controlling interest is reduced to zero and the Company has a binding obligation under a contractual arrangement with the holders of non-controlling interest.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

When the Group ceases to have control over a subsidiary, it derecognises the carrying value of assets (including goodwill), liabilities, the attributable value of non-controlling interest, if any, and the cumulative translation differences previously recognised in other comprehensive income. The profit or loss on disposal is recognised in the income statement and is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any residual interest in the erstwhile subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, *"Financial Instruments: Recognition and Measurement"*, or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.3 Business Combinations

The acquisitions of businesses are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities recognised and contingent liabilities assumed.

In the case of bargain purchase, the resultant gain is recognised directly in the income statement.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders proportionate share of the acquiree's net identifiable assets.

Acquisition related costs, such as finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees are recognised in profit or loss in the year they are incurred.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognised in accordance with IAS 39, *"Financial Instrument: Recognition and Measurement"*, either in income statement or in other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured and its subsequent settlement is accounted for within equity.

Where the Group increases its interest in an entity such that control is achieved, previously held equity interest in the acquired entity is revalued to fair value as at the date of acquisition, being the date at which the Group obtains control of the acquiree. The change in fair value is recognised in profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with IAS 37, *"Provisions, Contingent Liabilities and Contingent*

Assets", or amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18 *"Revenue"*.

3.4 Interest in Joint Venture Companies

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control). Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group reports its interest 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 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 Company. Adjustments are made where 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 balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entities.

Any goodwill arising on the acquisition of interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

3.5 Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in its associates are accounted for using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of the investments. Losses of an associate in excess of the Group's interest in that associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

3.6 Intangible Assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. The cost of intangible assets that are acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The amortisation period and the amortisation method for an intangible asset (except goodwill) is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

a. Goodwill

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses.

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 recognised in the income statement on disposal.

b. Software

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Software up to ₹ 500 thousand, which has an independent use, is amortised over a period of 1 year.

c. Bandwidth

Payments for bandwidth capacities are classified as pre-payments in service arrangements or under certain conditions as an acquisition of a right. In the

Notes to consolidated financial statements

latter case it is accounted for as an intangible asset and the cost is amortised over the period of the agreement.

d. **Licenses**

Acquired licenses (including spectrum) are initially recognised at cost. Subsequently, licenses are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in profit or loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use in the respective jurisdiction and is disclosed under 'depreciation and amortisation'. The amortisation period relating to licenses acquired in a business combination is determined primarily by reference to the unexpired license period.

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

e. **Other Acquired Intangible Assets**

Other intangible assets are initially recognised at cost. Other intangible assets acquired in a business combination comprising brands, customer relationships and distribution networks, are capitalised at fair values on the date of acquisition and are amortised as below:

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: Over the estimated life of such relationships

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use.

3.7 Property, Plant and Equipment ('PPE')

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Where assets are installed on the premises of customers (commonly called Customer premise equipment -"CPE"), such assets continue to be treated as PPE as the associated risks and rewards remain with the Group and the management is confident of exercising control over them.

The Group also enters into multiple element contracts whereby the vendor supplies plant and equipment and IT related services. These are recorded on the basis of relative fair value.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

	Years
Buildings	20
Technical equipment and machinery	
- Network equipment	3 – 20
- Customer premise equipment	5-6
Other equipment, operating and office equipment	
- 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 Rupees five thousand or less are fully depreciated over a period of 12 months from the date placed in service.

3.8 Impairment of Non-financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

Impairment test for goodwill is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include, outstanding bank overdrafts shown within the borrowings in current liabilities in the statement of financial position and which are considered an integral part of the Group's cash management.

3.10 Inventories

Inventories are valued at the lower of cost (determined on a first in first out ('FIFO') basis) and estimated net realisable value. Inventory costs include purchase price, freight inwards and transit insurance charges.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

a. **Group as a lessee**

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset 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 recognised in the profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

b. **Group as a lessor**

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

Leases where the Group does not transfer substantially all the risks and benefits of ownership

Notes to consolidated financial statements

of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Lease rentals under operating leases are recognised as income on a straight-line basis over the lease term.

c. **Indefeasible Right to Use ('IRU')**

As part of the operations, the Group enters into agreement for leasing assets under "Indefeasible right to use" with third parties. Under the arrangement the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the lessor. Hence, such arrangements are recognised as operating lease.

The contracted price is received in advance and is recognised as revenue during the tenure of the agreement. Unearned IRU revenue net of the amount recognisable within one year is disclosed as deferred revenue in non-current liabilities and the amount recognisable within one year is disclosed as deferred revenue in current liabilities.

3.12 Financial Instruments

A. **Financial instruments – Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets and liabilities at initial recognition. All financial assets and liabilities are recognised initially at fair value plus directly attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

B. **Financial Assets**

1. Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

a. Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading. The Group has not designated any financial assets upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

b. Financial Assets Measured at Amortised Cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

After initial measurement, financial assets measured at amortised cost are measured using the effective interest rate method (EIR), less impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement.

The Group does not have any Held-to-maturity and available for sale investments.

2. Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

C. Financial Liabilities

1. Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement.

(ii) Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

2. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

D. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

E. Derivative Financial Instruments - Current versus Non-current Classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current(or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.

F. Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), at each reporting date, without deduction of any transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.13 Treasury Shares

Own equity instruments which are reacquired (treasury shares) through "Bharti Airtel Employees' Welfare Trust" (Formerly known as "Bharti Tele-Ventures Employees' Welfare Trust") are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in share based payment transaction reserve.

3.14 Share-based Compensation

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

Notes to consolidated financial statements

The fair value determined on the grant date of the equity settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimates of the shares that will eventually vest. At the end of the each reporting period, until the liability is settled, and at the date of settlement, the fair value of the liability is recognised, with any changes in fair value pertaining to the vested period recognised immediately in profit or loss.

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Lattice-based option valuation model, Black-Scholes and Monte Carlo Simulation framework and is recognised as an expense, together with a corresponding increase in equity/ liability, as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based compensation are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.15 Employee Benefits

The Group's post employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability in the statement of financial position. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of statement of financial position. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses in respect of defined benefit plans, including actuarial gains and losses, are recognised in the profit or loss as incurred.

The amount charged to the income statement in respect of these plans is included within operating costs.

The Group's contributions to defined contribution plans are recognised in profit or loss as they fall due. The Group has no further obligations under these plans beyond its periodic contributions.

The employees of the Group are entitled to compensated absences based on the unavailed leave balance as well as other long term benefits. The Group records liability based on actuarial valuation computed under projected unit credit method.

3.16 Foreign Currency Transactions

a. Functional and Presentation Currency

Consolidated financial statements have been presented in Rupees, which is the Company's functional currency and Group's presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

b. Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in profit or loss. 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange component of the gain or loss arising on fair valuation of non monetary items is recognised in line with the gain or loss of the item that gave rise to the such exchange difference.

Exchange differences arising on a monetary item that forms part of a Group entity's net investment in a foreign operation is recognised 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 recognised in other comprehensive income.

c. Translation of Foreign Operations' Financial Statements

The assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates prevailing during the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation (reduction in percentage ownership interest), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

d. Translation of Goodwill and Fair Value Adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the date of statement of financial position and the resultant change is recognised in statement of other comprehensive income.

3.17 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/ receivable, excluding discounts, rebates, and VAT, service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

a. Service Revenues

Service revenues include amounts invoiced for usage charges, fixed monthly subscription charges and internet and VSAT services usage charges, bandwidth services, 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 and data messaging services.

Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes. Revenues from pre-paid customers are recognised based on actual usage. Processing fees on recharge coupons is being recognised over the estimated customer relationship period or coupon validity period, whichever is lower. Activation revenue and related activation costs, not exceeding the activation revenue, are deferred and amortised over the estimated customer relationship period. The excess of acquisition costs over activation revenue, if any, are expensed as incurred.

Service revenues from the internet and VSAT business comprise revenues from registration, installation and provision of internet and VSAT services. Registration fee and installation charges are deferred and amortised over the period of agreement with the customer. Service revenue is recognised from the date of satisfactory installation of equipment and software at the customer site and provisioning of internet and VSAT services.

Revenues from national and international long distance operations comprise revenue from provision of voice services which are recognised on provision of services while revenue from provision of bandwidth services (including installation) is recognised over the period of arrangement.

Unbilled revenue represent revenues recognised 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/contractual arrangements.

Deferred revenue includes amount received in advance from customers which would be recognised over the periods when the related services are expected to be rendered.

b. Equipment Sales

Equipment sales consist primarily of revenues from sale of telecommunication equipment and related

Notes to consolidated financial statements

accessories to subscribers. Revenue from equipment sales which does not have value to the customer on standalone basis, forming part of multiple-element revenue arrangements are deferred and recognised over the customer relationship period. Revenue from other equipment sales transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer.

c. **Capacity Swaps**

The exchange of network capacity is measured at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

d. **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 VSAT 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 separately identifiable components at the inception of the arrangement. The evaluation is done based on the criteria as to whether the deliverables in the arrangement have value to the customer on a standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

e. **Interest Income**

For all financial instruments measured at amortised cost and interest bearing financial assets, classified as financial assets at fair value through profit or loss, interest income is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the income statement.

f. **Dividend Income**

Dividend income is recognised when the Group's right to receive the payment is established.

3.18 Taxes

a. **Current Income Tax**

Current 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. 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.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. **Deferred Tax**

Deferred tax liability is provided on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When 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/(tax 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.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition 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/(tax loss).

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition on the date of acquisition, are recognised within the measurement period, if it results from new information about facts and circumstances that existed at the acquisition date with a corresponding reduction in goodwill. All other acquired tax benefits are recognised in profit or loss on satisfaction of the recognition criteria.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.19 Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. 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 capitalised as part of the cost of the respective assets. The interest cost incurred for funding a qualifying asset during the construction period is capitalised based on actual investment in the asset at the interest rate for specific borrowings. All other borrowing costs are expensed in the period they occur.

3.20 Dividends Paid

Dividends paid/payable are recognised in the year in which the related dividends are approved by the shareholders or Board of Directors, as appropriate.

3.21 Earnings Per Share

The Group's Earnings per Share ('EPS') is determined based on the net income attributable to the shareholders' of the Parent. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options (using the treasury stock method for options), except where the result would be anti-dilutive.

3.22 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b. Contingencies

Contingent liabilities are recognised at their fair value only if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same

Notes to consolidated financial statements

applies to contingent assets where an inflow of economic benefits is probable.

c. **Asset Retirement Obligation**

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 recognised 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 recognised in the income statement 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.

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

4.1 Critical Judgements in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) **Arrangement Containing Lease**

The Group applies IFRIC 4, *"Determining Whether an Arrangement Contains a Lease"*, to contracts entered with telecom operators to share tower infrastructure services. IFRIC 4 deals with the method of identifying and recognising service, purchase and sale contracts that do not take the legal form of a lease but convey a right to use an asset in return for a payment or series of payments.

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that such contracts are in the nature of operating leases.

b) **Revenue Recognition and Presentation**

The Group assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has concluded that in certain geographies its revenue arrangements are on a principal to principal basis.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Where the Group's role in a transaction is that of a principal, revenue comprises amount billed to the customer/distributor, after trade discounts.

c) **Multiple Element Contracts with Vendors**

The Group has entered into multiple element contracts with vendors for supply of goods and rendering of services. The consideration paid is/may be determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts (as defined in the significant accounting policies) have been accounted under Property , Plant and Equipment and/ or as Intangible assets, since the Group has economic ownership in these assets. The Group believes that the current treatment represents the substance of the arrangement.

d) **Determination of Functional Currency**

Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency. IAS 21, "The Effects of Changes in Foreign Exchange Rates" prescribes the factors to be considered for the purpose of determination of functional currency. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency might not be very obvious due to mixed indicators like the currency that influences the sales prices for goods and services, currency that influences labour, material and other costs of providing goods and services, the currency in which the borrowings have been raised and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

e) Taxes

The Group does not recognise deferred tax liability with respect to unremitted earnings and associated foreign currency translation reserve of Group subsidiaries and joint ventures wherever it controls the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future. Also, the Group does not recognises deferred tax liability on the unremitted earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution.

4.2 Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

a) Impairment Reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates and the selection of discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU and grouping of CGUs for goodwill allocation and impairment testing.

The Group prepares and internally approves formal ten year plans, as applicable, for its businesses and uses these as the basis for its impairment reviews. The Group mainly operates in developing markets and in such markets, the plan for shorter duration (i.e. 5 years) is not indicative of the long term future performance. Considering this and the consistent use of such robust ten year information for management reporting purpose, the Group uses ten year plans for the purpose of impairment testing and accordingly, effective financial year beginning April 1, 2012, has revised the financial projection period for impairment review for Mobile Services – Africa CGU group, from five years to ten years. Since the value in use exceeds the carrying amount of CGU, the fair value less costs to sell is not determined.

The key assumptions used to determine the recoverable amount for the CGUs, including sensitivity analysis, are disclosed and further explained in note 14.

Effective financial year beginning April 1, 2012, the Group has changed the date for annual impairment testing of goodwill from March 31 for Mobile services - Africa CGU group and from September 30 for other CGUs, to December 31 to align the impairment testing date of all CGUs.

Accordingly, the Group tests goodwill for impairment annually on December 31 and whenever there are indicators of impairment. If some or all of the goodwill, allocated to a CGU, is recognised in a business combination during the year, that unit is tested for impairment before the end of that year.

b) Allowance for Uncollectible Trade Receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is ₹ 21,913 Mn and ₹ 18,988 Mn as of March 31, 2013 and March 31, 2012, respectively.

c) Asset Retirement Obligations (ARO)

In determining the fair value of the ARO provision the Group uses technical estimates to determine the expected cost to dismantle and remove the infrastructure equipment from the site and the expected timing of these costs. Discount rates are determined based on the government bond rate of a similar period as the liability. The carrying amount of provision for ARO is ₹ 9,180 Mn and ₹ 5,905 Mn as of March 31, 2013 and March 31, 2012, respectively.

d) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of

Notes to consolidated financial statements

audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

Also refer note 11 – Income Taxes.

e) **Assets, Liabilities and Contingent Liabilities Acquired in a Business Combination**

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

The Group has considered all pertinent factors and applied its judgement in determining whether information obtained during the measurement period should result in an adjustment to the provisional amounts recognised at acquisition date or its impact should be accounted as post-acquisition transaction.

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

Identifiable intangible assets acquired under business combination include license, customer base, distribution network and brands. The fair value of these assets is determined by discounting estimated future net cash flows generated by the asset, where no active market for the asset exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets. The relative size of the Group's intangible assets, excluding goodwill, makes the judgements surrounding the estimated useful lives critical to the Group's financial position and performance.

Further details on purchase price allocation have been disclosed in note 7.

f) **Intangible Assets**

Refer note 3.6 for the estimated useful life of intangible assets. The carrying value of intangible assets has been disclosed in note 13.

g) **Property, Plant and Equipment**

Refer note 3.7 for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in note 12.

Property, plant and equipment represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in profit or loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Furthermore, network infrastructure is depreciated over a period beyond the expiry of the associated license, under which the operator provides telecommunications services, if there is a reasonable expectation of renewal or an alternative future use for the asset.

h) **Activation and Installation Fees**

The Group receives activation and installation fees from new customers. These fees together with directly attributable costs are amortised over the estimated duration of customer life. The customer life is reviewed periodically. The estimated customer life principally reflects management's view of the average economic life of the customer base and is assessed by reference to key performance indicators (KPIs) which are linked to establishment/ascertainment of customer life. A change in such KPIs may lead to a change in the estimated useful life and an increase/decrease in the amortisation income/charge. The Group believes that the change in such KPIs will not have any material effect on the financial statements.

i) **Contingencies**

Refer note 35 (ii) for details of contingencies.

5. Standards Issued But Not yet Effective up to the Date of Issuance of the Group's Financial Statements

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

a) IFRS 9 Financial Instruments

In November 2009, International Accounting Standards Board issued IFRS 9, "*Financial Instruments",* to reduce complexity of the current rules on financial instruments as mandated in IAS 39, *"Financial Instruments: Recognition and Measurement"*. The effective date of IFRS 9 is annual periods beginning on or after January 1, 2015 with early adoption permitted.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. Further it eliminates the rule based requirement of segregating embedded derivatives and tainting rules pertaining to held to maturity investments. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognised in other comprehensive income would ever be reclassified to profit or loss. IFRS 9 was further amended in October 2010, and such amendment introduced requirements on accounting for financial liabilities. This amendment addresses the issue of volatility in the profit or loss due to changes in the fair value of an entity's own debt. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income.

The Company is required to adopt the standard by the financial year commencing April 1, 2015. The Company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated financial statements.

b) IFRS 10 Consolidated Financial Statements

In May 2011, International Accounting Standards Board issued IFRS 10, "*Consolidated Financial statements".* The effective date of IFRS 10 is annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation of Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements.

IFRS 10 establishes a single basis for consolidation for all entities which is based on the principles of control, regardless of the nature of the investee. The Standard provides additional guidance for the determination of control in cases of ambiguity such as franchisor franchisee relationship, de facto agent, silos and potential voting rights.

IFRS 10 was further amended in June, 2012 to define the 'date of initial application' of IFRS 10 as the beginning of the annual reporting period in which IFRS 10 is applied for the first time and clarify that if the consolidation conclusion reached at the date of initial application is different under IAS 27/SIC-12 and IFRS 10, an entity is required to adjust retrospectively its immediately preceding period as if the requirements of IFRS 10 had always been applied, with any adjustments recognised in opening equity (if practicable). The amendment also provides relief from disclosing the impact on each financial statement line item affected and earnings per share for the current period. It also provides the additional transitional relief to limit the requirement to provide adjusted comparative information to the immediately preceding period. The effective date of amendment is annual periods beginning on or after January 1, 2013 with early adoption permitted.

The Company is required to adopt IFRS 10 including the amendments thereto by the financial year commencing April 1, 2013. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

c) IFRS 11 Joint Arrangements

In May 2011, International Accounting Standards Board issued IFRS 11, *"Joint arrangements"*. The effective date of IFRS 11 is annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 11 replaces IAS 31, "Interests in Joint Ventures" and SIC-13, "Jointly-controlled Entities-Non-monetary Contributions by Venturers". IFRS 11 defines joint control as the contractually agreed sharing of control of an arrangement; which exists only when the decisions about the relative activities require the unanimous consent of the parties sharing control. The reference to 'control' in 'joint control' refers to the definition of 'control' under IFRS 10. IFRS 11 also changes the accounting for joint arrangements by moving from three categories under

Notes to consolidated financial statements

IAS 31 (jointly controlled operations, jointly controlled assets and jointly controlled entities) to two categories: joint operations and joint ventures. IFRS 11 removes the option to account for jointly controlled entities using the proportionate consolidation method. Jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. IFRS 11 requires that the nature and the substance of the contractual rights and obligations arising from arrangement are considered when classifying it as either a joint operation or a joint venture; the legal form or structure of the arrangement is not the most significant factor in classifying the arrangement.

IFRS 11 was further amended in June, 2012 and provides relief similar to IFRS 10 from the presentation or adjustment of comparative information for periods prior to the immediately preceding period and also provides relief from disclosing the impact on each financial statement line item affected and earnings per share for the current period. The effective date of amendment is annual periods beginning on or after January 1, 2013 with early adoption permitted.

The Company is required to adopt IFRS 11 including the amendments thereto by the financial year commencing April 1, 2013 with retrospective effective.

Jointly controlled entities of the Group (refer note 40 for list of joint ventures) qualify as joint ventures under the Standard and would be required to be accounted for using the equity method as compared to proportionate consolidation method presently followed by the Company. This will result in recognising a single line item for investment in a joint venture in the statement of financial position, and a single line item for the proportionate share of net income and changes in other comprehensive income in the income statement and in the statement of comprehensive income respectively. This will result in reduction in revenue by ₹ 34,068 Mn, other income by ₹ 53 Mn, expense by ₹ 24,811 Mn, net finance cost by ₹ 3,761 Mn, income tax by ₹ 1,967 Mn and increase in share of results of joint ventures by ₹ 3,582 Mn with no impact on the net profit for the year ended March 31, 2013. In the statement of financial position as of March 31, 2013, the Standard will result in reduction in total liabilities by ₹ 80,977 Mn and total assets excluding investment in associates/joint ventures by ₹ 92,287 Mn and increase in investment in associates/joint ventures by ₹ 11,310 Mn with no change in total equity.

d) IFRS 12 Disclosure of Interests in Other Entities

In May 2011, International Accounting Standards Board issued IFRS 12, *"Disclosure of interests in other entities"*. The effective date of IFRS 12 is annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. One of major requirements of IFRS 12 is that an entity needs to disclose the significant judgement and assumptions it has made in determining:

a. Whether it has control, joint control or significant influence over another entity.

b. The type of joint arrangement (i.e. joint operation or joint venture) when the joint arrangement is structured through a separate vehicle.

IFRS 12 also expands the disclosure requirements for subsidiaries with Non-controlling interest, joint arrangements and associates that are individually material. IFRS 12 introduces the term - *"Structured entity"* by replacing the concept of Special Purpose entities that was previously used in SIC 12; and requires enhanced disclosures by way of nature and extent of, and changes in, the risks associated with its interests in both its consolidated and unconsolidated structured entities.

IFRS 12 was further amended in June, 2012 and provides relief similar to IFRS 10 from the presentation or adjustment of comparative information for periods prior to the immediately preceding period. The amendments to IFRS 12 also provide additional transitional relief by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied. The effective date of amendments is annual periods beginning on or after January 1, 2013 with early adoption permitted.

The Company is required to adopt IFRS 12 including the amendments thereto by the financial year commencing April 1, 2013.

Standard will result in enhanced disclosures and does not have any impact on the amount recognised in the statement of financial position, income statement, statement of comprehensive income and statement of changes in equity.

e) IFRS 13 Fair Value Measurement

In May 2011, the International Accounting Standards Board issued IFRS 13 to provide a specific guidance on fair value measurement and requires enhanced disclosures for all assets and liabilities measured at fair value, not restricting to financial assets and liabilities. The standard introduces a precise definition of fair value and provides guidance on how fair value is measured under IFRS when fair value is required or permitted. IFRS 13 sets out in a single standard a framework to measure the fair value and it also requires disclosures about the fair value measurement. The effective date for IFRS 13 is annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company is required to adopt the standard by the financial year commencing April 1, 2013. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

f) IAS 27 (Amended) Consolidated and Separate Financial Statements

In May 2011, International Accounting Standards Board amended IAS 27, *"Consolidated and Separate Financial Statements*." The effective date of the amended IAS 27 is annual periods beginning on or after January 1, 2013 with early adoption permitted. With the issuance of IFRS 10 and IFRS 12, scope of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

The Company is required to adopt IAS 27 by the financial year commencing April 1, 2013. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

g) IAS 28 (Revised) Investments in Associates and Joint Ventures

In May 2011, International Accounting Standards Board amended IAS 28, *"Investments in Associates and Joint Ventures"* , as a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

The effective date of the amended IAS 28 is annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company is required to adopt IAS 28 by the financial year commencing April 1, 2013. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

h) Amendments to IAS 1 Presentation of Financial Instruments

In June 2011, the International Accounting Standards Board issued amendments to IAS 1. The amendments require companies preparing financial statements in accordance with IFRSs to group items within other comprehensive income that may be reclassified to the profit or loss separately from those items which would not be recyclable to the income statement. It also requires the tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax).

The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements.

The amendment is applicable to annual periods beginning on or after July 1, 2012, with early adoption permitted. The Company is required to adopt the amendments by the financial year commencing April 1, 2013. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

i) Amendments to IAS 19 Employee Benefits

In June 2011, International Accounting Standards Board issued amendments to IAS 19. The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The most significant changes that will apply are:

- Actuarial gains and losses are to be recognised in OCI when they occur. Amounts recognised in profit or loss are limited to current and past service costs, gains or losses on settlements and net interest income (expense). All other changes in the net defined benefit asset/liability are recognised in other comprehensive income with no subsequent recycling to profit and loss.

- The net interest income or expense is the product of the net balance sheet liability or asset and the discount rate used to measure the obligation – both as at the start of the year.

- Objectives for disclosures of defined benefits plans are explicitly stated in the revised IAS 19, along with new or revised disclosure requirements. These new disclosures include quantitative information of the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

- Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37, Liabilities.

Notes to consolidated financial statements

- The distinction between short-term and long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement benefits.

The Company is required to adopt the amendments by the financial year commencing April 1, 2013. The amendments need to be adopted retrospectively with certain exceptions. The amendment will impact the accounting of actuarial gains and losses on defined benefit obligations of the Group, which is presently being recognised in the income statement. These would be required to be recognised in the other comprehensive income. Actuarial loss of ₹ 107 Mn for the year ended March 31, 2013 recognised in the income statement would be recognised in other comprehensive income once the amendments become effective.

j) Amendments to IAS 32 Financial Instruments : Presentation

In December 2011, the International Accounting Standards Board issued amendments to IAS 32. The IASB amended the accounting requirements related to offsetting of financial assets and financial liabilities.

Amendments to IAS 32 clarify the meaning of 'currently has a legally enforceable right of set-off' and also clarify the application of IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous.

The Company is required to adopt the amendments to IAS 32 by the financial year commencing April 1, 2014. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

k) Amendments to IFRS 7 Financial Instruments : Disclosures

In December 2011, the International Accounting Standards Board issued amendments to IFRS 7. The IASB amended the disclosures requirements related to offsetting of financial assets and financial liabilities.

The amendments to IFRS 7 require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements). The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. These disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar arrangement', irrespective of whether they are set-off in accordance with IAS 32.

The Company is required to adopt the amendments to IFRS 7 by the financial year commencing April 1, 2013. The Company believes that the adoption of the standard will not have any significant impact on the consolidated financial statements.

l) The following Interpretations and amendments to standards have been issued as of March 31, 2013 but not yet effective and have not yet been adopted by the Group. These are not expected to have any significant impact on the consolidated financial statements:

S. No.	Standards/Interpretations/Amendments	Month of issue	Effective date - annual periods beginning on or after
1	IFRIC Interpretation 20, *"Stripping Costs in the Production Phase of a Surface Mine"*	October, 2011	January 1, 2013
2	Amendment to IFRS 1, *"First time adoption of International Financial Reporting Standards"*	March, 2012	January 1, 2013
3	Annual Improvements	May, 2012	January 1, 2013

6. Segment Reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided, with each segment representing a strategic business unit. These business units are reviewed by the Executive Chairman of the Group (Chief operating decision maker).

Effective April 1, 2012, in line with the changes in the internal reporting, the Broadband Wireless Access (BWA) services reported earlier under 'Telemedia Services', is now reported as part of 'Mobile Services India & South Asia (SA)'. Segment comparatives have been restated to reflect the changes described above.

The revised reporting segments of the Group are as below:

Mobile Services India and South Asia (SA): These services cover voice and data telecom services provided through wireless technology (2G/3G/4G) in the geographies of India and South Asia (SA). This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India.

Mobile Services Africa: These services cover provision of voice and data telecom services offered to customers in Africa continent. This also includes corporate headquarter costs of the Group's Africa operations.

Telemedia Services: These services cover voice and data communications based on fixed network and broadband technology.

Digital TV Services: This includes digital broadcasting services provided under the Direct-to-home platform.

Airtel Business: These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Tower Infrastructure Services (formerly known as 'Passive Infrastructure Services'): These services include setting up, operating and maintaining wireless communication towers in India.

Others: These comprise of Mobile commerce services, and also includes administrative and support services provided to other segments.

The measurement principles for segment reporting are based on IFRSs adopted in the consolidated financial statements. Segment's performance is evaluated based on segment revenue and profit or loss from operating activities i.e. segment results.

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Finance income earned and finance expense incurred is not allocated to individual segment and the same has been reflected at the Group level for segment reporting. Inter segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period the change occurs. Segment information prior to the change in terms is not restated. These transactions have been eliminated on consolidation. The total assets disclosed for each segment represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter segment assets and exclude derivative financial instruments, deferred tax assets and income tax recoverable.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial instruments. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).

Unallocated expenses/results, assets and liabilities include expenses/results, assets and liabilities (including inter-segment assets and liabilities) of corporate headquarters of the Group and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

Notes to consolidated financial statements

Summary of the Segmental Information as of and for the year ended March 31, 2013 is as follows:

(₹ Millions)

Description	Mobile Services India & South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	419,908	237,620	34,323	40,243	16,240	54,719	59	-	-	803,112
Inter segment revenue	20,327	2,819	3,835	12,959	54	48,435	3,474	-	(91,903)	-
Total revenues	**440,235**	**240,439**	**38,158**	**53,202**	**16,294**	**103,154**	**3,533**	**-**	**(91,903)**	**803,112**
Segment result	70,677	15,569	6,447	3,693	(8,105)	16,364	(684)	(10,288)	67	93,740
Share of profits/(loss) in associates										(76)
Finance income										5,633
Finance costs										(49,477)
Earnings before taxation										49,820
Other segment items										
Period capital expenditure	(65,688)	(43,054)	(8,555)	(6,121)	(7,618)	(19,773)	(159)	(3,034)	8,084	(145,918)
Depreciation and amortisation	(64,461)	(47,578)	(9,757)	(5,668)	(8,557)	(22,197)	(40)	(469)	3,763	(154,964)
As of March 31, 2013										
Segment assets	820,765	687,410	107,797	106,678	22,108	250,774	1,854	157,733	(481,887)	1,673,232
Segment liabilities	187,005	138,521	66,913	43,699	50,246	50,523	1,976	1,072,225	(481,979)	1,129,129

Summary of the Segmental Information as of and for the year ended March 31, 2012 is as follows:

(₹ Millions)

Description	Mobile Services India & South Asia	Mobile Services Africa	Telemedia Services	Airtel Business	Digital TV Services	Tower Infrastructure Services	Others	Unallocated	Eliminations	Consolidated
Revenue from external customers	386,716	197,796	33,694	33,082	12,919	50,301	-	-	-	714,508
Inter segment revenue	16,375	469	3,577	11,459	41	44,808	3,117	-	(79,846)	-
Total revenues	**403,091**	**198,265**	**37,271**	**44,541**	**12,960**	**95,109**	**3,117**	**-**	**(79,846)**	**714,508**
Segment result	82,221	14,147	7,172	2,629	(7,198)	14,641	(416)	(9,792)	38	103,442
Share of profits/(loss) in associates										(74)
Finance Income										2,643
Finance Cost										(40,828)
Earnings before taxation										65,183
Other segment items										
Period capital expenditure	(38,784)	(72,789)	(8,592)	(7,025)	(8,285)	(13,800)	(1,610)	(167)	7,074	(143,978)
Depreciation and amortisation	(54,446)	(38,644)	(8,664)	(5,684)	(7,663)	(21,303)	(4)	(521)	3,248	(133,681)
As of March 31, 2012										
Segment assets	678,106	679,350	76,935	102,660	23,397	206,446	1,053	216,853	(414,184)	1,570,616
Segment liabilities	159,810	229,597	42,236	44,194	42,908	43,533	1,428	886,428	(413,326)	1,036,808

Notes to consolidated financial statements

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Unallocated Assets comprise of:		
Derivative financial assets	4,663	4,893
Deferred tax asset	59,245	51,277
Income tax recoverable	12,040	9,049
Inter-segment loans/receivables	53,174	130,334
Short term investments	11,221	6,615
Others	17,390	14,685
Total	**157,733**	**216,853**

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Unallocated Liabilities comprise of:		
Borrowings	729,608	690,232
Derivative financial liabilities	1,112	567
Deferred tax liability	15,873	11,621
Income tax liabilities	7,628	7,596
Inter-segment loans/payables	310,418	169,454
Others	7,586	6,958
Total	**1,072,225**	**886,428**

Borrowings include amount borrowed for the acquisition of 3G and BWA Licenses ₹ 52,225 Mn and ₹ 61,117 Mn and for funding the acquisition of Africa operations and other borrowings of Africa operations ₹ 537,760 Mn and ₹ 508,113 Mn as of March 31, 2013 and March 31, 2012, respectively.

Geographical Information:

Information concerning geographical areas by location of the entity is as follows:

(a) Revenue from External Customers:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
India	543,732	499,994
Africa	237,620	197,796
Rest of the World	21,760	16,718
Total	**803,112**	**714,508**

(b) Non-current Assets (Property, plant and equipment and Intangible assets):

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
India	701,590	678,291
Africa	632,241	625,732
Rest of the World	35,407	31,798
Total	**1,369,238**	**1,335,821**

7. Business Combination/Disposal of Subsidiary/Other Acquisitions/Transaction with Non-controlling Interest

a) Acquisition of 49% interest in Wireless Business Services Pvt. Ltd., Wireless Broadband Business Services (Delhi) Pvt. Ltd., Wireless Broadband Business Services (Kerala) Pvt. Ltd. and Wireless Broadband Business Services (Haryana) Pvt. Ltd.

Pursuant to a definitive agreement dated May 24, 2012, the Company has acquired 49% stake for a consideration of ₹ 9,281 Mn (USD 165 Mn) in Qualcomm Asia Pacific's (Qualcomm AP) 4 Indian subsidiaries ("BWA entities"), (i) Wireless Business Services Private Limited- that holds Category 'A' ISP licenses and broadband wireless spectrum in the frequencies of 2327.5 - 2347.5 for the Service Area of Mumbai, 2327.5 - 2347.5 for the Service Area of Delhi, 2325.0 - 2345.0 for the Service Area of Kerala and 2362.5 - 2382.5 for the Service Area of Haryana, (ii) Wireless Broadband Business Services (Delhi) Private Limited, (iii) Wireless Broadband Business Services (Kerala) Private Limited and (iv) Wireless Broadband Business Services (Haryana) Private Limited, partly by way of acquisition of 26% equity interest from its existing shareholders and balance 23% by way of subscription of fresh equity in the referred entities.

During the year ended March 31, 2013, schemes of amalgamation have been filed for amalgamation of Wireless Broadband Business Services (Delhi) Private Limited, Wireless Broadband Business Services (Kerala) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited with Wireless Business Services Private Limited under Section 391 and 394 of the Companies Act, 1956 with the High Courts. The main object of these companies is to carry on the business of internet and broadband services.

The agreement contemplates that once commercial operations are launched, subject to certain terms and conditions, the Company has the option to assume complete ownership and financial responsibility for the BWA entities by the end of 2014.

During the three months period ended June 30, 2012, the Group has accounted for the BWA entities as associates. Considering the non-existence of market for the License (including spectrum), and consequently, the time involved in determining the fair valuation of the same, the license including spectrum was provisionally accounted for at the book value. The Group's share of the provisional fair values of net assets amounted to ₹ 3,268 Mn (including proportionate share of capital subscribed of ₹ 2,380 Mn) on the date of acquisition. The goodwill arising on the acquisition of ₹ 6,013 Mn was recorded as part of the investment in associates.

Effective July 1, 2012, the Group has started exercising its right of joint control over the activities of the joint venture and has accordingly accounted for the BWA entities as Joint Ventures and has accounted the transaction as per the acquisition method of accounting. Accordingly, all the assets and liabilities have been measured at their fair values as on the acquisition date and the purchase consideration has been allocated to the net assets.

The goodwill recognised in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and BWA entities.

The following table summarises the fair value of the consideration paid and the fair value at which the assets acquired and the liabilities assumed are recognised as of the date of acquisition, i.e. May 24, 2012.

(₹ Millions)

Particulars	As determined on the date of acquisition
Purchase consideration	
Cash * (A)	7,645
Acquisition related cost (included in Selling, general and administrative expenses in the consolidated income statement)	1
Recognised amount of Identifiable assets acquired and liabilities assumed (proportionate share of the Group)	
Assets Acquired	
Intangible Assets	28,812
Other Non - financial assets	2,011
Current Assets	3,454
Liabilities assumed	
Non Current liabilities	(1,538)
Current liabilities	(26,269)
Net Identifiable assets (B)	6,470
Goodwill (A-B)	**1,175**

* Net of ₹ 812 Mn to be adjusted against the amount to be paid for the purchase of balance shares and ₹ 823 Mn of the consideration identified towards fair value of the contract for the purchase of balance shares.

Notes to consolidated financial statements

None of the goodwill recognised is deductible for income tax purposes.

From the date of acquisition, BWA entities has contributed revenue of ₹ Nil to the consolidated revenue and loss before tax of ₹ 207 Mn to the consolidated net profit before tax of the Group, for the year ended March 31, 2013, respectively.

The fair value and the carrying amount of the acquired receivables as of the date of acquisition is NIL.

Analysis of Cash Flows on Acquisition

(₹ Millions)

Particulars	Total
Cash consideration paid	9,281
Net cash acquired with the acquisition*	(3,379)
Investment, net of cash acquired (A)	5,902
(Included in cash flows from investing activities)	
Transaction cost of the acquisition (included in cash flows from operating activities) (B)	1
Total in respect of business combination (A+B)	**5,903**

* Includes proportionate share of ₹ 2,380 Mn of the capital subscribed.

b) **Acquisition of 100% Interest in Bharti Airtel Africa B.V. (Erstwhile Zain Africa B.V. ('Zain'))**

The Group entered into a share purchase agreement with Zain International BV to acquire 100% equity interest in Zain Africa B.V. ('Zain') as of March 30, 2010 for USD 9 Bn. The transaction was closed on June 8, 2010. With this acquisition, the Group has made an additional step towards its objective to expand globally and create its presence in the African market.

The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration was allocated to the net assets.

The goodwill recognised in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and Zain Africa B.V. and certain intangible assets such as one network arrangement, assembled work force, domain name and co-location agreement which have not been recognised separately as these do not meet the criteria for recognition as intangible assets under IAS 38 "Intangible Assets".

The following table summarises the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised and non-controlling interest in Bharti Airtel Africa B.V. as of the date of acquisition, i.e., June 8, 2010.

(₹ Millions)

Particulars	As determined as of June 7, 2011	As determined as of March 31, 2011	As determined on the date of acquisition
Purchase consideration			
Cash	374,091	374,091	374,091
Deferred consideration at fair value	36,565	47,786	47,786
Total (A)	**410,656**	**421,877**	**421,877**
Acquisition related cost (included in Selling, general and administrative expenses in the consolidated income statement)	1,417	1,417	1,417

Recognised amount of Identifiable assets acquired and liabilities assumed

(₹ Millions)

Particulars	As determined as of June 7, 2011	As determined as of March 31, 2011	As determined on the date of acquisition
Assets acquired			
Property, plant & equipment	104,925	122,002	126,271
Intangible assets	97,934	81,036	81,035
Current assets	64,619	63,684	63,312
Liabilities assumed			
Non current liabilities	(76,356)	(76,182)	(75,543)
Current liabilities	(106,581)	(103,871)	(102,126)
Contingent liability (legal & tax cases)	(7,435)	(7,435)	(8,347)
Net identifiable assets (B)	77,106	79,234	84,602
Non controling interest in Zain (C)	5,858	6,610	7,418
Goodwill*(A-B+C)	**339,408**	**349,253**	**344,693**

During the three months period ended June 30, 2011, the end of measurement period, the Group completed the fair valuation of net assets acquired as at the acquisition date and settled the deferred purchase consideration after adjusting for the claims of ₹ 11,221 Mn identified subsequent to the acquisition date as per the Share Purchase Agreement. The change in the net assets acquired as determined as of March 31, 2011 is primarily on account of decrease in provisional fair valuation of tangible assets by ₹ 17,077 Mn, increase in provisional fair valuation of intangible assets by ₹ 16,898 Mn and balance decrease of ₹ 1,197 Mn is on account of change in fair valuation of other assets and liabilities (including reduction in non controlling interest by ₹ 752 Mn). These have resulted in net reduction in goodwill by ₹ 9,845 Mn. Net depreciation and amortisation expense (net of tax and non-controlling interest) of ₹ 429 Mn on account of finalisation of fair valuation of tangible and intangible assets has been recognised in profit or loss on completion of the fair value of net assets acquired as at the acquisition date. The Group has assessed the above change as immaterial.

* Subsequent to the completion of the measurement period, the Group has identified certain errors post the acquisition date. This has resulted into further reduction of goodwill by ₹ 1,708 Mn (including reduction in deferred consideration by ₹ 211 Mn) during the financial year ended March 31, 2012 and increase in goodwill by ₹ 308 Mn during the financial year ended March 31, 2013. The Group has assessed the above change as immaterial for any restatement considerations.

None of the goodwill recognised is deductible for income tax purpose.

The details of receivables acquired through business combination are as follows:

(₹ Millions)

Particulars	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
As determined on the date of acquisition	12,607	17,833	(5,226)
As determined as of March 31, 2011	11,992	17,833	(5,841)
As determined as of June 7, 2011	11,802	17,833	(6,031)

Notes to consolidated financial statements

Analysis of Cash Flows on Acquisition

(₹ Millions)

Particulars	Three months period ended June 30, 2011	Year ended March 31, 2011
Cash consideration paid (at exchange rate on the date of payment, including foreign exchange gain of ₹ 1,369 Mn for the three months period ended June 30, 2011 & ₹ 464 Mn for the year ended March 31, 2011)	25,196	384,300
Net cash acquired with the subsidiary	-	(13,159)
Investment in subsidiary, net of cash acquired (A) (included in cash flows from investing activities)	25,196	371,141
Transaction costs of the acquisition (B) * (included in cash flows from operating activities)	-	906
Total cash outflow in respect of business combination (A+B)	**25,196**	**372,047**

* Additional transaction cost for the acquisition of ₹ 511 Mn was incurred during the year ended March 31, 2010.

c) **Acquisition of 100% interest in Airtel (Seychelles) Limited (Erstwhile Telecom Seychelles Limited), Seychelles**

The Group entered into a share purchase agreement with Seejay Cellular Limited to acquire 100% equity interest in Airtel (Seychelles) Limited on August 23, 2010 for ₹ 2,903 Mn. The transaction was closed on August 27, 2010. This acquisition was done for the Group's objective to expand its presence globally.

The acquisition was accounted for in the books, using the acquisition method and accordingly, all the assets and liabilities were measured at their preliminary fair values as on the acquisition date and the purchase consideration has been allocated to the net assets. The goodwill recognised in the transaction consists largely of the synergies and economies of scale expected from the combined operation of the Group and Airtel (Seychelles) Limited.

During the three months period ended September 30, 2011, the end of the measurement period, the Group has completed the fair valuation of net assets acquired as at the acquisition date. There are no changes in the fair valuation subsequent to March 31, 2011.

The following table summarises the fair value of the consideration paid, the amount at which assets acquired and the liabilities assumed are recognised as of August 27, 2010.

(₹ Millions)

Particulars	As determined on the date of acquisition & as of August 26, 2011
Purchase consideration	
Cash (A)	2,903

Recognised amount of Identifiable assets acquired and liabilities assumed

(₹ Millions)

Particulars	As determined as of March 31, 2011, and August 26, 2011	As determined on the date of acquisition
Assets acquired		
Property, plant & equipment	98	98
Intangible assets	259	259
Current assets	294	294

(₹ Millions)

Particulars	As determined as of March 31, 2011, and August 26, 2011	As determined on the date of acquisition
Liabilities assumed		
Non current liabilities	(66)	(66)
Current liabilities	(283)	(377)
Net identifiable assets (B)	302	208
Non controling interest (C)	-	-
Goodwill (A-B+C)	**2,601**	**2,695**

None of the goodwill recognised is deductible for income tax purposes.

The details of receivables acquired through business combination are as follows:

(₹ Millions)

As determined as of date of acquisition, March 31, 2011 and August 26, 2011	Fair Value	Gross Contractual amount of Receivable	Best estimate of amount not expected to be collected
Accounts Receivable	212	212	-

Analysis of cash flows on acquisition

(₹ Millions)

Particulars	Year ended March 31, 2011
Cash consideration paid	2,903
Net cash acquired with the subsidiary	(53)
Investment in subsidiary, net of cash acquired (A)	2,850
(included in cash flows from investing activities)	
Transaction costs of the acquisition (included in cash flows from operating activities)	
- for the year ended March 31, 2011 (B)	Nil
Total in respect of business combinations (A+B)	**2,850**

d) Total consolidated revenue of the Group and its joint ventures and net profit before tax of the Group, its joint ventures and associates would have been ₹ 803,112 Mn and ₹ 49,429 Mn respectively, had all the acquisitions been effective for the full year ended March 31, 2013.

e) Dilution of Shareholding in Bharti Infratel Limited

During the year ended March 31, 2013, Bharti Infratel Limited (BIL), a subsidiary of the Company, made an Initial Public Offering (IPO) through book building process of 188,900,000 equity shares of ₹ 10 each. The IPO comprised of fresh issue of 146,234,112 equity shares of ₹ 10 each by BIL and an offer for sale of 42,665,888 equity shares of ₹ 10 each by the existing shareholders. BIL has raised ₹ 32,303 Mn from fresh issue of shares and incurred related share issue expenses of ₹ 579 Mn (deferred tax of ₹ 185 Mn has been recognised on the same). BIL's equity shares got listed on December 28, 2012 on both the Stock Exchanges (BSE & NSE).

Post the issue, the holding of the Company in BIL has reduced from 86.09% to 79.42%. The equity shares were allotted on December 22, 2012. On the date of allotment, the carrying amounts of the controlling and non-controlling interests have been adjusted to reflect the changes in their relative interests in BIL. Consequently, the dilution gain of ₹ 16,649 Mn has been recognised directly in equity as attributable to the equity shareholders of the Parent.

Notes to consolidated financial statements

f) Acquisition of Additional Interest in Airtel Networks Limited

On March 11, 2013, the Group acquired 13.357% of the voting shares of Airtel Networks Limited increasing its ownership to 79.059%. The difference of ₹ 11,037 Mn between the consideration and the carrying value of the interest acquired including transaction cost has been recognised in 'Other components of equity'.

g) Acquisition of Additional Interest in Celtel Zambia Plc

On December 17, 2010, the Group acquired 17.47% of the voting shares of Celtel Zambia Plc increasing its ownership to 96.36%. The difference of ₹ 4,120 Mn between the consideration and the carrying value of the interest acquired has been recognised in 'Other components of equity'.

On completion of the fair value allocation to the identifiable assets (tangible and intangible) and liabilities of Zain Africa B.V. (Refer note 7(b)), the consequential decrease of ₹ 193 Mn in the carrying value of interest acquired in Celtel Zambia Plc has been recognised in 'Other components of equity' during the three months period ended June 30, 2011.

h) Acquisition of Additional Interest in Airtel Networks Kenya Limited

On February 24, 2011, the Group acquired 5% of the voting shares of Airtel Networks Kenya Limited increasing its ownership to 100%. The difference of ₹ 470 Mn between the consideration and the carrying value of the interest acquired has been recognised in 'Other components of equity'.

On completion of the fair value allocation to the identifiable assets (tangible and intangible) and liabilities of Zain Africa B.V. (Refer note 7(b)), the consequential increase of ₹ 93 Mn in the carrying value of interest acquired in Airtel Networks Kenya Limited has been recognised in 'Other components of equity' during the three months period ended June 30, 2011.

8. Operating Expenses

(₹ Millions)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Access charges		113,226	97,361
Licence fees, revenue share and spectrum charges		66,486	61,099
Network operations cost		189,315	157,598
Employee costs	8.1	40,098	35,159
Selling, general and adminstrative expenses		145,371	126,310
Charity & donations		390	408
		554,886	**477,935**

Selling, general and administrative expenses include followings:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Trading inventory consumption	12,707	9,389
Dimunition in value of inventory	374	584
Provision for doubtful debts	4,568	3,863

8.1 Employee Costs

(₹ Millions)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, allowances & others		37,065	31,657
Defined contribution plan		1,761	1,667
Defined benefit plan/other long term benefits		832	846
Share based compensation	8.2	440	989
		40,098	**35,159**

8.2 Share Based Compensation Plans

The following table provides an overview of all existing share option plans of the Group and its joint ventures:

(₹ Millions)

Entity	Scheme	Plan	Year of issuance of plan	Share options granted (thousands)	Vesting period (years)	Contractual term (years)	Weighted average exercise price	Classification/ accounting treatment
Bharti Airtel	Scheme I	2001 Plan	2002	30,893	1 - 4	7	21.25	Equity settled
Bharti Airtel	Scheme I	2004 Plan	2004	4,380	1 - 4	7	35.00	Equity settled
Bharti Airtel	Scheme I	Superpot	2004	143	1 - 3	7	0.00	Equity settled
Bharti Airtel	Scheme I	2006 Plan	2006	5,114	1 - 5	7	5.52	Equity settled
Bharti Airtel	Scheme 2005	2005 Plan	2005	11,260	1 - 4	7	237.06	Equity settled
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	2008	8,817	1 - 3	7	352.13	Equity settled
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	2009	1,691	3 - 4	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	Special ESOP & Ristricted Share Units (RSU)	2010	3,615	1 - 5	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	LTI Plan	2011	422	1 - 3	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	LTI Plan	2012	1,593	1 - 3	7	5.00	Equity settled
Bharti Airtel	Scheme 2005	LTI Plan Africa	2011	418	1 - 3	3	5.00	Cash settled
Bharti Infratel	Infratel plan	2008 Plan	2008	9,913	1 - 5	7	110.00	Equity settled
Bharti Infratel	Infratel plan	LTI Plan (Part of 2008 plan)	2012	34	1 - 3	7	10.00	Equity settled
Indus Towers Ltd#	Indus Plan	SAR Plan-1	2012	1	Refer note below	7	249,300.00	Cash settled
Indus Towers Ltd# (Refer note 30)	Indus Plan	SAR Plan-2	2012	0	1 - 3	7	₹ 1	Cash settled

Represents 42% of the total number of shares, under the option plan of the joint venture company.

The vesting schedule of SAR Plan-1 stipulates vesting as applicable under the scheme or as determined by the HR and remuneration committee and communicated through award letters.

Notes to consolidated financial statements

The following table exhibits the net compensation expense under respective schemes:

(₹ Millions)

Entity	Scheme	Plan	Year ended March 31, 2013	Year ended March 31, 2012
Bharti Airtel	Scheme I	2006 Plan	66	109
Bharti Airtel	Scheme 2005	2005 Plan	1	(14)
Bharti Airtel	Scheme 2005	2008 Plan & Annual Grant Plan (AGP)	(4)	43
Bharti Airtel	Scheme 2005	Performance Share Plan (PSP) 2009 Plan	(2)	136
Bharti Airtel	Scheme 2005	Special ESOP & Ristricted Share Units (RSU)	54	304
Bharti Airtel	Scheme 2005	LTI Plan	182	59
Bharti Airtel	Scheme 2005	LTI Plan Africa	40	56
Bharti Infratel	Infratel plan	2008 Plan	104	249
Bharti Infratel	Infratel plan	LTI Plan (Part of 2008 plan)	2	-
Indus Towers Ltd#	Indus Plan	2009 Plan	(121)	47
Indus Towers Ltd#	Indus Plan	SAR Plan-1	117	-
Indus Towers Ltd#	Indus Plan	SAR Plan-2	1	-
			440	**989**

Represents 42% of the total number of shares, under the option plan of the joint venture company.

The total carrying value of cash settled share based compensation liability is ₹ 115 Mn and ₹ 105 Mn as of March 31, 2013 and March 31, 2012, respectively.

Information concerning the share options issued to directors, officers and employees is presented below:

(Shares in Thousands)	As of March 31, 2013		As of March 31, 2012	
	Number of share options	Weighted average exercise price (₹)	Number of share options	Weighted average exercise price (₹)
Scheme I - 2006 plan				
Number of shares under option:				
Outstanding at beginning of year	1,445	5.73	2,057	5.51
Granted	62	5.04	239	5.00
Exercised	(294)	5.00	(594)	5.00
Expired	-	-	-	-
Forfeited	(28)	6.92	(257)	5.00
Outstanding at end of year	1,185	5.89	1,445	5.73
Exercisable at end of year	606	6.74	521	6.97
Scheme 2005 - 2005 plan				
Number of shares under option:				
Outstanding at beginning of year	2,602	331.48	3,468	309.34
Granted	-	-	28	156.50
Exercised	(451)	127.44	(597)	166.80
Expired	-	-	-	-
Forfeited	(415)	333.42	(297)	388.72
Outstanding at end of year	1,736	384.72	2,602	331.48

Notes to consolidated financial statements

(Shares in Thousands)	As of March 31, 2013 Number of share options	As of March 31, 2013 Weighted average exercise price (₹)	As of March 31, 2012 Number of share options	As of March 31, 2012 Weighted average exercise price (₹)
Exercisable at end of year	1,736	384.72	2,578	333.38
Scheme 2005 - 2008 plan and AGP				
Number of shares under option:				
Outstanding at beginning of year	4,835	355.84	5,915	355.16
Granted	-	-	34	373.38
Exercised	(16)	314.70	(246)	329.61
Expired	-	-	-	-
Forfeited	(505)	358.49	(868)	359.35
Outstanding at end of year	4,314	355.80	4,835	355.84
Exercisable at end of year	4,305	355.61	4,224	349.26
Scheme 2005 - PSP 2009 plan				
Number of shares under option:				
Outstanding at beginning of year	1,256	5.00	1,456	5.00
Granted	-	-	40	5.00
Exercised	(189)	5.00	-	-
Expired	-	-	-	-
Forfeited	(498)	5.00	(240)	5.00
Outstanding at end of year	569	5.00	1,256	5.00
Exercisable at end of year	24	5.00	-	-
Scheme 2005 - LTI Plan				
Number of shares under option:				
Outstanding at beginning of year	406	5.00	-	-
Granted	1,593	5.00	422	5.00
Exercised	(37)	5.00	-	-
Expired	-	-	-	-
Forfeited	(147)	5.00	(16)	5.00
Outstanding at end of year	1,815	5.00	406	5.00
Exercisable at end of year	61	5.00	-	-
Scheme 2005 - Special ESOP & RSU Plan				
Number of shares under option:				
Outstanding at beginning of year	2,362	5.00	2,975	5.00
Granted	-	-	361	5.00
Exercised	(478)	5.00	(578)	5.00
Expired	-	-	-	-
Forfeited	(414)	5.00	(396)	5.00
Outstanding at end of year	1,470	5.00	2,362	5.00
Exercisable at end of year	535	5.00	418	5.00
Scheme 2005 - LTI Plan Africa				
Number of shares under option:				
Outstanding at beginning of year	418	5.00	-	-
Granted	-	-	418	5.00

Notes to consolidated financial statements

(Shares in Thousands)	As of March 31, 2013 Number of share options	As of March 31, 2013 Weighted average exercise price (₹)	As of March 31, 2012 Number of share options	As of March 31, 2012 Weighted average exercise price (₹)
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at end of year	418	5.00	418	5.00
Exercisable at end of year	-	-	-	-
Infratel Options: Plan 2008				
Number of shares under option:				
Outstanding at beginning of year	3,333	329.00	3,336	329.00
Granted	-	-	80	329.00
Bonus issue in the ratio of 1:2	6165	109.67	-	-
Exercised	(100)	109.67	-	-
Expired	-	-	-	-
Forfeited	(251)	329.00	(83)	329.00
Outstanding at end of year	9,147	109.67	3,333	329.00
Exercisable at end of year	6,431	109.67	1,631	329.00
Infratel Options: LTI Plan (Part of 2008 plan)				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	34	10.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	(14)	10.00	-	-
Outstanding at end of year	20	10.00	-	-
Exercisable at end of year	-	-	-	-
Indus Options: 2009 Plan # ^				
Number of shares under option:				
Outstanding at beginning of year	0.91	249,300.00	1.00	249,300.00
Granted	-	-	0.08	249,300.00
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	(0.91)	249,300.00	(0.17)	249,300.00
Outstanding at end of year	-	-	0.91	249,300.00
Exercisable at end of year	-	-	0.21	249,300.00
Indus Options: SAR Plan -1 #				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	0.87	249,300.00	-	-
Exercised	(0.45)	249,300.00	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-

(Shares in Thousands)	As of March 31, 2013 Number of share options	As of March 31, 2013 Weighted average exercise price (₹)	As of March 31, 2012 Number of share options	As of March 31, 2012 Weighted average exercise price (₹)
Outstanding at end of year	0.42	249,300.00	-	-
Exercisable at end of year	0.02	249,300.00	-	-
Indus Options: SAR Plan -2 #				
Number of shares under option:				
Outstanding at beginning of year	-	-	-	-
Granted	0.01	1.00	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at end of year	0.01	1.00	-	-
Exercisable at end of year	-	-	-	-

Represents 42% of the total number of shares, under the option plan of the joint venture company.
^ As on February 1, 2013, Indus Towers Limited has cancelled its 2009 Plan.

The following table summarises information about options exercised and granted during the year and about options outstanding and their remaining contractual life:

Entity	Plan	Options Outstanding (thousands)	Remaining Contractual term (years)	Options Granted: Options (thousands)	Options Granted: Weighted Avg Fair Value	Options Excercised: Options (thousands)	Options Excercised: Weighted average exercise price
Bharti Airtel	2006 Plan	1,185	0.17 to 6.72	62	302.91	294	5.00
Bharti Airtel	2005 Plan	1,736	0.17 to 5.10	-	-	451	127.44
Bharti Airtel	2008 Plan & Annual Grant Plan (AGP)	4,314	2.25 to 5.17	-	-	16	314.70
Bharti Airtel	Performance Share Plan (PSP) 2009 Plan	569	3.34 to 5.34	-	-	189	5.00
Bharti Airtel	Special ESOP & Ristricted Share Units (RSU)	1,470	4.01 to 5.10	-	-	478	5.00
Bharti Airtel	LTI Plan	1,815	5.35 to 6.36	1,593	266.44	37	5.00
Bharti Airtel	LTIP Africa	418	1.35	-	-	-	-
Bharti Infratel	2008 Plan	9,147	2.42 to 5.41	6165 *	475.00	100	109.67
Bharti Infratel	LTI Plan (Part of 2008 plan)	20	6.4	34	258.00	-	-
Indus Towers Ltd#	SAR Plan-1	0.42	-	0.87	283,573.00	0.45	249,300.00
Indus Towers Ltd#	SAR Plan-2	0.01	-	0.01	283,573.00	-	-

Represents 42% of the total number of shares, under the option plan of the joint venture company.
* Represents bonus issue in the ratio of 1:2.

Notes to consolidated financial statements

The fair value of options granted was estimated on the date of grant using the Black-Scholes/Lattice/Monte Carlo Simulation valuation model with the following assumptions:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Risk free interest rates	7.60 to 8.84%	7.76 to 9.05%
Expected life	46 to 77 months	27 to 60 months
Volatility	25.31% to 52.43%	41.00 to 52.43%
Dividend yield	0% to 0.36%	0 to 0.30%
Wtd average share price on the date of grant exluding Infratel and Indus	274.40 to 336.70	361.83 to 424.11
Wtd average share price on the date of grant - Infratel	219	658
Wtd average share price on the date of grant - Indus	471,000	422,650

The expected life of the share option is based on historical data & current expectation and not necessarily indicative of exercise pattern that may occur.

The volatility of the options is based on the historical volatility of the share price since the Group's equity shares became publicly traded.

During the years ended March 31, 2013 and March 31, 2012, Bharti Airtel Employee Welfare Trust ('trust') (a trust set up for administration of ESOP Schemes of the Company) has acquired 2,945,000 and 1,507,000 Bharti Airtel equity shares from the open market at an average price of ₹ 258.77 and ₹ 360.94 per share and has transferred 1,170,769 and 1,420,932 shares to the employees of the Company upon exercise of stock options, under ESOP Scheme 2005, respectively.

9. Depreciation and Amortisation

(₹ Millions)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation	12	128,576	105,426
Amortisation	13	26,388	28,255
		154,964	**133,681**

10. Finance Income and Costs

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Finance income		
Interest Income on securities held for trading	134	2
Interest Income on deposits	727	445
Interest Income on loans to associates	46	49
Interest Income on others	1,519	423
Net gain on securities held for trading	2,978	1,639
Net gain on derivative financial instruments	229	85
	5,633	**2,643**
Finance costs		
Interest on borrowings	41,098	30,608
Unwinding of discount on provisions	513	446
Net exchange loss	3,200	5,233
Other finance charges	4,666	4,541
	49,477	**40,828**

"Interest income on others" includes ₹ 415 Mn and ₹ 340 Mn towards unwinding of discount on other financial assets for the years ended March 31, 2013 and March 31, 2012, respectively.

"Other finance charges" comprise bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters and also includes ₹ 265 Mn and ₹ 246 Mn towards unwinding of discount on other financial liabilities for the years ended March 31, 2013 and March 31, 2012, respectively.

11. Income Taxes

The major components of the income tax expense are:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Current income tax		
- India	19,787	18,665
- Overseas	9,599	7,778
	29,386	26,443
Deferred tax*		
- Relating to origination & reversal of temporary differences	(4,961)	(1,019)
- Relating to change in tax rate	1,424	4
Tax expense attributable to current year's profit	25,849	25,428
Adjustments in respect of income tax of previous year		
- Current income tax		
India	97	(29)
Overseas	28	362
	125	333
- Deferred tax*	1,177	(3,159)
	1,302	(2,826)
Income tax expense recorded in the consolidated income statement	**27,151**	**22,602**

* Includes tax credit recoverable on account of minimum alternate tax (MAT) of ₹ 1,135 Mn and ₹ 5,220 Mn during years ended March 31, 2013 and March 31, 2012, respectively.

During the year ended March 31, 2013, the Group has recognised additional tax charge of ₹ 1,424 Mn on account of changes in tax rates (including ₹ 959 Mn relating to India on account of change in tax rate from 32.445% to 33.99%. as proposed in the Finance Bill, 2013).

During the year ended March 31, 2013, there is no change in the MAT rate. During the year ended March 31, 2012, consequent to change in MAT rate from 19.9305% to 20.00775%, the Company had recognised additional income tax charge of ₹ 70 Mn under 'current income tax' and additional MAT credit of ₹ 70 Mn under 'deferred tax'.

The reconciliation between tax expense and product of net income before tax multiplied by enacted tax rates in India is summarised below:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Net income before taxes	49,820	65,183
Enacted tax rates in India	32.45%	32.45%
Computed tax expense	16,164	21,149
Increase/(reduction) in taxes on account of:		
Share of losses in associates	25	24
Benefit claimed under tax holiday provisions of income tax act	(8,694)	(8,890)
Temporary differences reversed during the tax holiday period	1,360	1,027
Effect of changes in tax rate	1,424	4
Tax on undistributed retained earnings of subsidiaries and JV	492	-
Adjustment in respect to current income tax of previous years	125	333
Adjustment in respect to MAT credit of previous years	1,550	(361)
Deferred tax recognised in respect of previous years (including carry forward losses)	(373)	(2,798)
Tax for which no credit is allowed	3,746	1,393
Effect of different tax rate in other countries	1,187	1,497
Losses and deductible temporary difference against which no deferred tax asset recognised	10,359	9,504
(Income)/expenses (net) not taxable/deductible	(1,062)	(1,046)
Others	848	766
Income tax expense recorded in the consolidated income statement	**27,151**	**22,602**

Notes to consolidated financial statements

The components that gave rise to deferred tax assets and liabilities are as follows:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Deferred tax asset/(liabilities)		
Provision for impairment of debtors & advances	7,430	7,432
Losses available for offset against future taxable income	6,493	5,300
Employee share options	1,184	1,177
Post employment benefits and other provisions	688	526
Minimum tax credit	34,537	33,402
Lease rent equalisation - expense	6,123	4,719
Fair valuation of derivative instruments and unrealised exchange fluctuation	1,150	616
Accelerated depreciation for tax purposes	(7,571)	(7,385)
Fair valuation of intangibles/property plant & equipment on business combination	(609)	(221)
Lease rent equalisation - income	(4,671)	(3,618)
Unearned Income	908	814
Deferred tax liability on undistributed retained earnings of foreign subsidiaries	(2,483)	(2,961)
Others	193	(145)
Net deferred tax asset/(liabilities)	**43,372**	**39,656**

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Deferred tax (expenses)/income		
Provision for impairment of debtors & advances	(119)	255
Losses available for offset against future taxable income	164	2,297
Employee share options	7	176
Post employment benefits	162	146
Minimum tax credit	1,135	5,220
Lease rent equalisation - expense	1,404	1,012
Fair valuation of derivative instruments and unrealised exchange fluctuation	537	(753)
Accelerated depreciation for tax purposes	(2,030)	(1,462)
Fair valuation of intangibles/property plant & equipment on business combination	1,267	(1,891)
Lease rent equalisation - income	(1,053)	(869)
Unearned Income	27	(37)
Deferred tax liability on undistributed retained earnings of foreign subsidiaries	661	(42)
Others	198	122
Net deferred tax (expenses)/income	**2,360**	**4,174**

Reflected in the statement of financial position as follows:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Deferred tax asset	59,245	51,277
Deffered tax liabilities	(15,873)	(11,621)
Deffered tax asset (net)	**43,372**	**39,656**

The reconciliation of deferred tax assets (net) is as follows:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Opening balance	39,656	32,574
Tax Income during the year recognised in profit & loss	2,360	4,174
Tax Income on share issue expenses recognised in equity	185	-
Deferred taxes acquired in business combination	(2,294)*	239
Translation adjustment & others	3,465	2,669
Closing balance	**43,372**	**39,656**

* Includes adjustment of ₹ 756 Mn relating to acquisition of Bharti Airtel Africa B.V. on June 8, 2010 (refer note 7 (b)).

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences, carry forward of unused tax credits and unused tax losses of ₹ 144,805 Mn and ₹ 90,936 Mn as of March 31, 2013 and March 31, 2012, respectively as it is not probable that taxable profits will be available in future.

The tax rates applicable to these unused losses and deductible temporary differences vary from 3% to 45% depending on the jurisdiction in which the respective Group entity operates. Of the above balance as of March 31, 2013, losses and deductible temporary differences to the extent of ₹ 54,408 Mn have an indefinite carry forward period and the balance amount expires unutilised as follows:

(₹ Millions)

March 31,	
2014	11,788
2015	7,901
2016	7,643
2017	13,096
2018	5,557
Thereafter	44,412
	90,397

The Group has not recognised deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve of Group subsidiaries and joint ventures as the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries and joint ventures will not distribute the profits in the foreseeable future. Also, the Group does not recognises deferred tax liability on the unremitted earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution. The taxable temporary difference associated with respect to unremitted retained earnings and associated foreign currency translation reserve is ₹ 79,971 Mn and ₹ 56,405 Mn as of March 31, 2013 and March 31, 2012, respectively. The distribution of the same is expected to attract tax in the range of NIL to 15% depending on the tax rates applicable as of March 31, 2013 in the jurisdiction in which the respective Group entity operates.

During the year ended March 31, 2013 and March 31, 2012, the Group, for the first time, has recognised deferred tax asset of ₹ Nil and ₹ 2,455 Mn, respectively, on carry forward unused tax losses in respect of it's certain subsidiaries. This recognition is based on current performance and the confidence/convincing evidence that management has, to generate sufficient taxable profits in future, which will be utilised to offset such carried forward tax losses.

During the year ended March 31, 2013 and March 31, 2012, the Group has changed the trigger plan date for earlier years for certain business units enjoying Income tax holiday under the Indian Income tax laws. Accordingly, tax charge of ₹ 410 Mn pertaining to earlier years has been recognised during the year ended March 31, 2013 and tax credit of ₹ 903 Mn pertaining to earlier years has been recognised during the year ended March 31, 2012.

Notes to consolidated financial statements

12. Property, Plant and Equipment

(₹ Millions)

Particulars	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and construction in progress	Total
Cost					
As of April 1, 2011	**17,893**	**823,005**	**42,741**	**48,234**	**931,873**
Additions	1,178	-	8,434	126,029	135,641
Adjustments relating to Fair value remeasurement ^	-	(16,723)	-	(354)	(17,077)
Disposals	(1,359)	(6,912)	(1,188)	(2,505)	(11,964)
Currency translation	416	8,212	626	5,285	14,539
Reclassification/adjustment	(344)	133,596	(702)	(132,550)	-
As of March 31, 2012	**17,784**	**941,178**	**49,911**	**44,139**	**1,053,012**
Additions	3,919	-	11,178	121,080	136,177
Acquisition through Business Combinations	-	47	15	11	73
Adjustments relating to Fair value remeasurement ^	-	-	-	1,576	1,576
Disposals	(57)	(6,290)	(1,951)	-	(8,298)
Currency translation	(784)	4,110	(317)	790	3,799
Reclassification/adjustment *	(29)	125,075	12,736	(138,111)	(329)
As of March 31, 2013	**20,833**	**1,064,120**	**71,572**	**29,485**	**1,186,010**
Accumulated Depreciation					
As of April 1, 2011	**3,564**	**249,102**	**27,781**	**-**	**280,447**
Charge	4,680	91,993	8,753	-	105,426
Disposals	(297)	(4,868)	(1,083)	-	(6,248)
Currency translation	3,526	(5,067)	(4)	-	(1,545)
Reclassification/adjustment	(3,682)	4,982	(1,300)	-	-
As of March 31, 2012	**7,791**	**336,142**	**34,147**	**-**	**378,080**
Charge	1,512	115,216	11,848	-	128,576
Disposals	(37)	(4,932)	(1,633)	-	(6,602)
Currency translation	628	(2,440)	(252)	-	(2,064)
Reclassification/adjustment *	(4,960)	(4,873)	9,423	-	(410)
As of March 31, 2013	**4,934**	**439,113**	**53,533**	**-**	**497,580**
Net Carrying Amount					
As of April 1, 2011	**14,329**	**573,903**	**14,960**	**48,234**	**651,426**
As of March 31, 2012	**9,993**	**605,036**	**15,764**	**44,139**	**674,932**
As of March 31, 2013	**15,899**	**625,007**	**18,039**	**29,485**	**688,430**

* Reclassification/adjustment includes reclass of assets between category of assets. During the year ended March 31, 2013, ₹ 208 Mn and ₹ 127 Mn gross block and accumulated depreciation respectively, has been reclassified from intangible assets - 'Other acquired intangibles' to property, plant and equipment - 'Other equipment, operating and office equipment'.

^ Refer note 7(b).

"Other equipment, operating and office equipment" include gross block of assets capitalised under finance lease ₹ 889 Mn and ₹ Nil as of March 31, 2013 and March 31, 2012 respectively and the corresponding accumulated depreciation for the respective years ₹ 70 Mn and ₹ Nil.

"Land and Building" include gross block of assets capitalised under finance lease ₹ 226 Mn and ₹ Nil as of March 31, 2013 and March 31, 2012 respectively and the corresponding accumulated depreciation for the respective years ₹ 2 Mn and ₹ Nil.

The "advance payments and construction in progress" includes ₹ 28,399 Mn and ₹ 42,987 Mn (including ₹ Nil and ₹ Nil due from a related party) towards technical equipment and machinery and ₹ 1,086 Mn and ₹ 1,152 Mn towards other assets as of March 31, 2013 and March 31, 2012 respectively.

The Group and its joint ventures have taken borrowings from banks and financial institutions which carry charge over certain of the above assets (refer note 25.7 for details towards security and pledge).

13. Intangible Assets

(₹ Millions)

Particulars	Goodwill	Software	Bandwidth	License	Other acquired intangibles	Total
Cost						
As of April 1, 2011	**390,687**	**6,823**	**6,075**	**251,993**	**15,152**	**670,730**
Additions	-	2,533	2,734	3,024	46	8,337
Adjustments relating to Fair value remeasurement ^	(11,553)	-	-	12,902	3,996	5,345
Disposals	-	(12)	-	-	(48)	(60)
Currency translation	31,063	14	628	(6,813)	14,099	38,991
Reclassification/adjustment	-	(21)	3	13,478	(13,460)	-
As of March 31, 2012	**410,197**	**9,337**	**9,440**	**274,584**	**19,785**	**723,343**
Additions	-	3,188	1,796	4,650	107	9,741
Acquisition through Business Combinations	1,519	25	-	28,812	-	30,356
Adjustments relating to Fair value remeasurement ^	308	-	-	-	-	308
Currency translation	4,211	102	238	3,444	(862)	7,133
Reclassification/adjustment *	-	107	(1,410)	(107)	(208)	(1,618)
As of March 31, 2013	**416,235**	**12,759**	**10,064**	**311,383**	**18,822**	**769,263**
Accumulated amortisation						
As of April 1, 2011	**-**	**2,807**	**841**	**16,422**	**10,706**	**30,776**
Charge	-	2,255	471	18,668	6,861	28,255
Disposals	-	(3)	-	-	(38)	(41)
Currency translation	-	13	63	(4,319)	5,070	827
Reclassification/adjustment	-	(11)	-	5,939	(5,928)	-
As of March 31, 2012	**-**	**5,061**	**1,375**	**36,710**	**16,671**	**59,817**
Charge	-	2,913	612	20,212	2,651	26,388
Currency translation	-	129	22	359	(770)	(260)
Reclassification/adjustment	-	(24)	-	24	(127)	(127)
As of March 31, 2013	**-**	**8,079**	**2,009**	**57,305**	**18,425**	**85,818**
Accumulated impairment						
As of April 1, 2011	**2,637**	**-**	**-**	**-**	**-**	**2,637**
As of March 31, 2012	**2,637**	**-**	**-**	**-**	**-**	**2,637**
As of March 31, 2013	**2,637**	**-**	**-**	**-**	**-**	**2,637**
Net Carrying Amount						
As of April 1, 2011	**388,050**	**4,016**	**5,234**	**235,571**	**4,446**	**637,317**
As of March 31, 2012	**407,560**	**4,276**	**8,065**	**237,874**	**3,114**	**660,889**
As of March 31, 2013	**413,598**	**4,680**	**8,055**	**254,078**	**397**	**680,808**

* Reclassification/adjustment includes reclass of assets between category of assets. During the year ended March 31, 2013, ₹ 208 Mn and ₹ 127 Mn gross block and accumulated amortisation respectively, has been reclassified from intangible assets - 'Other acquired intangibles' to property, plant and equipment - 'Other equipment, operating and office equipment'. Reclassification adjustment of ₹ 1,410 Mn in Bandwidth gross block pertains to inter-company transactions elimination, which has been adjusted in the current period.

^ Refer note 7(b).

Notes to consolidated financial statements

License fee includes ₹ 32,633 Mn and ₹ 35,437 Mn, for which services have not been launched as of March 31, 2013 and March 31, 2012, respectively and are therefore not amortised.

During the years ended March 31, 2013 and March 31, 2012, the Group and its joint ventures have capitalised borrowing cost of ₹ 2,561 Mn and ₹ 1,565 Mn, respectively.

The Group and its joint ventures have taken borrowings from banks and financial institutions which carry charge over certain of the above assets (refer note 25.7 for details towards security and pledge).

Weighted average remaining amortisation period of license as of March 31, 2013 and March 31, 2012 is 13.46 years and 14.30 years, respectively.

14. Impairment Reviews

The Group tests goodwill for impairment annually on December 31 and whenever there are indicators of impairment (refer note 4). Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs expected to benefit from acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. The impairment assessment is based on value in use calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill.

The carrying amount of goodwill has been allocated to the following CGU/Group of CGUs:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Mobile Services - India	32,370	31,195
Mobile Services - Bangladesh	7,370	6,618
Airtel business	4,890	4,611
Mobile Services - Africa	368,624	365,136
Telemedia Services	344	-
Total	**413,598**	**407,560**

The measurement of the cash generating units' value in use is determined based on the ten years financial plan that have been approved by management and are also used for internal purposes. The planning horizon reflects the assumptions for short-to-mid term market developments. Cash flows beyond the planning period are extrapolated using appropriate growth rates. The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

Key assumptions used in value-in-use calculations

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating Margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company, at the same time factors like higher churn, increased cost of operations may impact the margins negatively.

Discount Rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs. Pre-tax discount rates used ranged from 12.5% to 19.9% (higher rate used for CGU group 'Mobile Services – Africa') for the year ended March 31, 2013 and ranged from 10% to 20% (higher rate used for CGU 'Mobile Services – Africa') for the year ended March 31, 2012.

Growth Rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the forecasts included in the industry reports. The average growth rates used in extrapolating cash flows beyond the planning period ranged from 3.5% to 4.0% (higher rate used for CGU group 'Mobile Services – Africa' and 'Mobile Services – Bangladesh' CGU) for the year ended March 31, 2013 and ranged from 3% to 4.5% (higher rate used for CGU 'Mobile Services – Africa') for the year ended March 31, 2012.

Capital Expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required for roll out of incremental coverage requirements and to provide enhanced voice and data services.

Sensitivity to Changes in Assumptions

With regard to the assessment of value-in-use for Mobile Services – India, Mobile Services – Bangladesh, Telemedia Services and Airtel Business, no reasonably possible change in any of the above key assumptions would cause the carrying amount of these units to exceed their recoverable amount. For Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by approximately 11.5% for the year ended March 31, 2013 and approximately 4.5% for the year ended March 31, 2012. An increase of 1.5% in discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – Africa CGU group for the year ended March 31, 2013 and an increase of 0.52 % in discount rate or reduction of 0.87% in growth rate shall equate the recoverable amount with the carrying amount of the Mobile Services - Africa CGU for the year ended March 31, 2012.

15. Investment in Associates and Joint Ventures

15.1 Investment in Associates

The details of associates are set out in note 40.

The Group's interest in certain items in the consolidated income statement and the statement of financial position of the associates are as follows.

Share of associates revenue & profit:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Revenue	2,090	2,046
Total expense	(2,377)	(2,472)
Net Finance cost	(106)	(80)
Profit before income tax	(393)	(506)
Income tax expense	-	(1)
Profit/(Loss)	(393)	(507)
Unrecognised Losses	(317)	(461)
Recognised Losses *	(76)	(74)
Carrying Value of Investment	242	223

* including ₹ Nil and ₹ 28 Mn unrecognised losses pertaining to the previous year(s) recognised during the year ended March 31, 2013 and March 31, 2012, respectively.

Cumulative unrecognised loss is ₹ 1,074 Mn and ₹ 757 Mn as of March 31, 2013 and March 31, 2012, respectively.

Share in associates statement of financial position:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Assets	2,690	2,390
Liabilities	2,906	2,708
Equity	**(216)**	**(318)**

As of March 31, 2013 and March 31, 2012, the equity shares of associates are unquoted.

15.2 Investment in Joint Ventures

The financial summary of joint ventures proportionately consolidated in the statement of financial position and consolidated income statement before elimination is as below:-

Share in joint ventures' revenue & profit:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Revenue	55,430	50,923
Total expense	(46,199)	(42,430)
Net finance cost	(3,761)	(4,161)
Profit before income tax	5,470	4,332
Income tax expense	(1,967)	(1,392)
Profit for the year	**3,503**	**2,940**

Share in joint ventures' statement of financial position:

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Assets		
Current assets	13,830	14,357
Non-current assets	87,565	53,746
Liabilities		
Current liabilities	39,729	30,454
Non-current liabilities	54,813	32,816
Equity	**6,853**	**4,833**

The details of joint ventures are set out in note 40. Share of joint ventures' commitments and contingencies is disclosed in note 35.

Notes to consolidated financial statements

16. Derivative Financial Instruments

The Group uses foreign exchange option contracts, swap contracts, forward contracts and interest rate swaps to manage some of its transaction exposures. These derivative instruments are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency and interest exposures.

The details of derivative financial instruments are as follows:-

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Assets		
Currency swaps and forward contracts	76	1,586
Interest rate swaps	49	-
Embedded derivatives	4,538	3,307
	4,663	**4,893**
Liabilities		
Currency swaps and forward contracts	40	54
Interest rate swaps	298	30
Embedded derivatives	774	483
	1,112	**567**
Bifurcation of above derivative instruments into current and non current		
Non-current derivative financial assets	3,566	2,756
Current derivative financial assets	1,097	2,137
Non-current derivative financial liabilities	(893)	(401)
Current derivative financial liabilities	(219)	(166)
	3,551	**4,326**

Embedded Derivative

The Group entered into agreements denominated/determined in foreign currencies. The value of these contracts changes in response to the changes in specified foreign currencies. Some of these contracts have embedded foreign currency derivatives having economic characteristics and risks that are not closely related to those of the host contracts. These embedded foreign currency derivatives have been separated and carried at fair value through profit or loss.

17. Other Financial Assets, Non-current

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Security deposits	7,035	6,266
Restricted cash	157	218
Trade receivables (non-current)	638	1,052
Rent equalisation	3,499	2,623
Others	5,670	6,728
	16,999	**16,887**

Security deposits primarily include security deposits given towards rented premises, cell sites, interconnect ports and other miscellaneous deposits.

The Group and its joint ventures have taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under note 25.7.

Restricted cash represents amount given as security against various borrowing facilities and legal cases.

"Others" include claim recoverable of ₹ 5,325 Mn and ₹ 5,198 Mn as of March 31, 2013 and March 31, 2012, respectively.

18. Other Non-financial Assets, Non-current

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Fair valuation adjustments - financial assets	3,145	3,605
Advances	16,406	11,963
Others	1,487	-
Total	**21,038**	**15,568**

Fair valuation of financial assets represents unamortised portion of the difference between the fair value of financial assets (security deposits) on initial recognition and the amount paid.

Advances represent payments made to various Government authorities under protest and are disclosed net of provision of ₹ 19,468 Mn and ₹ 12,900 Mn as of March 31, 2013 and March 31, 2012, respectively.

19. Inventories

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Transmission equipment	276	402
SIM cards	45	143
Handsets	762	751
Others	26	12
Total	**1,109**	**1,308**

The Group and its joint ventures have taken borrowings from banks and financial institutions. Details towards security and pledge of the above assets are given under note 25.7.

20. Trade and Other Receivables

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Trade receivable*	86,033	74,130
Less: Allowance for doubtful debts	(21,913)	(18,988)
Total Trade receivables	**64,120**	**55,142**
Other receivables		
Due from related party	378	1,045
Receivables from joint ventures	1,861	7,508
Interest accrued on investments	71	40
Total	**66,430**	**63,735**

Notes to consolidated financial statements

Movement in Allowances for Doubtful Debts

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Balance, beginning of the year	18,988	13,538
Additions -		
Provision for the year	4,568	3,863
Currency translation adjustment	585	4,433
Application -		
Write off of bad debts (net of recovery)	(2,228)	(2,846)
Balance, end of the year	**21,913**	**18,988**

*Trade receivables include unbilled receivables.

The Group and its joint ventures have taken borrowings from banks and financial institutions which carry charge over certain of the above assets. Details towards security and pledge of the above assets are given under note 25.7.

Refer note 37 on credit risk of trade receivables.

21. Prepayments and Other Assets

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Prepaid expenses	9,479	12,864
Employee receivables	536	349
Advances to Suppliers	12,558	10,429
Taxes receivable	9,722	7,881
Others	839	1,098
	33,134	**32,621**

Employee receivables principally consist of advances given for business purposes.

Taxes receivables include customs duty, excise duty, service tax, sales tax and other recoverable and are disclosed net of provision of ₹ 1,691 Mn and ₹ 1,590 Mn as of March 31, 2013 and March 31, 2012, respectively.

22. Short-term Investments

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Held for trading securities - quoted	66,651	16,141
Loans and receivables - fixed deposits with banks	800	1,991
	67,451	**18,132**

The market values of quoted investments were assessed on the basis of the quoted prices as at the date of statement of financial position. Held for trading investments primarily comprises debt linked mutual funds and quoted certificate of deposits in which the Group and its joint venture invests surplus funds to manage liquidity and working capital requirements.

The Group and its joint ventures have taken borrowings from banks and financial institutions which carry charge over certain of the above assets. Details towards security and pledge of the above assets are given under note 25.7

23. Other Financial Assets, Current

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Restricted Cash	4,299	802
Others	49	-
	4,348	802

Restricted cash represents amount given as security against various borrowing facilities and legal cases and cash received from subscribers of Mobile Commerce Services.

24. Cash and Cash Equivalents

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Cash and bank balances	14,368	11,581
Fixed deposits with banks	2,927	8,719
	17,295	20,300

For the purpose of the consolidated cash flow statement, cash and cash equivalent comprise of following:-

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Cash and bank balances	14,368	11,581
Fixed deposits with banks	2,927	8,719
Less: Bank overdraft (refer note 25.2)	(14,767)	(12,263)
	2,528	8,037

25. Borrowings

25.1 Long term debts

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Secured		
Term loans *	121,514	109,928
Others	19	31
Total	**121,533**	**109,959**
Less: Current portion	(14,560)	(13,964)
Total secured loans, net of current portion	**106,973**	**95,995**
Unsecured		
Term loans	475,155	501,201
Non-convertible bonds #	54,057	-
Total	**529,212**	**501,201**
Less: Current portion	(20,700)	(100,042)
Total unsecured loans, net of current portion	**508,512**	**401,159**
Total	**615,485**	**497,154**

*Includes loan of ₹ 9,449 Mn on which charge over underlying assets is yet to be created.
Refer note 25.5.

Notes to consolidated financial statements

25.2 Short term debts and current portion of long term debts

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Secured		
Term loans	5,896	6,036
Bank overdraft	5,438	4,898
Total	**11,334**	**10,934**
Add: Current portion of long term debts	14,560	13,964
Total secured loans, including current portion	**25,894**	**24,898**
Unsecured		
Term Loans	45,215	60,773
Non -convertible debentures	12,985	-
Bank overdraft	9,329	7,365
Total	**67,529**	**68,138**
Add: Current portion of long term debts	20,700	100,042
Total unsecured loans, including current portion	**88,229**	**168,180**
Total	**114,123**	**193,078**

25.3 Analysis of Borrowings

The details given below are gross of debt origination cost.

25.3.1 Maturity of Borrowings

The table below summarises the maturity profile of the Group's and its joint ventures' borrowings based on contractual undiscounted payments.

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Within one year	114,393	193,210
Between one and two years	192,310	81,927
Between two and five years	358,443	406,009
over five years	67,574	11,820
Total	**732,720**	**692,966**

25.3.2 Interest rate & Currency of Borrowings

The below details do not necessarily represents foreign currency exposure to the income statement. For foreign currency sensitivity refer note 37.

(₹ Millions)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	158,799	142,284	16,515
USD	481,716	422,584	59,132
NGN	60,529	58,185	2,344
XAF	10,493	-	10,493
XOF	6,077	-	6,077
Others	15,106	7,546	7,560
March 31, 2013	**732,720**	**630,599**	**102,121**
INR	133,822	99,437	34,385
USD	483,661	481,774	1,887
JPY	5,026	5,026	-
NGN	48,301	44,355	3,946
XAF	10,008	-	10,008
XOF	5,345	-	5,345
Others	6,803	2,343	4,460
March 31, 2012	**692,966**	**632,935**	**60,031**

25.4 Other Loans

Others include vehicle loans taken from banks which were secured by the hypothecation of the vehicles ₹ 19 Mn and ₹ 31 Mn as of March 31, 2013 and March 31, 2012, respectively.

The amounts payable for the capital lease obligations, excluding interest expense is ₹ 13 Mn, ₹ 5 Mn and ₹ 1 Mn for the years ending on March 31, 2014, 2015 and 2016, respectively.

25.5 During the year ended March 31, 2013, Bharti Airtel International (Netherlands) BV (BAIN), a wholly-owned subsidiary of the Company, raised ₹ 54,293 Mn by issuing 10 year guaranteed senior notes (non-convertible bonds) due 2023, having a coupon rate of 5.125% per annum, payable semi-annually in arrears. These notes are guaranteed by the Company and are listed on the Singapore stock exchange. The notes contain certain covenants relating to limitation of Indebtedness and creation of any lien on any of its assets other than permitted under the agreement, unless an effective provision is made to secure the notes and guarantee equally and ratably with such Indebtedness for so long as such Indebtedness is so secured by such Lien. The debt incurrence covenant falls off on BAIN meeting certain agreed criteria.

25.6 On May 29, 2012, the BWA entities, issued redeemable, unlisted, unsecured, non-convertible debentures for ₹ 12,985 Mn which were denominated in Indian rupees and bear interest at an agreed upon annual rate, which is compounded annually and reset semi-annually beginning on June 25, 2013. All debentures are due and payable in full on June 25, 2017. The debentures can be redeemed by BWA entities without penalty on certain dates. Additionally, at March 31, 2013, each holder had a right to demand redemption of its portion of the debentures. As a result, the debentures were classified under current borrowings.

25.7 Security Details

The Group and its joint ventures have taken borrowings in various countries towards funding of its acquisition and working capital requirements. The borrowings comprise of funding arrangements with various banks and financial institutions taken by the Parent, subsidiaries and joint ventures. The details of security provided by the Group and its joint ventures in various countries, to various banks on the assets of Parent, subsidiaries and joint ventures are as follows

(₹ Millions)

Entity	Relation	Outstanding loan amount		Security Detail
		As of March 31, 2013	As of March 31, 2012	
Bharti Airtel Ltd	Parent	19	29	Hypothecation of vehicles
Forum 1 Aviation Ltd	Joint Venture	25	36	Secured by first and specific charge on the aircraft
Indus Towers Ltd	Joint Venture	35,158	27,301	(i) a mortgage and first charge of all the Joint Venture company's freehold immovable properties, present and future; (ii) a first charge by way of hypothecation of the Joint Venture company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;

Notes to consolidated financial statements

(₹ Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2013	Outstanding loan amount As of March 31, 2012	Security Detail
				(iii) a charge on Joint Venture company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject to prior charge in favour of working capital facilities with working capital facility limits not exceeding ₹ 4,200 Mn (proportionate share of the Group) including funded facilities; (iv) an assignment and first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Joint Venture company in the IRU agreements, Master Service Agreements together with service contracts, all as amended, varied or supplemented from time to time duly acknowledged and consented to by the relevant counter-parties to such contracts (if required) and insurance contracts, all as amended, varied or supplemented from time to time and subject to applicable law, all the rights, title, interest, benefits, claims and demands whatsoever of the Joint Venture company in the clearances and subject to applicable law (v) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement
Airtel Bangladesh Ltd	Subsidiary	10,535	9,246	(i) Deed of Hypothecation by way of fixed charge creating a first-ranking pari passu fixed charge over listed machinery and equipment of the Company, favouring the Bank/FIIs investors and the Offshore Security Agent and filed with the Registrar of Joint Stock Companies. (ii) Deed of Hypothecation by way of floating charge creating a first-ranking pari passu floating charge over plant, machinery and equipment, both present and future, excluding machinery and equipment covered under the foregoing Deed of Hypothecation by way of fixed charge and a first-ranking pari passu floating charge over all current assets of the Company, both present and future, including but not limited to stock, book debts, receivables and accounts of the Company, entered into or to be entered into by the Company, favouring the Bank/FIIs Facility Investors and Offshore Security Agent and filed with the Registrar of Joint Stock Companies.

(₹ Millions)

Entity	Relation	Outstanding loan amount As of March 31, 2013	Outstanding loan amount As of March 31, 2012	Security Detail
Bharti Airtel Africa BV and its subsidiaries	Subsidiary	87,277	84,617	(i) Pledge of assets - Kenya, Nigeria, Tanzania, Uganda (ii) Pledge on specific shares and assets - Madagascar (iii) Pledge on business assets and shares - Malawi (iv) Pledge of Materials and credit balance - Niger (v) Pledge on specific fixed assets - Chad (vi) Pledge on specific assets - Burkina Faso, DRC (vii) Pledge on assets and shares - Congo B, Ghana (viii) Pledge on Sale proceeds - Rwanda (ix) Pari passu charge over current stocks - Sierra Leone

BAABV (erstwhile ZAIN) acquisition related borrowing:

Bharti Airtel acquired operations of 15 countries in Africa from ZAIN BV through its subsidiary Bharti Airtel International Netherlands BV with effect from June 8, 2010. The above acquisition was financed through loans taken from various banks. The loan agreements contain a negative pledge covenant that prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to create or allow to exist any security interest on any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The Company's 3G/BWA borrowings:

The loan agreements with respect to 3G/BWA borrowings contain a negative pledge covenant that prevents the Company to create or allow to exist any security interest on any of its assets without prior written consent of the lenders except in certain agreed circumstances.

25.8 Unused Lines of Credit

(₹ Millions)

	As of March 31, 2013	As of March 31, 2012
Secured	10,537	10,473
Unsecured	101,356	37,814
Total Unused lines of credit	**111,893**	**48,287**

25.9 The Group has fallen short of meeting certain subsidiary level financial covenants with respect to Pre Acquisition loan agreements in two of its African subsidiaries during the year ended March 31, 2013 and one of its African subsidiaries during the year ended March 31, 2012. An irrevocable prepayment notice has been issued by the Subsidiary and has been duly acknowledged by the lender. Accordingly, it has reclassified the non-current portion of the outstanding amount of ₹ 1,088 Mn and ₹ 4,279 Mn as of March 31, 2013 and March 31, 2012, respectively, from non-current borrowing to current borrowing. The total outstanding balance of the loan is ₹ 1,913 Mn and ₹ 6,477 Mn as of March 31, 2013 and March 31, 2012, respectively.

Notes to consolidated financial statements

26. Provisions

(₹ Millions)

Particulars	Employee benefits	Asset retirement obligation*	Total
As of March, 2011	**2,440**	**4,825**	**7,265**
Of which: current	1,180	-	1,180
Provision during the year	846	730	1,576
Payment during the year	(661)	-	(661)
Interest charge	-	350	350
As of March, 2012	**2,625**	**5,905**	**8,530**
Of which: current	1,290	-	1,290
Provision during the year	832	2,763	3,595
Payment during the year	(254)	-	(254)
Interest charge	-	512	512
As of March, 2013	**3,203**	**9,180**	**12,383**
Of which: current	1,835	-	1,835

"Provision during the year" for asset retirement obligation is after considering the impact of change in discount rate. Due to large number of lease arrangements of the Group, the range of expected period of outflows of provision for asset retirement obligation is significantly wide.

The movement of provision towards subjudice matters disclosed under other non-financial assets, non-current (refer note 18) and trade and other payables (refer note 31) is as below:

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Balance	44,190	27,396
Additions (Net)	14, 952	16,794
Closing Balance	**59,142**	**44,190**

27. Other Financial Liabilities, Non-current

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Equipment Suppy Payable - Non Current	2,441	4,475
Security deposits	9,561	9,471
Lease rent equalisation	9,200	8,028
Others	1,546	1,102
Total	**22,748**	**23,076**

28. Other Non-financial Liabilities

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Non - current		
Fair valuation adjustments - financial liabilities*	655	2,741
Others	2,810	2,810
	3,465	5,551
Current		
Other taxes payable	13,922	10,811
	13,922	10,811
Total	**17,387**	**16,362**

* represents unamortised portion of the difference between the fair value of the financial liability (security deposit) on initial recognition and the amount received.

'Others' represents amount due to one of the jointly controlled entity of the Group, which will be settled at the time of merger of a subsidiary with the jointly controlled entity, and has been classified as a non-financial liability.

Taxes payable include service tax, sales tax and other taxes payable.

29. Employee Benefits

The following table sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the consolidated statement of financial position as of March 31, 2013 and March 31, 2012, being the respective measurement dates:

Movement in Projected Benefit Obligation

(₹ Millions)

Particulars	Gratuity	Compensated absence
Projected benefit obligation - April 1, 2011	**1336**	**872**
Current service cost	270	208
Interest cost	107	70
Benefits paid	(255)	(165)
Actuarial loss/(gain)	76	(20)
Projected benefit obligation - March 31, 2012	**1,534**	**965**
Projected benefit obligation - April 1, 2012	**1534**	**965**
Current service cost	314	194
Interest cost	130	82
Benefits paid	(158)	(88)
Actuarial loss/(gain)	101	35
Projected benefit obligation - March 31, 2013	**1,921**	**1,188**

Movement in Plan Assets - Gratuity

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Fair value of plan assets at beginning of year	81	81
Expected return on plan assets	6	6
Actuarial gain/(loss)	(6)	(6)
Employer contribution	-	-
Fair value of plan assets at end of year	81	81
Net funded status of plan	(1,840)	(1,453)
Actual return on plan assets	-	-

Notes to consolidated financial statements

The components of the gratuity & compensated absence cost were as follows:

(Recognised in employee costs)

(₹ Millions)

Particulars	Gratuity	Compensated absence
Current service cost	314	194
Interest cost	130	82
Expected return on plan assets	(6)	-
Recognised actuarial loss/(gain)	107	35
For the year ended March 31, 2013	**545**	**311**
Current service cost	270	208
Interest cost	107	70
Expected return on plan assets	(6)	-
Recognised actuarial loss/(gain)	82	(20)
For the year ended March 31, 2012	**453**	**258**

Particulars	As of March 31, 2013	As of March 31, 2012
Discount Rate	8.50%	8.00%
Expected Rate in increase in Compensation levels	10.00%	9.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Expected Average remaining working lives of employees (years)	25.89 years	25.60 years

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

Actuarial gains and losses are recognised in profit or loss as and when incurred. The defined benefit plan is self funded.

History of experience adjustments is as follows:

(₹ Millions)

Particulars	Gratuity	Compensated absence
For the year ended March 31, 2013		
Plan Liabilities - (loss)/gain	114	302
Plan Assets - (loss)/gain	(6)	-
For the year ended March 31, 2012		
Plan Liabilities - (loss)/gain	51	143
Plan Assets - (loss)/gain	(6)	-

Disclosure of other long term employee benefits:

Deferred incentive plan

(₹ Millions)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Balance	17	162
Addition	3	41
Utilisation	(20)	(186)
Closing Balance	**-**	**17**

Long term service award

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Estimated liability	95	173

Statement of Employee benefit provision

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Gratuity	1,840	1,453
Compensated absences	1,188	965
Other employee benefits	175	207
Total	**3,203**	**2,625**

30. Equity

(i) Shares

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Authorised shares		
5,000,000,000 (March 31, 2012 - 5,000,000,000) equity shares of ₹ 5 each	25,000	25,000
Issued, Subscribed and fully paid-up shares		
3,797,530,096 (March 31, 2012- 3,797,530,096) equity shares of ₹ 5 each	18,988	18,988
Treasury shares		
3,937,055 (March 31, 2012- 2,456,750) equity shares of ₹ 5 each	(674)	(282)

Notes to consolidated financial statements

(ii) Other Components of Equity

a) **Share-based Payment Transactions**

The share-based payment transactions reserve comprise the value of equity-settled share-based payment transactions provided to employees including key management personnel, as part of their remuneration. The carrying value of the reserve as of March 31, 2013 and March 31, 2012 is ₹ 5,280 Mn and ₹ 5,196 Mn respectively.

A jointly controlled entity of the Group not listed by March 31, 2012 was required to buy back the shares pursuant to exercise of options, subject to statutory provisions and rules, in the manner specified in the share option plan. Hence, in accordance with the terms of the Employee Share Option Plan, the jointly controlled entity has classified share based payment award from equity settled to cash settled and recognised a liability of ₹ Nil and ₹ 141 Mn as of March 31, 2013 and March 31, 2012 respectively, based on fair value of the options determined using Black Scholes Option Pricing Model by an external independent valuer determined on the date of reclassification. As on February 1, 2013, the jointly controlled entity has cancelled its 2009 Plan (refer note 8.2).

b) **Reserves arising on transactions with equity owners of the Group or Reserve arising on dilution.**

The transactions with non-controlling interests are accounted for as transactions with equity owners of the Group. Gains or losses on transactions with holders of non-controlling interests which does not result in the change of control are recorded in equity. The carrying value of the reserve as of March 31, 2013 and March 31, 2012 is ₹ 41,668 Mn and ₹ 36,056 Mn respectively (refer note 7).

(iii) Dividends Paid and Proposed

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A Declared and paid during the year:		
Final dividend for 2011-12: ₹ 1 per share of ₹ 5 each	4,412	-
Dividend on treasury shares	2	-
(include dividend distribution tax of ₹ 616 Mn)		
Final dividend for 2010-11 : ₹ 1 per share of ₹ 5 each	-	4,411
Dividend on treasury shares	-	3
(include dividend distribution tax of ₹ 616 Mn)		
B Proposed for approval at the annual general meeting (not recognised as a liability):		
Final dividend for 2012-13 and 2011-12 : ₹ 1 per share of ₹ 5 each	3,798	3,798
Dividend distribution tax	645	616
	4,443	**4,414**

(iv) Foreign Currency Translation Reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Notes to consolidated financial statements

31. Trade and Other Payables

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Trade creditors	91,527	64,715
Equipment supply payables	60,248	66,024
Dues to employees	3,509	3,297
Accrued expenses	105,714	94,282
Interest accrued but not due	6,361	968
Due to related parties	155	1,196
Others	5,620	2,168
	273,134	**232,650**

"Others" include non-interest bearing advance received from customers and international operators. Further, "Others" as of March 31, 2013 also includes advance from a jointly venture company.

Trade creditors and accrued expenses include provision of ₹ 39,674 Mn as of March 31, 2013 and ₹ 31,290 Mn as of March 31, 2012 towards sub judice matters.

32. Fair Value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's and its joint ventures' financial instruments that are recognised in the financial statements.

(₹ Millions)

Particulars	Carrying Amount		Fair Value	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Financial Assets				
Assets carried at fair value through profit or loss				
Currency swaps, forward and option contracts	76	1,586	76	1,586
Interest rate swaps	49	-	49	-
Embedded derivatives	4,538	3,307	4,538	3,307
Held for trading securities - quoted mutual funds	66,651	16,141	66,651	16,141
Assets carried at amortised cost				
Fixed deposits with banks	3,727	10,710	3,727	10,710
Cash and bank balances	14,368	11,581	14,368	11,581
Trade and other receivables	66,430	63,735	66,430	63,735
Other financial assets	21,347	17,689	20,573	17,000
	177,186	**124,749**	**176,412**	**124,060**
Financial Liabilities				
Liabilities carried at fair value through profit or loss				
Currency swaps, forward and option contracts	40	54	40	54
Interest rate swaps	298	30	298	30
Embedded derivatives	774	483	774	483
Liabilities carried at amortised cost				
Borrowings- Floating rate	627,487	630,201	627,487	630,201
Borrowings- Fixed rate	102,121	60,031	101,739	59,563
Trade & other payables	273,134	232,650	273,134	232,650
Other financial liabilities	22,748	23,076	22,323	22,659
	1,026,602	**946,525**	**1,025,795**	**945,640**

Notes to consolidated financial statements

Fair Values

The Group and its joint ventures maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Group and its joint ventures internally reviews valuation, including independent price validation for certain instruments. Further, in other instances, the Group retains independent pricing vendors to assist in corroborating the valuation of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group and its joint ventures based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As of March 31, 2013, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

iii. Fair value of quoted mutual funds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

iv. The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives, including the period to maturity, and market-based parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices.

Market practice in pricing derivatives initially assumes all counterparties have the same credit quality. Credit valuation adjustments are necessary when the market parameter (for example, a benchmark curve) used to value derivatives is not indicative of the credit quality of the Group or its counterparties. The Group manages derivative counterparty credit risk by considering the current exposure, which is the replacement cost of contracts on the measurement date, as well as estimating the maximum potential value of the contracts over their remaining lives, considering such factors as maturity date and the volatility of the underlying or reference index. The Group mitigates derivative credit risk by transacting with highly rated counterparties. Management has evaluated the credit and non performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 as described below:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Derivative assets and liabilities included in Level 2 primarily represent interest rate swaps, cross-currency swaps, foreign currency forward and option contracts and embedded derivatives.

(₹ Millions)

Particulars	Level 1	Level 2	Level 3
March 31, 2013			
Financial assets			
Derivative financial assets	-	4,663	-
Held for trading securities - quoted	66,651	-	-
Financial liabilities			
Derivative financial Liabilities	-	1,112	-
March 31, 2012			
Financial assets			
Derivative financial assets	-	4,893	-
Held for trading securities - quoted	16,141	-	-
Financial liabilities			
Derivative financial Liabilities	-	567	-

During the year ended March 31, 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

33. Related Party Transactions

Related party transactions represent transactions entered into by the Group with entities having significant influence over the Group ('significant influence entities'), associates, joint ventures and other related parties. The transactions and balances with the related parties for the years ended March 31, 2013 and March 31, 2012, respectively, are described below:

33.1 Summary of transactions with Related Parties (other than joint ventures)

a) Transactions for the year

(₹ Millions)

Relationship	Year ended March 31, 2013			Year ended March 31, 2012		
	Significant influence entities	Associates*	Other related parties	Significant influence entities	Associates	Other related parties
Purchase of assets	-	(1,622)	(2,319)	-	(3,010)	(1,907)
Sale/transfer of assets	28	-	1	-	0	-
Sale/Rendering of Services	1,444	167	149	1,049	486	88
Purchase/Receiving of Services	(595)	(2,459)	(3,968)	(582)	(2,274)	(3,259)
Loans to related party	-	130	-	-	172	-
Expenses incurred by the Group on behalf of Related Party	-	30	14	-	23	16
Expenses incurred by Related Party for the Group	(24)	-	(828)	(25)	-	(619)
Security deposit paid	-	-	109	-	-	82
Security deposit/Advance received	-	(4,847)	(8)	-	-	(8)
Interest Income on Loan	-	46	-	-	46	-
Dividend Paid	2,327	-	266	2,319	-	266

Notes to consolidated financial statements

b) Closing Balances

(₹ Millions)

	Closing balance as of March 31, 2013			Closing balance as of March 31, 2012		
	Significant influence entities	Associates*	Other related parties	Significant influence entities	Associates	Other related parties
Due From	331	314	983	351	258	1,243
Due To	-	(33)	(122)	-	(922)	(274)
	331	**281**	**861**	**351**	**(664)**	**969**

*Refer note 7(a).

33.2 Summary of Transactions with Joint Ventures (JVs)*:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
a) Transactions for the year		
Sale of fixed assets/retirement of bandwidth	262	654
Rendering of services	5,418	5,319
Receiving of services	(31,553)	(26,876)
Reimbursement of energy expenses	(19,650)	(15,058)
Fund transferred/Expenses incurred on behalf of JV	54	-
Security deposit/Advances paid#	(2,058)	173
Loan given	-	1,206
Loan repaid	(10,001)	-
Dividend Received	(4,050)	-
Reimbursement of Expenses to Related Party	(244)	-

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
b) Closing balance*		
Due from JVs	12,446	18,002
Due to JVs	(13,027) **	(6,917)
	(581)	**11,085**

Security deposit/Advances paid for year ended March 31, 2013 is net of refund of security deposit of ₹ 2,235 Mn.
* Transactions above have not been proportionate based on the equity holding in the respective JVs. Amount due from and due to JVs are included in the respective line items in the financial statements.
**Refer note 7(a).

(1) Outstanding balances at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is taken each year through examining the financial position of the related party and the market in which the related party operates.

(2) In addition to the above, ₹ 106 Mn and ₹ 104 Mn donation has been given to Bharti Foundation during the year ended March 31, 2013 and March 31, 2012 respectively.

Purchase of assets – includes primarily purchase of bandwidth, computer software, telephone instruments and network equipment.

Expenses incurred by/for the Group – include expenses of general and administrative nature.

Sale of services – represents billing for broadband, international long distance services, mobile, access and roaming services.

Purchase of services – includes primarily billing for broadband, international long distance services, management service charges, billing for tower infrastructure services and maintenance charges towards network equipment.

33.3 Remuneration to key management personnel were as follows:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Short-Term employee benefits	399	307
Post-Employment benefits		
Defined contribution plan	25	13
Defined benefit plan*	-	-
Other long-term benefits*	-	-
Share-based payment**	-	-
	424	320

*As the liabilities for defined benefit plan i.e. gratuity and other long term benefits i.e. compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to directors are not included above.

**It represents fair value of options granted during the period which has been considered for amortisation over the vesting periods.

34. Lease Disclosure

Operating Lease

As lessee, the Group's and its joint ventures' obligations arising from non-cancellable lease are mainly related to lease arrangements for passive infrastructure and real estate. These leases have various extension options and escalation clause. As per the agreements maximum obligation on long-term non-cancellable operating leases are as follows:

Notes to consolidated financial statements

The future minimum lease payments obligations, **as lessee** are as follows:-

(₹ Millions)

Particulars	As of March 31,2013	As of March 31, 2012
Obligations on non-cancellable leases:		
Not later than one year	36,510	22,132
Later than one year but not later than five years	91,661	70,494
Later than five years	93,012	82,909
Total	**221,183**	**175,535**
Lease Rentals (Excluding Lease Equalisation Adjustment of ₹ 1,274 Mn and ₹ 1,307 Mn for the year ended March 31, 2013 and March 31, 2012)	41,673	36,164

The escalation clause includes escalation ranging from 0 to 25%, includes option of renewal from 1 to 15 years and there are no restrictions imposed on lease arrangements.

As lessor, the Group's and its joint ventures' receivables arising from non-cancellable lease are mainly related to lease arrangements for passive infrastructure.

The future minimum lease payments receivable, **as lessor** are as follows:-

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Receivables on non-cancellable leases:		
Not later than one year	40,886	18,817
Later than one year but not later than five years	68,640	59,792
Later than five years	39,973	44,095
Total	**149,499**	**122,704**

Finance Lease – As a Lessee

(i) Finance lease obligation of the Group as of March 31, 2013 is as follows:-

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	476	51	425
Later than one year but not later than five years	1,368	385	983
Later than five years	-	-	-
Total	**1,844**	**436**	**1,408**

(ii) Finance lease obligation of the Group as of March 31, 2012 is as follows:

(₹ Millions)

Particulars	Future minimum lease payments	Interest	Present value
Not later than one year	0	0	0
Later than one year but not later than five years	1	0	1
Later than five years	-	-	-
Total	**1**	**0**	**1**

35. Commitments and Contingencies

(i) Commitments

a. Capital Commitments

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Contracts placed for future capital expenditure not provided for in the financial statements *	119,377	157,179

The above includes ₹ 61,607 Mn as of March 31, 2013 (₹ 67,322 Mn as of March 31, 2012), pertaining to certain outsourcing agreements, under which the vendor supplies assets as well as services to the Group. The amount represents total minimum commitment over the unexpired period of the contracts i.e. between 2-9 years, since it is not possible for the Group to determine the extent of assets and services to be provided over the unexpired period of the contract. However, the actual charges/payments may exceed the above mentioned minimum commitment based on the terms of the agreements.

* The above also includes ₹ 491 Mn as of March 31, 2013, (₹ 912 Mn as of March 31, 2012), pertaining to Joint Ventures.

b. Guarantees

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Financial bank guarantees* #	35,053	36,015
Guarantees to third parties	2,719	2,558

* The Company has issued corporate guarantees of ₹ 2,756 Mn and ₹ 2,385 Mn as of March 31, 2013 and March 31, 2012 respectively, to banks and financial institutions for issuing bank guarantees on behalf of the Group companies.

Includes certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under contingencies and financial liabilities, as applicable incompliance with the applicable accounting standards.

(ii) Contingencies

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Taxes, Duties and Other demands (under adjudication/appeal/dispute)		
- Sales Tax and Service Tax	17,118	10,495
- Income Tax	18,751	23,489
- Access Charges/Port Charges	4,918	4,821
- Customs Duty	5,509	3,083
- Entry Tax	5,499	4,293
- Stamp Duty	619	620
- Municipal Taxes	1,651	923
- DoT demands *	2,468	3,370
- Other miscellaneous demands	1,991	1,410
- Claims under legal cases including arbitration matters	3,648	3,025
Total	**62,172**	**55,529**

* in addition, refer note f(v), f(vi) and f(vii) below for other DOT matters not included above.

Notes to consolidated financial statements

The above also includes ₹ 1,836 Mn as of March 31, 2013, (₹ 1,537 Mn as of March 31, 2012), pertaining to Joint Ventures.

The above mentioned contingent liabilities represent disputes with various government authorities in the respective jurisdiction where the operations are based and it is not possible for the Group to predict the timing of final outcome of these contingent liabilities. Currently, the Group and its joint ventures have operations in India, South Asia region and Africa region.

a) **Sales and Service Tax**

The claims for sales tax as of March 31, 2013 and as of March 31, 2012 comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislation which was primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts with statutory authorities for certain cases. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

Further, in the State of J&K, the Company has disputed the levy of General Sales Tax on its telecom services and towards which the Company has received a stay from the Hon'ble J&K High Court. The demands received to date have been disclosed under contingent liabilities. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

The service tax demands as of March 31, 2013 and March 31, 2012 relate to cenvat claimed on tower and related material, levy of service tax on SIM cards, cenvat credit disallowed for procedural lapses and inadmissibility of credit, disallowance of cenvat credit used in excess of 20% limit and service tax demand on employee talk time.

b) **Income Tax Demand**

Income tax demands under appeal mainly included the appeals filed by the Group before various appellate authorities against the disallowance of certain expenses being claimed under tax by income tax authorities, non-deduction of tax at source with respect to dealers/distributor's margin and non-deduction of tax on payments to international operators for access charges, etc. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

c) **Access Charges (Interconnect Usage Charges)/Port Charges**

Interconnect charges are based on the Interconnect Usage Charges (IUC) agreements between the operators although the IUC rates are governed by the IUC guidelines issued by TRAI. BSNL has raised a demand requiring the Company to pay the interconnect charges at the rates contrary to the regulations issued by TRAI. The Company filed a petition against that demand with the Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') which passed a status quo order, stating that only the admitted amounts based on the regulations would need to be paid by the Company. The final order was also passed in our favour. BSNL has challenged the same in Supreme court. However, no stay has been granted.

Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised. Accordingly, no amounts have been accrued although some have been paid under protest.

In another proceeding with respect to Distance Based Carriage Charges, the Hon'ble TDSAT in its order dated May 21, 2010, allowed BSNL appeal praying to recover distance based carriage charges. On filing of appeal by the Telecom Operators, Hon'ble Supreme Court asked the Telecom Operators to furnish details of distance-based carriage charges owed by them to BSNL. Further, in a subsequent hearing held on Aug 30, 2010, Hon'ble Supreme Court sought the quantum of amount in dispute from all the operators as well as BSNL and directed both BSNL and Private telecom operators to furnish Call Data Records (CDRs) to TRAI. The CDRs have been furnished to TRAI. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

In another issue with respect to Port Charges, in 2001, TRAI had prescribed slab based rate of port charges payable by private operators which were subsequently reduced in the year 2007 by TRAI. On BSNL's appeal, TDSAT passed it's judgement in favour of BSNL, and held that the pre-2007 rates shall be applicable prospectively from May 29, 2010. Based on the Company's evaluation and legal advice, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

d) **Customs Duty**

The custom authorities, in some states, demanded ₹ 5,509 Mn as of March 31, 2013 (₹ 3,083 Mn as of March 31, 2012) for the imports of special software on the ground that this would form part of the hardware along with which the same has been imported. The view of the Company is that such imports should not be subject to any custom duty as it would be operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble CESTAT has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised.

e) **Entry Tax**

In certain states, an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category. Based on the Company's evaluation, it believes that it is not probable that the claim will materialise and therefore, no provision has been recognised. The amount under dispute as of March 31, 2013 is ₹ 5,499 Mn (₹ 4,293 Mn as of March 31, 2012).

f) **DoT Demands**

i. The Company has not been able to meet its roll out obligations fully due to certain non-controllable factors like Telecommunication Engineering Center testing, Standing Advisory Committee of Radio Frequency Allocations clearance, non availability of spectrum, etc. The Company has received show cause notices from DoT for 14 of its circles for non-fulfillment of its roll out obligations and these have been replied to. DoT has reviewed and revised the criteria and there has been no further development on this matter since then.

ii. DoT demands include demands raised for contentious matters relating to computation of license fees and spectrum charges.

iii. DoT demands include alleged short payment of license fee for FY 2006-07 and FY 2007-08 due to difference of interpretation of Adjusted Gross Revenue (AGR) between Group and DoT and interest thereon, against which the Group has obtained stay from appropriate Hon'ble High Courts and TDSAT.

iv. DoT demands also include the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as Proof of Address/ Identity in a mobility circle.

The above stated matters are being contested by the Company and the Company, based on legal advice, believes that it has complied with all license related regulations as and when prescribed and does not expect any loss relating to these matters.

In addition to the amounts disclosed in the above table, the contingent liability on DOT matters includes the following:

v. Post the Hon'ble Supreme Court Judgement on October 11, 2011 on components of Adjusted Gross Revenue for computation of license fee, based on the legal advice, the Company believes that the realised and unrealised foreign exchange gain should not be included in Adjusted Gross Revenue (AGR) for computation of license fee thereon. Accordingly, the license fee on such foreign exchange gain has not been provided in these financial statements. Also, due to ambiguity of interpretation of 'foreign exchange differences', the license fee impact on such exchange differences is not quantifiable and has not been included in the table above. Further, as per the Order dated June 18, 2012 of the Kerala High Court, stay has been obtained, wherein the licensee can continue making the payment as was being done throughout the period of license on telecom activities.

vi. On January 8, 2013, DoT issued a demand on the Company and one of its subsidiaries for ₹ 52,013 Mn towards levy of one time spectrum charge. The demand includes a retrospective charge of ₹ 9,090 Mn for holding GSM Spectrum beyond 6.2 Mhz for the period from July 1, 2008 to December 31, 2012 and also a prospective charge of ₹ 42,923 Mn for GSM spectrum held beyond 4.4 Mhz for the period from January 1, 2013, till

Notes to consolidated financial statements

the expiry of the initial terms of the respective licenses. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, vide its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing, scheduled for May 6, 2013. The Company believes, based on independent legal opinions and its evaluation, that it is not probable that the claim will materialise and therefore, pending outcome of this matter, no provision has been recognised.

(vii) Based upon the scope of Service under UAS License and the NIA for 3G/BWA with its clarifications, in 7 such circles where the Company has not been allocated 3G spectrum, the Company has been providing 3G service under a commercial arrangement .i.e " 3G Intra Circle Roaming Agreements with other operators".

The Department of Telecommunications issued notice to the Company dated December 23, 2011 along with other Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum which was challenged by the Company in TDSAT wherein stay was granted against the said order by TDSAT. TDSAT on July 3, 2012 gave a split verdict on the legality of telecom operators providing 3G services to its customers in circles, where they have not been allotted the 3G spectrum.

The Department of Telecommunications (DoT) vide its letter dated March 15, 2013 has directed the Company to stop providing 3G services in these 7 circles (under Intra Circle Roaming arrangements) and has also levied a financial penalty of ₹ 3,500 Mn. The same had been challenged by the Company before Hon'ble Delhi High Court which had granted a stay vide its order dated March 18, 2013. Subsequently, one of the operators (not being a party to the litigation) approached the Division Bench of Delhi High Court and, allowing its appeal, the Division Bench vacated the stay. The Company filed a Special Leave Petition before the Supreme Court, challenging the order of the Division Bench. The Supreme Court, vide its interim order dated April 11, 2013, restrained DoT from taking any coercive action and while adjourning the matter for final hearing to May 09, 2013, also directed the Company not to extend the facilities to any new customer on the basis of the Intra Circle Roaming Arrangements in the meantime . Pending further orders from the Court, the Company continues to provide such services to existing customers under the said commercial arrangement.

g) **Airtel Networks Limited – Ownership**

Airtel Networks Limited ("Airtel Networks") (formerly known as Celtel Nigeria Limited) was incorporated on December 21, 2000 as Econet Wireless Nigeria Limited. Airtel Networks is a subsidiary of Bharti Airtel Nigeria BV (BANBV) (formerly, Celtel Nigeria BV), which in turn, is an indirect subsidiary of Bharti Airtel International (Netherlands) BV, a subsidiary of Bharti Airtel Limited.

Airtel Networks and/or BANBV are defendants in several cases filed by Econet Wireless Limited (EWL) where EWL is claiming, amongst others, a breach of its alleged pre-emption rights against erstwhile and current shareholders.

Under the transaction to acquire a 65% controlling stake in Airtel Networks Limited in 2006, the selling shareholders were obliged under the pre-emption right provision contained in the shareholders agreement dated April 30, 2002 (the "Shareholders Agreement") to first offer the shares to each other before offering the shares to a third party. The sellers waived the pre-emption rights amongst themselves and the shares were offered to EWL despite the fact that EWL's status as a shareholder itself was in dispute. However, the offer to EWL lapsed since EWL did not meet its payment obligations to pay for the shares within the 30 days deadline as specified in the shareholders agreement and the shares were acquired by Celtel Nigeria BV (now, Bharti Airtel Nigeria BV) in 2006. EWL has filed a number of suits before Courts in Nigeria and commenced arbitral proceedings in Nigeria contesting the acquisition. The Company's indirect subsidiary, Bharti Airtel Nigeria BV, which is the current owner of 65.7% (increased to 79.059% in March, 2013) of the equity in Airtel Networks Limited has been defending these cases vigorously since the arbitration was commenced.

On December 22, 2011, the Tribunal in the Arbitration commenced by EWL issued a Partial Final Award stating, amongst others, that the Shareholders Agreement had been breached by the erstwhile shareholders and, accordingly, the acquisition was null and void. However, the Tribunal has rejected EWL's claim for reversal of the 2006 transaction. Instead, the Tribunal ordered a damages hearing. However, no date has been set.

On February 3, 2012, Bharti Airtel Nigeria BV filed an application before the Lagos State High Court to set aside the Partial Final Award. In addition, Bharti Airtel Nigeria BV filed an application for an injunction to restrain the parties to the Arbitration from further convening the arbitration for the purposes of considering the quantum of damages that could be awarded to EWL until the conclusion of the matter to set aside the Partial Final Award. The application to set aside the Partial Final Award was heard by the Lagos State High Court on June 4, 2012 and by a Judgement delivered on October 4, 2012, the Lagos State High Court dismissed Bharti Airtel Nigeria BV's application to set aside the Final Partial Award. Bharti Airtel Nigeria BV has lodged an appeal against the Judgment of October 4, 2012 at the Court of Appeal in Lagos, Nigeria. A Hearing Date for the appeal has been set for May 20, 2013.

Without prejudice to the application by Bharti Airtel Nigeria BV before the Nigerian courts to set aside the Partial Final Award, preliminary steps are ongoing in relation to the damages hearing in the Arbitration and EWL has filed its damages claim in this regard and Bharti Airtel Nigeria BV filed its Defence on April 19, 2013.

Given the low probability of any material adverse effect to the Company's consolidated financial position and the indemnities in the share sale agreement concluded with the Zain Group in 2010, the Company determined that it was appropriate not to provide for this matter in the financial statements. Further, the estimate of the realistic financial impact of any damages, if any, cannot be made at this time and not before the conclusion of the legal proceedings.

In addition, Airtel Networks Limited is a defendant in an action where EWL is claiming entitlement to 5% of the issued share capital of Airtel Networks Limited. This case was commenced by EWL in 2004 (prior to the Vee Networks Limited acquisition in 2006). The Court of first instance on January 24, 2012 held that EWL should be reinstated as a 5% shareholder in Airtel Networks Limited. Despite the fact that the 5% shares claimed by EWL had been set aside in escrow since 2006 and therefore will not impact the 65.7% held by Bharti Airtel on a fully diluted basis in Airtel Networks Limited, the Company believes that there are good grounds to appeal the first instance judgment. The Company accordingly filed a Notice of Appeal and made two further applications before the Federal High Court for a stay of execution of judgment pending appeal and a motion for injunction, both applications were heard on March 13, 2012. On May 7, 2012, Honourable Justice Shuaibu in delivering the ruling at the Federal High Court stated that having considered the application before the court, the sole issue arising for determination was whether the Applicant had made a case for the grant of the reliefs sought. He stated that while Order 28 Rules 1 and 2 of the Federal High Court (Civil Procedure) Rules allows the Court to make preservative orders, Order 32 Rules 1-3 also gives the Court the power to refuse such applications while exercising these powers judicially and judiciously. In summary, the Judge then held that the Company had failed to make out a case for the Court to exercise its discretion in its favour of granting the application and accordingly refused it.

Immediately, a similar application for injunction and stay of execution were filed at the Court of Appeal, Kaduna on May 7, 2012. The matter was fixed for hearing of the applications on September 25, 2012. However, the matter did not proceed as slated due to technical reasons and the Matter was adjourned to January 16, 2013 for hearing of the pending applications. On January 16, 2013, the Court heard the interlocutory application relating to the transmission of records from the High Court to the Court of Appeal. The other interlocutory applications for injunction and stay of execution were however stood down for hearing on April 30, 2013. On April 30, 2013 the Court of Appeals, however, adjourned the matter to June 27, 2013 for hearing of the substantive appeal.

Notes to consolidated financial statements

36. Earnings Per Share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(Shares in Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Weighted average shares outstanding - Basic	3,794	3,795
Effect of dilutive securities on account of ESOP	2	1
Weighted average shares outstanding - diluted	**3,796**	**3,796**

Income available to equity holders of the Group used in the basic and diluted earnings per share were determined as follows:

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Net profit available to equity holders of the Parent	22,757	42,594
Effect on account of ESOP on profits for the year	-	-
Net profit available for computing diluted earnings per share	22,757	42,594
Basic Earnings per Share	6.00	11.22
Diluted Earnings per Share	6.00	11.22

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the impact is anti-dilutive.

37. Financial Risk Management Objectives and Policies

The Group's and its joint ventures' principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Group's and its joint ventures' operations. The Group and its joint ventures have loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also enters into derivative transactions.

The Group and its joint ventures are exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance frame work for the Group are accountable to the Board Audit Committee. This process provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:-

- **Market Risk**

  Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

  The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2013 and March 31, 2012.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage its exposures to foreign exchange fluctuations and interest rate.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group primarily transacts business in local currency and in foreign currency, primarily U.S. dollars with parties of other countries. The Group has obtained foreign currency loans and has imported equipment and is therefore, exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States dollar. The Group may use foreign exchange option contracts, swap contracts or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the Company.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Lankan Rupee, and other currencies with all other variables held constant. The impact on the Group's and its joint ventures' profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The impact on Group's and joint venture's equity is due to change in the fair value of intra-group monetary items that form part of net investment in foreign operation.

(₹ Millions)

Particulars	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2013			
US Dollars	+5%	(6,870)	(2,093)
	-5%	6,870	2,093
Others	+5%	(215)	-
	-5%	215	-
For the year ended March 31, 2012			
US Dollars	+5%	(4,574)	(1,805)
	-5%	4,574	1,805
Lankan Rupee	+5%	-	552
	-5%	-	(552)
Japanese Yen	+5%	(189)	-
	-5%	189	-
Others	+5%	25	-
	-5%	(25)	-

Notes to consolidated financial statements

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and its joint ventures' exposure to the risk of changes in market interest rates relates primarily to the Group's and its joint ventures' debt interest obligations. To manage this, the Group and its joint ventures may enter into interest rate swaps and options whereby it agrees with other parties to exchange, at specified intervals the difference between the fixed contract rate interest amounts and the floating rate interest amounts calculated by reference to the agreed notional principal amounts. The management also maintains a portfolio mix of floating and fixed rate debt. As of March 31, 2013, after taking into account the effect of interest rate swaps, approximately 6.51% of the Group's and its joint ventures' borrowings are at a fixed rate of interest (March 31, 2012: 8.85%).

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings, after the impact of interest rate swaps, with all other variables held constant, the Group's and its joint ventures' profit before tax is affected through the impact of floating rate borrowings as follows.

(₹ Millions)

Interest rate sensitivity	Increase/decrease in basis points	Effect on profit before tax
For the year ended March 31, 2013		
INR - borrowings	+100	(1,423)
	-100	1,423
US Dollar -borrowings	+100	(4,770)
	-100	4,770
Nigerian Naira - borrowings	+100	(582)
	-100	582
Other Currency -borrowings	+100	(75)
	-100	75
For the year ended March 31, 2012		
INR - borrowings	+100	(994)
	-100	994
Japanese Yen - borrowings	+100	(50)
	-100	50
US Dollar -borrowings	+100	(4,805)
	-100	4,805
Nigerian Naira - borrowings	+100	(444)
	-100	444
Other Currency -borrowings	+100	(23)
	-100	23

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

- **Price Risk**

  The Group's and its joint ventures' investments, mainly, in debt mutual funds and bonds are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group and its joint ventures are not exposed to any significant price risk.

- **Credit Risk**

  Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and its joint ventures is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

1) **Trade Receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14 days to 30 days credit term except in case of balances due from trade receivables in Airtel Business Segment which are generally on 7 days to 90 days credit terms. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. The Group and its joint venture has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The ageing analysis of trade receivables as of the reporting date is as follows:

(₹ Millions)

Particulars	Neither past due nor impaired (including unbilled)	Past due but not impaired				
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
Trade Receivables as of March 31, 2013	28,492	14,719	6,130	2,891	11,888	64,120
Trade Receivables as of March 31, 2012	21,018	13,354	5,751	3,746	11,273	55,142

The requirement for impairment is analysed at each reporting date. Refer note 20 for details on the impairment of trade receivables.

2) **Financial Instruments and Cash Deposits**

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Board approved policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Group monitors ratings, credit spreads and financial strength on at least a quarterly basis. Based on its on-going assessment of counterparty risk, the Group adjusts its exposure to various counterparties. The Group's and its joint ventures' maximum exposure to credit risk for the components of the statement of financial position as of March 31, 2013 and March 31, 2012 is the carrying amounts as disclosed in note 32 except for financial guarantees. The Group's and its joint ventures' maximum exposure for financial guarantees is given in note 35.

- **Liquidity Risk**

  Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidty to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt, equity and hybrids.

  The table below summarises the maturity profile of the Group's and its joint ventures' financial liabilities based on contractual undiscounted payments:-

Notes to consolidated financial statements

(₹ Millions)

Particulars	As of March 31, 2013						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	735,969	11,370	78,580	67,932	223,096	478,668	859,646
Financial derivatives	1,112	-	163	130	246	573	1,112
Other liabilities	22,748	-	-	-	2,376	21,372	23,748
Trade and other payables#	266,773	-	261,717	5,056	-	-	266,773
	1,026,602	11,370	340,460	73,118	225,718	500,613	1,151,279

(₹ Millions)

Particulars	As of March 31 , 2012						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings*#	691,200	512	102,142	118,513	105,955	455,481	782,603
Financial derivatives	567	-	82	84	80	321	567
Other liabilities	23,076	-	-	-	10,893	14,924	25,817
Trade and other payables#	231,682	-	231,682	-	-	-	231,682
	946,525	512	333,906	118,597	116,928	470,726	1,040,669

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period, over the tenor of the borrowings.

Interest accrued but not due of ₹ 6,361 Mn and ₹ 968 Mn as of March 31, 2013 and March 31, 2012, respectively, has been included in interest bearing borrowings and excluded from trade and other payables. The derivative financial instruments disclosed in the above table represent fair values of the instrument. However, those amounts may be settled gross or net.

Capital Management

Capital includes equity attributable to the equity holders of the Parent. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended March 31, 2013 and March 31, 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(₹ Millions)

Particulars	As of March 31, 2013	As of March 31, 2012
Loans & Borrowings	729,608	690,232
Less: Cash and Cash Equivalents	17,295	20,300
Net Debt	**712,313**	**669,932**
Equity	503,217	506,113
Total Capital	**503,217**	**506,113**
Capital and Net Debt	**1,215,530**	**1,176,045**
Gearing Ratio	**58.6%**	**57.0%**

38. New Operations

During the year ended March 31, 2013, the Group has completed the launch of BWA services in Karnataka, Kolkata, Maharashtra and Chandigarh circles.

39. New Companies/Developments

a) On February 22, 2013, Airtel Mobile Commerce Rwanda Limited had been incorporated as a wholly owned subsidiary of Airtel Mobile Commerce B.V. (a wholly owned subsidiary of Bharti Airtel International (Netherlands) B.V.).

b) During the year ended March 31, 2013, the Group has increased its equity investment by way of conversion of loan into equity in the following subsidiaries

- ₹ 9,907 Mn (USD 177 Mn) in Bharti Airtel International (Mauritius) Limited
- ₹ 67,353 Mn (USD 1203.30 Mn) in Bharti Airtel International (Netherlands) B.V.
- ₹ 32,185 Mn (USD 575 Mn) in Bharti International (Singapore) Pte Limited
- ₹ 546 Mn in Telesonic Networks Limited.

c) During the year ended March 31, 2013, Bharti Airtel International (Mauritius) Limited has increased its equity investment by ₹ 27,812 Mn (USD 501.76 Mn) in Bharti Airtel International (Netherlands) B.V. by way of conversion of loan (including interest receivable) into equity.

d) During the year ended March 31, 2013, Bharti International (Singapore) Pte Limited has increased its equity investment by ₹ 26,973 Mn (USD 482 Mn) in Bharti Airtel International (Netherlands) B.V. by way of conversion of loan (including interest receivable) into equity.

40. Companies in the Group, Joint Ventures and Associates

The Group conducts its business through Bharti Airtel and its directly and indirectly held subsidiaries , joint ventures and associates, which are as follows:-

S. No.	Name of Subsidiary	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
1	Bharti Airtel Services Limited	India	Administrative support to Bharti Group and trading activities	100	100
2	Network i2i Limited	Mauritius	Submarine Cable System	100	100
3	Bharti Airtel (USA) Limited	United States of America	Telecommunication services	100	100
4	Bharti Airtel (UK) Limited	United Kingdom	Telecommunication services	100	100
5	Bharti Airtel (Canada) Limited#	Canada	Telecommunication services	100	100
6	Bharti Airtel (Hongkong) Limited	Hongkong	Telecommunication services	100	100
7	Bharti Airtel Holdings (Singapore) Pte Ltd	Singapore	Investment Company	100	100
8	Bharti Airtel Lanka (Private) Limited	Sri Lanka	Telecommunication services	100	100
9	Bharti Infratel Lanka (Private) Limited	Sri Lanka	Passive infrastructure Services	100	100
10	Bharti Hexacom Limited	India	Telecommunication services	70	70
11	Bharti Infratel Limited ("BIL")	India	Passive infrastructure Services	79.42	86.09
12	Bharti Infratel Ventures Limited ("BIVL")	India	Passive infrastructure Services	79.42	86.09
13	Bharti Telemedia Limited	India	Direct To Home services	95	95
14	Airtel Bangladesh Limited	Bangladesh	Telecommunication services	70	70

Notes to consolidated financial statements

S. No.	Name of Subsidiary	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
15	Bharti International (Singapore) Pte. Ltd	Singapore	Telecommunication services	100	100
16	Bharti Airtel International (Netherlands) B.V.	Netherlands	Investment Company	100	100
17	Airtel M Commerce Services Limited	India	Mobile commerce services	100	100
18	Bharti Airtel International (Mauritius) Limited	Mauritius	Investment Company	100	100
19	Bharti Airtel (Japan) Kabushiki Kaisha	Japan	Telecommunication services	100	100
20	Bharti Airtel (France) SAS	France	Telecommunication services	100	100
21	Bangladesh Infratel Networks Limited	Bangladesh	Passive infrastructure Services	100	100
22	Telesonic Networks Limited (formerly Alcatel Lucent Network Management Services India Limited)	India	Telecommunication services	100	-
23	Bharti Airtel Africa B.V.	Netherlands	Investment Company	100	100
24	Bharti Airtel Burkina Faso Holdings B.V.	Netherlands	Investment Company	100	100
25	Airtel Burkina Faso S.A.	Burkina Faso	Telecommunication services	100	100
26	Bharti Airtel Chad Holdings B.V.	Netherlands	Investment Company	100	100
27	Airtel Tchad S.A.(formerly known as Celtel Tchad S.A.)	Chad	Telecommunication services	100	100
28	Bharti Airtel Gabon Holdings B.V.	Netherlands	Investment Company	100	100
29	Airtel Gabon S.A. (formerly known as Celtel Gabon S.A.)	Gabon	Telecommunication services	90	90
30	Bharti Airtel Cameroon Holdings B.V.*	Netherlands	Investment Company	-	100
31	Celtel Cameroon S.A.*	Cameroon	Telecommunication services	-	100
32	Bharti Airtel Congo Holdings B.V.	Netherlands	Investment Company	100	100
33	Airtel Congo S.A.	Congo Brazzavile	Telecommunication services	90	90
34	Bharti Airtel RDC Holdings B.V.	Netherlands	Investment Company	100	100
35	Partnership Investments S.p.r.l.	Democratic Republic of Congo	Investment Company	100	100
36	Celtel Congo (RDC) S.a.r.l.	Democratic Republic of Congo	Telecommunication services	98.5	98.5
37	Bharti Airtel Mali Holdings B.V.	Netherlands	Investment Company	100	100
38	Bharti Airtel Kenya Holdings B.V.	Netherlands	Investment Company	100	100
39	Bharti Airtel Kenya B.V.	Netherlands	Investment Company	100	100
40	Airtel Networks Kenya Limited	Kenya	Telecommunication services	100	100
41	Bharti Airtel Malawi Holdings B.V.	Netherlands	Investment Company	100	100
42	Airtel Malawi Limited	Malawi	Telecommunication services	100	100
43	Bharti Airtel Niger Holdings B.V.	Netherlands	Investment Company	100	100

S. No.	Name of Subsidiary	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
44	Celtel Niger S.A.	Niger	Telecommunication services	90	90
45	Bharti Airtel Sierra Leone Holdings B.V.	Netherlands	Investment Company	100	100
46	Airtel (SL) Limited	Sierra Leone	Telecommunication services	100	100
47	Celtel Zambia Plc	Zambia	Telecommunication services	96.36	96.36
48	Bharti Airtel Uganda Holdings B.V.	Netherlands	Investment Company	100	100
49	Airtel Uganda Limited	Uganda	Telecommunication services	100	100
50	Bharti Airtel Tanzania B.V.	Netherlands	Investment Company	100	100
51	Airtel Tanzania Limited	Tanzania	Telecommunication services	60	60
52	Bharti Airtel Madagascar Holdings B.V.	Netherlands	Investment Company	100	100
53	Channel Sea Management Company (Mauritius) Limited	Mauritius	Investment Company	100	100
54	Zebrano (Mauritius) Limited	Mauritius	Investment Company	100	100
55	Montana International	Mauritius	Investment Company	100	100
56	Airtel Madagascar S.A.	Madagascar	Telecommunication services	100	100
57	Bharti Airtel Nigeria Holdings B.V.#	Netherlands	Investment Company	100	100
58	MSI-Celtel Nigeria Limited#	Nigeria	Investment Company	100	100
59	Bharti Airtel Nigeria Holdings II B.V.	Netherlands	Investment Company	100	100
60	Bharti Airtel Nigeria B.V.	Netherlands	Investment Company	100	100
61	Bharti Airtel Ghana Holdings B.V.	Netherlands	Investment Company	100	100
62	Airtel Ghana Limited	Ghana	Telecommunication services	75	75
63	Bharti Airtel Acquisition Holdings B.V.	Netherlands	Investment Company	100	100
64	Bharti Airtel Services B.V.	Netherlands	Investment Company	100	100
65	Airtel Networks Limited	Nigeria	Telecommunication services	79.059	65.7
66	Bharti Airtel Zambia Holdings B.V.	Netherlands	Investment Company	100	100
67	Airtel Mobile Commerce Limited	Malawi	Mobile commerce services	100	100
68	Airtel Mobile Commerce (Kenya) Limited	Kenya	Mobile commerce services	100	100
69	Airtel Mobile Commerce (Ghana) Limited	Ghana	Mobile commerce services	100	100
70	Celtel (Mauritius) Holdings Limited	Mauritius	Investment Company	100	100
71	ZMP Limited	Zambia	Mobile commerce services	100	100
72	Airtel Mobile Commerce (SL) Limited	Sierra Leone	Mobile commerce services	100	100
73	Airtel Mobile Commerce Tchad S.a.r.l.	Chad	Mobile commerce services	100	100
74	Airtel Mobile Commerce B.V.	Netherlands	Investment Company	100	100
75	Airtel Money S.A. (Gabon) (formerly known as Mobile Commerce Gabon S.A.)	Gabon	Mobile commerce services	100	100
76	Malawi Towers Limited	Malawi	Infrastructure sharing services	100	100
77	Airtel Money Niger S.A.	Niger	Mobile commerce services	100	100

Notes to consolidated financial statements

S. No.	Name of Subsidiary	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
78	Société Malgache de Téléphone Cellulaire S.A.	Mauritius	Investment Company	100	100
79	Airtel Mobile Commerce Holdings B.V.	Netherlands	Investment Company	100	100
80	Zap Trust Company Nigeria Limited	Nigeria	Mobile commerce services	100	100
81	Indian Ocean Telecom Limited	Jersey	Investment Company	100	100
82	Airtel (Seychelles) Limited	Seychelles	Telecommunication services	100	100
83	Airtel Mobile Commerce (Tanzania) Limited	Tanzania	Mobile commerce services	100	100
84	Airtel Mobile Commerce Uganda Limited	Uganda	Mobile commerce services	100	100
85	Uganda Towers Limited	Uganda	Infrastructure sharing services	100	100
86	Airtel DTH Services Ghana Limited	Ghana	Direct To Home services	100	100
87	Airtel DTH Services Malawi Limited#	Malawi	Direct To Home services	100	100
88	Airtel DTH Services Uganda Limited#	Uganda	Direct To Home services	100	100
89	Africa Towers N.V.	Netherlands	Investment Company	100	100
90	Airtel Towers (Ghana) Limited	Ghana	Infrastructure sharing services	100	100
91	Bharti Airtel DTH Holdings B.V.	Netherlands	Investment Company	100	100
92	Airtel Direct-to-Home Services (Kenya) Limited*	Kenya	Direct To Home services	-	100
93	Airtel DTH Services (SL) Limited#	Sierra Leone	Direct To Home services	100	100
94	Airtel DTH Service Burkina Faso S.A.	Burkina Faso	Direct To Home services	100	100
95	Airtel DTH Services Congo S.A.	Congo Brazzavile	Direct To Home services	100	100
96	Airtel DTH Services Madagascar S.A.*	Madagascar	Direct To Home services	-	100
97	Airtel DTH Services Niger S.A.*	Niger	Direct To Home services	-	100
98	Airtel DTH Services Nigeria Limited	Nigeria	Direct To Home services	100	100
99	Airtel DTH Services Tchad S.A.*	Chad	Direct To Home services	-	100
100	Airtel DTH Services Tanzania Limited	Tanzania	Direct To Home services	100	100
101	Bharti DTH Services Zambia Limited	Zambia	Direct To Home services	100	100
102	Airtel Towers (SL) Company Limited	Sierra Leone	Infrastructure sharing services	100	100
103	Burkina Faso Towers S.A.	Burkina Faso	Infrastructure sharing services	100	100
104	Congo Towers S.A.	Congo Brazzavile	Infrastructure sharing services	100	100
105	Kenya Towers Limited	Kenya	Infrastructure sharing services	100	100
106	Madagascar Towers S.A.	Madagascar	Infrastructure sharing services	100	100
107	Mobile Commerce Congo S.A.	Congo Brazzavile	Mobile commerce services	100	100
108	Niger Towers S.A.	Niger	Infrastructure sharing services	100	100
109	Tanzania Towers Limited	Tanzania	Infrastructure sharing services	100	100

S. No.	Name of Subsidiary	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
110	Tchad Towers S.A.	Chad	Infrastructure sharing services	100	100
111	Towers Support Nigeria Limited	Nigeria	Infrastructure sharing services	100	100
112	Bharti Airtel Developers Forum Limited	Zambia	Investment Company	100	100
113	Zambian Towers Limited	Zambia	Infrastructure sharing services	100	100
114	Airtel Money (RDC) S.p.r.l.	Democratic Republic of Congo	Mobile commerce services	100	100
115	Airtel Mobile Commerce Burkina Faso S.A.	Burkina Faso	Mobile commerce services	100	100
116	Airtel DTH Services Congo (RDC) S.p.r.l.	Democratic Republic of Congo	Direct to Home Services	100	100
117	Airtel DTH Services Gabon S.A.#	Gabon	Direct to Home Services	100	100
118	Congo (RDC) Towers S.p.r.l.	Democratic Republic of Congo	Infrastructure sharing services	100	100
119	Gabon Towers S.A.	Gabon	Infrastructure sharing services	100	100
120	Airtel Mobile Commerce Madagascar S.A.	Madagascar	Mobile commerce services	100	100
121	Bharti Airtel Cameroon B.V.	Netherlands	Investment Company	100	100
122	Airtel Rwanda Limited	Rwanda	Telecommunications company	100	100
123	Africa Towers Services Limited	Kenya	Infrastructure sharing services	100	100
124	Rwanda Towers Limited	Rwanda	Infrastructure sharing services	100	100
125	Airtel Mobile Commerce Rwanda Limited	Rwanda	Mobile commerce services	100	-

Under Liquidation.
* Dissolved during the year ended March 31, 2013.

S. No.	Name of Associates	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
1	Bharti Teleports Limited	India	Uplinking channels for broadcasters	49	49
2	Alcatel Lucent Network Management Services India Ltd	India	Telecommunication services	-	26
3	Tanzania Telecommunications Company Limited	Tanzania	Telecommunication services	35	35
4	Seychelles Cable Systems Company Limited	Seychelles	Submarine Cable System	26	26

Notes to consolidated financial statements

S. No.	Name of Joint Ventures	Country of Incorporation	Principal Activities	Percentage of Holding (Direct/ Indirect) by the Group	
				As of March 31, 2013 %	As of March 31, 2012 %
1	Indus Towers Limited **	India	Passive infrastructure services	33.36	36.16
2	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10	10
3	Forum I Aviation Ltd	India	Aircraft chartering services	14.28	14.28
4	Wireless Business Services Private Limited	India	Telecommunication services	49	-
5	Wireless Broadband Business Services (Delhi) Private Limited	India	Telecommunication services	49	-
6	Wireless Broadband Business Services (Kerala) Private Limited	India	Telecommunication services	49	-
7	Wireless Broadband Business Services (Haryana) Private Limited	India	Telecommunication services	49	-

** Bharti Infratel Limited ("BIL"), in which the Group has 79.42% (86.09% as of March 31, 2012) equity interest, owns 42% of Indus Towers Limited.

41. Other Significant Matters

a) During the year ended March 31, 2013, the Group was awarded a favorable order by the TDSAT in respect of an outstanding dispute pertaining to inter-connect agreements. The Group, based on the TDSAT judgement and independent legal opinion, has recognised revenue of ₹ 5,406 Mn, resulting in higher profit before tax by ₹ 3,161 Mn, and net profit by ₹ 2,277 Mn, respectively, during the year ended March 31, 2013, relating to previous periods.

b) The Company has completed the transfer pricing study for the period upto March 31, 2012. For the year ended March 31, 2013, the Company is in the process of getting an independent evaluation done for certain transactions to determine whether the transactions with associated enterprises were undertaken at "arms length price". Based on the transfer pricing study, the Company believes that all transactions with associate enterprises are at arms length price, accordingly, there is no Transfer Pricing adjustments for the year under consideration.

c) During the year ended March 31, 2013, DoT has issued demand notices for the financial year 2006-07 and 2010-11 aggregating ₹ 23, 795 Mn in respect of assessment of license fee towards disallowances of the permissible deductions.

Further, DoT has also issued demands in the matter of Spectrum Usages Charge (SUC) assessment for the financial year 2010-11 & 2011-12 aggregating ₹ 8,643 Mn arising on account of disallowance of adjustments made by the Group in terms of TDSAT orders dated November 19, 2009 and April 22, 2010.

The Group has taken the appropriate action/legal recourse and believes that the probability of above claims getting materialised is remote.

d) The Company (M/s J T Mobiles Limited subsequently merged with the Company) was awarded license by DoT to operate cellular services in the state of Punjab in December 1995. On April 18, 1996, the Company obtained the permission from DoT to operate the Punjab license through its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). In December 1996, DoT raised argument that the permission dated April 18, 1996 has not become effective and cancelled the permission to operate which was subsequently reinstated on March 10, 1998 (the period from April 18, 1996 to March 10, 1998 has been hereinafter referred to as 'blackout period'). On July 15, 1999, license was terminated due to alleged non-payment of license fees, liquidated damages and related penal interest relating to blackout period.

In September 2001, in response to the demand raised by DoT, the Company had paid ₹ 4,856 Mn to DoT under protest subject to resolution of the dispute through arbitration. Consequently, the license was restored and an arbitrator was appointed for settlement of the dispute. Arbitrator awarded an unfavourable order, which was challenged by the Company before Hon'ble Delhi High Court.

On September 14, 2012, Hon'ble Delhi High court passed an order setting aside the award passed by the arbitrator. DoT in the meanwhile has preferred an Appeal, including condonation of delay in filing of appeal, which is presently pending before the Division Bench of the Delhi High Court. The Appeal on the issue of condonation of delay is listed for arguments on May 8, 2013.

The Company is in the process of evaluating legal course of action for recovery of the amount paid under protest together with interest thereon. Pending such evaluation and thereby initiation of recovery process, the Group, based on independent legal opinion, has not given any accounting treatment for the impact of the judgement in the financial statements for the year ended March 31, 2013.

e) On May 31, 2011, the subsidiary company "Bharti Infratel Ventures Limited" (wholly owned subsidiary of Bharti Infratel Limited having tower infrastructure in 12 circles) filed a scheme of merger before Hon'ble High Court of Delhi whereby the subsidiary company will merge with Indus Towers Limited, a joint venture company of the Group, with appointed date as April 1, 2009. The carrying value of assets and liabilities of the subsidiary company as of March 31, 2013 is ₹ 55,723 Mn and ₹ 12,034 Mn, respectively (before intra-group eliminations). Similarly, under the respective merger scheme, the other joint venturers will also contribute asset and liabilities in proportion to their shareholding.

On April 18, 2013, the Hon'ble High Court of Delhi has sanctioned the said Scheme which provides for transfer of all assets and liabilities of subsidiary company to Indus Towers Limited and winding-up of the subsidiary company subject to the final order in another appeal pending before the Division bench of Delhi High Court and any other orders in any further proceedings thereafter. The said Scheme shall be effective on filing of certified copy of Order of Hon'ble High Court of Delhi with the Registrar of Companies (ROC). As on the date of approval of these financial statements, the said order has not been filed with ROC. Accordingly, the scheme has not been given effect to in these financial statements.

f) Subsequent to the Balance Sheet date, March 31, 2013, the Company's wholly owned subsidiary, Airtel Uganda Limited, has entered into a definitive agreement with the Warid Group ("Warid") to fully acquire Warid Telecom Uganda. With this acquisition, the Company will further consolidate its position as the second largest mobile operator in Uganda with a combined customer base of over 7.4 Mn and market share of over 39%. The agreement is subject to regulatory and statutory approvals and accordingly, the financial impact is not determinable as the transaction is not completed yet.

42. Previous year's figures in the notes to consolidated financial statements have been reclassified/restated, wherever required to confirm to the current year's presentation/classification. This does not affect the previously reported net profit or shareholders' equity.

Statement Pursuant to Section 212 (8) of the Companies Act, 1956

relating to subsidiary companies for the year ended March 31, 2013

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2013	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
1	Bharti Airtel Services Limited	(a)	India	INR	March 31, 2013	1	1	(687)	2,260	2,946	46	4,775	(26)	60	(86)	-
2	Network i2i Limited	(a)	Mauritius	USD	March 31, 2013	54.389	490	8,318	22,829	14,022	-	3,528	2,460	30	2,430	-
3	Bharti Airtel (USA) Limited	(a)	United States of America	USD	March 31, 2013	54.389	0	(266)	913	1,179	-	950	58	1	57	-
4	Bharti Airtel (UK) Limited	(b)	United Kingdom	GBP	March 31, 2013	82.321	27	236	405	141	-	188	(24)	1	(25)	-
5	Bharti Airtel (Canada) Limited	(a) (f)	Canada	CAD	March 31, 2013	53.538	4	(29)	1	26	-	-	41	-	41	-
6	Bharti Airtel (Hongkong) Limited	(a)	Hongkong	HKD	March 31, 2013	7.005	35	(211)	281	458	-	140	(60)	3	(63)	-
7	Bharti Airtel Holdings (Singapore) Pte Ltd	(a)	Singapore	SGD	March 31, 2013	43.802	20,664	(562)	25,050	4,948	-	-	(19)	10	(29)	-
8	Bharti Airtel Lanka (Private) Limited	(a)	Sri Lanka	LKR	March 31, 2013	0.429	2,256	(11,264)	7,810	16,819	-	3,288	(1,912)	1	(1,913)	-
9	Bharti Infratel Lanka (Private) Limited	(d)	Sri Lanka	LKR	March 31, 2013	0.429	-	-	-	-	-	-	-	-	-	-
10	Bharti Hexacom Limited	(a) (h)	India	INR	March 31, 2013	1.000	2,500	34,627	48,363	11,236	16,709	36,661	8,082	2,261	5,821	146
11	Bharti Infratel Limited ("BIL")	(a) (h)	India	INR	March 31, 2013	1.000	18,887	157,837	218,937	42,213	37,022	44,601	13,216	3,118	10,098	6,629
12	Bharti Infratel Ventures Limited ("BIVL")	(a)	India	INR	March 31, 2013	1.000	1	51,975	64,610	12,635	-	4,866	364	184	180	-
13	Bharti Telemedia Limited	(a)	India	INR	March 31, 2013	1.000	102	(28,405)	22,150	50,453	-	16,294	(8,600)	-	(8,600)	-
14	Airtel Bangladesh Limited	(a)	Bangladesh	BDT	March 31, 2013	0.697	32,043	(33,772)	23,506	25,235	-	9,442	(4,308)	48	(4,356)	-
15	Bharti International (Singapore) Pte. Ltd	(a) (k)	Singapore	USD	March 31, 2013	54.389	53,435	(8,362)	145,434	100,361	136,657	4,119	(2,450)	55	(2,505)	-
16	Bharti Airtel International (Netherlands) B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	124,165	87,379	560,182	348,637	-	4,517	(6,135)	311	(6,446)	-
17	Airtel M Commerce Services Limited	(a)	India	INR	March 31, 2013	1.000	1,560	(1,211)	1,184	835	-	175	(745)	-	(745)	-
18	Bharti Airtel International (Mauritius) Limited	(a) (k)	Mauritius	INR	March 31, 2013	1.000	48,118	36	48,157	3	48,153	-	41	1	40	-
19	Bharti Airtel (Japan) Kabushiki Kaisha	(a)	Japan	JPY	March 31, 2013	0.578	0	(1)	15	16	-	8	(5)	(0)	(5)	-
20	Bharti Airtel (France) SAS	(b)	France	EUR	March 31, 2013	69.544	1	21	89	67	-	38	(41)	3	(44)	-
21	Bangladesh Infratel Networks Limited	(c)	Bangladesh	BDT	March 31, 2013	0.697	0	(0)	0	0	-	-	(0)	-	(0)	-
22	Telesonic Networks Limited (formerly Alcatel Lucent Network Management Services India Limited)	(a) (l)	India	INR	March 31, 2013	1.000	892	(1,268)	1,078	1,453	-	3,936	(112)	-	(112)	-
23	Bharti Airtel Africa B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	39	57,512	277,152	219,601	-	-	2,061	-	2,061	-
24	Bharti Airtel Burkina Faso Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	1,657	1,658	-	-	-	1,827	-	1,827	-
25	Airtel Burkina Faso S.A.	(a) (i)	Burkina Faso	XOF	December 31, 2012	0.106	265	4,575	17,023	12,183	-	9,949	2,822	890	1,932	2,010
26	Bharti Airtel Chad Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	155	4,882	4,726	-	-	75	-	75	-
27	Airtel Tchad S.A. (formerly known as Celtel Tchad S.A.)	(b)	Chad	XAF	December 31, 2012	0.106	402	(2,289)	14,684	16,571	-	6,587	(346)	276	(622)	-
28	Bharti Airtel Gabon Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	804	1,455	651	-	-	771	-	771	-
29	Airtel Gabon S.A. (formerly known as Celtel Gabon S.A.)	(b)	Gabon	XAF	December 31, 2012	0.106	635	9,001	20,716	11,081	-	15,345	4,044	1,715	2,329	-
30	Bharti Airtel Cameroon Holdings B.V.	(e)	Netherlands	USD	March 31, 2013	54.389	-	-	-	-	-	-	-	-	-	-
31	Celtel Cameroon S.A.	(e)	Cameroon	XAF	December 31, 2012	0.106	-	-	-	-	-	-	-	-	-	-
32	Bharti Airtel Congo Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	2,747	2,748	-	-	-	50	-	50	-
33	Airtel Congo S.A.	(a) (i)	Congo Brazzavile	XAF	December 31, 2012	0.106	550	1,744	14,395	12,101	-	10,907	(466)	108	(574)	1,587
34	Bharti Airtel RDC Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(54)	25,028	25,082	-	-	475	-	475	-
35	Partnership Investments S.p.r.l.	(d)	Democratic Republic of Congo	USD	December 31, 2012	54.389	-	-	-	-	-	-	-	-	-	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956

relating to subsidiary companies for the year ended March 31, 2013

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2013	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
36	Celtel Congo (RDC) S.a.r.l.	(b)	Democratic Republic of Congo	CDF	December 31, 2012	0.059	6	7,550	48,872	41,315	-	21,568	(1,881)	8	(1,889)	-
37	Bharti Airtel Mali Holdings B.V.	(b) (k)	Netherlands	USD	March 31, 2013	54.389	1	194	541	346	540	-	-	-	-	-
38	Bharti Airtel Kenya Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(1,914)	49,081	50,994	-	-	(247)	-	(247)	-
39	Bharti Airtel Kenya B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(1,652)	47,430	49,081	-	-	(710)	-	(710)	-
40	Airtel Networks Kenya Limited	(a) (j)	Kenya	KES	December 31, 2012	0.636	16,054	(26,012)	18,035	27,993	-	9,583	(4,413)	162	(4,575)	-
41	Bharti Airtel Malawi Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	171	3,791	3,619	-	-	352	-	352	-
42	Airtel Malawi Limited	(a)	Malawi	MWK	December 31, 2012	0.140	0	91	5,433	5,342	-	3,839	(2,182)	(659)	(1,523)	-
43	Bharti Airtel Niger Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	4,191	4,192	-	-	-	1,155	-	1,155	-
44	Celtel Niger S.A.	(a)	Niger	XOF	December 31, 2012	0.106	159	6,183	17,553	11,211	-	9,611	1,821	482	1,340	-
45	Bharti Airtel Sierra Leone Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(161)	4,385	4,545	-	-	91	-	91	-
46	Airtel (SL) Limited	(a)	Sierra Leone	SLL	December 31, 2012	0.013	101	(758)	5,925	6,582	-	4,425	182	63	119	-
47	Celtel Zambia Plc	(a) (g)	Zambia	ZMK	December 31, 2012	0.010	11	11,851	21,853	9,991	-	12,792	2,363	952	1,410	2,635
48	Bharti Airtel Uganda Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(3,091)	16,867	19,957	-	-	(540)	-	(540)	-
49	Airtel Uganda Limited	(a) (j)	Uganda	UGS	December 31, 2012	0.021	264	(4,053)	12,312	16,101	-	7,715	(1,784)	-	(1,784)	-
50	Bharti Airtel Tanzania B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(1,836)	11,467	13,302	2,402	-	41	-	41	-
51	Airtel Tanzania Limited	(a)	Tanzania	TZS	December 31, 2012	0.034	1,378	(3,642)	23,515	25,778	-	14,280	(1,915)	(400)	(1,515)	-
52	Bharti Airtel Madagascar Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(288)	10,390	10,676	-	-	(149)	-	(149)	-
53	Channel Sea Management Company (Mauritius) Limited	(a) (k)	Mauritius	USD	December 31, 2012	54.389	1	48	71	22	0	-	42	-	42	-
54	Zebrano (Mauritius) Limited	(a)	Mauritius	USD	December 31, 2012	54.389	2	74	3,476	3,400	-	-	81	2	79	-
55	Montana International	(a)	Mauritius	USD	December 31, 2012	54.389	0	(5)	3	8	-	-	1	-	1	-
56	Airtel Madagascar S.A.	(a)	Madagascar	MGA	December 31, 2012	0.024	20	(1,920)	7,835	9,735	-	4,787	(10)	176	(186)	-
57	Bharti Airtel Nigeria Holdings B.V.	(f)	Netherlands	USD	March 31, 2013	54.389	-	-	-	-	-	-	-	-	-	-
58	MSI-Celtel Nigeria Limited	(f)	Nigeria	NGN	December 31, 2012	0.350	-	-	-	-	-	-	-	-	-	-
59	Bharti Airtel Nigeria Holdings II B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(98)	103,157	103,255	-	-	(0)	-	(0)	-
60	Bharti Airtel Nigeria B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(18,889)	86,645	105,534	-	-	(1,790)	-	(1,790)	-
61	Bharti Airtel Ghana Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(1,952)	28,525	30,476	-	-	(786)	-	(786)	-
62	Airtel Ghana Limited	(a) (j)	Ghana	GHC	December 31, 2012	28.072	4,500	(17,026)	19,401	31,927	-	12,417	(5,578)	(1,394)	(4,184)	-
63	Bharti Airtel Acquisition Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	624	624	-	-	-	0	-	0	-
64	Bharti Airtel Services B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	272	390	117	-	54	3	-	3	-
65	Airtel Networks Limited	(b)	Nigeria	NGN	December 31, 2012	0.350	71	10,937	139,521	128,513	-	81,563	(9,359)	(3,150)	(6,209)	-
66	Bharti Airtel Zambia Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	14,331	14,411	78	-	-	3,512	-	3,512	-
67	Airtel Mobile Commerce Limited (Malawi) (formerly known as Zap Trust Company Ltd. (Malawi))	(c)	Malawi	MWK	December 31, 2012	0.140	0	(63)	78	141	-	4	(51)	-	(51)	-
68	Airtel Mobile Commerce (Kenya) Limited (formerly known as Zap Trust Company Ltd. (Kenya))	(c)	Kenya	KES	August 31, 2012	0.636	0	-	191	190	-	-	-	-	-	-
69	Airtel Mobile Commerce (Ghana) Limited	(c)	Ghana	GHC	December 31, 2012	28.072	2	-	88	86	-	-	-	-	-	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956

relating to subsidiary companies for the year ended March 31, 2013

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2013	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
70	Celtel (Mauritius) Holdings Limited	(a) (k)	Mauritius	USD	December 31, 2012	54.389	1	1,039	6,052	5,012	0	-	214	34	180	-
71	ZMP Limited	(c)	Zambia	ZMK	May 31, 2012	10.136	20	(220)	91	291	-	19	(116)	-	(116)	-
72	Airtel Mobile Commerce (SL) Limited (formerly known as Zap Trust Company (SL) Ltd.)	(c)	Sierra Leone	SLL	December 31, 2012	0.013	0	-	40	40	-	-	-	-	-	-
73	Airtel Mobile Commerce Tchad S.a.r.l. (formerly known as Zap Mobile Commerce Tchad S.a.r.l.)	(c)	Chad	XAF	March 31, 2013	0.106	0	(23)	26	49	-	1	(23)	-	(23)	-
74	Airtel Mobile Commerce B.V.	(c)	Netherlands	USD	March 31, 2013	54.389	1	(3)	192	194	-	-	(3)	-	(3)	-
75	Airtel Money S.A. (Gabon) (formerly known as Mobile Commerce Gabon S.A)	(c)	Gabon	XAF	December 31, 2012	0.106	1	(105)	191	294	-	6	(98)	-	(98)	-
76	Malawi Towers Limited	(c)	Malawi	MWK	December 31, 2012	0.140	1	0	2	0	-	-	0	-	0	-
77	Airtel Money Niger S.A.	(c)	Niger	XOF	December 31, 2012	0.106	1	(38)	147	184	-	12	(39)	0	(39)	-
78	Société Malgache de Téléphone Cellulaire S.A.	(a) (k)	Mauritius	USD	December 31, 2012	54.389	2	(8)	3	8	0	-	(1)	-	(1)	-
79	Airtel Mobile Commerce Holdings B.V.	(c)	Netherlands	USD	March 31, 2013	54.389	1	(0)	1	0	-	-	(0)	-	(0)	-
80	Zap Trust Company Nigeria Limited	(c)	Nigeria	NGN	December 31, 2012	0.350	-	-	-	-	-	-	-	-	-	-
81	Indian Ocean Telecom Limited	(b)	Jersey	USD	December 31, 2012	54.389	136	663	801	2	-	-	(1)	-	(1)	-
82	Airtel (Seychelles) Limited	(b)	Seychelles	SCR	December| 31, 2012	4.653	5	199	2,112	1,908	245	952	202	73	129	-
83	Airtel Mobile Commerce Tanzania Limited (formerly known as Zap Trust Company Tanzania Ltd.)	(c)	Tanzania	TZS	December 31, 2012	0.034	0	-	329	329	-	-	-	-	-	-
84	Airtel Mobile Commerce Uganda Limited	(b)	Uganda	UGS	December 31, 2012	0.021	0	-	118	118	-	-	-	-	-	-
85	Uganda Towers Limited	(b)	Uganda	UGS	December 31, 2012	0.021	0	(2)	5	6	-	-	(1)	-	(1)	-
86	Airtel DTH Services Ghana Limited	(d)	Ghana	GHC	December 31, 2012	28.072	-	-	-	-	-	-	-	-	-	-
87	Airtel DTH Services Malawi Limited	(f)	Malawi	MWK	December 31, 2012	0.140	-	-	-	-	-	-	-	-	-	-
88	Airtel DTH Services Uganda Limited	(f)	Uganda	UGS	December 31, 2012	0.021	-	-	-	-	-	-	-	-	-	-
89	Africa Towers N.V.	(c)	Netherlands	USD	March 31, 2013	54.389	3	(150)	266	412	-	-	(144)	-	(144)	-
90	Airtel Towers (Ghana) Limited	(c)	Ghana	GHS	December 31, 2012	28.072	2	(4)	11	12	-	-	(4)	-	(4)	-
91	Bharti Airtel DTH Holdings B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(0)	6	4	-	-	(0)	-	(0)	-
92	Airtel Direct-to-Home Services (Kenya) Limited	(e)	Kenya	KES	December 31, 2012	0.636	-	-	-	-	-	-	-	-	-	-
93	Airtel DTH Services (SL) Limited	(f)	Sierra Leone	SLL	December 31, 2012	0.013	-	-	-	-	-	-	-	-	-	-
94	Airtel DTH Service Burkina Faso S.A.	(d)	Burkina Faso	XOF	December 31, 2012	0.106	-	-	-	-	-	-	-	-	-	-
95	Airtel DTH Services Congo S.A.	(d)	Congo Brazzavile	XAF	December 31, 2012	0.106	-	-	-	-	-	-	-	-	-	-
96	Airtel DTH Services Madagascar S.A.	(e)	Madagascar	MGA	December 31, 2012	0.024	-	-	-	-	-	-	-	-	-	-
97	Airtel DTH Services Niger S.A.	(e)	Niger	XOF	December 31, 2012	0.106	-	-	-	-	-	-	-	-	-	-
98	Airtel DTH Services Nigeria Limited	(d)	Nigeria	NGN	December 31, 2012	0.350	-	-	-	-	-	-	-	-	-	-
99	Airtel DTH Services Tchad S.A.	(e)	Chad	XAF	December 31, 2012	0.106	-	-	-	-	-	-	-	-	-	-
100	Airtel DTH Services Tanzania Limited	(d)	Tanzania	TZS	December 31, 2012	0.034	-	-	-	-	-	-	-	-	-	-
101	Bharti DTH Services Zambia Limited	(d)	Zambia	ZMK	December 31, 2012	0.010	-	-	-	-	-	-	-	-	-	-
102	Airtel Towers (SL) Company Limited	(c)	Sierra Leone	SLL	December 31, 2012	0.013	0	(0)	0	0	-	-	(0)	-	(0)	-
103	Burkina Faso Towers S.A.	(c)	Burkina Faso	XOF	December 31, 2012	0.106	1	(0)	1	0	-	-	(0)	-	(0)	-

Statement Pursuant to Section 212 (8) of the Companies Act, 1956

relating to subsidiary companies for the year ended March 31, 2013

(₹ Millions)

S. No.	Name of the Subsidiary	Note	Country of Registration	Reporting Currency	Financial Year End	Exchange Rate as of March 31, 2013	Share Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiary	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
104	Congo Towers S.A.	(b)	Congo Brazzavile	XOF	December 31, 2012	0.106	1	(5)	1	5	-	-	(5)	-	(5)	-
105	Kenya Towers Limited	(b)	Kenya	KES	December 31, 2012	0.636	0	(8)	10	18	-	-	(8)	-	(8)	-
106	Madagascar Towers S.A.	(b)	Madagascar	MGA	December 31, 2012	0.024	0	(0)	0	1	-	-	(0)	(0)	(0)	-
107	Mobile Commerce Congo S.A.	(c)	Congo Brazzavile	XAF	March 31, 2013	0.106	1	-	20	19	-	-	-	-	-	-
108	Niger Towers S.A.	(c)	Niger	XOF	December 31, 2012	0.106	1	(0)	1	0	-	-	(0)	-	(0)	-
109	Tanzania Towers Limited	(c)	Tanzania	TZS	December 31, 2012	0.034	0	(1)	21	23	-	-	(1)	-	(1)	-
110	Tchad Towers S.A.	(c)	Chad	XOF	December 31, 2012	0.106	1	(1)	1	1	-	-	(1)	-	(1)	-
111	Towers Support Nigeria Limited	(a)	Nigeria	NGN	December 31, 2012	0.350	4	(1)	4	2	-	-	7	-	7	-
112	Bharti Airtel Developers Forum Limited (formerly known as Zain Developers Forum)	(d)	Zambia	ZMK	December 31, 2012	0.010	-	-	-	-	-	-	-	-	-	-
113	Zambian Towers Limited	(c)	Zambia	ZMK	December 31, 2012	0.010	0	(2)	0	2	-	-	(2)	-	(2)	-
114	Airtel Money (RDC) S.p.r.l.	(c)	Democratic Republic of Congo	USD	March 31, 2013	54.389	136	(155)	533	552	-	22	(119)	0	(120)	-
115	Airtel Mobile Commerce Burkina Faso S.A.	(c)	Burkina Faso	XOF	December 31, 2012	0.106	1	(23)	93	115	-	4	(23)	-	(23)	-
116	Airtel DTH Services Congo (RDC) S.p.r.l.	(d)	Democratic Republic of Congo	USD	December 31, 2012	54.389	-	-	-	-	-	-	-	-	-	-
117	Airtel DTH Services Gabon S.A.	(f)	Gabon	XAF	December 31, 2012	0.106	-	-	-	-	-	-	-	-	-	-
118	Congo (RDC) Towers S.p.r.l.	(c)	Democratic Republic of Congo	USD	December 31, 2012	54.389	5	(10)	5	10	-	-	(10)	-	(10)	-
119	Gabon Towers S.A.	(c)	Gabon	XOF	December 31, 2012	0.106	1	(1)	1	1	-	-	(1)	-	(1)	-
120	Airtel Mobile Commerce Madagascar S.A.	(b)	Madagascar	MGA	December 31, 2012	0.024	0	(58)	89	147	-	2	(70)	(14)	(56)	-
121	Bharti Airtel Cameroon B.V.	(b)	Netherlands	USD	March 31, 2013	54.389	1	(0)	1	0	-	-	(0)	-	(0)	-
122	Airtel Rwanda Limited	(b)	Rwanda	RWF	December 31, 2012	0.086	-	(1,106)	3,707	4,814	-	147	(1,085)	-	(1,085)	-
123	Africa Towers Services Limited	(b)	Kenya	KES	December 31, 2012	0.636	0	(106)	0	106	-	-	(106)	-	(106)	-
124	Rwanda Towers Limited	(b)	Rwanda	RWF	December 31, 2012	0.086	1	(158)	1,463	1,620	-	11	(158)	-	(158)	-
125	Airtel Mobile Commerce Rwanda Limited	(c)	Rwanda	RWF	December 31, 2012	0.086	-	-	-	-	-	-	-	-	-	-

Notes:

a) Financial information has been extracted from the audited standalone financial statements.

b) Financial information has been extracted from the unaudited standalone financial statements.

c) Financial information has been extracted from the audited financial information considered for the purpose of consolidated IFRS financial statements for the respective financial year end. However, where the financial year of the subsidiary ends before September 30, 2012, financial information has been extracted from the financial information considered for the preparation of consolidated IFRS financial statements for the year ended March 31, 2013. However audited financial statements, when finalised, may differ from the information presented above.

d) Subsidiaries are non operational or yet to commence its operations.

e) Subsidiaries have been dissolved during the year.

f) Subsidiaries are under liquidation.

g) During the year, the Celtel Zambia Plc has changed its financial year end from March 31, 2013 to December 31, 2012. Accordingly, turnover, profit/(loss) before tax, provision for taxation and profit/(loss) after taxation disclosed above are for 9 months period based on the audited financial statements.

h) Proposed dividend includes dividend distribution tax.

i) Dividend proposed subsequent to the date of approval of the consolidated financial statements of Bharti Airtel Limited.

j) Share capital includes preference share capital.

k) 'Investments other than investment in subsidiary' includes investment in entities which is indirect subsidiary of Bharti Airtel Limited.

l) Telesonic Networks Limited became subsidiary of the Company w.e.f. February 5, 2013. The turnover, profit/(loss) before tax, provision for taxation and profit/(loss) after taxation disclosed above are for the full financial year ended March 31, 2013 based on the audited financial statements.

Circle Offices

Andhra Pradesh
Splendid Towers,
Opp. Begumpet Police Station,
Begumpet,
Hyderabad- 500016,
Andhra Pradesh

Assam & North East States
Bharti House, Six Mile,
Khanapara, G.S. Road,
Guwahati - 781022,
Assam

Bihar & Jharkhand
Guinea Motors Building,
7^{th} Floor, Anand Vihar,
West Boring Canal Road,
Patna- 800001,
Bihar

Delhi NCR
Airtel Center
Plot No. 16, NH-8 Udyog Vihar,
Phase-IV,
Gurgaon - 122001,
Haryana

Gujarat
2^{nd} & 4^{th} Floor, Zodiac Square,
S G Road, Opp. Gurudwara,
Ahmedabad - 380054,
Gujarat

Haryana, Punjab, Himachal and J&K
Plot No.21, Rajiv Gandhi Chandigarh Technology Park,
Chandigarh - 160101

Karnataka
55, Divyasree Towers,
Bannerghatta Main Road,
Bangalore - 560029,
Karnataka

Kerala & Tamil Nadu
Oceanic Tower,
101, Santhome High Road,
Santhome, Chennai - 600028,
Tamil Nadu

Madhya Pradesh & Chhattisgarh
3^{rd} & 4^{th} Floor, Metro Tower,
AB Road,
Indore - 452010,
Madhya Pradesh

Maharashtra & Goa
7^{th} Floor, Interface Building No. 7,
Mindspace, Malad Link Road,
Malad (W), Mumbai - 400064,
Maharashtra

Rajasthan
K-21, Sunny House,
Malviya Marg, C-Scheme,
Jaipur - 302001,
Rajasthan

Uttar Pradesh & Uttaranchal
TCG - 7/7 Vibhuti Khand, Gomti Nagar,
Lucknow - 226010

West Bengal & Odisha
Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V,
Kolkata - 700091

Notes

Notes


airtel
express
Pay bills using
safely, instantly
Pay for Zesco, LWSC and DS
ZESCO
Register at your nearest airtel service centre or authorized agent
be free.be
airtel
money

There's a 4 am friend,
A glib talking friend,
A filmy friend,
An activist friend,
A Man Utd friend,
A gossip-monger friend,
An over enthu friend,
A cartoon friend,
A geek friend,
A show-off friend,
A twitter friend,
A self-obsessed friend,
A save-you-from-trouble friend,

Airtelwala friend!

Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase II, New Delhi - 110 070, India.
www.airtel.in

FORM A

(Format of covering letter of the annual audit report to be filed with the stock exchanges)

1.	Name of the Company:	Bharti Airtel Limited
2.	Annual financial statements for the year ended:	March 31, 2013
3.	Type of Audit observation:	**Emphasis of Matter: {page no. 85}** We draw attention to Note 26(ii)(h)(vi) to the financial statements which describe the uncertainties related to the legal outcome of Department of Telecommunications' demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.
4.	Frequency of observation:	Appeared for the first time.

For Bharti Airtel Limited

Srikanth Balachandran
Global CFO

Gopal Vittal
Joint Managing Director & CEO (India)

Ajay Lal
Chairman - Audit Committee

For S.R. Batliboi & Associates LLP

Nilangshu Katriar
Partner

BHARTI AIRTEL LIMITED
NEW DELHI