

Bharti Airtel Limited

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Statement of Audited Consolidated IFRS Financial Results for the quarter and year ended March 31, 2016

(Rs. Million except per share data)

S.No.	Particulars	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
		Audited	Audited	Audited	Audited	Audited
1	Income from operations					
	(a) Net Sales / Income from operations	249,596	240,659	230,155	965,321	920,394
	(b) Other Operating Income	235	375	243	871	957
	Total income from operations	249,831	241,034	230,398	966,192	921,351
2	Expenses					
	(a) Access charges	26,948	27,144	27,988	109,423	112,759
	(b) Network operations expense	53,744	53,415	48,276	211,668	203,372
	(c) License fees and spectrum charges (revenue share)	25,047	23,507	21,735	94,927	87,391
	(d) Depreciation and amortisation expenses	48,163	43,541	38,401	174,498	155,311
	(e) Employee benefits expense	12,404	12,176	11,881	49,112	47,123
	(f) Sales and marketing expenses	23,359	24,302	23,003	94,861	90,070
	(g) Administration and other expenses	16,972	15,978	16,392	65,268	66,753
	Total expenses	206,637	200,063	187,676	799,757	762,779
3	Profit from operations before other income, net finance costs (including exchange fluctuation and related expenses), share of profit in joint ventures / associates, exceptional items and tax (1-2)	43,194	40,971	42,722	166,435	158,572
4	Other income					
5	Profit before net finance costs (including exchange fluctuation and related expenses), share of profit in joint ventures / associates, exceptional items and tax (3+4)	43,194	40,971	42,722	166,435	158,572
6	Net finance costs (including exchange fluctuation and related expenses)	17,159	13,971	19,703	69,889	50,133
7	Share of profit in joint ventures / associates	(2,561)	(2,463)	(2,136)	(9,654)	(7,223)
8	Profit after net finance costs (including exchange fluctuation and related expenses), share of profit in joint ventures / associates but before exceptional items and tax (5-6-7)	28,696	29,463	25,155	106,200	115,662
9	Exceptional items - net charge / credit (Refer Note 9 below)	3,000	3,405	1,469	(14,505)	8,532
10	Profit from ordinary activities before tax (8-9)	25,696	26,058	23,686	120,705	107,130
11	Tax expense (including benefit of Rs. 623 Mn and expense of Rs. 6,189 Mn for the quarter and year ended Mar 16 respectively, benefit of Rs. 428 Mn for the quarter ended Dec 15, and expense of Rs. 143 Mn and expense of Rs. 1,121 Mn for the quarter and year ended Mar 15 respectively on exceptional items)	10,762	13,499	10,811	59,368	54,047
12	Net profit from ordinary activities after tax (10-11)	14,934	12,559	12,875	61,337	53,083
13	Extraordinary items (net of tax expenses)					
14	Profit for the period / year (12-13)	14,934	12,559	12,875	61,337	53,083
15	Minority interest (including impact of Rs. (124) Mn and Rs. 1,220 Mn for the quarter and year ended Mar 16 respectively, Rs. (182) Mn for the quarter ended Dec 15, Rs. (20) and Rs. (658) Mn for the quarter and year ended Mar 15, respectively, on exceptional items)	2,031	1,390	322	6,495	1,248
16	Net profit for the period / year after tax and minority interest (14-15)	12,903	11,169	12,553	54,842	51,835
17	Paid-up equity share capital (Face value Rs. 5/- each)	19,987	19,987	19,987	19,987	19,987
18	Reserves excluding revaluation reserves and foreign currency translation reserve	700,144	687,376	651,707	700,144	651,707
19	Earnings per share before / after extraordinary items (Face value Rs. 5/- each)					
	(i) Basic	3.23	2.80	3.14	13.72	12.97
	(ii) Diluted	3.23	2.79	3.14	13.72	12.97



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Audited Consolidated Segment-wise Revenue, Results and Capital Employed for the quarter and year ended March 31, 2016

(Rs. Million)

Particulars	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended March 31, 2015	Year ended March 31, 2016	Year ended March 31, 2015
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
a) Mobile Services India	146,525	139,751	134,135	560,818	519,636
b) Mobile Services Africa	64,511	62,506	62,152	251,333	269,070
c) Mobile Services South Asia	4,388	4,135	3,707	16,454	15,759
d) Airtel Business	18,808	19,266	17,806	78,033	67,130
e) Tower Infrastructure Services	14,215	14,104	13,518	56,173	54,282
f) Telemedia Services	12,460	11,951	11,289	47,609	44,325
g) Digital TV Services	7,640	7,422	6,347	29,178	24,759
h) Others	786	793	716	3,051	2,914
i) Unallocated	-	-	-	-	-
Total	269,533	259,927	249,669	1,042,649	997,875
Less: Inter-segment revenue	19,937	19,268	19,514	77,328	77,481
Net sales / income from operations	249,596	240,659	230,155	965,321	920,394
2. Segment Results					
Profit / (loss) before net finance costs (including exchange fluctuation and related expenses), exceptional items and tax					
a) Mobile Services India	32,288	30,980	33,955	127,744	124,703
b) Mobile Services Africa	985	1,947	1,947	4,909	11,727
c) Mobile Services South Asia	(1,085)	(1,868)	(1,939)	(6,394)	(6,138)
d) Airtel Business	3,360	2,909	1,542	12,167	7,713
e) Tower Infrastructure Services	6,621	6,232	5,950	24,746	21,731
f) Telemedia Services	3,470	3,135	2,849	12,429	8,689
g) Digital TV Services	720	538	81	1,843	(1,581)
h) Others	(31)	(15)	(25)	(23)	16
i) Unallocated	(450)	(389)	330	(1,544)	(1,064)
Total	45,878	43,469	44,690	175,877	165,796
Less: Inter-segment eliminations	23	35	(168)	(212)	1
Total profit before net finance costs (including exchange fluctuation and related expenses), exceptional items and tax	45,855	43,434	44,858	176,089	165,795
Less:					
Net finance costs (including exchange fluctuation and related expenses)	17,159	13,971	19,703	69,689	50,133
Exceptional items - net charge / (credit)	3,000	3,405	1,469	(14,505)	8,532
Total profit before tax	25,696	26,058	23,686	120,705	107,130
3. Capital employed					
(Segment assets - Segment liabilities)					
a) Mobile Services India	865,851	846,368	842,718	865,851	842,718
b) Mobile Services Africa	431,568	425,488	475,393	431,568	475,393
c) Mobile Services South Asia	15,539	16,862	18,340	15,539	18,340
d) Airtel Business	92,971	90,342	81,321	92,971	81,321
e) Tower Infrastructure Services	194,303	188,016	186,788	194,303	186,788
f) Telemedia Services	64,659	61,947	54,754	64,659	54,754
g) Digital TV Services	(24,202)	(34,801)	(35,425)	(24,202)	(35,425)
h) Others	(402)	(368)	(335)	(402)	(335)
i) Unallocated (net of eliminations)**	(932,002)	(903,706)	(955,465)	(932,002)	(955,465)
Total	708,285	690,148	668,089	708,285	668,089

* Segment results include share of results of the joint ventures and associates.

** Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs. 442,204 Mn (USD 6.67 Bn) Rs. 425,266 Mn (USD 6.42 Bn) and Rs. 554,776 Mn (USD 8.86 Bn), for 3G and BWA licenses (including spectrum) of Rs. 8,907 Mn, Rs. 13,150 Mn and Rs. 45,153 Mn as of March 31, 2016, December 31, 2015, March 31, 2015 respectively, provision for taxes, deferred tax asset / liabilities and fair value of derivative financial instruments.



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Notes to the Financial Results

1. The financial results for the quarter and year ended March 31, 2016 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their respective meetings held on April 27, 2016.
2. During the quarter ended March 31, 2016, the Company made the following additional equity investments in its wholly owned subsidiaries:
 - i) USD 60 Mn (Rs. 4,004 Mn) in Bharti Airtel International (Mauritius) Limited.
 - ii) Rs. 360 Mn in Airtel M Commerce Services Limited.
3. During the quarter ended March 31, 2016, the Group has entered into a definitive agreement with Videocon Telecommunications Limited to acquire rights to use spectrum in the 1800 Mhz band for six circles. The closing of the said transaction is subject to certain customary regulatory approvals and other closing conditions.
4. Subsequent to the balance sheet date, the Group has entered into a definitive agreement with Aircel Limited and its subsidiaries Dishnet Wireless Limited and Aircel cellular Limited, to acquire rights to use spectrum in the 2300 Mhz band for eight circles. The closing of the transaction is subject to certain customary regulatory approvals and other closing conditions.
5. During the quarter, the Company's subsidiary in Tanzania and American Towers Corporation and its subsidiaries ('ATC') have entered into agreement for the sale of over 1,300 telecom towers in Tanzania. The Company's subsidiary will have access to a dedicated portion of the towers from ATC under long term lease contracts, which will be considered as finance lease. As the criteria stated by IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are met during the quarter, assets and associated liabilities that are part of this transaction and will not be leased back amounting to Rs 2,658 Mn and Rs 877 Mn have been reclassified as 'assets of disposal group classified as held for sale' and 'liabilities of disposal group classified as held for sale' respectively in the statement of financial position.
6. Subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, the Board of Directors ('BoD') has recommended a final dividend of Rs 1.36 per equity share of Rs. 5/- each for the financial year 2015-16.
7. The BoD of Bharti Infratel Limited (subsidiary of the Company) has approved a buy-back of Rs.20,000 Mn. The buy-back is subject to approval of their shareholders.
8. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company and one of its subsidiaries for Rs. 52,013 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, till date has not given any effect to the above demand.
9. Exceptional items during the quarter ended March 31, 2016 comprises of: (i) charge of Rs.107 Mn pertaining to the divestment of telecom tower assets; (ii) charge of Rs. 1,003 Mn towards operating costs on network refarming and up-gradation program; (iii) charge of Rs. 766 Mn towards restructuring activities in a few countries and other regulatory costs; (iv) Charge of Rs. 1,124 Mn on account of termination of a long-term contract and (v) net tax impact of Rs. 623 Mn and impact on minority interest of Rs. 124 Mn on the above.



10. During the quarter ended March 31, 2016, Bharti Airtel Employee Welfare Trust (a trust set up for administration of Employee Stock Options Plan ('ESOP') schemes of the Company) has transferred 52,200 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of March 31, 2016, the Trust holds 1,501,958 equity shares.
11. In terms of Clause 33 of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the audited consolidated statement of assets and liabilities is as follows:

Particulars	(Rs. Million)	
	As of March 31	
	2016	2015
	Audited	Audited
Equity and liabilities		
Equity		
Issued capital	19,987	19,987
Treasury shares	(524)	(114)
Reserves and surplus	636,838	599,691
Equity attributable to equity holders of parent	656,301	619,564
Non-controlling interest	51,984	48,525
Total equity	708,285	668,089
Liabilities		
Borrowings	609,006	663,672
Deferred payment liability	341,424	143,167
Provisions	9,676	8,309
Other non current and current liabilities#	579,242	469,136
Liabilities of disposal group classified as held for sale*	1,039	5,445
Total equity and liabilities	2,248,672	1,957,818
Assets		
Property, plant and equipment	654,813	579,157
Goodwill on consolidation	428,381	414,823
Other Intangible assets	734,069	507,460
Investments	114,498	170,357
Other non current and current assets	271,130	227,318
Inventories	1,692	1,339
Cash and cash equivalents	37,087	11,719
Assets of disposal group classified as held for sale*	7,002	45,645
Total assets	2,248,672	1,957,818

* Disposal group represents telecom towers held for sale in some African countries and the related liabilities

Includes finance lease obligations



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12. The financial results for the quarter ended March 31, 2016 and March 31, 2015 are the balancing figures between audited results in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial years.

13. Previous year's / periods' figures have been regrouped / rearranged, wherever required.

For Bharti Airtel Limited



Gopal Mittal
Managing Director and CEO (India & South Asia)



Gurgaon
April 27, 2016

Notes:

- a) 'Bharti Airtel' or 'Company', stands for Bharti Airtel Limited.
- b) 'Group' or 'Consolidated', stands for Bharti Airtel together with its subsidiaries.
- c) For more details on the financial results, please visit our website 'www.airtel.in'.