

Bharti Airtel Limited

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Statement of Audited Consolidated Ind AS Financial Results for the quarter and year ended March 31, 2017

(Rs. Million, except per share data)

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Audited	Audited	Audited	Audited	Audited
Income					
Revenue from operations	219,346	233,357	249,596	954,683	965,321
Other income	460	282	235	1,206	871
	219,806	233,639	249,831	955,889	966,192
Expenses					
Network operating expenses	51,628	52,635	50,918	209,154	201,567
Access charges	22,761	24,386	26,948	102,786	109,423
License fee / spectrum charges (revenue share)	20,850	22,268	25,049	92,760	94,928
Employee benefits	10,498	10,532	12,404	43,032	49,108
Sales and marketing expenses	16,934	16,550	20,477	71,400	82,410
Other expenses	18,075	22,171	22,678	82,253	88,043
	140,746	148,542	158,474	601,385	625,479
Profit from operating activities before depreciation, amortisation and exceptional items	79,060	85,097	91,357	354,504	340,713
Share of results of joint ventures and associates	(2,508)	(2,696)	(2,915)	(10,449)	(10,666)
Depreciation and amortisation	49,418	48,350	48,163	197,730	174,498
Finance costs	22,717	33,061	27,517	95,466	85,461
Finance income	(3,555)	(13,705)	(10,507)	(18,492)	(16,326)
Non-operating expense / (income), (net)	474	(509)	21	1,319	1,024
Profit before exceptional items and tax	12,514	20,596	29,078	88,930	106,722
Exceptional items (note 7)	6,055	2,040	2,999	11,697	(21,741)
Profit before tax	6,459	18,556	26,079	77,233	128,463
Tax expense (note 7)					
Current tax	(8,964)	6,541	9,973	21,240	44,690
Deferred tax	10,717	5,300	816	13,579	14,843
Profit for the period / year	4,706	6,715	15,290	42,414	68,930
Other comprehensive income					
Items to be reclassified subsequently to profit or loss :					
Net (losses) / gains due to foreign currency translation differences	(1,051)	(3,201)	5,121	(41,423)	(4,920)
Net gains / (losses) on net investments hedge	2,102	434	(2,230)	(10,330)	(7,108)
Net gains / on cash flow hedge	27	605	(735)	857	(724)
Net gains / (losses) on fair value through OCI investments	17	2	8	107	9
Income tax (charge) / credit	(3)	230	(46)	(16)	503
Items not to be reclassified to profit or loss :					
Re-measurement (losses) / gains on defined benefit plans	82	31	5	(73)	(129)
Share of joint ventures and associates	(9)	(20)	-	(9)	(4)
Income tax (charge) / credit	(6)	-	(2)	20	25
Other comprehensive gain / (loss) for the period / year	1,159	(1,919)	2,121	(50,867)	(12,348)
Total comprehensive gain / (loss) for the period / year	5,865	4,796	17,411	(8,453)	56,582
Profit for the period / year attributable to :					
Owners of the Parent	3,734	5,037	13,195	37,998	60,767
Non-controlling interests (note 7)	972	1,678	2,095	4,416	8,163
Other comprehensive gain / (loss) for the period / year attributable to :					
Owners of the Parent	363	(1,762)	2,138	(48,654)	(11,977)
Non-controlling interests	796	(157)	(17)	(2,213)	(371)
Total comprehensive gain / (loss) for the period / year attributable to :					
Owners of the Parent	4,097	3,275	15,333	(10,656)	48,790
Non-controlling interests	1,768	1,521	2,078	2,203	7,792
Paid-up equity share capital (Face value Rs. 5/- each)	19,987	19,987	19,987	19,987	19,987
Other equity	654,576	611,444	647,706	654,576	647,706
Earnings per share (Face value Rs. 5/- each)					
Basic	0.93	1.26	3.30	9.51	15.21
Diluted	0.93	1.26	3.30	9.51	15.20



Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and year ended March 31, 2017

(Rs. Million)

Particulars	Quarter ended			Year ended	
	March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
Mobile Services India	129,719	138,129	146,466	565,511	560,638
Mobile Services Africa	50,476	53,551	64,511	219,568	251,333
Mobile Services South Asia	977	2,454	4,388	11,743	16,454
Airtel Business	25,769	27,050	23,666	109,429	96,993
Tower Infrastructure Services	16,017	15,284	14,148	60,829	55,588
Homes Services	6,785	7,026	6,586	27,518	25,066
Digital TV Services	8,657	8,735	7,840	34,306	29,178
Others	937	967	906	3,736	3,446
Unallocated	-	-	-	-	-
Total	239,337	253,196	268,511	1,032,640	1,038,696
Less: Inter-segment revenue *	19,991	19,839	18,915	77,957	73,375
Net sales / income from operations	219,346	233,357	249,596	954,683	965,321
2. Segment Results **					
Profit before net finance costs, non-operating (income) / expense - (net) exceptional items and tax					
Mobile Services India	14,394	23,026	32,667	105,494	128,324
Mobile Services Africa	3,930	3,181	985	10,189	4,909
Mobile Services South Asia	(889)	(920)	(1,085)	(4,660)	(6,394)
Airtel Business	6,544	5,384	5,105	22,737	18,853
Tower Infrastructure Services	8,192	7,339	6,841	29,195	25,506
Homes Services	1,676	1,944	1,532	6,868	5,682
Digital TV Services	975	684	720	3,577	1,843
Others	(1,500)	(462)	(264)	(2,496)	(560)
Unallocated	(492)	(379)	(450)	(1,418)	(1,544)
Total	32,830	39,797	46,051	169,486	176,619
Less:					
(i) Inter-segment eliminations *	680	354	(58)	2,263	(262)
(ii) Net finance costs	19,162	19,356	17,010	76,974	69,135
(iii) Non-operating (income) / expense (net)	474	(509)	21	1,319	1,024
(iv) Exceptional items	6,055	2,040	2,999	11,697	(21,741)
Profit before tax	6,459	18,556	26,079	77,233	128,463
3. Segment Assets					
Mobile Services India	1,642,949	1,698,228	1,489,054	1,642,949	1,489,054
Mobile Services Africa	556,281	590,537	710,446	556,281	710,446
Mobile Services South Asia	29,048	30,004	47,038	29,048	47,038
Airtel Business	331,833	289,416	229,437	331,833	229,437
Tower Infrastructure Services	210,023	203,947	209,382	210,023	209,382
Homes Services	311,890	268,361	168,010	311,890	168,010
Digital TV Services	22,935	23,993	22,756	22,935	22,756
Others	9,327	6,041	4,948	9,327	4,948
Unallocated / Inter-segment eliminations	(786,784)	(746,763)	(623,839)	(786,784)	(623,839)
Total	2,327,502	2,363,764	2,257,232	2,327,502	2,257,232
4. Segment Liabilities					
Mobile Services India	722,363	785,909	625,412	722,363	625,412
Mobile Services Africa	226,314	245,714	278,878	226,314	278,878
Mobile Services South Asia	7,968	7,345	31,499	7,968	31,499
Airtel Business	180,624	174,665	129,797	180,624	129,797
Tower Infrastructure Services	47,535	22,041	19,806	47,535	19,806
Homes Services	246,064	205,556	110,033	246,064	110,033
Digital TV Services	28,341	30,308	46,958	28,341	46,958
Others	5,083	3,761	3,148	5,083	3,148
Unallocated \$ / Inter-segment eliminations	119,097	200,345	289,027	119,097	289,027
Total	1,584,189	1,675,644	1,534,558	1,584,189	1,534,558

* Includes accounting policy alignment

** Include share of results of the joint ventures and associates

\$ Includes borrowings (including borrowings for Africa operations of Rs. 374,338 Mn, Rs. 387,656 Mn and Rs. 442,204 Mn, for spectrum of Rs. 12,500 Mn, Rs. 62,020 Mn and Rs. 8,907 Mn as of March 31, 2017, December 31, 2016 and March 31, 2016 respectively)

Note: Airtel Payments Bank Limited which was earlier included in Mobile services India segment, has been aggregated with 'Others' segment for all the periods

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Notes to the Financial Results

1. The said financial results for the quarter and year ended March 31, 2017 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their respective meetings held on May 09, 2017.
2. The above financial results are extracted from the audited Ind AS consolidated financial statements of the Group, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The said financial results represents results of the Company, its subsidiaries, and its share in the results of joint ventures and associates.
3. The Group has transitioned to Ind AS with effect from April 1, 2016 with transition date being April 1, 2015. The transition is carried out from accounting principles generally accepted in India; being the previous GAAP. Accordingly, basis the accounting policies and Ind-AS 101 exemptions finalised for the first annual Ind AS financial statements of March 31, 2017, the impact of transition has been provided in the opening equity as at April 1, 2015 and figures for the previous quarters / year have been restated. For the reconciliations of net profit and equity for the relevant previous periods - refer note 12 of results for the quarter ended June 30, 2016.

Erstwhile in terms of clause 41 of the listing agreement, the Group have been voluntarily reporting its consolidated financial results under IFRS since April 1, 2010 till March 31, 2016. The historical periods have been restated as per Ind AS to make them comparable.

4. During the quarter ended March 31, 2017, the Group has entered into a scheme of amalgamation for the merger of Telenor (India) Communication Private Limited with the Company and definitive agreement to acquire 100% equity stake in Tikona Digital Networks. The said transactions are subject to requisite regulatory approvals and other closing conditions.
5. During the quarter ended March 31, 2017, the Group has entered into an agreement with Millicom International Cellular to combine the business operations of their telecommunication subsidiaries in Ghana. The transaction is subject to customary approvals and other closing conditions.
6. During the quarter ended March 31, 2017, the Group has sold 191 Mn equity shares of Bharti Infratel Limited (BIL), a subsidiary of the Company. The excess of proceeds over the change in non-controlling interests net of associated transaction costs, taxes and levies, amounting to Rs. 37,817 Mn has been recognised directly in consolidated statement of changes in equity.
7. Exceptional items during the quarter ended March 31, 2017 comprises of (i) charge of Rs. 1,300 Mn towards operating costs on network re-farming and up-gradation program; (ii) charge of Rs. 5,405 Mn due to regulatory levies and litigation related assessment; (iii) net gain of Rs. 650 Mn mainly pertaining to reversal of cost related to restructuring activities; (iv) net tax impact on above and assessment of tax provisions aggregating to Rs. 5,190 Mn and impact of minority interest of Rs. 135 Mn on the above.
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. 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 Re. 1.00 per equity share of Rs. 5/- each for the financial year 2016-17.



10. The audited statement of assets and liabilities is as follows:

Particulars	(Rs. Million)	
	As of	
	March 31, 2017	March 31, 2016
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	620,088	610,508
Capital work-in-progress	23,942	47,304
Goodwill	338,082	428,381
Other intangible assets	824,181	684,039
Intangible assets under development	84,443	9,716
Investment in joint ventures and associates	82,277	60,990
Financial Assets		
- Investments	44,187	28,622
- Derivative instruments	4,732	13,999
- Security deposits	9,630	10,441
- Others	16,653	17,502
Deferred tax assets (net)	26,262	46,738
Other non-current assets	49,875	70,440
	2,124,352	2,028,680
Current assets		
Inventories	488	1,692
Financial Assets		
- Investments	16,923	16,159
- Derivative instruments	2,060	4,765
- Trade receivables	49,838	55,039
- Cash and cash equivalents	12,817	37,087
- Bank deposits	3,360	13,900
- Others	52,105	32,511
Current tax assets	21,454	11,570
Other current assets	44,105	48,827
Assets-held-for-sale	-	7,002
	203,150	228,552
Total assets	2,327,502	2,257,232
Equity and liabilities		
Equity		
Share capital	19,987	19,987
Other Equity	654,576	647,706
Equity attributable to equity holders of the Parent	674,563	667,693
Non-controlling interests	68,750	54,981
	743,313	722,674
Non-current liabilities		
Financial Liabilities		
- Borrowings	896,373	892,686
- Derivative instruments	2,726	8
- Others	15,681	16,084
Deferred revenue	22,335	17,787
Provisions	7,471	7,350
Deferred tax liabilities (net)	9,429	12,512
Other non-current liabilities	727	1,527
	954,742	947,954
Current liabilities		
Financial Liabilities		
- Borrowings	129,442	57,238
- Current maturities of long-term borrowings	48,466	54,602
- Derivative instruments	2,335	1,931
- Trade Payables	268,537	255,806
- Others	88,808	131,180
Deferred revenue	48,785	51,336
Provisions	2,215	2,332
Current tax liabilities (net)	6,089	9,296
Other current liabilities	34,770	21,844
Liabilities-held-for-sale	-	1,039
	629,447	586,604
Total liabilities	1,584,189	1,534,568
Total equity and liabilities	2,327,502	2,257,232



11. The financial results for the quarter ended March 31, 2017 and March 31, 2016 are the balancing figures between audited results in respect of the full financial year and the published year to date figures of the third quarter of the respective financial years.

12. Previous year's / periods' figures have been re-grouped / re-arranged, wherever required.

For Bharti Airtel Limited



Gopal Vittal
Managing Director and CEO (India & South Asia)
DIN: 02291778

New Delhi
May 09, 2017



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'.