



Bharti Airtel Limited

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Statement of Audited Consolidated Financial Results for the quarter and nine months ended December 31, 2019

(Rs. Millions; except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
<b>Income</b>						
Revenue	219,471	211,313	202,310	638,163	601,780	807,802
Other income	745	677	832	2,254	2,756	3,463
	<b>220,216</b>	<b>211,990</b>	<b>203,142</b>	<b>640,417</b>	<b>604,536</b>	<b>811,265</b>
<b>Expenses</b>						
Network operating expenses	49,345	49,689	58,182	145,670	165,625	225,132
Access charges	27,109	26,389	24,462	79,125	69,111	93,521
License fee / spectrum charges	17,666	16,764	17,469	52,360	52,138	69,426
Employee benefits expense	9,651	9,464	9,530	27,756	28,546	37,975
Sales and marketing expenses	9,003	7,581	10,621	24,970	31,177	41,568
Other expenses	14,028	12,823	20,023	44,208	63,700	82,542
	<b>126,802</b>	<b>122,710</b>	<b>140,287</b>	<b>374,089</b>	<b>410,297</b>	<b>550,164</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>	<b>93,414</b>	<b>89,280</b>	<b>62,855</b>	<b>266,328</b>	<b>194,239</b>	<b>261,101</b>
Depreciation and amortisation expense	69,408	69,351	54,723	206,346	158,541	213,475
Finance costs	32,816	31,872	26,081	98,616	79,479	106,222
Finance income	(2,970)	(2,789)	(6,633)	(7,872)	(8,908)	(10,328)
Non-operating expenses (net)	211	231	771	903	1,835	1,894
Share of results of associates and joint ventures (net)	(1,523)	(3,155)	98	(5,609)	(3,188)	(3,556)
<b>Loss before exceptional items and tax</b>	<b>(4,528)</b>	<b>(6,230)</b>	<b>(12,135)</b>	<b>(26,056)</b>	<b>(33,520)</b>	<b>(46,606)</b>
Exceptional items (net)	10,500	307,110	(14,137)	332,304	(9,067)	(29,288)
<b>(Loss) / profit before tax</b>	<b>(15,028)</b>	<b>(313,340)</b>	<b>2,002</b>	<b>(358,360)</b>	<b>(24,453)</b>	<b>(17,318)</b>
<b>Tax expense / (credit)</b>						
Current tax	7,309	4,281	5,331	19,353	16,357	19,391
Deferred tax	(17,688)	(89,320)	(7,155)	(120,841)	(51,924)	(53,584)
<b>(Loss) / profit for the period</b>	<b>(4,649)</b>	<b>(228,301)</b>	<b>3,826</b>	<b>(256,872)</b>	<b>11,114</b>	<b>16,875</b>
<b>Other comprehensive income ('OCI')</b>						
Items to be reclassified subsequently to profit or loss :						
- Net gains / (losses) due to foreign currency translation differences	781	4,503	(5,431)	2,813	(13,711)	(15,739)
- Net (losses) / gains on net investment hedge	(1,015)	(1,156)	2,781	(2,324)	(3,043)	(1,754)
- Net gains / (losses) on cash flow hedge	220	(114)	(223)	27	(878)	(833)
- Net gains / (losses) on fair value through OCI investments	-	(126)	10	(107)	(34)	(45)
- Tax credit on above	195	296	4,231	559	4,758	5,428
Items not to be reclassified to profit or loss :						
- Re-measurement gains / (losses) on defined benefit plans	140	41	(51)	(110)	90	47
- Tax (charge) / credit	(9)	(13)	9	58	(62)	(62)
- Share of OCI of joint ventures and associates	7	3	(9)	4	(9)	(12)
<b>Other comprehensive income / (loss) for the period</b>	<b>319</b>	<b>3,434</b>	<b>1,317</b>	<b>920</b>	<b>(12,889)</b>	<b>(12,970)</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(4,330)</b>	<b>(224,867)</b>	<b>5,143</b>	<b>(255,952)</b>	<b>(1,775)</b>	<b>3,905</b>
<b>(Loss) / profit for the period attributable to</b>						
Owners of the Parent	(4,649)	(228,301)	3,826	(256,872)	11,114	16,875
Non-controlling interests	(10,353)	(230,449)	862	(269,462)	3,023	4,095
	5,704	2,148	2,964	12,590	8,091	12,780
<b>Other comprehensive income / (loss) for the period attributable to :</b>	<b>319</b>	<b>3,434</b>	<b>1,317</b>	<b>920</b>	<b>(12,889)</b>	<b>(12,970)</b>
Owners of the Parent	(1,070)	1,119	3,200	(1,901)	(11,198)	(10,218)
Non-controlling interests	1,389	2,315	(1,883)	2,821	(1,691)	(2,754)
<b>Total comprehensive (loss) / income for the period attributable to :</b>	<b>(4,330)</b>	<b>(224,867)</b>	<b>5,143</b>	<b>(255,952)</b>	<b>(1,775)</b>	<b>3,905</b>
Owners of the Parent	(11,422)	(229,330)	4,062	(271,363)	(8,175)	(6,121)
Non-controlling interests	7,092	4,463	1,081	15,411	6,400	10,026
Paid-up equity share capital (Face value : Rs. 5/- each)	25,660	25,660	19,987	25,660	19,987	19,987
Other equity	662,627	674,173	691,110	662,627	691,110	694,235
<b>(Loss) / earnings per share (Face value : Rs. 5/- each)*</b>						
Basic	(2.02)	(44.92)	0.20	(34.25)	0.71	0.96
Diluted	(2.02)	(44.92)	0.20	(34.25)	0.71	0.96

\*Basic and diluted loss / earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the quarter ended December 31, 2019.



Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and nine months ended December 31, 2019

(Rs. Millions)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
<b>1. Segment Revenue</b>						
- Mobile Services India @	111,654	109,813	101,892	330,135	309,217	415,540
- Mobile Services Africa	62,695	59,157	56,152	177,285	159,913	215,028
- Mobile Services South Asia	1,155	1,105	1,130	3,349	3,312	4,436
- Airtel Business	33,177	33,312	31,117	98,569	94,498	124,537
- Tower Infrastructure Services	16,662	16,673	17,326	50,597	51,481	68,185
- Homes Services	5,546	5,475	5,503	16,726	16,855	22,391
- Digital TV Services	7,922	7,893	10,330	23,204	30,496	41,001
- Others	116	(1)	224	35	1,126	1,163
<b>Total segment revenue</b>	<b>238,927</b>	<b>233,427</b>	<b>223,674</b>	<b>699,900</b>	<b>666,898</b>	<b>892,281</b>
Less: Inter-segment eliminations *	19,456	22,114	21,364	61,737	65,118	84,479
<b>Total revenue</b>	<b>219,471</b>	<b>211,313</b>	<b>202,310</b>	<b>638,163</b>	<b>601,780</b>	<b>807,802</b>
<b>2. Segment Results ^</b>						
(Loss) / profit before net finance costs, non-operating expenses (net), exceptional items and tax						
- Mobile Services India @	(8,247)	(11,425)	(18,953)	(31,638)	(43,501)	(56,762)
- Mobile Services Africa	17,446	15,422	13,614	46,780	39,145	52,390
- Mobile Services South Asia	(302)	(277)	(247)	(839)	(849)	(1,069)
- Airtel Business @	8,092	7,685	6,690	22,031	21,899	27,631
- Tower Infrastructure Services	9,537	11,004	8,040	30,113	23,715	31,974
- Homes Services @	1,097	1,238	740	3,417	2,861	3,376
- Digital TV Services	3,011	3,243	1,568	9,866	5,557	7,447
- Others	(1,993)	(1,651)	(2,285)	(5,371)	(4,977)	(7,228)
<b>Total</b>	<b>28,641</b>	<b>25,239</b>	<b>9,167</b>	<b>74,359</b>	<b>43,850</b>	<b>57,759</b>
- Unallocated	(838)	(339)	(336)	(1,581)	(1,397)	(1,717)
- Inter-segment eliminations *	(2,189)	(1,732)	(582)	(5,725)	(2,932)	(3,026)
<b>Total segment results</b>	<b>25,614</b>	<b>23,168</b>	<b>8,249</b>	<b>67,053</b>	<b>39,521</b>	<b>53,016</b>
Less:						
(i) Net finance costs	29,846	29,083	19,448	90,744	70,571	95,894
(ii) Non-operating expenses (net)	211	231	721	903	1,835	1,894
(iii) Charity and donation	85	84	215	1,462	635	1,834
(iv) Exceptional items (net)	10,500	307,110	(14,137)	332,304	(9,067)	(29,288)
<b>(Loss) / profit before tax</b>	<b>(15,028)</b>	<b>(313,340)</b>	<b>2,002</b>	<b>(358,360)</b>	<b>(24,453)</b>	<b>(17,318)</b>
<b>3. Segment Assets ^#</b>						
- Mobile Services India @	2,031,953	2,070,984	1,680,964	2,031,953	1,680,964	1,700,637
- Mobile Services Africa	664,863	654,020	546,079	664,863	546,079	570,021
- Mobile Services South Asia	8,451	7,537	6,956	8,451	6,956	6,774
- Airtel Business @	161,817	155,335	154,856	161,817	154,856	149,445
- Tower Infrastructure Services	196,157	189,180	165,855	196,157	165,855	169,693
- Homes Services @	49,435	45,087	45,829	49,435	45,829	45,889
- Digital TV Services	40,013	37,621	26,649	40,013	26,649	31,234
- Others	36,057	36,782	40,090	36,057	40,090	37,927
<b>Total segment assets</b>	<b>3,188,746</b>	<b>3,196,546</b>	<b>2,667,278</b>	<b>3,188,746</b>	<b>2,667,278</b>	<b>2,711,620</b>
- Unallocated	416,814	278,976	118,278	416,814	118,278	133,120
- Inter-segment eliminations*	(91,301)	(119,296)	(90,442)	(91,301)	(90,442)	(92,765)
<b>Total assets</b>	<b>3,514,259</b>	<b>3,356,226</b>	<b>2,695,114</b>	<b>3,514,259</b>	<b>2,695,114</b>	<b>2,751,975</b>
<b>4. Segment Liabilities#</b>						
- Mobile Services India @	1,058,976	1,078,617	420,540	1,058,976	420,540	408,088
- Mobile Services Africa	187,295	181,081	109,174	187,295	109,174	110,986
- Mobile Services South Asia	3,949	3,560	2,564	3,949	2,564	2,515
- Airtel Business @	111,808	99,272	79,555	111,808	79,555	87,225
- Tower Infrastructure Services	40,414	41,624	23,389	40,414	23,389	22,303
- Homes Services @	20,843	14,192	20,858	20,843	20,858	21,729
- Digital TV Services	39,494	38,062	35,531	39,494	35,531	35,423
- Others	421	505	1,817	421	1,817	2,181
<b>Total segment liabilities</b>	<b>1,463,200</b>	<b>1,456,913</b>	<b>693,428</b>	<b>1,463,200</b>	<b>693,428</b>	<b>690,450</b>
- Unallocated	1,248,535	1,166,031	1,255,321	1,248,535	1,255,321	1,313,444
- Inter-segment eliminations*	(108,681)	(136,867)	(85,694)	(108,681)	(85,694)	(101,399)
<b>Total liabilities</b>	<b>2,603,054</b>	<b>2,486,077</b>	<b>1,863,055</b>	<b>2,603,054</b>	<b>1,863,055</b>	<b>1,902,495</b>

\* Includes accounting policy alignment

^ Includes share of results / net assets of joint ventures and associates

# Segment assets / segment liabilities as at December 31 / September 30, 2019 includes right-of-use assets / lease liabilities

@ During the nine months ended December 31, 2019, the Group transferred its operations pertaining to optical fibre on a going concern basis on August 1, 2019 from Company to its wholly owned subsidiary. As a result, the Group reorganised the business, whereby the assets and liabilities pertaining to bandwidth capacities have been allocated to Mobile Services India, Airtel Business and Homes Services. Previously these operations were part of Mobile Services India and bandwidth capacities were billed by Mobile Services India to Airtel Business and Homes Services. Without such reorganisation, for the three months ended December 31, 2019 and as of that date, segment revenue, segment results, segment assets and segment liabilities for Mobile Services India would have been Rs 115,363 Mn, Rs (8,770) Mn, Rs 2,070,724 Mn and Rs 1,108,498 Mn respectively; segment results, segment assets and segment liabilities for Airtel Business would have been Rs 7,964 Mn, Rs 153,107 Mn and Rs 99,892 Mn respectively; and for Homes Services would have been Rs 1,325 Mn, Rs 50,591 Mn and Rs 14,246 Mn respectively. Without such reorganisation, for the nine months ended, segment revenue and segment results for Mobile Services India would have been Rs 333,844 Mn and Rs (32,161) Mn respectively; segment results for Airtel Business and Homes Services would have been Rs 21,903 Mn and Rs 3,645 Mn respectively.



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Notes to the Audited Consolidated Financial Results

1. The financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 4, 2020.
2. The financial results are extracted from the Audited Interim Condensed Consolidated Financial Statements, which are prepared in accordance with Indian Accounting Standard ('Ind AS') 34, 'Interim Financial Reporting' as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The said financial results represent results of the Group, and its share in the results of joint ventures and associates.
3. In the previous quarter, arising from a judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement'), in the absence of any potential reliefs from the Government, the Group had recorded as a liability/provision an aggregate of Rs. 342,600 Mn as at September 30, 2019 (of which Rs. 284,500 Mn was recorded in previous quarter as exceptional item). The Court Judgement was in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR'). The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to DoT within a period of three months, which ended on January 23, 2020. These judgements/orders have significant financial implications on the Group. A Review Petition filed by the Group and other telecom operators against the above Court Judgement was rejected in January 2020. Thereafter, the telecom operators have filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India, which is pending disposal:

During the quarter ended December 31, 2019, the Group has continued to recognise, in the same manner, its obligations under the judgements/ orders. Accordingly, during the quarter, the Group has further recorded interest of Rs. 10,481 Mn which has been presented as exceptional item (refer Note 5).

Subsequent to the reporting period ended December 31, 2019, the Company has successfully raised Rs. 215,017 Mn of additional long term financing through a combination of Rs. 144,000 Mn in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid up equity shares of face value Rs. 5 each were issued and allotted at a price of Rs. 445 per equity share) and Rs. 71,017 Mn in the form of 1.50% Foreign Currency Convertible Bond offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount). Pursuant to this infusion of long-term financing and available liquidity/facilities with the Group, the management has concluded that the previously reported material uncertainty on the Group's ability to continue as a going concern no longer exists.

4. In respect of Tower Infrastructure Service Segment of the Group:
  - i) On January 29, 2020, Indus Towers Limited, a Joint Venture Company ('JVC') of a subsidiary of the Company, Bharti Infratel Limited (both in the Tower Infrastructure Service Segment) in its interim financial statements for the three months and nine months ended December 31, 2019 reported that the JVC's two major customers in the telecom services industry impacted by the Court Judgment (refer note 3) contributed substantial and material portion of the net sales which resulted in significant and material part of the trade receivables due from these two customers. Further, that the loss of a significant customer/s or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JVC. The auditors of the JVC have brought out this material uncertainty in their auditor's report.
  - ii) On January 30, 2020, Bharti Infratel Limited, indicated that Bharti Airtel Limited is a major customer of both the entities and one of the two major customers referred to above whose management has concluded that the previously reported material uncertainty on the Company's/Group's ability to continue as a going concern no longer exists (Note 3). The loss of a significant customer/s or the failure to attract new business in both these entities could have an adverse effect on their business and results of operations. The Management of Bharti Infratel Limited and the Group have respectively also currently concluded that there is no impairment with respect to property, plant and equipment of Bharti Infratel Limited and the carrying value of its investment in the JVC.



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5. The net exceptional charge of Rs. 10,500 Mn during the quarter ended December 31, 2019 comprises of a charge on account of interest on the provision of license fee and spectrum usage charges recorded in the quarter ended September 30, 2019 of Rs. 10,481 Mn as detailed in Note 3 above pending disposal of the modification application before the Hon'ble Supreme Court; accelerated depreciation on 3G network equipment / operating costs on network re-farming and up-gradation program of Rs. 4,008 Mn; charge on account of rates and taxes, largely paid under protest in earlier years, arising from a detailed management review in light of High Court judgements in multiple states of Rs. 16,974 Mn; deferment of customer acquisition cost following reassessment of customer life for subsidiaries of Airtel Africa plc of Rs. 1,911 Mn; and release of provision on account of full and final settlement of customary indemnities to a clutch of investors of Airtel Africa plc of Rs. 19,052 Mn. Net tax benefit due to the above exceptional items and tax credit arising from deferred tax asset pertaining to one of the subsidiaries, aggregating Rs. 11,270 Mn is included under tax expense/ (credit). As a result, the overall net exceptional gain (after tax) is Rs. 770 Mn. The net benefit allocated to non-controlling interests on the above exceptional items is Rs. 318 Mn.
6. During the quarter ended December 31, 2019, Network i2i Limited (a wholly owned subsidiary of the Company) has issued subordinated perpetual securities of USD 750 Mn (classified as equity instruments) which have been guaranteed by the Company. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend till such cumulative interest remains unpaid.
7. 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 ('OTSC'), which was further revised on June 27, 2018 to Rs. 84,140 Mn. 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. On July 4, 2019, the Telecom Disputes Settlement and Appellate Tribunal in the similar matter of another unrelated telecom service provider, has passed an order providing partial relief and confirming the basis for the balance. The Group, based on independent legal opinions, till date has not given any effect to the above demand.
8. Certain group entities have elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, during the nine months ended December 31, 2019, these group entities have recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby and the related impact is recognised; except for Group's share as to the rate change impact on account of deferred tax created on transition to Ind AS 116, 'Leases' relating to one of its joint venture (which has been utilised from general reserves created out of scheme of merger as approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 effective from June 11, 2013, as permitted thereunder). This has resulted in a charge of Rs. 4,195 Mn within exceptional items and a charge of Rs. 856 Mn in the equity.

For Bharti Airtel Limited



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

Gurugram  
February 4, 2020

**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'





Bharti Airtel Limited

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Statement of Audited Standalone Financial Results for the quarter and nine months ended December 31, 2019

(Rs. Millions, except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
<b>Income</b>						
Revenue	134,797	130,129	123,137	393,257	370,846	496,060
Other income	726	669	625	2,164	1,790	2,518
	<b>135,523</b>	<b>130,798</b>	<b>123,762</b>	<b>395,421</b>	<b>372,636</b>	<b>498,578</b>
<b>Expenses</b>						
Network operating expenses	32,650	36,490	42,781	100,438	121,184	161,949
Access charges	22,668	22,404	21,432	66,978	60,180	81,739
License fee / spectrum charges	12,723	11,739	12,369	37,634	37,221	49,526
Employee benefits expense	3,706	3,810	4,054	11,168	10,976	14,710
Sales and marketing expenses	4,671	3,535	6,795	13,156	19,382	25,966
Other expenses	6,368	6,000	9,157	21,084	29,717	37,414
	<b>82,786</b>	<b>83,978</b>	<b>96,588</b>	<b>250,458</b>	<b>278,660</b>	<b>371,304</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>	<b>52,737</b>	<b>46,820</b>	<b>27,174</b>	<b>144,963</b>	<b>93,976</b>	<b>127,274</b>
Depreciation and amortisation expense	52,264	49,832	38,250	152,266	112,134	151,202
Finance costs	29,258	24,008	18,134	77,032	59,811	78,477
Finance income	(3,815)	(3,447)	(15,041)	(12,909)	(24,158)	(23,809)
Non-operating expenses	208	230	720	897	1,834	1,892
<b>Loss before exceptional items and tax</b>	<b>(25,178)</b>	<b>(23,803)</b>	<b>(14,889)</b>	<b>(72,323)</b>	<b>(55,645)</b>	<b>(80,488)</b>
Exceptional items (net)	27,220	308,150	(11,511)	337,497	(8,580)	(28,049)
<b>Loss before tax</b>	<b>(52,398)</b>	<b>(331,953)</b>	<b>(3,378)</b>	<b>(409,820)</b>	<b>(47,065)</b>	<b>(52,439)</b>
<b>Tax (credit) / expense</b>						
Current tax	-	-	10	-	15	15
Deferred tax	(18,517)	(86,818)	(5,634)	(117,767)	(29,017)	(33,762)
<b>(Loss) / profit for the period</b>	<b>(33,881)</b>	<b>(245,135)</b>	<b>2,246</b>	<b>(292,053)</b>	<b>(18,063)</b>	<b>(18,692)</b>
<b>Other comprehensive income</b>						
Items not to be reclassified to profit or loss :						
- Re-measurement gains / (losses) on defined benefit plans	12	13	(19)	(124)	149	148
- Tax (charge) / credit	(4)	(5)	7	43	(52)	(52)
<b>Other comprehensive income / (loss) for the period</b>	<b>8</b>	<b>8</b>	<b>(12)</b>	<b>(81)</b>	<b>97</b>	<b>96</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(33,873)</b>	<b>(245,127)</b>	<b>2,234</b>	<b>(292,134)</b>	<b>(17,966)</b>	<b>(18,596)</b>
Paid-up equity share capital (Face value : Rs. 5/- each)	25,660	25,660	19,987	25,660	19,987	19,987
Other equity	911,146	944,600	976,745	911,146	976,745	963,072
<b>(Loss) / earnings per share (Face value : Rs. 5/- each)</b>						
Basic and diluted (loss) / earnings per share*	(6.60)	(47.77)	0.52	(58.78)	(4.21)	(4.36)

\*Basic and diluted (loss) / earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the nine months ended December 31, 2019.



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Audited Standalone Segment-wise Revenue, Results, Assets and Liabilities for the quarter and nine months ended December 31, 2019

(Rs Millions)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
<b>1. Segment Revenue</b>						
- Mobile Services*	105,566	104,922	98,654	314,156	296,928	399,228
- Airtel Business	26,664	26,991	25,955	79,723	79,143	104,068
- Homes Services	5,433	5,359	5,384	16,369	16,496	21,919
<b>Total segment revenue</b>	<b>137,663</b>	<b>137,272</b>	<b>129,993</b>	<b>410,248</b>	<b>392,567</b>	<b>525,215</b>
Less: Inter-segment eliminations	2,866	7,143	6,856	16,991	21,721	29,155
<b>Total revenue</b>	<b>134,797</b>	<b>130,129</b>	<b>123,137</b>	<b>393,257</b>	<b>370,846</b>	<b>496,060</b>
<b>2. Segment Results</b>						
(Loss) / profit before net finance costs, non-operating expenses, exceptional items and tax						
- Mobile Services*	(5,677)	(10,345)	(16,459)	(25,742)	(36,666)	(47,291)
- Airtel Business*	6,160	6,499	5,174	17,643	17,520	22,717
- Homes Services*	819	1,163	818	2,915	2,624	3,249
<b>Total segment results</b>	<b>1,302</b>	<b>(2,683)</b>	<b>(10,467)</b>	<b>(5,184)</b>	<b>(16,522)</b>	<b>(21,325)</b>
- Unallocated	(827)	(325)	(500)	(1,529)	(1,336)	(1,695)
<b>Total</b>	<b>475</b>	<b>(3,008)</b>	<b>(10,967)</b>	<b>(6,713)</b>	<b>(17,858)</b>	<b>(23,020)</b>
Less:						
(i) Net finance costs	25,443	20,561	3,093	64,123	35,653	54,668
(ii) Non-operating expenses	208	230	720	897	1,834	1,892
(iii) Charity and donation	2	4	109	590	300	908
(iv) Exceptional items (net)	27,220	308,150	(11,511)	337,497	(8,580)	(28,049)
<b>Loss before tax</b>	<b>(52,398)</b>	<b>(331,953)</b>	<b>(3,378)</b>	<b>(409,820)</b>	<b>(47,065)</b>	<b>(52,439)</b>
<b>3. Segment Assets#</b>						
- Mobile Services*	1,968,039	1,896,457	1,538,636	1,968,039	1,538,636	1,558,957
- Airtel Business*	102,120	104,869	106,424	102,120	106,424	100,851
- Homes Services*	49,176	44,680	44,534	49,176	44,534	44,692
<b>Total segment assets</b>	<b>2,119,335</b>	<b>2,046,006</b>	<b>1,689,594</b>	<b>2,119,335</b>	<b>1,689,594</b>	<b>1,704,500</b>
- Unallocated	822,018	685,677	591,166	822,018	591,166	591,473
- Inter-segment eliminations	(16,916)	(66,501)	(66,007)	(16,916)	(66,007)	(66,898)
<b>Total assets</b>	<b>2,924,437</b>	<b>2,665,182</b>	<b>2,214,753</b>	<b>2,924,437</b>	<b>2,214,753</b>	<b>2,229,075</b>
<b>4. Segment Liabilities#</b>						
- Mobile Services*	1,092,060	1,000,308	402,315	1,092,060	402,315	386,235
- Airtel Business*	63,877	51,550	44,064	63,877	44,064	39,236
- Homes Services*	21,775	14,695	21,198	21,775	21,198	21,458
<b>Total segment liabilities</b>	<b>1,177,712</b>	<b>1,066,553</b>	<b>467,577</b>	<b>1,177,712</b>	<b>467,577</b>	<b>446,929</b>
- Unallocated	826,835	694,870	816,451	826,835	816,451	865,985
- Inter-segment eliminations	(16,916)	(66,501)	(66,007)	(16,916)	(66,007)	(66,898)
<b>Total liabilities</b>	<b>1,987,631</b>	<b>1,694,922</b>	<b>1,218,021</b>	<b>1,987,631</b>	<b>1,218,021</b>	<b>1,246,016</b>

# Segment assets / segment liabilities as at December 31 / September 30, 2019 includes right-of-use assets / lease liabilities.

\*During the nine months ended December 31, 2019, the Company transferred its operations pertaining to optical fibre on a going concern basis on August 1 2019 to its wholly owned subsidiary. As a result, the Company reorganised its business whereby, the assets and liabilities pertaining to bandwidth capacities have been allocated to Mobile Services, Airtel Business and Homes Services. Previously, these operations were part of Mobile Services and bandwidth capacities were billed by Mobile Services to Airtel Business and Homes Services. Without such reorganisation, for the three months ended December 31, 2019 and as of that date, segment revenue, segment results, segment assets and segment liabilities for Mobile Services would have been Rs 110,233 Mn, Rs (6,731) Mn, Rs 2,025,114 Mn and Rs 1,160,095 Mn respectively; segment revenue, segment results, segment assets and segment liabilities for Airtel Business would have been Rs 6,032 Mn, Rs 93,410 Mn and Rs 51,961 Mn respectively; and for Homes Services would have been Rs 1,047 Mn, Rs 50,332 Mn and Rs 15,178 Mn respectively. Without such reorganisation, for the nine months ended, segment revenue and Segment results for Mobile Services would have been Rs 318,813 Mn and Rs (26,796) Mn respectively; segment results for Airtel Business and Homes Services would have been Rs 17,515 Mn and Rs 3,143 Mn respectively.



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### Notes to the Audited Standalone Financial Results

1. The financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 4, 2020.
2. The financial results are extracted from the Audited Interim Condensed Standalone Financial Statements, which are prepared in accordance with Indian Accounting Standard ('Ind AS') 34, 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
3. In the previous quarter, arising from a judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement'), in the absence of any potential reliefs from the Government, the Company had recorded as a liability/provision an aggregate of Rs. 322,750 Mn as at September 30, 2019 (of which Rs. 267,000 Mn was recorded in previous quarter as exceptional item). The Court Judgement was in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR'). The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to DoT within a period of three months which ended on January 23, 2020. These judgements/orders have significant financial implications on the Company. A Review Petition filed by the Company and other telecom operators against the above Court Judgement was rejected in January 2020. Thereafter, the telecom operators have filed an application for modification of the Supplementary Order before the Hon'ble Supreme Court of India, which is pending disposal.

During the quarter ended December 31, 2019, the Company has continued to recognise, in the same manner, its obligations under the Court Judgements/ Orders. Accordingly, during the quarter, the Company has further recorded interest of Rs. 9,831 Mn which has been presented as exceptional item (refer Note 4).

Subsequent to the reporting period ended December 31, 2019, the Company has successfully raised Rs. 215,017 Mn of additional long term financing through a combination of Rs 144,000 Mn in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid up equity shares of face value Rs. 5 each were issued and allotted at a price of Rs. 445 per equity share) and Rs. 71,017 Mn in the form of 1.50% Foreign Currency Convertible Bond offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount). Pursuant to this infusion of long-term financing and available liquidity/facilities with the Company, the management has concluded that the previously reported material uncertainty on the Company's ability to continue as a going concern no longer exists.

4. The net exceptional charge of Rs. 27,220 Mn during the quarter ended December 31, 2019 comprises of a charge on account of interest on the provision of license fee and spectrum usage charges recorded in the quarter ended September 30, 2019 of Rs. 9,831 Mn as detailed in Note 3 above pending disposal of the modification application before the Hon'ble Supreme Court; accelerated depreciation on 3G network equipment / operating costs on network re-farming and up-gradation program of Rs. 2,652 Mn; and charge on account of rates and taxes, largely paid under protest in earlier years, arising from a detailed management review in light of High Court judgements in multiple states of Rs. 14,737 Mn. Net tax benefit due to the above exceptional items of Rs. 9,512 Mn is included under tax expense/ (credit).
5. During the quarter ended December 31, 2019, Network i2i Limited (a wholly owned subsidiary of the Company) has issued subordinated perpetual securities of USD 750 Mn (classified as equity instruments) which have been guaranteed by the Company. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend till such cumulative interest remains unpaid. *A*



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6. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company for Rs. 51,353 Mn towards levy of one time spectrum charge ('OTSC'), which was further revised on June 27, 2018 to Rs. 79,403 Mn. 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. On July 4, 2019, the Telecom Disputes Settlement and Appellate Tribunal in the similar matter of another unrelated telecom service provider, has passed an order providing partial relief and confirming the basis for the balance. The Company, based on independent legal opinions, till date has not given any effect to the above demand.

For Bharti Airtel Limited



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

Gurugram  
February 4, 2020

**Notes:**

- a) 'Bharti Airtel' or 'Company' stands for Bharti Airtel Limited  
b) For more details on the financial results, please visit our website '[www.airtel.in](http://www.airtel.in)'





## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF BHARTI AIRTEL LIMITED

#### Opinion

We have audited the accompanying statement of Consolidated Financial Results of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter and nine months ended December 31, 2019 ("the Statement / "the Consolidated Financial Results"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

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 audit reports of the other auditors on separate financial information of joint ventures referred to in Other Matter Section below, the Statement:

- (i) includes the results of the entities as given in Annexure to this report;
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34"), prescribed under Section 133 of Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated loss and consolidated total comprehensive loss and other financial information of the Group, its associates and joint ventures for the quarter and nine months ended December 31, 2019.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matters**

- (i) We draw attention to Note 7 of the Statement, which describes the uncertainties related to legal outcome of Department of Telecommunications demand with respect to one time spectrum charges.
- (ii) We draw attention to Note 8 of the Statement, which describes the auditors of Indus Towers Limited ("Indus"), a Joint Venture Company, have included an 'Emphasis of Matter' paragraph in their audit report on the financial statements of that company for the nine month period ended December 31, 2019 with respect to accounting treatment of adjustments of Rs. 2,039 million in carrying value of deferred tax assets, by setting off the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judicature. However, this is not in compliance with Ind AS 12, Income taxes. The Group's share out of above adjustment is Rs. 856 million.

Our opinion on the Statement is not modified in respect of these matters.

**"Material uncertainty arising out of certain developments and its consequential impact on business operations"- Reported by the auditors of Indus Towers Limited, a joint venture company**

As stated in Note 4, the auditors of Indus Towers Limited ("Indus"), a Joint Venture Company, in their audit report on the financial results of that company for the nine months period ended December 31, 2019, have reported under the above heading a matter which describes the effect on business, results of operations, financial position of the Joint venture Company on account of uncertainty regarding continuance of operations of their top customers caused by financial stress post the AGR judgement of Honourable Supreme Court dated October 24, 2019, subsequently upheld on January 16, 2020.

Our opinion on the Statement is not modified in respect of above matter.

**Management's Responsibilities for the Consolidated Financial Results**

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related audited Interim Consolidated Condensed Financial Statements. The Parent's Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated loss and consolidated other comprehensive loss and other financial information of the Group including its associates and joint ventures in accordance with the recognition and measurement principles laid down in the Ind AS 34 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

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records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit 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 such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions

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are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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**Other Matter**

The consolidated financial results also includes the Group's share of profit after tax of Rs. 3,008 Million and Rs. 8,879 Million for the quarter and nine months ended December 31, 2019 respectively and total comprehensive income of Rs. 3,004 Million and Rs. 8,865 Million for the quarter and nine months ended December 31, 2019 respectively, as considered in the Statement, in respect of two joint ventures whose interim financial information have not been audited by us. These interim financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities for the Audit of the Consolidated Financial Results section above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Shyamak

**Shyamak R Tata**  
(Membership No.38320)  
UDIN: 20038320AAAAAD4289

Place: Gurugram  
Date: February 4, 2020

**Annexure to Auditor's Report**

**List of entities:**

1	Bharti Airtel Limited		
	<b>Subsidiaries</b>		
2	Bharti Infratel Limited	35	Bharti Airtel Niger Holdings B.V.
3	Bharti Hexacom Limited	36	Bharti Airtel Nigeria B.V.
4	Bharti Telemedia Limited	37	Bharti Airtel Nigeria Holdings II B.V.
5	Telesonic Networks Limited	38	Bharti Airtel RDC Holdings B.V.
6	Bharti Airtel Services Limited	39	Bharti Airtel Services B.V.
7	Nxtra Data Limited	40	Bharti Airtel Tanzania B.V.
8	Wynk Limited	41	Bharti Airtel Uganda Holdings B.V.
9	Nettle Infrastructure Investments Limited	42	Bharti Airtel Zambia Holdings B.V.
10	Indo Teleports Limited	43	Airtel Mobile Commerce (Seychelles) B.V.
11	SmarTx Services Limited	44	Airtel Mobile Commerce Congo B.V.
12	Bharti Airtel Employees Welfare Trust	45	Airtel Mobile Commerce Kenya B.V.
13	Bharti Infratel Employee Welfare Trust	46	Airtel Mobile Commerce Madagascar B.V.
14	Airtel International LLP	47	Airtel Mobile Commerce Malawi B.V.
15	Bharti Airtel (UK) Limited	48	Airtel Mobile Commerce Rwanda B.V.
16	Bharti International (Singapore) Pte. Ltd.	49	Airtel Mobile Commerce Tchad B.V.
17	Network i2i Ltd.	59	Airtel Mobile Commerce Uganda B.V.
18	Bharti Airtel Lanka (Private) Limited	51	Airtel Mobile Commerce Zambia B.V.
19	Bharti Airtel (France) SAS	52	Bharti Airtel Africa B.V.
20	Bharti Airtel (USA) Limited	53	CelTel (Mauritius) Holdings Limited
21	Bharti Airtel (Hong Kong) Limited	54	Montana International
22	Bharti Airtel (Japan) Private Limited	55	Channel Sea Management Company (Mauritius) Limited
23	Bharti Airtel International (Mauritius) Limited	56	Société Malgache de Telephonie Cellulaire SA
24	Bharti Airtel International (Netherlands) B.V.	57	Bharti Airtel Rwanda Holdings Limited
25	Africa Towers N.V.	58	Indian Ocean Telecom Limited
26	Airtel Mobile Commerce B.V.	59	Bharti Airtel International (Mauritius) Investments Limited
27	Airtel Mobile Commerce Holdings B.V.	60	Bharti Airtel Overseas (Mauritius) Limited
28	Bharti Airtel Chad Holdings B.V.	61	Airtel Africa Plc. (Formerly known as Airtel Africa Limited)
29	Bharti Airtel Congo Holdings B.V.	62	Airtel Africa Mauritius Limited
30	Bharti Airtel Gabon Holdings B.V.	63	Airtel Mobile Commerce Nigeria B.V.
31	Bharti Airtel Kenya B.V.	64	Airtel Networks Limited
32	Bharti Airtel Kenya Holdings B.V.	65	Airtel Uganda Limited
33	Bharti Airtel Madagascar Holdings B.V.	66	Tanzania Towers Limited
34	Bharti Airtel Malawi Holdings B.V.	67	Bharti Airtel Mali Holdings B.V.

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Haskins & Sells LLP**

68	Airtel Mobile Commerce Nigeria Limited	86	Airtel Congo (RDC) S.A.
69	Airtel Mobile Commerce Uganda Limited	87	Airtel Money (RDC) S.A.
70	Airtel Tanzania Public Limited Company (Formerly known as Airtel Tanzania Limited)	88	Partnership Investments SARL
71	Airtel Mobile Commerce (Tanzania) Limited	89	Airtel Mobile Commerce Tchad SARL
72	Airtel Money Tanzania Limited	90	Congo RDC Towers S.A.
73	Airtel Networks Zambia Plc	91	Airtel Congo S.A.
74	Airtel Mobile Commerce Zambia Limited	92	Mobile Commerce Congo S.A.
75	Airtel Money Transfer Ltd	93	Airtel Gabon S.A.
76	Airtel Networks Kenya Limited <sup>@</sup>	94	Airtel Money, S.A.
77	Bharti Airtel Developers Forum Limited	95	Gabon Towers S.A.*
78	Airtel Mobile Commerce (Kenya) Limited	96	Airtel Money Niger S.A.
79	Airtel Malawi Limited	97	Celtel Niger S.A.
80	Airtel Mobile Commerce Limited	98	Airtel Tchad S.A.
81	Airtel Rwanda Limited	99	Airtel Madagascar S.A.
82	Airtel Mobile Commerce Rwanda Limited	100	Madagascar Towers S.A.
83	Airtel (Seychelles) Limited	101	Airtel Mobile Commerce Madagascar S.A.
84	Airtel Mobile Commerce (Seychelles) Limited	102	Malawi Towers Limited
85	Bharti Airtel Holding (Mauritius) Limited	103	Network i2i (Kenya) Limited
	<b>Joint Ventures &amp; Associates</b>		
	<b>(Including their subsidiaries)</b>		
104	Indus Towers Limited	111	Airtel Ghana Limited
105	FireFly Networks Limited	112	Airtel Mobile Commerce (Ghana) Limited
106	Seynse Technologies Private Limited	113	Mobile Financial Services Limited
107	Juggernaut Books Private Limited	114	Millicom Ghana Company Limited
108	Airtel Payments Bank Limited	115	Bharti Airtel Ghana Holdings B.V.
109	Robi Axiata Limited	116	Seychelles Cable Systems Company Limited
110	Bridge Mobile Pte Limited		

@ The Group also holds 100% preference shareholding in these companies. The preference shares do not carry any voting rights.

\* Under dissolution

## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF BHARTI AIRTEL LIMITED

#### Opinion

We have audited the accompanying Statement of Standalone Financial Results of **BHARTI AIRTEL LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2019 ("the Statement" / "the Standalone Financial Results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the quarter and nine months ended December 31, 2019.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of Matter

We draw attention to Note 6 of the Statement, which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one-time spectrum charges.

Our opinion on the Statement is not modified in respect of this matter.

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### **Management's Responsibilities for the Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited Interim Condensed Standalone Financial Statements. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the

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## **Deloitte Haskins & Sells LLP**

purpose of expressing an opinion on the effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Shyamak R Tata**  
**Partner**  
(Membership No.38320)  
UDIN: 20038320AAAAAC2412

Place: Gurugram  
Date: February 4, 2020