

Bharti Airtel Limited

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Statement of Audited Consolidated Ind AS Financial Results for the quarter and six months ended September 30, 2016

(Rs. Million, except per share data)

S.No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
		Audited	Audited	Audited	Audited	Audited	Audited
1	Income from operations						
	(a) Net Sales / Income from operations	246,515	255,465	238,357	501,980	475,066	965,321
	(b) Other operating income	200	264	162	464	261	871
	Total income from operations	246,715	255,729	238,519	502,444	475,327	966,192
2	Expenses						
	(a) Network operations expenses	53,935	56,786	52,864	110,721	104,597	211,891
	(b) Access charges	28,598	27,041	27,912	55,639	55,331	109,423
	(c) License fees / spectrum charges (revenue share)	24,143	25,499	23,272	49,642	46,373	94,928
	(d) Depreciation and amortisation	49,560	50,402	42,390	99,962	82,794	174,498
	(e) Employee benefits	10,858	11,144	12,460	22,002	24,528	49,108
	(f) Sales and marketing expenses	20,372	22,923	23,516	43,295	47,200	94,861
	(g) Other expenses	14,207	16,591	15,993	30,798	32,453	65,268
	Total expenses	201,673	210,386	198,407	412,059	393,276	799,977
3	Profit from operations before other income, net finance costs (including exchange fluctuation / related expenses), share of profit of joint ventures and associates, exceptional items and tax (1-2)	45,042	45,343	40,112	90,385	82,051	166,215
4	Other income	-	-	-	-	-	-
5	Profit from ordinary activities before net finance costs (including exchange fluctuation / related expenses), share of profit of joint ventures and associates, exceptional items and tax (3+4)	45,042	45,343	40,112	90,385	82,051	166,215
6	Net finance costs (including exchange fluctuation / related expenses)	20,386	19,424	19,610	39,810	38,901	70,159
7	Share of profit of joint ventures and associates	(2,697)	(2,548)	(2,625)	(5,245)	(5,030)	(10,666)
8	Profit from ordinary activities after net finance costs (including exchange fluctuation / related expenses), share of profit of joint ventures and associates but before exceptional items and tax (5,6,7)	27,353	28,467	23,127	55,820	48,180	106,722
9	Exceptional items - net charge / (credit) (Refer Note G below)	66	3,536	(6,761)	3,602	(28,145)	(21,741)
10	Profit from ordinary activities before tax (8-9)	27,287	24,931	29,888	52,218	76,325	128,463
11	Tax expenses (including benefit of Rs. 938 Mn and Rs. 3,179 Mn for the quarter and six months ended Sep'16 respectively, benefit of Rs. 2,241 Mn for the quarter ended June'16, expenses of Rs. 6,337 Mn for the year ended Mar'16, and benefit of Rs. 1,011 Mn and expenses of Rs. 7,388 Mn for the quarter and six months ended Sep'15 respectively, on exceptional items)	11,136	10,089	13,394	21,225	35,221	59,533
12	Net profit from ordinary activities after tax (10-11)	16,151	14,842	16,494	30,993	41,104	68,930
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	Profit for the period / year (12-13)	16,151	14,842	16,494	30,993	41,104	68,930
15	Minority interest (including impact of Rs. 37 Mn and Rs. 2,150 Mn for the quarter and six months ended Sep'16 respectively, Rs. 2,113 Mn for the quarter ended June'16, Rs. 2,626 Mn for the year ended March'16, and Rs. 93 Mn and Rs. 2,932 Mn for the quarter and six months ended Sep'15 respectively on exceptional items)	1,544	222	1,133	1,766	4,611	8,163
16	Net profit for the period / year after tax and minority interest (14-15)	14,607	14,620	15,361	29,227	36,493	60,767
17	Other comprehensive loss (net of minority interest)	(8,081)	(39,172)	(13,128)	(47,255)	(14,513)	(11,977)
18	Total comprehensive income / (loss) (16+17)	6,526	(24,552)	2,233	(18,028)	21,980	48,790
19	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
20	Reserves excluding revaluation reserves	621,401	622,899	620,944	621,401	620,944	647,706
21	Earnings per share before / after extraordinary items (Face value Rs.5/- each)						
	i) Basic	3.66	3.66	3.84	7.31	9.13	15.21
	ii) Diluted	3.65	3.66	3.84	7.31	9.13	15.21



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Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and six months ended September 30, 2016

(Rs Million)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
a) Mobile Services India	147,352	150,526	136,555	297,878	274,542	560,818
b) Mobile Services Africa	53,048	62,493	62,721	115,541	124,316	251,333
c) Mobile Services South Asia	4,169	4,143	4,045	8,312	7,931	16,454
d) Airtel Business	29,817	26,793	25,004	56,610	49,284	96,993
e) Tower Infrastructure Services	14,962	14,557	13,725	29,519	27,462	55,588
f) Homes Services	7,063	6,644	6,151	13,707	12,136	25,066
g) Digital TV Services	8,545	8,369	7,068	16,914	13,916	29,178
h) Others	731	772	673	1,503	1,472	3,051
i) Unallocated	-	-	-	-	-	-
Total	265,687	274,297	255,942	539,984	511,059	1,038,481
Less: Inter-segment revenue *	19,172	18,832	17,585	38,004	35,993	73,160
Net sales / income from operations	246,515	255,465	238,357	501,980	475,066	965,321
2. Segment Results #						
Profit / (loss) before net finance costs (including exchange fluctuation / related expenses), exceptional items and tax						
a) Mobile Services India	33,105	34,439	30,679	67,544	64,363	127,787
b) Mobile Services Africa	1,103	1,975	1,216	3,078	1,977	4,909
c) Mobile Services South Asia	(1,271)	(1,580)	(1,612)	(2,851)	(3,441)	(6,394)
d) Airtel Business	6,114	4,695	5,034	10,809	9,103	18,853
e) Tower Infrastructure Services	7,067	6,597	5,988	13,664	11,995	25,506
f) Homes Services	1,634	1,614	1,386	3,248	2,753	5,682
g) Digital TV Services	699	1,219	1,918	1,918	585	1,843
h) Others	(6)	2	11	(4)	23	(23)
i) Unallocated	(72)	(475)	(204)	(547)	(705)	(1,544)
Total	48,373	48,486	42,668	96,859	86,653	176,619
Less:						
(i) Inter-segment eliminations *	634	595	(69)	1,229	(428)	(262)
(ii) Net finance costs (including exchange fluctuation / related expenses)	20,386	19,424	19,610	39,810	38,901	70,159
(iii) Exceptional items - net charge / (credit)	66	3,536	(6,761)	3,602	(28,145)	(21,741)
Total profit before tax	27,287	24,931	29,888	52,218	76,325	128,463
3. Segment Assets						
a) Mobile Services India	1,597,315	1,560,638	1,312,220	1,597,315	1,312,220	1,492,965
b) Mobile Services Africa	587,628	623,602	708,788	587,628	708,788	710,446
c) Mobile Services South Asia	44,996	46,937	49,035	44,996	49,035	47,038
d) Airtel Business	260,873	249,121	196,511	260,873	196,511	229,437
e) Tower Infrastructure Services	195,668	214,872	199,138	195,668	199,138	209,382
f) Homes Services	236,687	206,850	133,628	236,687	133,628	168,010
g) Digital TV Services	23,685	23,838	19,802	23,685	19,802	22,756
h) Others	908	1,275	726	908	726	1,037
i) Unallocated / Inter-segment eliminations	(725,185)	(675,861)	(492,824)	(725,185)	(492,824)	(623,840)
Total	2,222,575	2,251,272	2,127,024	2,222,575	2,127,024	2,257,231
4. Segment Liabilities						
a) Mobile Services India	700,438	681,505	485,853	700,438	485,853	627,121
b) Mobile Services Africa	266,901	262,923	264,975	266,901	264,975	278,878
c) Mobile Services South Asia	32,886	33,045	31,087	32,886	31,087	31,499
d) Airtel Business	151,490	144,420	106,002	151,490	106,002	129,797
e) Tower Infrastructure Services	20,627	20,911	19,943	20,627	19,943	19,806
f) Homes Services	175,636	147,301	76,964	175,636	76,964	110,033
g) Digital TV Services	32,947	44,328	55,007	32,947	55,007	46,958
h) Others	1,342	1,692	1,042	1,342	1,042	1,439
i) Unallocated \$ / Inter-segment eliminations	154,012	219,965	393,841	154,012	393,841	289,026
Total	1,536,279	1,556,090	1,434,714	1,536,279	1,434,714	1,534,557

* Includes accounting policy alignment

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

\$ Includes borrowings, including borrowings for Africa operations of Rs.374,979 Mn, Rs.405,880 Mn, Rs. 442,204 Mn and Rs.476,162 Mn, for spectrum of Rs. 3,520 Mn, Rs. 24,520 Mn, Rs. 8,907 Mn, and Rs. 21,150 Mn as of September 30, 2016, June 30, 2016, March 31, 2016 and September 30, 2015 respectively, income tax related items and derivative financial instruments

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Notes to the Financial Results

1. The said financial results for the quarter and six months ended September 30, 2016 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their respective meetings held on October 25, 2016.
2. The above financial results are extracted from the audited interim condensed 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 it's share in the results of joint ventures and associates.

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 Indian Accounting Principles generally accepted in India; being the previous GAAP. Accordingly, 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 to comply with Ind AS. 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 01, 2010 till March 31, 2016. The historical periods have been restated as per Ind-AS to make them comparable.

3. During the quarter ended September 30, 2016, the Group has received the requisite approvals for the transfer of right to use spectrum band for the seven out of eight circles from Aircel Limited and its subsidiaries, and accordingly the spectrum has been recorded for such circles.
4. Subsequent to the balance sheet date, in the auction conducted by the Government of India the Group has won 173.80 MHz spectrum across 1800 / 2100 / 2300 MHz bands against the consideration aggregating to Rs. 142,436 Mn.
5. 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.
6. Exceptional items during the quarter ended September 30, 2016 comprises of (i) charge of Rs.1,287 Mn towards operating costs on network re-farming and up-gradation program, (ii) benefit due to reversal of certain expired claims / liabilities aggregating to Rs. 1,130 Mn, (iii) net benefit of Rs 90 Mn pertaining to the divestment of subsidiary / divestment of telecom tower asset, and (iv) net tax benefit of Rs 938 Mn and impact of minority interest of Rs 37 Mn on the above.
7. The Company, in its Annual General Meeting held on August 19, 2016, declared final dividend at the rate of Rs.1.36 per equity share (face value of Rs. 5 each) aggregating to Rs. 5,436 Mn.



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

Particulars	(Rs. Million)	
	As of	
	September 30, 2016	March 31, 2016
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	595,048	610,508
Capital work-in-progress	48,279	47,304
Goodwill	361,949	428,381
Other intangible assets	718,905	684,039
Intangible assets under development	68,065	9,716
Investment in joint ventures and associates	54,147	60,990
Financial Assets		
- Investments	57,957	28,622
- Derivative instruments	16,286	13,999
- Loans and security deposits	8,207	9,948
- Others	20,856	17,502
Deferred tax assets (net)	41,341	46,738
Other non-current assets	40,864	70,933
	2,031,904	2,028,680
Current assets		
Inventories	1,483	1,692
Financial Assets		
- Investments	15,580	16,159
- Derivative instruments	2,729	4,765
- Trade receivables	68,252	65,767
- Cash and cash equivalents	21,677	37,087
- Bank deposits	1,384	13,900
- Others	20,402	21,782
Current tax assets	8,175	11,570
Other current assets	47,967	48,827
Assets-held-for-sale	3,022	7,002
	190,671	228,551
Total assets	2,222,575	2,257,231
Equity and liabilities		
Equity		
Share capital	19,987	19,987
Other Equity	621,401	647,706
Equity attributable to equity holders of the Parent	641,388	667,693
Non-controlling interests	44,908	54,981
	686,296	722,674
Non-current liabilities		
Financial Liabilities		
- Borrowings	879,836	892,686
- Derivative instruments	118	8
- Others	19,862	20,576
Deferred revenue	23,457	17,787
Provisions	7,110	7,350
Deferred tax liabilities (net)	9,850	12,512
Other non-current liabilities	669	1,527
	940,902	952,446
Current liabilities		
Financial Liabilities		
- Borrowings	56,156	57,238
- Current maturities of long-term borrowings	52,143	54,601
- Derivative instruments	711	1,931
- Trade Payables	278,731	255,806
- Others	112,332	126,688
Deferred revenue	48,641	51,336
Provisions	2,603	2,332
Current tax liabilities (net)	8,904	9,296
Other current liabilities	34,288	21,844
Liabilities-held-for-sale	868	1,039
	595,377	582,111
Total liabilities	1,536,279	1,534,557
Total equity and liabilities	2,222,575	2,257,231



9. 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
October 25, 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'.

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