



Bharti Airtel Limited

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Statement of Audited Consolidated Financial Results for the quarter and six months ended September 30, 2019

(Rs. Millions; except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue	211,313	207,379	201,478	418,692	399,470	807,802
Other income	677	832	812	1,509	1,924	3,463
	211,990	208,211	202,290	420,201	401,394	811,265
Expenses						
Network operating expenses	49,689	46,636	56,290	96,325	107,443	225,132
Access charges	26,389	25,627	23,294	52,016	44,649	93,521
License fee / spectrum charges	16,764	17,930	17,697	34,694	34,669	69,426
Employee benefits expense	9,464	8,641	9,360	18,105	19,016	37,975
Sales and marketing expenses	7,581	8,386	10,206	15,967	20,556	41,568
Other expenses	12,823	17,357	22,314	30,180	43,677	82,542
	122,710	124,577	139,161	247,287	270,010	550,164
Profit from operating activities before depreciation, amortisation and exceptional items	89,280	83,634	63,129	172,914	131,384	261,101
Depreciation and amortisation expense	69,351	67,587	52,366	136,938	103,818	213,475
Finance costs	31,872	34,121	33,034	65,800	58,524	106,222
Finance income	(2,789)	(2,306)	(3,177)	(4,902)	(7,401)	(10,328)
Non-operating expenses (net)	231	461	1,074	692	1,114	1,894
Share of results of associates and joint ventures (net)	(3,155)	(931)	(1,633)	(4,086)	(3,286)	(3,556)
Loss before exceptional items and tax	(6,230)	(15,298)	(18,535)	(21,528)	(21,385)	(46,606)
Exceptional items (net)	307,110	14,694	1,449	321,804	5,070	(29,288)
Loss before tax	(313,340)	(29,992)	(19,984)	(343,332)	(26,455)	(17,318)
Tax expense / (credit)						
Current tax	4,281	7,763	3,850	12,044	11,026	19,391
Deferred tax	(89,320)	(13,833)	(26,326)	(103,153)	(44,769)	(53,584)
(Loss) / profit for the period	(228,301)	(23,922)	2,492	(252,223)	7,288	16,875
Other comprehensive income ('OCI')						
Items to be reclassified subsequently to profit or loss :						
- Net gains / (losses) due to foreign currency translation differences	4,503	(2,470)	(2,271)	2,033	(8,280)	(15,739)
- Net losses on net investment hedge	(1,156)	(153)	(4,328)	(1,309)	(5,824)	(1,754)
- Net losses on cash flow hedge	(114)	(79)	(148)	(193)	(655)	(833)
- Net (losses) / gains on fair value through OCI investments	(126)	19	(20)	(107)	(44)	(45)
- Tax credit on above	296	68	364	364	527	5,428
Items not to be reclassified to profit or loss :						
- Re-measurement gains / (losses) on defined benefit plans	41	(291)	55	(250)	141	47
- Tax (charge) / credit	(13)	80	(16)	67	(71)	(62)
- Share of OCI of joint ventures and associates	3	(6)	(0)	(3)	(1)	(12)
Other comprehensive income / (loss) for the period	3,434	(2,832)	(6,364)	602	(14,207)	(12,970)
Total comprehensive (loss) / income for the period	(224,867)	(26,754)	(3,872)	(251,621)	(6,919)	3,905
(Loss) / profit for the period attributable to	(228,301)	(23,922)	2,492	(252,223)	7,288	16,875
Owners of the Parent	(230,449)	(28,660)	1,188	(259,109)	2,161	4,095
Non-controlling interests	2,148	4,738	1,304	6,886	5,127	12,780
Other comprehensive income / (loss) for the period attributable to :	3,434	(2,832)	(6,364)	602	(14,207)	(12,970)
Owners of the Parent	1,119	(1,950)	(7,356)	(831)	(14,399)	(10,216)
Non-controlling Interests	2,315	(882)	992	1,433	192	(2,754)
Total comprehensive (loss) / income for the period attributable to :	(224,867)	(26,754)	(3,872)	(251,621)	(6,919)	3,905
Owners of the Parent	(229,330)	(30,610)	(6,168)	(259,940)	(12,238)	(6,121)
Non-controlling Interests	4,463	3,856	2,296	8,319	5,319	10,026
Paid-up equity share capital (Face value : Rs. 5/- each)	25,660	25,655	19,987	25,660	19,987	19,987
Other equity	674,173	888,091	668,817	674,173	668,817	694,235
Earnings per share (Face value : Rs. 5/- each)*						
Basic	(44.92)	(6.18)	0.28	(53.04)	0.96	0.96
Diluted	(44.92)	(6.18)	0.28	(53.04)	0.96	0.96

*Basic and diluted earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the six months ended September 30, 2019



Particulars	As of	
	September 30, 2019	March 31, 2019
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	802,506	815,228
Capital work-in-progress	89,626	88,433
Right-of-use assets	250,977	-
Goodwill	336,606	332,562
Other intangible assets	830,494	860,525
Intangible assets under development	2,182	7,909
Investment in joint ventures and associates	91,553	88,937
Financial assets		
- Investments	20,215	21,941
- Derivative instruments	95	3,105
- Security deposits	9,411	16,452
- Others	3,347	3,227
Income tax assets (net)	20,836	17,694
Deferred tax assets (net)	218,124	89,379
Other non-current assets	83,653	77,526
	2,759,625	2,422,918
Current assets		
Inventories	1,218	884
Financial assets		
- Investments	60,383	46,232
- Derivative instruments	457	426
- Trade receivables	53,290	43,006
- Cash and cash equivalents	106,957	62,121
- Other bank balances	20,780	18,934
- Others	200,076	20,343
Other current assets	153,440	137,111
	596,601	329,057
Total assets	3,356,226	2,751,975
Equity and liabilities		
Equity		
Share capital	25,660	19,987
Other equity	674,173	694,235
Equity attributable to owners of the Parent	699,833	714,222
Non-controlling interests	170,316	135,258
	870,149	849,480
Non-current liabilities		
Financial liabilities		
- Borrowings	882,892	824,901
- Lease liabilities	229,548	47,553
- Derivative instruments	340	826
- Others	59,693	62,131
Deferred revenue	16,906	17,986
Provisions	7,282	6,823
Deferred tax liabilities (net)	6,816	11,297
Other non-current liabilities	11,568	429
	1,215,045	971,946
Current liabilities		
Financial liabilities		
- Borrowings	102,612	310,097
- Current maturities of long-term borrowings	83,859	71,732
- Lease liabilities	70,259	-
- Derivative instruments	47,480	12,742
- Trade payables	267,212	280,031
- Others	143,339	159,806
Deferred revenue	49,123	43,993
Provisions	465,506	2,197
Current tax liabilities (net)	10,189	8,228
Other current liabilities	31,453	41,723
	1,271,032	930,549
Total liabilities	2,486,077	1,902,495
Total equity and liabilities	3,356,226	2,751,975



Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and six months ended September 30, 2019

(Rs. Millions)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
- Mobile Services India	109,813	108,668	102,522	218,481	207,325	415,540
- Mobile Services Africa	59,157	55,433	53,725	114,590	103,761	215,028
- Mobile Services South Asia	1,105	1,089	1,122	2,194	2,182	4,436
- Airtel Business	33,312	32,080	33,458	65,392	63,381	124,537
- Tower Infrastructure Services	16,673	17,262	17,206	33,935	34,155	68,185
- Homes Services	5,475	5,705	5,607	11,180	11,352	22,391
- Digital TV Services	7,893	7,389	10,242	15,282	20,166	41,001
- Others	(1)	(80)	529	(81)	902	1,163
Total segment revenue	233,427	227,546	224,411	460,973	443,224	892,281
Less: Inter-segment eliminations*	22,114	20,167	22,933	42,281	43,754	84,479
Total revenue	211,313	207,379	201,478	418,692	399,470	807,802
2. Segment Results ^						
(Loss) / profit before net finance costs, non-operating expenses (net), exceptional items and tax						
- Mobile Services India	(11,448)	(12,418)	(15,917)	(23,866)	(24,697)	(57,507)
- Mobile Services Africa	15,357	13,775	13,548	29,132	25,387	52,100
- Mobile Services South Asia	(277)	(260)	(271)	(537)	(602)	(1,069)
- Airtel Business	7,706	6,149	7,741	13,855	15,176	27,466
- Tower Infrastructure Services	10,991	8,999	7,587	19,990	15,591	31,429
- Homes Services	1,235	1,055	1,082	2,290	2,112	3,333
- Digital TV Services	3,243	3,612	1,905	6,855	3,989	7,410
- Others	(1,651)	(1,727)	(836)	(3,378)	(2,693)	(7,228)
Total	25,156	19,185	14,839	44,341	34,263	55,934
- Unallocated	(340)	(403)	(674)	(743)	(1,061)	(1,726)
- Inter-segment eliminations*	(1,732)	(1,804)	(1,769)	(3,536)	(2,350)	(3,026)
Total segment results	23,084	16,978	12,396	40,062	30,852	51,182
Less:						
(i) Net finance costs	29,083	31,815	29,857	60,898	51,123	95,894
(ii) Non-operating expenses (net)	231	461	1,074	692	1,114	1,894
(iii) Exceptional items (net)	307,110	14,694	1,449	321,804	5,070	(29,288)
Loss before tax	(313,340)	(29,992)	(19,984)	(343,332)	(26,455)	(17,318)
3. Segment Assets ^#						
- Mobile Services India	2,070,984	1,845,796	1,663,896	2,070,984	1,663,896	1,700,637
- Mobile Services Africa	654,020	592,743	548,485	654,020	548,485	570,021
- Mobile Services South Asia	7,537	7,760	7,356	7,537	7,356	6,774
- Airtel Business	155,335	158,317	149,249	155,335	149,249	149,445
- Tower Infrastructure Services	189,180	183,355	176,746	189,180	176,746	169,693
- Homes Services	45,087	46,209	44,290	45,087	44,290	45,889
- Digital TV Services	37,621	34,174	27,594	37,621	27,594	31,234
- Others	36,782	49,935	43,767	36,782	43,767	37,927
Total segment assets	3,196,546	2,918,289	2,661,383	3,196,546	2,661,383	2,711,620
- Unallocated	278,976	176,256	113,068	278,976	113,068	133,120
- Inter-segment eliminations*	(119,296)	(138,293)	(83,948)	(119,296)	(83,948)	(92,765)
Total assets	3,356,226	2,956,252	2,690,503	3,356,226	2,690,503	2,751,975
4. Segment Liabilities#						
- Mobile Services India	1,078,617	603,198	409,599	1,078,617	409,599	408,088
- Mobile Services Africa	181,081	180,617	102,038	181,081	102,038	110,986
- Mobile Services South Asia	3,560	3,740	2,735	3,560	2,735	2,515
- Airtel Business	99,272	102,032	90,212	99,272	90,212	87,225
- Tower Infrastructure Services	41,624	42,959	23,577	41,624	23,577	22,303
- Homes Services	14,192	23,465	18,614	14,192	18,614	21,729
- Digital TV Services	38,062	35,842	33,937	38,062	33,937	35,423
- Others	505	448	11,016	505	11,016	2,181
Total segment liabilities	1,456,913	992,301	691,728	1,456,913	691,728	690,450
- Unallocated	1,166,031	1,079,799	1,326,655	1,166,031	1,326,655	1,313,444
- Inter-segment eliminations*	(136,867)	(156,297)	(91,876)	(136,867)	(91,876)	(101,399)
Total liabilities	2,486,077	1,915,803	1,926,507	2,486,077	1,926,507	1,902,495

* Includes accounting policy alignment

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

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



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Particulars	Six months ended	
	September 30, 2019	September 30, 2018
	Audited	Audited
Cash flows from operating activities		
Loss before tax	(343,332)	(26,455)
Adjustments for:		
Depreciation and amortisation expenses	136,938	103,818
Finance costs	65,393	58,524
Finance income	(4,902)	(7,401)
Share of results of joint ventures and associates (net)	(4,086)	(3,286)
Employee share-based payment expenses	112	187
Loss on sale of property, plant and equipment	1	98
Other non-cash / non-operating items	325,433	11,877
Operating cash flow before changes in working capital	175,557	137,362
Changes in working capital		
Trade receivables	(15,906)	4,744
Trade payables	(10,173)	5,866
Inventories	(162)	(30)
Provisions	135,142	(405)
Other financial and non-financial liabilities	(5,683)	(10,876)
Other financial and non-financial assets	(116,276)	(35,660)
Net cash generated from operations before tax	162,499	101,001
Income tax paid - net	(13,377)	(12,485)
Net cash generated from operating activities	149,122	88,516
Cash flows from investing activities		
Purchase of property, plant and equipment	(89,567)	(159,127)
Proceeds from sale of property, plant and equipment	674	366
Purchase of intangible assets	(6,876)	(14,813)
Payment towards spectrum - deferred payment liability*	(6,753)	(5,978)
Net movement in current investments	(12,839)	13,609
Sale of non-current investments	2,352	343
Purchase of non-current investments	-	(182)
Consideration / advance for acquisitions, net of cash acquired	-	528
Sale of tower assets	-	2,973
Investment in associates / subsidiaries	(2,603)	(60)
Dividend received	-	11,386
Interest received	2,502	1,843
Net cash used in investing activities	(113,110)	(149,112)
Cash flows from financing activities		
Net proceeds from issue of shares	249,136	-
Proceeds from borrowings	168,212	114,129
Repayment of borrowings	(221,489)	(39,618)
Payment of lease liabilities	(18,231)	(1,638)
Net (repayment of) / proceeds from short-term borrowings	(138,852)	20,847
Proceeds from sale and finance leaseback of towers	-	1,607
Purchase of treasury shares	(84)	(203)
Interest and other finance charges paid	(57,914)	(36,750)
Proceeds from exercise of share options	3	5
Dividend paid (including tax)	(11,558)	(26,797)
Net proceeds from issuance of equity shares to Non-controlling interest	55,030	597
Purchase of shares from Non-controlling interest	-	(5,366)
Net payment towards derivatives	(15,784)	-
Sale of interest in a subsidiary	-	16,238
Net cash generated from financing activities	8,469	43,051
Net increase / (decrease) in cash and cash equivalents during the period	44,481	(17,545)
Effect of exchange rate on cash and cash equivalents	2,459	3,091
Add : Cash and cash equivalents as at the beginning of the period	37,316	28,468
Cash and cash equivalents as at the end of the period	84,256	14,014

*Cash flows towards spectrum acquisitions are based on the timing of payouts to DoT (viz. upfront / deferred)



Notes to the Audited Consolidated Financial Results

1. The financial results for the quarter and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on November 14, 2019.
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 it's share in the results of joint ventures and associates.
3. These financial results have been prepared on the basis of the accounting principles applicable to a going concern. Attention is drawn to a specific event post quarter end as delineated below.

Details of the Specific event and implications on these financial results

On October 24, 2019, the Honourable Supreme Court of India delivered a judgement 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') ('Court Judgement'). The Hon'ble Supreme Court has allowed a period of three months to the affected parties to pay the amounts due to DoT. This Court Judgement has significant financial implications on the Group.

The Management is reviewing its options and remedies available, including but not limited to filing petitions before the Supreme Court and also seeking other reliefs, with others affected in the industry, from the Government. As on the date, the management understands that the government has formed a high level Committee of Secretaries across ministries, to assess the stress in the industry and recommend suitable measures.

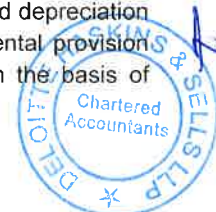
In the absence of available reliefs, the Group has in these financial results, provided for an additional amount of Rs. 168,150 Mn (comprising of principal of Rs. 32,070 Mn, interest of Rs. 70,000 Mn, penalty of Rs. 24,920 Mn, and interest on penalty of Rs. 41,160 Mn) as a charge to the statement of profit and loss, with respect to the license fee payable as estimated based on the Court Judgement. In addition, an amount of Rs. 116,350 Mn (comprising of principal of Rs. 29,570 Mn, interest of Rs. 52,190 Mn, penalty of Rs. 12,680 Mn, and interest on penalty of Rs. 21,910 Mn) with respect to spectrum usage charges ('SUC'), based on the definition of AGR, has further been provided as a charge to the statement of profit and loss as estimated, albeit the Group believes SUC is a charge related to use of spectrum and should be levied only on the AGR earned from wireless access subscribers / services. These provisions have been made without prejudice to the Group's right to contest DoT's demands on facts as well as on rights available in law.

Accordingly, in the absence of available reliefs, with respect to the operations of the Group, the liabilities / provisions as at September 30, 2019 aggregate Rs. 342,600 Mn (comprising of principal of Rs. 87,470 Mn, interest of Rs. 154,460 Mn, penalty of Rs. 37,600 Mn and interest on penalty of Rs. 63,070 Mn).

Management plan to deal with this event and the material uncertainty related to the event

The Group will require significant additional financing to discharge its obligations under the Court Judgement; the management's actions include, inter alia, accessing diversified sources of finance. The Group has an established track record of accessing diversified sources of finance across markets and currencies. However, there can be no assurance of the success of management's plans to access additional sources of finance to the extent required, on terms acceptable to Group, and to raise these amounts in a timely manner. This represents a material uncertainty whereby, it may be unable to realize its assets and discharge its liabilities in the normal course of business, and accordingly may cast significant doubt on the Group's ability to continue as a going concern.

4. During the quarter ended September 30 2019, the Group gave effect to the merger of consumer mobile businesses of Tata Teleservices Limited ('TTSL') and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company and one of its subsidiaries, on July 1, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). The said merger is accounted on a provisional basis in accordance with Ind AS 103, 'Business Combinations' and has resulted in Capital reserve of Rs. 12,930 Mn.
5. During the quarter ended September 30, 2019, Airtel Africa plc (a subsidiary of the Group) was listed on London Stock and Nigeria Stock Exchange by issuing approximately 676 Mn equity shares at 80 pence and 363 NGN per share respectively. Due to the transaction, the shareholding of the Group in Airtel Africa plc has reduced to approximately 56%.
6. The net exceptional charge during the quarter ended September 30, 2019 comprises of a charge on account of license fee and SUC of Rs. 168,150 Mn and Rs. 116,350 Mn respectively as detailed in note 3 above; accelerated depreciation on 3G network equipment / operating costs on network re-farming and up-gradation program, incremental provision mainly pertaining to customary indemnities to a clutch of investors of Airtel Africa plc determined on the basis of



methodology settled prior to listing and credit pertaining to re-assessment of levies based on a recent judgement of Rs. 7,515 Mn, Rs. 30,635 Mn and Rs. 15,540 Mn respectively. Net tax benefit due to the above exceptional items, credit resulting from internal restructuring, charge due to adoption of new tax regime in certain group entities and reversal of tax credit aggregating to Rs. 83,166 Mn is included under tax expense / (credit). As a result, the overall net exceptional charge (after tax) is Rs. 223,944 Mn. The net charge to non-controlling interests on the above exceptional items is Rs. 4,724 Mn.

7. Subsequent to the balance sheet date, 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.
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 ('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.
9. 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 quarter ended September 30, 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.

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For Bharti Airtel Limited



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

New Delhi
November 14, 2019

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 six months ended September 30, 2019

(Rs. Millions, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue	130,129	128,331	123,526	258,460	247,709	496,060
Other income	669	769	627	1,438	1,165	2,518
	130,798	129,100	124,153	259,898	248,874	498,578
Expenses						
Network operating expenses	36,490	31,298	40,890	67,788	78,403	161,949
Access charges	22,404	21,906	20,255	44,310	38,748	81,739
License fee / spectrum charges	11,739	13,172	12,557	24,911	24,852	49,526
Employee benefits expense	3,810	3,652	3,594	7,462	6,922	14,710
Sales and marketing expenses	3,535	4,950	5,802	8,485	12,587	25,966
Other expenses	6,000	8,716	10,756	14,716	20,560	37,414
	83,978	83,694	93,854	167,672	182,072	371,304
Profit from operating activities before depreciation, amortisation and exceptional items	46,820	45,406	30,299	92,226	66,802	127,274
Depreciation and amortisation expense	49,832	50,170	37,214	100,002	73,884	151,202
Finance costs	24,008	23,766	27,028	47,774	49,606	78,477
Finance income	(3,447)	(5,647)	(15,107)	(9,094)	(17,046)	(23,809)
Non-operating expenses	230	459	1,075	689	1,114	1,892
Loss before exceptional items and tax	(23,803)	(23,342)	(19,911)	(47,145)	(40,756)	(80,488)
Exceptional items (net)	308,150	2,127	502	310,277	2,931	(28,049)
Loss before tax	(331,953)	(25,469)	(20,413)	(357,422)	(43,687)	(52,439)
Tax (credit) / expense						
Current tax	-	-	5	-	5	15
Deferred tax	(86,818)	(12,432)	(14,731)	(99,250)	(23,383)	(33,762)
Loss for the period	(245,135)	(13,037)	(5,687)	(258,172)	(20,309)	(18,692)
Other comprehensive income						
Items not to be reclassified to profit or loss :						
- Re-measurement gains / (losses) on defined benefit plans	13	(149)	37	(136)	168	148
- Tax (charge) / credit	(5)	52	(13)	47	(59)	(52)
Other comprehensive income / (loss) for the period	8	(97)	24	(89)	109	96
Total comprehensive loss for the period	(245,127)	(13,134)	(5,663)	(258,261)	(20,200)	(18,596)
Paid-up equity share capital (Face value : Rs. 5/- each)	25,660	25,655	19,987	25,660	19,987	19,987
Other equity	944,600	1,173,343	983,994	944,600	983,994	963,072
Earnings per share (Face value : Rs. 5/- each)						
Basic and diluted loss per share*	(47.77)	(2.81)	(1.33)	(52.83)	(4.74)	(4.36)

*Basic and diluted earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the six months ended September 30, 2019.

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Audited Standalone Balance Sheet as of September 30, 2019

(Rs. Millions)

Particulars	As of	
	September 30, 2019	March 31, 2019
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	508,724	570,099
Capital work-in-progress	56,926	53,662
Right-of-use assets	205,212	-
Goodwill	739	739
Other Intangible assets	749,682	767,281
Intangible assets under development	-	2,703
Investments in subsidiaries, associates and joint ventures	311,081	359,039
Financial assets	63	63
- Investments	91	4
- Derivative instruments	143,567	151,032
- Loans and security deposits	59	70
- Others	11,505	10,059
Income tax assets (net)	178,930	49,803
Deferred tax assets (net)	59,587	69,372
Other non-current assets	-	-
	2,226,166	2,033,926
Current assets		
Inventories	6	10
Financial assets	26,546	16,696
- Investments	261	68
- Derivative instruments	41,077	38,403
- Trade receivables	1,533	1,861
- Cash and cash equivalents	920	492
- Other bank balances	11,099	10,815
- Loans	232,872	12,688
- Others	124,702	114,116
Other current assets	-	-
	439,016	195,149
	2,665,182	2,229,075
Total assets		
Equity and liabilities		
Equity		
Share capital	25,660	19,987
Other equity	944,600	963,072
	970,260	983,059
Non-current liabilities		
Financial liabilities	598,065	586,494
- Borrowings	159,399	-
- Lease liabilities	289	320
- Derivative instruments	25,748	33,667
- Others	9,921	16,970
Deferred revenue	1,878	1,927
Provisions	8,416	-
Other non-current liabilities	-	-
	803,716	639,378
Current liabilities		
Financial liabilities	25,108	229,183
- Borrowings	39,962	22,222
- Current maturities of long-term borrowings	62,731	-
- Lease liabilities	377	1,455
- Derivative instruments	-	-
- Trade payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	61	31
- Total outstanding dues of creditors other than micro enterprises and small enterprises	171,588	191,214
- Others	101,531	110,288
Deferred revenue	32,866	26,802
Provisions	439,799	1,088
Current tax liabilities (net)	2,248	2,248
Other current liabilities	14,935	22,107
	891,206	606,638
	1,694,922	1,246,016
Total liabilities	2,665,182	2,229,075
Total equity and liabilities		



Audited Standalone Segment-wise Revenue, Results, Assets and Liabilities for the quarter and six months ended September 30, 2019

(Rs. Millions)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
- Mobile Services	104,922	103,668	97,929	208,590	198,274	399,228
- Airtel Business	26,991	26,068	27,554	53,059	53,188	104,068
- Homes Services	5,359	5,577	5,488	10,936	11,112	21,919
Total segment revenue	137,272	135,313	130,971	272,585	262,574	525,215
Less: Inter-segment eliminations	7,143	6,982	7,445	14,125	14,865	29,155
Total revenue	130,129	128,331	123,526	258,460	247,709	496,060
2. Segment Results						
(Loss) / profit before net finance costs, non-operating expenses, exceptional items and tax						
- Mobile Services	(10,368)	(10,171)	(13,392)	(20,539)	(20,355)	(47,990)
- Airtel Business	6,520	4,879	6,266	11,399	12,313	22,553
- Homes Services	1,161	906	874	2,067	1,797	3,207
Total segment results	(2,687)	(4,386)	(6,252)	(7,073)	(6,245)	(22,230)
- Unallocated	(325)	(378)	(663)	(703)	(837)	(1,698)
Total	(3,012)	(4,764)	(6,915)	(7,776)	(7,082)	(23,928)
Less:						
(i) Net finance costs	20,561	18,119	11,921	38,680	32,560	54,668
(ii) Non-operating expenses	230	459	1,075	689	1,114	1,892
(iii) Exceptional items (net)	308,150	2,127	502	310,277	2,931	(28,049)
Loss before tax	(331,953)	(25,469)	(20,413)	(357,422)	(43,687)	(52,439)
3. Segment Assets#						
- Mobile Services	1,896,457	1,694,119	1,521,600	1,896,457	1,521,600	1,558,957
- Airtel Business	104,869	107,684	106,449	104,869	106,449	100,851
- Homes Services	44,680	44,813	43,763	44,680	43,763	44,692
Total segment assets	2,046,006	1,846,616	1,671,812	2,046,006	1,671,812	1,704,500
- Unallocated	685,677	630,984	590,173	685,677	590,173	591,473
- Inter-segment eliminations	(66,501)	(67,595)	(67,781)	(66,501)	(67,781)	(66,898)
Total assets	2,665,182	2,410,005	2,194,204	2,665,182	2,194,204	2,229,075
4. Segment Liabilities#						
- Mobile Services	1,000,308	555,238	392,585	1,000,308	392,585	386,235
- Airtel Business	51,550	50,308	41,199	51,550	41,199	39,236
- Homes Services	14,695	23,543	18,570	14,695	18,570	21,458
Total segment liabilities	1,066,553	629,089	452,354	1,066,553	452,354	446,929
- Unallocated	694,870	649,513	805,650	694,870	805,650	865,985
- Inter-segment eliminations	(66,501)	(67,595)	(67,781)	(66,501)	(67,781)	(66,898)
Total liabilities	1,694,922	1,211,007	1,190,223	1,694,922	1,190,223	1,246,016

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



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Particulars	Six months ended	
	September 30, 2019	September 30, 2018
	Audited	Audited
Cash flows from operating activities		
Loss before tax	(357,422)	(43,687)
Adjustments for:		
Depreciation and amortisation expenses	100,002	73,884
Finance costs	47,381	49,606
Finance income	(9,094)	(17,046)
Loss on sale of property, plant and equipment	1	131
Employee share-based payment expenses	88	166
Other non-cash / non-operating items	313,446	8,211
Operating cash flow before changes in working capital	94,402	71,265
Changes in working capital		
Trade receivables	(7,554)	(10,500)
Trade payables	(14,262)	12,163
Inventories	93	43
Provisions	130,069	(125)
Other financial and non-financial liabilities	(1,287)	(9,749)
Other financial and non-financial assets	(110,568)	(11,774)
Net cash generated from operations before tax	90,893	51,323
Income tax paid - net	(1,208)	(3,230)
Net cash generated from operating activities	89,685	48,093
Cash flows from investing activities		
Purchase of property, plant and equipment	(54,507)	(121,365)
Proceeds from sale of property, plant and equipment	105	460
Purchase of intangible assets	(2,696)	(9,215)
Payment towards spectrum - deferred payment liability* (Purchase) / sale of current investments (net)	(9,432)	32
Proceeds from sale of investment in subsidiaries	-	2,726
Consideration / advance for acquisitions, net of cash acquired	-	(714)
Investment in associates / subsidiaries	(2,603)	(2,382)
Loan given to subsidiaries	(12,231)	(9,386)
Loan repayment by subsidiaries	15,999	24,244
Dividend received	6,923	13,033
Interest received	937	912
Net cash used in investing activities	(64,258)	(107,633)
Cash flows from financing activities		
Net proceeds from issue of shares	249,137	-
Proceeds from borrowings	97,375	81,183
Repayment of borrowings	(174,479)	(19,188)
Payment of lease liabilities	(13,408)	-
Net (repayment of) / proceeds from short-term borrowings	(142,029)	25,429
Interest and other finance charges paid	(42,282)	(27,396)
Proceeds from exercise of share options	1	2
Dividend paid (including tax)	-	(9,994)
Net cash (used in) / generated from financing activities	(25,685)	50,036
Net decrease in cash and cash equivalents during the period	(258)	(9,504)
Add : Cash and cash equivalents as at the beginning of the period	1,707	4,169
Cash and cash equivalents as at the end of the period	1,449	(5,335)

*Cash flows towards spectrum acquisitions are based on the timing of payouts to DoT (viz. upfront / deferred).



Notes to the Audited Standalone Financial Results

1. The financial results for the quarter and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on November 14, 2019.
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. These financial results have been prepared on the basis of the accounting principles applicable to a going concern. Attention is drawn to a specific event post quarter end as delineated below.

Details of the Specific event and implications on these financial results

On October 24, 2019, the Honourable Supreme Court of India delivered a judgement 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') ('Court Judgement'). The Hon'ble Supreme Court has allowed a period of three months to the affected parties to pay the amounts due to DoT. This Court Judgement has significant financial implications on the Company.

The Management is reviewing its options and remedies available, including but not limited to filing petitions before the Supreme Court and also seeking other reliefs, with others affected in the industry, from the Government. As on the date, the management understand that the government has formed a high level Committee of Secretaries across ministries, to assess the stress in the industry and recommend suitable measures.

In the absence of available reliefs, the Company has in these financial results, provided for an additional amount of Rs. 159,300 Mn (comprising of principal of Rs. 29,670 Mn, interest of Rs. 66,700 Mn, penalty of Rs. 23,650 Mn, and interest on penalty of Rs. 39,280 Mn) as a charge to the statement of profit and loss, with respect to the license fee payable as estimated based on the Court Judgement. In addition, an amount of Rs. 107,700 Mn (comprising of principal of Rs. 26,860 Mn, interest of Rs. 48,680 Mn, penalty of Rs. 11,580 Mn, and interest on penalty of Rs. 20,580 Mn) with respect to spectrum usage charges ('SUC'), based on the definition of AGR, has further been provided as a charge to the statement of profit and loss as estimated, albeit the Company believes SUC is a charge related to use of spectrum and should be levied only on the AGR earned from wireless access subscribers / services. These provisions have been made without prejudice to the Company's right to contest DoT's demands on facts as well as on rights available in law.

Accordingly, in the absence of available reliefs, with respect to the operations of the Company, the liabilities / provisions as at September 30, 2019 aggregate Rs. 322,750 Mn (comprising of principal of Rs. 81,480 Mn, interest of Rs. 146,180 Mn, penalty of Rs. 35,230 Mn, and interest on penalty of Rs. 59,860 Mn).

Management plan to deal with this event and the material uncertainty related to the event

The Company will require significant additional financing to discharge its obligations under the Court Judgement; the management's actions include, inter alia, accessing diversified sources of finance. The Company has an established track record of accessing diversified sources of finance across markets and currencies. However, there can be no assurance of the success of management's plans to access additional sources of finance to the extent required, on terms acceptable to Company, and to raise these amounts in a timely manner. This represents a material uncertainty whereby, it may be unable to realize its assets and discharge its liabilities in the normal course of business, and accordingly may cast significant doubt on the Company's ability to continue as a going concern.

4. During the quarter ended September 30, 2019, the Company gave effect to the merger of relevant consumer mobile businesses of Tata Teleservices Limited ('TTSL') and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company, on July 1, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). The said merger is accounted on a provisional basis in accordance with Ind AS 103, 'Business Combinations' and has resulted in Capital reserve of Rs. 12,063 Mn.
5. During the quarter ended September 30, 2019, the Company has transferred on a going concern basis its operations pertaining to optical fiber undertaking to Telesonic Network Limited with effect from August 3, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). Accordingly, for the said common control transaction, the excess of consideration over the net assets (including the related deferred tax liability), amounting to Rs. 4,063 Mn has been recognised as Capital reserve, a component of equity.



6. The net exceptional charge during the quarter ended September 30, 2019 comprises of a charge on account of license fee and SUC of Rs.159,300 Mn and Rs.107,700 Mn respectively as detailed in note 3 above; accelerated depreciation on 3G network equipment / operating costs on network re-farming and up-gradation program, gain pertaining to re-assessment of levies based on a recent judgement and provision for diminution in value against the equity investment in one of the subsidiaries of Rs.6,129 Mn, Rs.15,540 Mn and Rs. 50,561 Mn respectively. Net tax benefit due to the above exceptional items and reversal of tax credit aggregating Rs. 77,655 Mn is included under tax expense / (credit). As a result, the overall net exceptional charge (after tax) is Rs. 230,495 Mn.
7. Subsequent to the balance sheet date, 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.
8. 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.
9. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:
- a. As of the date of results, the Non-convertible debentures ('NCDs') issued by the Company are rated CRISIL AA (rating watch with negative implications).
- b. The Company maintains at least 100% asset cover for NCDs.
- c. The details of previous due date for the payment of interest / repayment of principal of NCDs and whether the amount has been paid is given in the table below :

S.No.	Particulars	Previous due date	
		Interest due date	Principal due date
(i) (a)	8.25% NCDs series I	April 22, 2019	NA
(b)	8.35% NCDs series II	April 22, 2019	NA
(ii)	Whether amount has been paid on due dates	Yes	NA

- d. The details of next due date for the payment of interest / repayment of principal along with amount due is given in the table below:

S.No.	Particulars	Next due dates			
		Interest due date	Interest due (Rs. Millions)	Principal due date	Principal due (Rs. Millions)
(i)	8.25% NCDs series I	April 20, 2020	1,234	April 20, 2020	15,000
(ii)	8.35% NCDs series II	April 22, 2020	1,256	April 20, 2021	15,000

- e. Other information:

S.No.	Particulars	Sep 30, 2019	Sep 30, 2018
(i)	Debt service coverage ratio ('DSCR') - [no. of times]	1.19	1.70
(ii)	Interest service coverage ratio ('ISCR') - [no. of times]	2.09	2.74
(iii)	Debt - equity ratio - [no. of times]	0.68	0.77
(iv)	Debenture redemption reserve - [Rs. Million]	7,500	7,500
(v)	Net worth - [Rs. Million]	923,755	974,152



The basis of computation of above parameters is provided in the table below.

DSCR	Profit from operating activities before depreciation, amortisation and exceptional items* / (interest expenses* (+) principal repayments of long - term debt** (+) payment of lease liabilities during trailing six months)
ISCR	Profit from operating activities before depreciation, amortisation and exceptional items* / interest expenses*
Debt - equity ratio	(Non-current borrowings (+) current borrowings (+) current maturities of long-term borrowings (-) cash and cash equivalents (-) term deposits with bank) / Equity
Net worth	Basis section 2(57) of the Companies Act, 2013; Equity (-) Business Restructuring Reserve (-) Capital Reserve.

* Calculated on the basis of trailing twelve months' number

** Calculated on the basis of scheduled repayments of during the next twelve months

Note: Effective April 1, 2019, the Company adopted Ind AS 116 'Leases'. Hence, to that extent, the numbers used in computing the trailing twelve months number are not consistent across the period and previous year numbers are not comparable.

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For Bharti Airtel Limited



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

New Delhi
November 14, 2019

Notes:

- 'Bharti Airtel' or 'Company' stands for Bharti Airtel Limited
- For more details on the financial results, please visit our website '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 profit/(loss) after tax and total comprehensive income/ loss of its associates and joint ventures for the quarter and six months ended September 30, 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 income / loss and other financial information of the Group, its associates and joint ventures for the quarter and six months ended September 30, 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.

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Material uncertainty related to Going Concern

The accompanying Consolidated Financial Results have been prepared assuming that the Group will continue as a going concern. As discussed in Note 3 to the Consolidated Financial Results, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which, along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3.

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

Emphasis of Matters

- (i) We draw attention to Note 8 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 9 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 six month period ended September 30, 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.

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 profit/loss and consolidated other comprehensive income 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 are based on the audit evidence obtained up to the date of our auditor's report.

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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.

Other Matter

The consolidated financial results also includes the Group's share of profit / (loss) after tax of Rs. 4,147 Million and Rs. 5,871 Million for the quarter and six months ended September 30, 2019 respectively and total comprehensive income / loss of Rs. 4,138 Million and Rs. 5,861 Million for the quarter and six months ended September 30, 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.

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**Deloitte
Haskins & Sells LLP**

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.

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



Shyamak R Tata
(Membership No.38320)
UDIN: 19038320AAAAAJ6568

Place: New Delhi
Date: November 14, 2019

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Annexure to Auditor's Report

List of entities:

1	Bharti Airtel Limited		
	Subsidiaries		
2	Bharti Infratel Limited	35	Bharti Airtel Niger Holdings B.V.
3	Bharti Hexacom Limited	36	Bharti Airtel Nigeria B.V.
4	Bharti Telemidia 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	Celstel (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.
68	Airtel Mobile Commerce Nigeria Limited	86	Airtel Congo (RDC) S.A.

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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 [@]	94	Airtel Money S.A. (Gabon)
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	Celstel Niger S.A.
80	Airtel Mobile Commerce Limited, Malawi	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
	Joint Ventures & Associates (Including their subsidiaries)		
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

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**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 six months ended September 30, 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 six months ended September 30, 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.

Nil

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Material uncertainty related to Going Concern

The accompanying Standalone Financial Results have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the Standalone Financial Results, the Company has referred to a judgement delivered by the Honourable Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wide case upholding the view considered by Department of Telecommunications in respect of definition of Adjusted Gross Revenue, which, along with other matters as stated in the said Note, indicate that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3.

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

Emphasis of Matter

We draw attention to Note 8 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.

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.

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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 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.

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**Deloitte
Haskins & Sells LLP**

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: 19038320AAAAAI2662

Place: New Delhi
Date: November 14, 2019

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