

Bharti Airtel Limited

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India
 CIN: L74899DL1995PLC070609
 T: +91-11-4666 6100, F:+91-11-4166 6137, Email id: compliance.officer@bharti.in

Statement of Audited Standalone 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	164,326	163,397	148,246	327,723	296,461	603,003
	(b) Other operating income	475	501	504	976	848	1,729
	Total income from operations	164,801	163,898	148,750	328,699	297,309	604,732
2	Expenses						
	(b) Network operations expenses	35,799	35,167	33,637	70,966	66,959	137,932
	(a) Access charges	22,881	20,243	20,906	43,124	40,818	80,236
	(c) License fees / spectrum charges (revenue share)	18,320	18,898	16,973	37,218	34,037	69,635
	(d) Depreciation and amortisation	29,389	29,877	23,309	59,266	44,405	95,753
	(e) Employee benefits	4,601	4,214	4,539	8,815	9,151	18,648
	(f) Sales and marketing expenses	9,418	9,900	9,521	19,318	19,453	39,287
	(g) Other expenses	7,508	8,852	7,746	16,360	16,604	33,134
	Total expenses	127,916	127,151	116,631	255,067	231,427	474,625
3	Profit from operations before other income, net finance costs (including exchange fluctuation / related expenses), exceptional items and tax (1-2)	36,885	36,747	32,119	73,632	65,882	130,107
4	Other income	-	-	-	-	-	-
5	Profit from ordinary activities before net finance costs (including exchange fluctuation / related expenses), exceptional items and tax (3+4)	36,885	36,747	32,119	73,632	65,882	130,107
6	Net finance costs (including exchange fluctuation / related expenses)	(4,049)	12,984	229	8,935	4,447	20,764
7	Profit from ordinary activities after net finance costs (including exchange fluctuation and related expenses) but before exceptional items and tax (5-6)	40,934	23,763	31,890	64,697	61,435	109,343
8	Exceptional items - charge (Refer Note 7 below)	1,180	2,920	3,442	4,100	4,729	6,799
9	Profit from ordinary activities before tax (7-8)	39,754	20,843	28,448	60,597	56,706	102,544
10	Tax expenses (including benefit of Rs. 407 Mn and Rs. 1,376 Mn for the quarter and six months ended Sep'16, respectively, Rs. 969 Mn for the quarter ended Jun'16, Rs. 2,243 Mn for the year ended Mar'16, and Rs. 1,020 Mn and Rs. 1,465 Mn for the quarter and six months ended Sep'15 respectively, on exceptional items)	6,673	6,568	5,894	13,240	13,674	24,741
11	Net profit from ordinary activities after tax (9-10)	33,081	14,275	22,554	47,357	43,032	77,803
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	Profit for the period / year (11-12)	33,081	14,275	22,554	47,357	43,032	77,803
14	Other comprehensive (loss) / income	(49)	(30)	14	(79)	(74)	(34)
15	Total comprehensive income (13+14)	33,032	14,245	22,568	47,278	42,958	77,769
16	Paid-up equity share capital (Face value Rs. 5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
17	Reserves excluding revaluation reserve	699,062	671,509	622,205	699,062	622,205	657,200
18	Earnings per share before / after extraordinary items (Face value Rs. 5/- each)						
	i) Basic	8.28	3.57	5.64	11.85	10.77	19.46
	ii) Diluted	8.28	3.57	5.64	11.85	10.77	19.46

Audited Standalone 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	136,923	139,545	125,889	276,468	253,289	518,306
b) Homes Services	6,915	6,486	6,015	13,401	11,874	24,514
c) Airtel Business	27,431	24,260	22,680	51,691	44,598	87,151
d) Unallocated	-	-	-	-	-	-
Total	171,269	170,291	154,584	341,560	309,761	629,971
Less: Inter-segment revenue	6,943	6,894	6,338	13,837	13,300	26,968
Net sales / income from operations	164,326	163,397	148,246	327,723	296,461	603,003
2. Segment Results						
Profit / (Loss) before net finance costs / (income), exceptional items and tax						
a) Mobile Services	30,067	31,064	26,874	61,131	56,710	112,068
b) Homes Services	1,436	1,689	1,356	3,125	2,732	5,540
c) Airtel Business	5,460	4,466	4,097	9,926	7,167	14,031
d) Unallocated *	(78)	(472)	(208)	(550)	(727)	(1,532)
Total	36,885	36,747	32,119	73,632	65,882	130,107
Less:						
(i) Net finance costs (including exchange fluctuation / related expenses)	(4,049)	12,984	229	8,935	4,447	20,764
(ii) Exceptional items	1,180	2,920	3,442	4,100	4,729	6,799
Total profit before tax	39,754	20,843	28,448	60,597	56,706	102,544
3. Segment Assets						
a) Mobile Services	1,472,803	1,438,453	1,192,150	1,472,803	1,192,150	1,376,117
b) Homes Services	234,028	191,945	130,771	234,028	130,771	166,534
c) Airtel Business	195,508	180,345	144,002	195,508	144,002	167,483
d) Unallocated / Inter-segment eliminations	(375,178)	(313,914)	(197,926)	(375,178)	(197,926)	(299,958)
Total	1,527,161	1,496,829	1,268,997	1,527,161	1,268,997	1,410,176
4. Segment Liabilities						
a) Mobile Services	681,477	664,588	470,583	681,477	470,583	617,796
b) Homes Services	173,570	132,827	74,459	173,570	74,459	108,960
c) Airtel Business	123,832	113,402	87,127	123,832	87,127	104,409
d) Unallocated # / Inter-segment eliminations	(170,767)	(105,484)	(5,364)	(170,767)	(5,364)	(98,176)
Total	808,112	805,333	626,805	808,112	626,805	732,989

* Includes foreign exchange fluctuation in respect of loans given to subsidiaries

Includes borrowings for spectrum of Rs Nil, Rs.20,000 Mn, Rs.Nil and Rs.9,000 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



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 standalone financial statements of the Company, 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 Company has transitioned to Ind AS with effect from April 1, 2016 and the transition date being April 1, 2015. The transition is carried out from Indian Accounting Principles generally accepted in India ('IGAAP') 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 10 of results for the quarter ended June 30, 2016.

3. During the quarter ended September 30, 2016, Bharti Infratel Limited, a subsidiary of the company has bought back its 47,058,823 shares against a consideration of Rs.425 per share. Out of which the Company has tendered 29,101,272 shares and received the consideration of Rs.12,368 Mn and accordingly the excess of proceeds (net of associated costs, taxes and levies) over the cost of investment amounting to Rs.10,756 Mn has been recognised as gain within net finance cost.
4. During the quarter ended September 30, 2016, the Company has received the requisite approvals for the transfer of right to use spectrum band for the six out of seven circles from Aircel Limited and its subsidiaries, and accordingly spectrum has been recorded for such circles.
5. Subsequent to the balance sheet date, in the auction conducted by the Government of India the Company has won 155.60 MHz spectrum across 1800 / 2100 / 2300 MHz bands against the consideration aggregating to Rs. 133,528 Mn.
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. 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.
7. Exceptional item during the quarter ended September 30, 2016, pertains to charge of Rs.1,180 Mn towards operating costs on network re-farming and up-gradation program and tax benefit of Rs.407 Mn on the above.
8. 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.



(This space has been intentionally left blank)

9. 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	334,561	312,673
Capital work-in-progress	32,348	28,588
Intangible assets	622,692	606,582
Intangible assets under development	67,901	9,715
Investment in joint ventures and associates	44	44
Financial Assets		
- Investments	276,805	258,817
- Derivative instruments	336	396
- Loans and security deposits	7,912	26,674
- Others	542	598
Deferred tax assets (net)	21,871	23,070
Other non-current assets	33,556	28,809
	1,398,568	1,295,966
Current assets		
Inventories	52	53
Financial Assets		
- Investments	8	8
- Derivative instruments	495	462
- Trade receivables	46,975	42,872
- Cash and cash equivalents	704	466
- Loans and security deposits	52,071	43,376
- Others	3,833	2,811
Current tax assets (net)	-	820
Other current assets	24,455	23,342
	128,593	114,210
Total assets	1,527,161	1,410,176
Equity and liabilities		
Equity		
Share capital	19,987	19,987
Other Equity	699,062	657,200
	719,049	677,187
Non-current liabilities		
Financial Liabilities		
- Borrowings	448,041	414,570
- Derivative instruments	23	8
- Others	24,854	23,338
Deferred revenue	18,289	16,984
Provisions	2,329	2,223
	493,536	457,123
Current liabilities		
Financial Liabilities		
- Borrowings	12,629	6,999
- Current maturities of long-term borrowings	34,150	33,434
- Derivative instruments	232	696
- Trade Payables	142,886	119,706
- Others	74,807	76,170
Deferred revenue	29,710	29,485
Provisions	1,433	1,189
Current tax liabilities (net)	2,156	-
Other current liabilities	16,573	8,187
	314,576	275,866
Total liabilities	808,112	732,989
Total equity and liabilities	1,527,161	1,410,176

(This space has been intentionally left blank)



✓

10. 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) For more details on the financial results, please visit our website 'www.airtel.in'.

(This space has been intentionally left blank)