



Bharti Airtel Limited

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Statement of Audited Standalone Financial Results for the quarter ended June 30, 2019

(Rs. Millions; except per share data)

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Audited	Audited	Audited	Audited
<b>Income</b>				
Revenue	128,331	125,215	124,183	496,060
Other income	769	728	541	2,500
	<b>129,100</b>	<b>125,943</b>	<b>124,724</b>	<b>498,560</b>
<b>Expenses</b>				
Network operating expenses	30,732	41,040	37,165	161,297
Access charges	21,906	21,559	18,493	81,739
License fee / spectrum charges	13,172	12,305	12,295	49,526
Employee benefits expense	3,652	3,734	3,328	14,710
Sales and marketing expenses	4,942	6,603	6,585	25,619
Other expenses	9,290	7,405	10,355	38,395
	<b>83,694</b>	<b>92,646</b>	<b>88,221</b>	<b>371,286</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>	<b>45,406</b>	<b>33,297</b>	<b>36,503</b>	<b>127,274</b>
Depreciation and amortisation expense	50,170	39,068	36,670	151,202
Finance costs	23,766	21,583	22,578	78,477
Finance income	(5,647)	(2,568)	(1,939)	(23,809)
Non-operating expenses	459	57	39	1,892
<b>Loss before exceptional items and tax</b>	<b>(23,342)</b>	<b>(24,843)</b>	<b>(20,845)</b>	<b>(80,488)</b>
Exceptional items (net)	2,127	(19,469)	2,429	(28,049)
<b>Loss before tax</b>	<b>(25,469)</b>	<b>(5,374)</b>	<b>(23,274)</b>	<b>(52,439)</b>
<b>Tax (credit) / expense</b>				
Current tax	-	-	-	15
Deferred tax	(12,432)	(4,745)	(8,652)	(33,762)
<b>Loss for the period</b>	<b>(13,037)</b>	<b>(629)</b>	<b>(14,622)</b>	<b>(18,692)</b>
<b>Other comprehensive income</b>				
Items not to be reclassified to profit or loss:				
- Re-measurement (losses) / gains on defined benefit plans	(149)	(1)	131	148
- Tax credit / (charge)	52	0	(46)	(52)
<b>Other comprehensive (loss) / income for the period</b>	<b>(97)</b>	<b>(1)</b>	<b>85</b>	<b>96</b>
<b>Total comprehensive loss for the period</b>	<b>(13,134)</b>	<b>(630)</b>	<b>(14,537)</b>	<b>(18,596)</b>
Paid-up equity share capital (Face value: Rs. 5/- each)	25,655	19,987	19,987	19,987
Other equity	1,173,343	963,072	999,655	963,072
<b>Earnings per share (Face value: Rs. 5/- each)</b>				
Basic and diluted loss per share*	(2.81)	(0.15)	(3.41)	(4.36)

\*Basic and diluted earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of right issue made during the quarter ended June 30, 2019



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

(Rs. Millions)

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Audited	Audited	Audited	Audited
<b>1. Segment Revenue</b>				
- Mobile Services	103,668	102,301	100,345	399,228
- Airtel Business	26,068	24,925	25,634	104,068
- Homes Services	5,577	5,423	5,624	21,919
<b>Total segment revenue</b>	<b>135,313</b>	<b>132,649</b>	<b>131,603</b>	<b>525,215</b>
Less: Inter-segment eliminations	6,982	7,434	7,420	29,155
<b>Total revenue</b>	<b>128,331</b>	<b>125,215</b>	<b>124,183</b>	<b>496,060</b>
<b>2. Segment Results</b>				
(Loss) / profit before net finance costs, non-operating expenses, exceptional items and tax				
- Mobile Services	(10,171)	(11,097)	(6,963)	(47,990)
- Airtel Business	4,879	5,089	6,047	22,553
- Homes Services	906	597	923	3,207
<b>Total segment results</b>	<b>(4,386)</b>	<b>(5,411)</b>	<b>7</b>	<b>(22,230)</b>
- Unallocated	(378)	(360)	(174)	(1,698)
<b>Total</b>	<b>(4,764)</b>	<b>(5,771)</b>	<b>(167)</b>	<b>(23,928)</b>
Less:				
(i) Net finance costs	18,119	19,015	20,639	54,668
(ii) Non-operating expenses	459	57	39	1,892
(iii) Exceptional items (net)	2,127	(19,469)	2,429	(28,049)
<b>Loss before tax</b>	<b>(25,469)</b>	<b>(5,374)</b>	<b>(23,274)</b>	<b>(52,439)</b>
<b>3. Segment Assets#</b>				
- Mobile Services	1,694,119	1,558,957	1,471,893	1,558,957
- Airtel Business	107,684	100,851	102,339	100,851
- Homes Services	44,813	44,692	44,593	44,692
<b>Total segment assets</b>	<b>1,846,616</b>	<b>1,704,500</b>	<b>1,618,825</b>	<b>1,704,500</b>
- Unallocated	630,984	591,473	596,196	591,473
- Inter-segment eliminations	(67,595)	(66,898)	(68,469)	(66,898)
<b>Total assets</b>	<b>2,410,005</b>	<b>2,229,075</b>	<b>2,146,552</b>	<b>2,229,075</b>
<b>4. Segment Liabilities#</b>				
- Mobile Services	555,238	386,235	368,474	386,235
- Airtel Business	50,308	39,236	39,803	39,236
- Homes Services	23,543	21,458	22,206	21,458
<b>Total segment liabilities</b>	<b>629,089</b>	<b>446,929</b>	<b>430,483</b>	<b>446,929</b>
- Unallocated	649,513	865,985	764,897	865,985
- Inter-segment eliminations	(67,595)	(66,898)	(68,469)	(66,898)
<b>Total liabilities</b>	<b>1,211,007</b>	<b>1,246,016</b>	<b>1,126,911</b>	<b>1,246,016</b>

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



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## Notes to the Audited Standalone Financial Results

1. The financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on August 1, 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. Pursuant to the closure of rights issue on May 17, 2019, the Company allotted approximately 1,134 Mn fully paid up equity shares of face value Rs.5 each at the price of Rs. 220/- per equity share (including a premium of Rs. 215 per share) to the eligible shareholders.
4. During the quarter ended June 30, 2019, the Company has completed the merger of Bharti Digital Networks Private Limited ('BDNPL') (formerly known as Tikona Digital Networks Private Limited) under section 230 to section 232 of the Companies Act, 2013 with appointed date being September 1, 2017. The Company has accounted the merger as a common control transaction as required under Ind AS 103, 'Business Combinations' and given the effect from April 1, 2018 (earliest date presented). Accordingly, the comparative information has been restated with the relevant carrying amounts of BDNPL as adjusted for inter-company eliminations and considered in Company's consolidated financial statements; which is not material.
5. Effective April 1, 2019, the Company adopted Ind AS 116 'Leases' using the modified retrospective method. Under this method, the Company (lessee) recognizes a lease liability at the present value of all the remaining lease payments as on April 1, 2019, and a right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the commencement of the lease. Accordingly, this has resulted in recognising a right-of-use asset of Rs. 180,655 Mn and a corresponding lease liability of Rs. 212,933 Mn and a decreasing Equity of Rs. 20,088 Mn (including the impact of deferred tax and other adjustments) as at April 1, 2019. Right-to-use assets are depreciated and the lease liabilities are reduced when paid, with the interest on the lease liabilities being recognized as finance costs. Further, as required under the modified retrospective method, the previous period information is not restated and hence not comparable. The net impact of adopting the said standard on the results and earnings per share for the quarter is not material.
6. Exceptional items during the quarter ended June 30, 2019 comprises of, (i) charge of Rs. 767 Mn towards accelerated depreciation of 3G network equipments / operating costs on network re-farming and up-gradation program and (ii) net charge of Rs. 1,360 Mn due to adjustments towards certain indemnity assets pertaining to a past transaction. Net tax benefit on the above exceptional items is Rs. 268 Mn; included in tax expense.
7. Subsequent to the quarter ended June 30, 2019, the Scheme of Arrangement ('Scheme') with respect to the merger of Consumer Mobile Businesses of Tata Teleservices Limited ('TTSL') and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company, became effective on July 1, 2019 pursuant to fulfillment of the conditions as set out in the Scheme.
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.

For Bharti Airtel Limited



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

New Delhi  
August 1, 2019

### 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'



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

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

1. We have audited the accompanying Statement of Standalone Financial Results of **BHARTI AIRTEL LIMITED** ("the Company"), for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Interim Condensed Standalone Financial Statements, which has been prepared in accordance 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 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
  - b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 ended June 30, 2019.

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**Deloitte  
Haskins & Sells LLP**

5. 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.

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



**Shyamak R Tata**  
Partner  
(Membership No.38320)  
UDIN: 19038320AAAAAC5614

Place: New Delhi  
Date: August 1, 2019

