

Bharti Airtel Limited

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Statement of Audited Consolidated Ind AS Financial Results for the quarter and nine months ended December 31, 2016

(Rs. million except per share data)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
		Audited	Audited	Audited	Audited	Audited	Audited
1	Income from operations						
	(a) Net Sales / Income from operations	233,357	246,515	240,659	735,337	715,725	965,321
	(b) Other operating income	282	200	375	746	636	871
	Total income from operations	233,639	246,715	241,034	736,083	716,361	966,192
2	Expenses						
	(a) Network operating expenses	55,719	53,935	53,550	166,440	158,147	211,891
	(b) Access charges	24,386	28,598	27,144	80,025	82,475	109,423
	(c) License fees / spectrum charges (revenue share)	22,268	24,143	23,506	71,910	69,879	94,928
	(d) Depreciation and amortisation	48,350	49,560	43,541	148,312	126,335	174,498
	(e) Employee benefits	10,532	10,858	12,175	32,534	36,703	49,108
	(f) Sales and marketing expenses	18,715	20,372	24,303	62,010	71,503	94,861
	(g) Other expenses	16,922	14,207	15,843	47,720	48,296	65,268
	Total expenses	196,892	201,673	200,062	608,951	593,338	799,977
3	Profit from operations before other income, net finance costs (including exchange fluctuation / related expenses), share of profit of joint ventures and associates, exceptional items and tax (1-2)	36,747	45,042	40,972	127,132	123,023	166,215
4	Other income	517	-	-	517	-	-
5	Profit from ordinary activities before net finance costs (including exchange fluctuation / related expenses), share of profit of joint ventures and associates, exceptional items and tax (3+4)	37,264	45,042	40,972	127,649	123,023	166,215
6	Net finance costs (including exchange fluctuation / related expenses)	19,364	20,386	14,227	59,174	53,128	70,159
7	Share of profit of joint ventures and associates	(2,696)	(2,697)	(2,721)	(7,941)	(7,751)	(10,666)
8	Profit from ordinary activities after net finance costs (including exchange fluctuation / related expenses), share of profit of joint ventures and associates but before exceptional items and tax (5-6-7)	20,596	27,353	29,466	76,416	77,646	106,722
9	Exceptional items - net charge / (credit) (Refer Note 6 below)	2,040	66	3,405	5,642	(24,740)	(21,741)
10	Profit from ordinary activities before tax (8-9)	18,556	27,287	26,061	70,774	102,386	128,463
11	Tax expenses (including benefit of Rs. 1,042 Mn and benefit of Rs. 4,221 Mn for the quarter and nine months ended Dec'16 respectively; benefit of Rs. 938 Mn for the quarter ended Sept'16; expenses of Rs. 6,337 Mn for the year ended Mar'16 and benefit of Rs. 428 Mn and expenses of Rs. 6,812 Mn for the quarter and nine months ended Dec'15 respectively on exceptional items)	11,841	11,136	13,523	33,066	48,744	59,533
12	Net profit from ordinary activities after tax (10-11)	6,715	16,151	12,538	37,708	53,642	68,930
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	Net profit for the period / year (12-13)	6,715	16,151	12,538	37,708	53,642	68,930
15	Minority interest (including impact of Rs. 138 Mn and Rs. (2,012) Mn for the quarter and nine months ended Dec'16 respectively; Rs. 37 Mn for the quarter ended Sept'16; Rs. 2,626 Mn for the year ended March'16 and Rs. (182) Mn and Rs. 1,344 Mn for the quarter and nine months ended Dec'15 respectively on exceptional items)	1,678	1,544	1,467	3,444	6,068	8,163
16	Net profit for the period / year after tax and minority interest (14-15)	5,037	14,607	11,071	34,264	47,574	60,767
17	Other comprehensive (loss) / income (net of minority interest)	(1,762)	(8,081)	396	(49,017)	(14,117)	(11,977)
18	Total comprehensive income / (loss) (16+17)	3,275	6,526	11,467	(14,753)	33,457	48,790
19	Paid-up equity share capital (Face value Rs. 5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
20	Reserves excluding revaluation reserves	611,444	621,401	632,142	611,444	632,142	647,706
21	Earnings per share before / after extraordinary items (Face value Rs. 5/- each)						
	ii) Basic	1.26	3.66	2.77	8.58	11.91	15.21
	iii) Diluted	1.26	3.65	2.77	8.57	11.90	15.20

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Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and nine months ended December 31, 2016

(Rs. Million)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2016	December 31, 2015	March 31, 2016
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
a) Mobile Services India	138,365	147,352	139,751	436,243	414,293	560,818
b) Mobile Services Africa	53,551	53,048	62,506	169,092	186,822	251,333
c) Mobile Services South Asia	2,454	4,169	4,135	10,766	12,066	16,454
d) Airtel Business	27,050	29,817	24,043	83,660	73,327	96,993
e) Tower Infrastructure Services	15,284	14,962	13,978	44,812	41,440	55,588
f) Homes Services	7,026	7,063	6,344	20,733	18,480	25,066
g) Digital TV Services	8,735	8,545	7,422	25,649	21,338	29,178
h) Others	664	731	793	2,167	2,265	3,051
i) Unallocated	-	-	-	-	-	-
Total	253,129	265,687	258,972	793,122	770,031	1,038,481
Less: Inter-segment revenue *	19,772	19,172	18,313	57,785	54,306	73,160
Net sales / income from operations	233,357	246,515	240,659	735,337	715,725	965,321
2. Segment Results **						
Profit before net finance costs (including exchange fluctuation / related expenses) exceptional items and tax						
a) Mobile Services India	22,580	33,105	30,990	90,124	95,353	127,787
b) Mobile Services Africa	3,181	1,103	1,947	6,259	3,924	4,909
c) Mobile Services South Asia	(920)	(1,271)	(1,868)	(3,771)	(5,309)	(6,394)
d) Airtel Business	5,384	6,114	4,645	16,193	13,748	18,853
e) Tower Infrastructure Services	7,339	7,067	6,524	21,003	18,519	25,506
f) Homes Services	1,944	1,634	1,397	5,192	4,150	5,682
g) Digital TV Services	684	699	538	2,502	1,123	1,843
h) Others	(116)	(6)	(15)	(20)	8	(23)
i) Unallocated	(379)	(72)	(389)	(925)	(1,094)	(1,644)
Total	39,797	48,373	43,769	136,656	130,422	176,619
Less:						
(i) Inter-segment eliminations *	354	634	76	1,583	(352)	(262)
(ii) Other non-operating income	(517)	-	-	(517)	-	-
(iii) Net finance costs (including exchange fluctuation / related expenses)	19,364	20,386	14,227	59,174	53,128	70,159
(iv) Exceptional items - net charge / (credit)	2,040	66	3,405	5,642	(24,740)	(21,741)
Profit before tax	18,556	27,287	26,061	70,774	102,386	128,463
3. Segment Assets						
a) Mobile Services India	1,703,432	1,597,315	1,449,299	1,703,432	1,449,299	1,492,965
b) Mobile Services Africa	590,537	587,528	697,278	590,537	697,278	710,446
c) Mobile Services South Asia	30,004	44,996	48,102	30,004	48,102	47,038
d) Airtel Business	289,416	260,873	209,464	289,416	209,464	229,437
e) Tower Infrastructure Services	203,947	195,668	204,018	203,947	204,018	209,382
f) Homes Services	268,361	236,687	152,197	268,361	152,197	168,010
g) Digital TV Services	23,993	23,685	21,989	23,993	21,989	22,756
h) Others	837	908	616	837	815	1,037
i) Unallocated / Inter-segment eliminations	(746,763)	(725,185)	(593,167)	(746,763)	(593,167)	(623,840)
Total	2,363,764	2,222,575	2,189,996	2,363,764	2,189,996	2,257,231
4. Segment Liabilities						
a) Mobile Services India	788,387	700,438	603,084	788,387	603,084	627,121
b) Mobile Services Africa	245,714	266,901	271,790	245,714	271,790	276,878
c) Mobile Services South Asia	7,345	32,885	31,240	7,345	31,240	31,499
d) Airtel Business	174,665	151,490	114,250	174,665	114,250	129,797
e) Tower Infrastructure Services	22,041	20,627	20,440	22,041	20,440	19,806
f) Homes Services	205,556	175,536	94,938	205,556	94,938	110,033
g) Digital TV Services	30,308	32,947	56,790	30,308	56,790	46,958
h) Others	1,283	1,342	1,184	1,283	1,184	1,439
i) Unallocated \$ / Inter-segment eliminations	200,345	154,012	291,590	200,345	291,590	289,026
Total	1,675,644	1,536,279	1,485,306	1,675,644	1,485,306	1,534,557

* Includes accounting policy alignment

** Include share of results of the joint ventures and associates

\$ Includes borrowings (including borrowings for Africa operations of Rs. 387,656 Mn, Rs. 374,979 Mn, Rs. 442,204 Mn and Rs. 425,266 Mn, for spectrum of Rs. 62,020 Mn, Rs. 3,520 Mn, Rs. 8,907 Mn, and Rs. 13,150 Mn as of December 31, 2016, September 30, 2016, March 31, 2016 and December 31, 2015 respectively)



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Notes to the Financial Results

1. The said financial results for the quarter and nine months ended December 31, 2016 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors in their respective meetings held on January 24, 2017.
2. The above financial results are extracted from the audited interim condensed consolidated financial statements of the Group, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The said financial results represents results of the Company, its subsidiaries, and it's share in the results of joint ventures and associates.
3. The Group has transitioned to Ind AS with effect from April 1, 2016 with transition date being April 1, 2015. The transition is carried out from accounting principles generally accepted in India; being the previous GAAP. Accordingly, the impact of transition has been provided in the opening equity as at April 1, 2015 and figures for the previous quarters / year have been restated to comply with Ind AS. For the reconciliations of net profit and equity for the relevant previous periods - refer note 12 of results for the quarter ended June 30, 2016.

Erstwhile in terms of clause 41 of the listing agreement, the Group have been voluntarily reporting its consolidated financial results under IFRS since April 1, 2010 till March 31, 2016. The historical periods have been restated as per Ind AS to make them comparable.

4. During the quarter ended December 31, 2016, the Group has been allotted 172 MHz spectrum across 1800 / 2100 / 2300 MHz. Consequently, the Group has paid amount of Rs. 74,018 Mn upfront and opted for the deferred payment option for Rs.66,764 Mn which is payable in 10 equal annual installments after a moratorium of two years.
5. During the quarter ended December 31, 2016, the transaction for the merger of Airtel Bangladesh Limited with Robi Axiata Limited has been consummated. Accordingly, the Group has acquired 25% stake in the merged entity (viz. Robi Axiata Limited).
6. Exceptional items during the quarter ended December 31, 2016 comprises of (i) charge of Rs. 783 Mn towards operating costs on network re-farming and up-gradation program, (ii) net charge aggregating to Rs 1,413 Mn due to settlement of past litigations, vendor claims, reconciliation of balances and tax related contingent liability (iii) net gain of Rs 1,526 Mn pertaining to the divestment as discussed in note 5 above and charge of Rs. 1,370 Mn due to share in the post-merger restructuring activities, and (vi) net tax benefit of Rs 1,042 Mn and impact of minority interest of Rs. 138 Mn on the above.
7. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company and one of its subsidiaries for Rs. 52,013 Mn towards levy of one time spectrum charge. 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.
8. 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
January 24, 2017

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'.