



Bharti Airtel Limited

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Statement of Audited Standalone Financial Results for the quarter and six months ended September 30, 2018

(Rs. Millions; except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue	123,532	124,188	139,801	247,720	284,866	536,630
Other income	629	541	719	1,170	1,235	2,356
	124,161	124,729	140,520	248,890	286,101	538,986
Expenses						
Network operating expenses	40,804	37,154	35,191	77,958	71,993	139,512
Access charges	20,255	18,493	21,985	38,748	42,986	78,944
License fee / spectrum charges	12,557	12,295	14,632	24,852	30,040	55,630
Employee benefits expense	3,594	3,328	4,242	6,922	8,668	17,209
Sales and marketing expenses	5,706	6,585	6,578	12,291	14,428	30,519
Other expenses	10,927	10,355	9,194	21,282	19,684	36,171
	93,843	88,210	91,822	182,053	187,799	357,985
Profit from operating activities before depreciation, amortisation and exceptional items	30,318	36,519	48,698	66,837	98,302	181,001
Depreciation and amortisation	37,205	36,641	30,690	73,846	62,479	130,486
Finance costs	26,990	22,570	15,843	49,560	30,528	59,107
Finance income	(15,104)	(1,936)	(4,379)	(17,040)	(5,610)	(8,417)
Non-operating expenses	1,074	39	351	1,113	449	596
(Loss) / profit before exceptional items and tax	(19,847)	(20,795)	6,193	(40,642)	10,456	(771)
Exceptional items (net)	502	2,429	835	2,931	875	6,041
(Loss) / profit before tax	(20,349)	(23,224)	5,358	(43,573)	9,581	(6,812)
Tax expense / (credit)						
Current tax	5	-	489	5	2,216	(2,204)
Deferred tax	(14,731)	(8,652)	(76)	(23,383)	(386)	(5,400)
(Loss) / profit for the period / year	(5,623)	(14,572)	4,945	(20,195)	7,751	792
Other comprehensive income						
Items not to be reclassified to profit or loss :						
- Re-measurement gains / (losses) on defined benefit plans	37	131	30	168	(23)	87
- Tax (charge) / credit	(13)	(46)	(10)	(59)	8	(30)
Other comprehensive income / (loss) for the period / year	24	85	20	109	(15)	57
Total comprehensive (loss) / income for the period / year	(5,599)	(14,487)	4,965	(20,086)	7,736	849
Paid-up equity share capital (Face value : Rs. 5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
Other equity	984,239	999,837	995,869	984,239	995,869	1,008,622
Earnings per share (Face value : Rs. 5/- each)						
Basic and diluted (loss) / earnings per share	(1.41)	(3.65)	1.24	(5.05)	1.94	0.20



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Audited Standalone Balance Sheet as of September 30, 2018

(Rs. Millions)

Particulars	As of	
	September 30, 2018	March 31, 2018
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	537,139	476,911
Capital work-in-progress	57,455	27,387
Intangible assets	770,910	749,183
Intangible assets under development	5,255	28,040
Investment in subsidiaries and joint ventures	481,604	481,219
Financial assets		
- Investments	63	63
- Derivative instruments	73	80
- Loans and security deposits	12,077	10,290
- Others	88	260
Income tax assets (net)	23,105	19,595
Deferred tax assets (net)	41,285	14,244
Other non-current assets	41,600	27,142
	1,970,654	1,834,414
Current assets		
Inventories	20	63
Financial assets		
- Derivative instruments	1,856	195
- Trade receivables	42,184	43,196
- Cash and cash equivalents	808	4,626
- Other bank balances	276	825
- Loans	54,857	72,496
- Others	13,506	11,837
Other current assets	109,883	81,721
	223,390	214,959
Total assets	2,194,044	2,049,373
Equity and liabilities		
Equity		
Share capital	19,987	19,987
Other equity	984,239	1,008,622
	1,004,226	1,028,609
Non-current liabilities		
Financial liabilities		
- Borrowings	589,671	544,681
- Derivative instruments	-	124
- Others	19,462	19,354
Deferred revenue	17,419	18,371
Provisions	1,806	1,830
	628,358	584,360
Current liabilities		
Financial liabilities		
- Borrowings	162,330	80,680
- Current maturities of long-term borrowings	20,145	28,797
- Derivative instruments	7	228
- Trade payables	212,242	176,990
- Others	110,313	92,529
Deferred revenue	29,408	30,242
Provisions	1,202	1,262
Current tax liabilities (net)	2,459	2,447
Other current liabilities	23,354	23,229
	561,460	436,404
Total liabilities	1,189,818	1,020,764
Total equity and liabilities	2,194,044	2,049,373



Audited Standalone Segment-wise Revenue, Results, Assets and Liabilities for the quarter and six months ended September 30, 2018

(Rs. Millions)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
- Mobile Services	97,935	100,350	115,916	198,285	237,349	441,155
- Airtel Business	27,554	25,634	25,187	53,188	49,997	100,554
- Homes Services	5,488	5,624	6,188	11,112	12,720	24,700
Total segment revenue	130,977	131,608	147,291	262,585	300,066	566,409
Less: Inter-segment eliminations	7,445	7,420	7,490	14,865	15,200	29,779
Total revenue	123,532	124,188	139,801	247,720	284,866	536,630
2. Segment Results						
(Loss) / profit before net finance costs, non-operating expenses, exceptional items and tax						
- Mobile Services	(13,364)	(6,918)	11,077	(20,282)	22,607	21,563
- Airtel Business	6,266	6,047	6,179	12,313	11,623	26,193
- Homes Services	874	923	1,039	1,797	2,325	4,398
Total segment results	(6,224)	52	18,295	(6,172)	36,555	52,154
- Unallocated	(663)	(174)	(287)	(837)	(732)	(1,639)
Total	(6,887)	(122)	18,008	(7,009)	35,823	50,515
Less:						
(i) Net finance costs	11,886	20,634	11,464	32,520	24,918	50,690
(ii) Non-operating expenses	1,074	39	351	1,113	449	596
(iii) Exceptional items (net)	502	2,429	835	2,931	875	6,041
(Loss) / profit before tax	(20,349)	(23,224)	5,358	(43,573)	9,581	(6,812)
3. Segment Assets						
- Mobile Services	1,503,017	1,450,312	1,332,272	1,503,017	1,332,272	1,356,580
- Airtel Business	106,449	102,339	85,985	106,449	85,985	101,826
- Homes Services	43,763	44,593	45,442	43,763	45,442	43,659
Total segment assets	1,653,229	1,597,244	1,463,699	1,653,229	1,463,699	1,501,465
- Unallocated	608,596	617,413	607,268	608,596	607,268	617,272
- Inter-segment eliminations	(67,781)	(68,469)	(70,478)	(67,781)	(70,478)	(69,364)
Total assets	2,194,044	2,146,188	2,000,489	2,194,044	2,000,489	2,049,373
4. Segment Liabilities						
- Mobile Services	392,180	368,385	354,309	392,180	354,309	303,670
- Airtel Business	41,199	39,803	31,377	41,199	31,377	38,625
- Homes Services	18,570	22,206	17,112	18,570	17,112	20,276
Total segment liabilities	451,949	430,394	402,798	451,949	402,798	362,571
- Unallocated	805,650	764,439	652,313	805,650	652,313	727,557
- Inter-segment eliminations	(67,781)	(68,469)	(70,478)	(67,781)	(70,478)	(69,364)
Total liabilities	1,189,818	1,126,364	984,633	1,189,818	984,633	1,020,764



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Notes to the Audited Standalone Financial Results

1. The said financial results for the quarter and six months ended September 30, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 25, 2018.
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.
3. Exceptional items during the quarter ended September 30, 2018 comprises mainly a charge of Rs. 609 Mn towards operating costs on network re-farming and up-gradation program. Net tax credit on exceptional items is Rs. 175 Mn.
4. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

- a. Non-convertible debentures ('NCDs') issued by the Company are rated CRISIL AA+ (Stable).
- 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 20, 2018	NA
(b)	8.35% NCDs series II	April 20, 2018	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 22, 2019	1,244	April 20, 2020	15,000
(ii)	8.35% NCDs series II	April 22, 2019	1,259	April 20, 2021	15,000

- e. Other information:

S.No.	Particulars	September 30, 2018
(i)	Debt service coverage ratio ('DSCR') - [no. of times]	1.70
(ii)	Interest service coverage ratio ('ISCR') - [no. of times]	2.74
(iii)	Debt - equity ratio - [no. of times]	0.77
(iv)	Debenture redemption reserve - [Rs. Million]	7,500
(v)	Net worth - [Rs. Million]	974,397

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**)
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 during the year ended March 31, 2019



5. 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, 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. The Company, based on independent legal opinions, till date has not given any effect to the above demand.
6. The Board of Directors at its meeting held on October 25, 2018, has declared interim dividend for the financial year 2018-19 of Rs. 2.50/- per equity share (face value : Rs. 5/- each).
7. Previous period / year figures have been re-grouped, wherever necessary to conform to current period's classification.

For Bharti Airtel Limited



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

Gurugram
October 25, 2018

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'

