

Quarterly report on the results for the third quarter and nine months ended December 31, 2018

**Bharti Airtel Limited**

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)  
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India



January 31, 2019

The financial statements included in this quarterly report fairly presents in all material respects the financial position, results of operations, cash flow of the company as of, and for the periods presented in this report.

## Supplemental Disclosures

**Safe Harbor:** - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

**General Risk:** - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Bharti Airtel, along with the equity investment risk which doesn't guarantee capital protection.

**Convenience translation:** - We publish our financial statements in Indian Rupees. All references herein to “Indian Rupees” and “Rs” are to Indian Rupees and all references herein to “US dollars” and “US\$” are to United States dollars. Translation of income statement items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the respective quarter average rate. Translation of Statement of financial position items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the closing rate. The rates announced by the Reserve Bank of India are being used as the Reference rate for respective translations. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

**Functional Translation:** - Africa financials reported in the quarterly report are in its functional currency i.e. US\$ (Refer “Section 10 Key Accounting Policies as per Ind-AS”). South Asia financials reported in the quarterly report are in its presentation currency i.e. Rs.

**Use of Certain Non-GAAP measures:** - This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with Indian Accounting Standards (Ind-AS), but are not in themselves Ind-AS measures. They should not be viewed in isolation

as alternatives to the equivalent Ind-AS measures and should be read in conjunction with the equivalent Ind-AS measures.

**Further disclosures are also provided under “7.3 Use of Non - GAAP Financial Information” on page 32**

**Others:** In this report, the terms “we”, “us”, “our”, “Bharti”, or “the Company”, unless otherwise specified or the context otherwise implies, refer to Bharti Airtel Limited (“Bharti Airtel”) and its subsidiaries, Bharti Airtel Services Limited, Bharti Hexacom Limited, Bharti Infratel Limited, Bharti Telemedia Limited, Telesonic Networks Limited, Nxta Data Limited, Wynn Limited, Indo Teleports Limited, Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited) , Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited), SmarTx Services Limited, Bharti Airtel (France) SAS, Bharti Airtel (Hong Kong) Limited, Bharti Airtel (Japan) Private Limited, Bharti Airtel (UK) Limited , Bharti Airtel (USA) Limited, Bharti Airtel International (Mauritius) Limited , Bharti Airtel International (Netherlands) B.V., Bharti Airtel Lanka (Private) Limited, Bharti International (Singapore) Pte Ltd , Network i2i Limited, Africa Towers N.V., Airtel (Seychelles) Limited, Airtel Congo S.A, Airtel Gabon S.A., Airtel Madagascar S.A., Airtel Malawi Limited, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Kenya Limited, Airtel Mobile Commerce Limited (Malawi), Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Rwanda Limited, Airtel Mobile Commerce (Seychelles) Limited, Airtel Mobile Commerce Tanzania Limited, Airtel Mobile Commerce Tchad SARL, Airtel Mobile Commerce Uganda Limited, Airtel Mobile Commerce Zambia Limited , Airtel Money RDC S.A., Airtel Money Niger S.A., Airtel Money S.A. (Gabon), Airtel Networks Kenya Limited, Airtel Networks Limited, Airtel Networks Zambia Plc, Airtel Rwanda Limited, Airtel Tanzania Public Limited Company (formerly known as Airtel Tanzania Limited), Airtel Tchad S.A., Airtel Uganda Limited, Bharti Airtel Africa B.V., Bharti Airtel Chad Holdings B.V. , Bharti Airtel Congo Holdings B.V., Bharti Airtel Developers Forum Limited, Bharti Airtel Gabon Holdings B.V. , Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V. , Bharti Airtel Malawi Holdings B.V. , Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V. , Bharti Airtel Nigeria B.V. , Bharti Airtel Nigeria Holdings II B.V. , Bharti Airtel RDC Holdings B.V. , Bharti Airtel Services B.V. , Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Celtel (Mauritius) Holdings Limited, Airtel Congo RDC S.A., Celtel Niger S.A., Channel Sea Management Company (Mauritius) Limited, Congo RDC Towers S.A., Indian Ocean Telecom Limited, Madagascar Towers S.A., Malawi Towers Limited, Mobile Commerce Congo S.A., Montana International, Partnership Investments S.A.R.L, Société Malgache de Telephonie Cellulaire SA, Tanzania Towers Limited, Bharti Airtel Rwanda Holdings Limited , Airtel Money Transfer Ltd, Airtel Money Tanzania Limited , Airtel Mobile Commerce Nigeria Limited (incorporated w.e.f. August 31, 2017), Bharti Airtel International (Mauritius) Investments Limited , Airtel Africa Mauritius Limited (incorporated w.e.f. June 28, 2018), Bharti Airtel Holding (Mauritius) Limited (incorporated w.e.f. June 27, 2018), Bharti Airtel Overseas (Mauritius) Limited (incorporated w.e.f. June 28, 2018), Airtel Africa Limited (incorporated w.e.f. July 12, 2018), Bharti Airtel Employees Welfare Trust

**Disclaimer:** - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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## SECTION 1

### BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	Unit	Full Year Ended			Quarter Ended				
		Ind-AS			Ind-AS				
		2016	2017	2018	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
<b>Operating Highlights</b>									
Total Customer Base	000's	357,428	372,354	413,822	394,243	413,822	456,641	448,062	403,699
Total Minutes on Network	Mn Min	1,386,313	1,548,602	2,159,386	549,347	649,726	746,724	758,618	768,020
Network Towers	Nos	181,376	184,255	187,541	184,831	187,541	189,330	193,226	198,093
Total Employees	Nos	24,940	22,815	20,978	21,095	20,978	21,697	20,563	20,471
No. of countries of operation	Nos	20	18	18	18	18	18	18	18
Population Covered	Bn	2.03	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Consolidated Financials (Rs Mn)</b>									
Total revenues	Rs Mn	965,320	954,684	836,879	203,186	196,343	200,800	204,225	205,192
EBITDA	Rs Mn	341,682	356,208	304,479	75,871	70,341	68,370	63,433	63,069
EBIT	Rs Mn	166,215	156,775	110,845	27,008	21,061	16,801	10,764	8,132
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	289,083	283,668	227,169	54,567	51,646	47,335	37,548	41,641
Profit before tax	Rs Mn	106,723	88,929	40,600	8,381	4,416	(2,850)	(18,535)	(12,135)
Net income	Rs Mn	60,768	37,997	10,989	3,058	829	973	1,188	862
Capex	Rs Mn	205,919	198,745	268,176	64,657	62,824	82,167	76,845	65,679
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	135,762	157,463	36,303	11,214	7,517	(13,797)	(13,412)	(2,609)
Net Debt	Rs Mn	835,106	913,999	952,285	917,139	952,285	1,029,028	1,132,042	1,063,674
Shareholder's Equity	Rs Mn	667,693	674,563	695,322	714,187	695,322	693,876	688,804	711,097
<b>Consolidated Financials (US\$ Mn)</b>									
Total Revenue <sup>1</sup>	US\$ Mn	14,742	14,214	12,986	3,141	3,054	2,988	2,921	2,859
EBITDA <sup>1</sup>	US\$ Mn	5,218	5,304	4,725	1,173	1,094	1,017	907	879
EBIT <sup>1</sup>	US\$ Mn	2,538	2,334	1,720	418	328	250	154	113
Cash profit from operations before Derivative & Exchange Fluctuations <sup>1</sup>	US\$ Mn	4,415	4,224	3,525	844	803	704	537	580
Profit before Tax <sup>1</sup>	US\$ Mn	1,630	1,324	630	130	69	(42)	(265)	(169)
Net income <sup>1</sup>	US\$ Mn	928	566	170	47	13	14	17	12
Capex <sup>1</sup>	US\$ Mn	3,145	2,959	4,162	1,000	977	1,223	1,099	915
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	2,073	2,344	563	173	117	(205)	(192)	(36)
Net Debt <sup>2</sup>	US\$ Mn	12,604	14,094	14,611	14,358	14,611	15,029	15,618	15,207
Shareholder's Equity <sup>2</sup>	US\$ Mn	10,078	10,402	10,669	11,181	10,669	10,134	9,503	10,167
<b>Key Ratios</b>									
EBITDA Margin	%	35.4%	37.3%	36.4%	37.3%	35.8%	34.0%	31.1%	30.7%
EBIT Margin	%	17.2%	16.4%	13.2%	13.3%	10.7%	8.4%	5.3%	4.0%
Net Profit Margin	%	6.3%	4.0%	1.3%	1.5%	0.4%	0.5%	0.6%	0.4%
Net Debt to Funded Equity Ratio	Times	1.25	1.35	1.37	1.28	1.37	1.48	1.64	1.50
Net Debt to EBITDA (LTM) <sup>3</sup>	Times	2.49	2.63	3.13	3.01	3.23	3.61	4.25	4.28
Net Debt to EBITDA (Annualised) <sup>3</sup>	Times	2.33	2.95	3.13	3.12	3.50	3.90	4.83	4.78
Interest Coverage ratio	Times	7.06	5.20	4.37	4.30	4.04	3.17	2.75	2.57
Return on Shareholder's Equity	%	9.4%	5.7%	1.6%	2.0%	1.6%	1.2%	0.9%	0.6%
Return on Capital employed	%	8.3%	6.5%	4.6%	4.9%	4.7%	4.8%	4.9%	4.7%
<b>Valuation Indicators</b>									
Market Capitalization	Rs Bn	1,403	1,399	1,595	2,116	1,595	1,523	1,352	1,251
Market Capitalization	US\$ Bn	21.2	21.6	24.5	33.1	24.5	22.2	18.7	17.9
Enterprise Value	Rs Bn	2,296	2,369	2,596	3,082	2,596	2,602	2,536	2,364
EV / EBITDA (LTM)	Times	6.72	6.65	8.52	9.81	8.52	8.83	9.12	8.91
P/E Ratio (LTM)	Times	23.08	36.81	145.10	152.28	145.10	183.76	223.78	325.11

Note 1: Average exchange rates used for Rupee conversion to US\$ is (a) Rs 65.48 for the financial year ended March 31, 2016 (b) Rs 67.16 for the financial year ended March 31, 2017 (c) Rs 64.44 for the financial year ended March 31, 2018 (d) Rs 64.68 for the quarter ended December 31, 2017 (e) Rs 64.30 for the quarter ended March 31, 2018 (f) Rs 67.20 for the quarter ended June 30, 2018 (g) Rs 69.91 for the quarter ended September 30, 2018 (h) Rs 71.76 for the quarter ended December 31, 2018 based on the RBI Reference rate.

Note 2: Closing exchange rates used for Rupee conversion to US\$ is (a) Rs 66.26 for the financial year ended March 31, 2016 (b) Rs 64.85 for the year ended March 31, 2017 (c) Rs 65.18 for the financial year ended March 31, 2018 (d) Rs 63.88 for the quarter ended December 31, 2017 (e) Rs 65.18 for the quarter ended March 31, 2018 (f) Rs 68.47 for the quarter ended June 30, 2018 (g) Rs 72.49 for the quarter ended September 30, 2018 (h) Rs 69.95 for the quarter ended December 31, 2018 being the RBI Reference rate.

Note 3: For calculation of this ratio, EBITDA is adjusted downwards to the extent of finance lease charges on towers in Africa.

Note 4: Key Ratios computed using translated US\$ values may yield different results in comparison with ratios computed using Rupee values.

## SECTION 2

### BHARTI AIRTEL - AN INTRODUCTION

#### 2.1 Introduction

We are one of the world's leading providers of telecommunication services with presence in 18 countries representing India, Sri Lanka, 14 countries in Africa and Joint Ventures in 2 more countries. As per United Nations data published on January 01, 2013, the population of these 18 countries represents around 24% of the world's population.

We provide telecom services under wireless and fixed line technology, national and international long distance connectivity and Digital TV; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand "airtel". 'Airtel Money' (known as 'Airtel Payments Bank' in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa. The Company also owns Tower Infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

The shares of Bharti Airtel Ltd are listed on the Indian Stock Exchanges, NSE & BSE.

#### 2.2 Business Divisions

**2.2.1 India & South Asia** – We follow a segmented approach for our operations in India with clear focus on retail and corporate customers.

##### **B2C Services:**

**Mobile Services (India)** – We are the largest wireless operator in the country both in terms of customers and revenues. We offer postpaid, pre-paid, roaming, internet and other value added services. Our distribution channel is spread across 1.1 Mn outlets with network presence in 7,906 census and 786,134 non-census towns and villages in India covering approximately 95.3% of the country's population.

Our 3G and 4G services are spread across the country offering high-speed internet access and a host of innovative services like Mobile TV, video calls, live-streaming videos, gaming, buffer-less HD video streaming and multi-tasking capabilities to our customers.

Our national long distance infrastructure provides a pan-India reach with 273,600 Rkms of optical fiber.

**Homes Services** – The Company provides fixed-line telephone and broadband services for homes in 90 cities pan-India. The product offerings include high-speed broadband on copper and fiber and voice connectivity, up to the speeds of 100 mbps for the home segment.

**Digital TV Services** – Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. We currently offer a total of 694 channels including 78 HD channels, 5 international channels and 3 interactive services.

##### **B2B Services:**

**Airtel Business** – We are India's leading and most trusted provider of ICT services with a diverse portfolio of services to enterprises, governments, carriers and small and medium business. For small and medium business, Airtel is a trusted

solution provider for fixed-line voice (PRIs), data and other connectivity solutions like MPLS, VoIP, SIP trunking. Additionally, the Company offers solutions to businesses Audio, Video and Web Conferencing. Cloud portfolio is also an integral part of its office solutions suite, which offers Storage, compute, Microsoft office 365, ecommerce package through shopify and CRM packages on a pay as you go model.

Along with voice, data and video, our services also include network integration, data centers, managed services, enterprise mobility applications and digital media. Airtel Business provides 'One solution, bill, support, face' experience to our customers.

We offer global services in both voice and data including VAS services like International Toll Free Services and SMS hubbing. Our strategically located submarine cables and satellite network enable our customers to connect across the world including hard-to-reach areas. Our global network runs across 250,000 Rkms, covering 50 countries and 5 continents.

**Tower Infrastructure Services** – Our subsidiary, Bharti Infratel Ltd (Infratel), is India's leading provider of tower and related infrastructure and it deploys, owns & manages telecom towers and communication structures, for various mobile operators. It holds 42% equity interest in Indus towers, a joint venture with Vodafone India and Aditya Birla Telecom who hold 42% and 11.15% respectively. The Company's consolidated portfolio of 92,301 telecom towers, which includes 40,192 of its own towers and the balance from its 42% equity interest in Indus Towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. The Company has been the industry pioneer in adopting green energy initiatives for its operations.

Infratel is listed on Indian Stock exchanges, NSE and BSE.

**South Asia** – South Asia represents our operations in Sri Lanka. In Sri Lanka, we operate across 25 administrative districts with distribution network of over 46 K retailers across the country. Our 3.5G services are present across major towns in Sri Lanka.

##### **2.2.2 Africa**

We are present in 14 countries across Africa, namely: Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda. We offer post-paid, pre-paid, roaming, internet services, content, media & entertainment, and corporate solutions. 3G, 4G data and m-Commerce (Airtel Money) are the next growth engines for the Company in Africa. We offer 3G services, Airtel Money across all 14 countries and 4G services in 11 countries of Africa.

#### 2.3 Partners

SingTel, our strategic equity partner, has made one of their largest investments outside Singapore with us. This partnership has enabled us to expand and further enhance the quality of services to our customers. We also pioneered the outsourcing business model with long term strategic partnership in all areas including network equipment, information technology and call center. We partnered with global leaders who share our drive for co-creating innovative and tailor made solutions. To name a few, our strategic partners include ZTE, Ericsson, Nokia Siemens Networks (NSN), Huawei, Cisco, IBM, Avaya, etc.

## SECTION 3

### FINANCIAL HIGHLIGHTS

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) and the underlying information.

*Detailed financial statements, analysis & other related information is attached to this report (page 28 - 31). Also, kindly refer to Section 7.3 - use of Non - GAAP financial information (page 33) and Glossary (page 55) for detailed definitions.*

#### 3.1 Consolidated - Summary of Consolidated Financial Statements

##### 3.1.1 Consolidated Summarized Statement of Operations (net of inter segment eliminations)

*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>205,192</b>	<b>203,186</b>	<b>1%</b>	<b>610,217</b>	<b>640,536</b>	<b>-5%</b>
EBITDA	63,069	75,871	-17%	194,873	234,138	-17%
<i>EBITDA / Total revenues</i>	<i>30.7%</i>	<i>37.3%</i>		<i>31.9%</i>	<i>36.6%</i>	
EBIT	8,132	27,008	-70%	35,697	89,784	-60%
Finance cost (net)	19,448	20,880	-7%	70,571	62,419	13%
Share of results of Joint Ventures/Associates	(97)	2,256	-104%	3,188	8,773	-64%
Profit before tax	(12,135)	8,381	-245%	(33,520)	36,185	-193%
Income tax expense	(5,790)	1,181	-590%	(19,169)	15,090	-227%
Profit after tax (before exceptional items)	(6,344)	7,200	-188%	(14,350)	21,094	-168%
Non Controlling Interest	4,064	2,859	42%	8,711	7,969	9%
Net income (before exceptional items)	(10,408)	4,341	-340%	(23,061)	13,125	-276%
Exceptional Items (net of tax)	(10,170)	1,593	-739%	(25,464)	3,449	-838%
<b>Profit after tax (after exceptional items)</b>	<b>3,826</b>	<b>5,607</b>	<b>-32%</b>	<b>11,114</b>	<b>17,645</b>	<b>-37%</b>
Non Controlling Interest	2,964	2,549	16%	8,091	7,484	8%
<b>Net income</b>	<b>862</b>	<b>3,058</b>	<b>-72%</b>	<b>3,023</b>	<b>10,161</b>	<b>-70%</b>
Capex	65,679	64,657	2%	224,691	205,352	9%
Operating Free Cash Flow (EBITDA - Capex)	(2,609)	11,214	-123%	(29,819)	28,786	-204%
Cumulative Investments	3,401,022	3,071,442	11%	3,401,022	3,071,442	11%

Refer section 5.5.2 on "Exceptional Items" on page 23 for details.

##### 3.1.2 Consolidated Summarized Statement of Financial Position

*Amount in Rs Mn*

Particulars	As at Dec 31, 2018	As at Mar 31, 2018
<b>Assets</b>		
Non-current assets	2,375,536	2,170,826
Current assets	319,578	334,990
<b>Total assets</b>	<b>2,695,114</b>	<b>2,505,816</b>
<b>Liabilities</b>		
Non-current liabilities	985,268	939,934
Current liabilities	877,787	782,399
<b>Total liabilities</b>	<b>1,863,055</b>	<b>1,722,334</b>
<b>Equity &amp; Non Controlling Interests</b>		
Equity	711,097	695,344
Non controlling interests	120,962	88,139
<b>Total Equity &amp; Non Controlling Interests</b>	<b>832,059</b>	<b>783,484</b>
<b>Total Equity and liabilities</b>	<b>2,695,114</b>	<b>2,505,816</b>

### 3.2 Region wise - Summary of Consolidated Financial Statements

#### 3.2.1 Summarized Statement of Operations (net of inter segment eliminations)

Amount in Rs Mn, except ratios

Particulars	Quarter Ended Dec 2018			Quarter Ended Dec 2017			Nine Months Ended Dec 2018			Nine Months Ended Dec 2017		
	India SA	Africa	Total	India SA	Africa	Total	India SA	Africa	Total	India SA	Africa	Total
<b>Total revenues</b>	<b>148,713</b>	<b>59,035</b>	<b>205,192</b>	<b>153,946</b>	<b>51,295</b>	<b>203,186</b>	<b>449,214</b>	<b>168,348</b>	<b>610,217</b>	<b>495,581</b>	<b>151,853</b>	<b>640,536</b>
EBITDA	41,194	21,868	63,069	57,707	18,159	75,871	132,850	62,023	194,873	185,668	48,489	234,138
<i>EBITDA / Total revenues</i>	<i>27.7%</i>	<i>37.0%</i>	<i>30.7%</i>	<i>37.5%</i>	<i>35.4%</i>	<i>37.3%</i>	<i>29.6%</i>	<i>36.8%</i>	<i>31.9%</i>	<i>37.5%</i>	<i>31.9%</i>	<i>36.6%</i>
EBIT	(5,489)	13,614	8,132	15,942	11,060	27,008	(3,303)	39,001	35,697	65,410	24,392	89,784
Profit before tax	(15,918)	9,506	(12,135)	4,460	4,494	8,381	(57,357)	21,111	(33,520)	31,204	5,498	36,185
Income tax expense	(7,993)	2,255	(5,790)	(619)	1,712	1,181	(26,209)	6,570	(19,169)	7,510	7,576	15,090
Profit after tax (before exceptional items)	(7,925)	7,251	(6,344)	5,079	2,782	7,200	(31,148)	14,541	(14,350)	23,694	(2,078)	21,094
Non Controlling Interest	2,305	1,734	4,064	1,831	1,021	2,859	5,843	2,762	8,711	6,726	1,269	7,969
<b>Net income (before exceptional items)</b>	<b>(10,230)</b>	<b>5,518</b>	<b>(10,408)</b>	<b>3,248</b>	<b>1,762</b>	<b>4,341</b>	<b>(36,991)</b>	<b>11,779</b>	<b>(23,061)</b>	<b>16,968</b>	<b>(3,347)</b>	<b>13,125</b>
Exceptional Items (net of tax)			(10,170)			1,593			(25,464)			3,449
<b>Profit after tax (after exceptional items)</b>			<b>3,826</b>			<b>5,607</b>			<b>11,114</b>			<b>17,645</b>
Non Controlling Interest			2,964			2,549			8,091			7,484
<b>Net income</b>			<b>862</b>			<b>3,058</b>			<b>3,023</b>			<b>10,161</b>
Capex	53,481	12,198	65,679	59,989	4,872	64,657	201,812	22,880	224,691	194,488	11,135	205,352
Operating Free Cash Flow (EBITDA - Capex)	(12,287)	9,670	(2,609)	(2,282)	13,287	11,214	(68,962)	39,143	(29,819)	(8,820)	37,354	28,786
Cumulative Investments	2,779,596	593,875	3,401,022	2,494,225	548,562	3,071,442	2,779,596	593,875	3,401,022	2,494,225	548,562	3,071,442

Refer section 5.5.2 on "Exceptional Items" on page 23

### 3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs Mn

Particulars	As at Dec 31, 2018			
	India SA	Africa	Eliminations/Others	Total
<b>Assets</b>				
Non-current assets	2,013,669	492,732	(130,865)	2,375,536
Current assets	241,509	80,744	(2,675)	319,578
<b>Total assets</b>	<b>2,255,178</b>	<b>573,476</b>	<b>(133,540)</b>	<b>2,695,114</b>
<b>Liabilities</b>				
Non-current liabilities	741,493	244,635	(860)	985,268
Current liabilities	703,197	171,507	3,083	877,787
<b>Total liabilities</b>	<b>1,444,690</b>	<b>416,142</b>	<b>2,223</b>	<b>1,863,055</b>
<b>Equity &amp; Non Controlling Interests</b>				
Equity	727,109	119,751	(135,763)	711,097
Non controlling interests	83,379	37,583	0	120,962
<b>Total Equity &amp; Non Controlling Interests</b>	<b>810,488</b>	<b>157,334</b>	<b>(135,763)</b>	<b>832,059</b>
<b>Total Equity and liabilities</b>	<b>2,255,178</b>	<b>573,476</b>	<b>(133,540)</b>	<b>2,695,114</b>

Refer section 5.1 on "Reporting changes" on page no. 19 for details.

### 3.3 Segment wise Summarized Statement of Operations

#### 3.3.1 India & South Asia

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>148,713</b>	<b>153,946</b>	<b>-3%</b>	<b>449,214</b>	<b>495,581</b>	<b>-9%</b>
EBITDA	41,194	57,707	-29%	132,850	185,668	-28%
<i>EBITDA / Total revenues</i>	<i>27.7%</i>	<i>37.5%</i>		<i>29.6%</i>	<i>37.5%</i>	
EBIT	(5,489)	15,942	-134%	(3,303)	65,410	-105%
Capex	53,481	59,989	-11%	201,812	194,488	4%
Operating Free Cash Flow (EBITDA - Capex)	(12,287)	(2,282)	-438%	(68,962)	(8,820)	-682%
Cumulative Investments	2,779,596	2,494,225	11%	2,779,596	2,494,225	11%

#### 3.3.2 India

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>147,683</b>	<b>153,035</b>	<b>-3%</b>	<b>446,181</b>	<b>492,920</b>	<b>-9%</b>
EBITDA	41,152	57,686	-29%	132,773	185,730	-29%
<i>EBITDA / Total revenues</i>	<i>27.9%</i>	<i>37.7%</i>		<i>29.8%</i>	<i>37.7%</i>	
EBIT	(5,241)	16,236	-132%	(2,449)	66,409	-104%
Capex	53,091	59,601	-11%	200,791	193,554	4%
Operating Free Cash Flow (EBITDA - Capex)	(11,939)	(1,915)	-524%	(68,018)	(7,824)	-769%
Cumulative Investments	2,765,673	2,480,374	12%	2,765,673	2,480,374	12%

#### B2C Services

3.3.3 Mobile Services (India) – comprises of Mobile Services and Network Groups building / providing fiber connectivity.

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>101,894</b>	<b>107,510</b>	<b>-5%</b>	<b>309,218</b>	<b>359,107</b>	<b>-14%</b>
EBITDA	19,498	35,091	-44%	68,568	121,460	-44%
<i>EBITDA / Total revenues</i>	<i>19.1%</i>	<i>32.6%</i>		<i>22.2%</i>	<i>33.8%</i>	
EBIT	(19,032)	1,668	-1241%	(43,733)	25,649	-271%
Capex	37,274	49,357	-24%	165,486	161,139	3%
Operating Free Cash Flow (EBITDA - Capex)	(17,776)	(14,266)	-25%	(96,918)	(39,680)	-144%
Cumulative Investments	2,266,463	2,027,872	12%	2,266,463	2,027,872	12%

### 3.3.4 Homes Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>5,503</b>	<b>6,153</b>	<b>-11%</b>	<b>16,855</b>	<b>19,223</b>	<b>-12%</b>
EBITDA	2,583	3,072	-16%	8,375	8,801	-5%
<i>EBITDA / Total revenues</i>	<i>46.9%</i>	<i>49.9%</i>		<i>49.7%</i>	<i>45.8%</i>	
EBIT	734	1,129	-35%	2,843	3,568	-20%
Capex	2,388	3,209	-26%	6,199	6,873	-10%
Operating Free Cash Flow (EBITDA - Capex)	195	(137)	242%	2,176	1,928	13%
Cumulative Investments	75,237	68,221	10%	75,237	68,221	10%

### 3.3.5 Digital TV Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>10,330</b>	<b>9,642</b>	<b>7%</b>	<b>30,496</b>	<b>27,985</b>	<b>9%</b>
EBITDA	3,826	3,708	3%	11,796	10,525	12%
<i>EBITDA / Total revenues</i>	<i>37.0%</i>	<i>38.5%</i>		<i>38.7%</i>	<i>37.6%</i>	
EBIT	1,568	1,500	5%	5,557	3,768	47%
Capex	3,268	2,360	38%	6,874	8,213	-16%
Operating Free Cash Flow (EBITDA - Capex)	558	1,348	-59%	4,922	2,312	113%
Cumulative Investments	86,765	77,993	11%	86,765	77,993	11%

### B2B Services

### 3.3.6 Airtel Business

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>31,116</b>	<b>29,099</b>	<b>7%</b>	<b>94,498</b>	<b>85,284</b>	<b>11%</b>
EBITDA	9,874	11,682	-15%	31,059	31,006	0%
<i>EBITDA / Total revenues</i>	<i>31.7%</i>	<i>40.1%</i>		<i>32.9%</i>	<i>36.4%</i>	
EBIT	6,667	8,828	-24%	21,843	22,627	-3%
Capex	8,688	823	956%	12,951	4,603	181%
Operating Free Cash Flow (EBITDA - Capex)	1,187	10,860	-89%	18,107	26,403	-31%
Cumulative Investments	126,988	97,923	30%	126,988	97,923	30%

### 3.3.7 Tower Infrastructure Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>17,325</b>	<b>16,950</b>	<b>2%</b>	<b>51,480</b>	<b>49,545</b>	<b>4%</b>
EBITDA	8,510	8,318	2%	24,292	24,402	0%
<i>EBITDA / Total revenues</i>	49.1%	49.1%		47.2%	49.3%	
EBIT	5,829	5,249	11%	16,064	15,303	5%
Share of results of joint ventures/associates	2,177	3,226	-33%	7,533	9,738	-23%
Capex	1,876	2,380	-21%	7,397	8,636	-14%
Operating Free Cash Flow (EBITDA - Capex)	6,633	5,938	12%	16,896	15,766	7%
Cumulative Investments	198,872	197,747	1%	198,872	197,747	1%

### 3.3.8 South Asia – comprises of operations in Sri Lanka.

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>1,130</b>	<b>1,013</b>	<b>12%</b>	<b>3,312</b>	<b>3,012</b>	<b>10%</b>
EBITDA	42	18	130%	82	(59)	239%
<i>EBITDA / Total revenues</i>	3.7%	18%		2.5%	-2.0%	
EBIT	(248)	(297)	17%	(849)	(996)	15%
Capex	389	389	0%	1,021	934	9%
Operating Free Cash Flow (EBITDA - Capex)	(348)	(370)	6%	(939)	(993)	5%
Cumulative Investments	13,923	13,851	1%	13,923	13,851	1%

### 3.3.9 Africa – comprises of operations in 14 countries in Africa

#### In USD Constant Currency – Ongoing Operations Note 5, & 6

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>853</b>	<b>767</b>	<b>11%</b>	<b>2,470</b>	<b>2,207</b>	<b>12%</b>
EBITDA	317	272	16%	912	718	27%
<i>EBITDA / Total revenues</i>	37.2%	35.5%		36.9%	32.5%	
EBIT	198	166	19%	574	371	55%
Capex	170	75	126%	325	169	92%
Operating Free Cash Flow (EBITDA - Capex)	147	197	-25%	587	549	7%
Cumulative Investments	8,491	8,588	-1%	8,491	8,588	-1%

Note 5: During the previous financial year, Bharti Airtel had divested telecom operations in Ghana. For the above table, financial and operational parameters have been shown for remaining 14 countries and the historical periods have been re-instated to make them comparable.

Note 6: Closing currency rates as on March 1, 2018 (AOP FY 18-19 currency) considered for above financials up to EBIT. Actual currency rates are taken for Capex & Cumulative Investments.

#### In USD Constant Currency – Note 6, & 7

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Total revenues</b>	<b>853</b>	<b>767</b>	<b>11%</b>	<b>2,470</b>	<b>2,264</b>	<b>9%</b>
EBITDA	317	272	16%	912	723	26%
<i>EBITDA / Total revenues</i>	37.2%	35.5%		36.9%	31.9%	
EBIT	198	166	19%	574	365	57%
Capex	170	75	126%	325	173	88%
Operating Free Cash Flow (EBITDA - Capex)	147	197	-25%	587	550	7%
Cumulative Investments	8,491	8,588	-1%	8,491	8,588	-1%

Note 7: Above table reflects the USD reported numbers translated to constant currency.

### 3.4 Region wise & Segment wise - Investment & Contribution

Quarter Ended:

Amount in Rs Mn, except ratios

Segment	Quarter Ended Dec 2018						As at Dec 31, 2018	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services	101,894	69%	19,498	47%	37,274	70%	2,266,463	82%
Homes Services	5,503	4%	2,583	6%	2,388	4%	75,237	3%
Digital TV Services	10,330	7%	3,826	9%	3,268	6%	86,765	3%
Airtel Business	31,116	21%	9,874	24%	8,688	16%	126,988	5%
Tower Infrastructure Services	17,325	12%	8,510	21%	1,876	4%	198,872	7%
South Asia	1,130	1%	42	0%	389	1%	13,923	1%
<b>Sub Total</b>	<b>167,297</b>	<b>112%</b>	<b>44,332</b>	<b>108%</b>	<b>53,883</b>	<b>101%</b>	<b>2,768,248</b>	<b>100%</b>
Eliminations / Others*	(18,584)	-12%	(3,138)	-8%	(403)	-1%	11,348	
Accumulated Depreciation and Amortisation							(1,085,862)	
<b>Total (India SA)</b>	<b>148,713</b>	<b>100%</b>	<b>41,194</b>	<b>100%</b>	<b>53,481</b>	<b>100%</b>	<b>1,693,735</b>	
<b>India SA % of Consolidated</b>	<b>72%</b>		<b>65%</b>		<b>81%</b>		<b>81%</b>	
Africa	59,035		21,868		12,198		593,875	
Accumulated Depreciation and Amortisation							(131,787)	
<b>Total (Africa)</b>	<b>59,035</b>		<b>21,868</b>		<b>12,198</b>		<b>462,088</b>	
<b>Africa % of Consolidated</b>	<b>29%</b>		<b>35%</b>		<b>19%</b>		<b>17%</b>	
Eliminations / Others	(2,556)		7		(0)		27,551	
Eliminations / Others % of Consolidated	-1%		0%		0%		0%	
<b>Consolidated</b>	<b>205,192</b>		<b>63,069</b>		<b>65,679</b>		<b>3,401,022</b>	

\* Refer section 5.1 on "reporting changes" on page no. 19 for details

Nine Months Ended:

Amount in Rs Mn, except ratios

Segment	Nine Months Ended Dec 2018						As at Dec 31, 2018	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services	309,218	69%	68,568	52%	165,486	82%	2,266,463	82%
Homes Services	16,855	4%	8,375	6%	6,199	3%	75,237	3%
Digital TV Services	30,496	7%	11,796	9%	6,874	3%	86,765	3%
Airtel Business	94,498	21%	31,059	23%	12,951	6%	126,988	5%
Tower Infrastructure Services	51,480	11%	24,292	18%	7,397	4%	198,872	7%
South Asia	3,312	1%	82	0%	1,021	1%	13,923	1%
<b>Sub Total</b>	<b>505,859</b>	<b>113%</b>	<b>144,172</b>	<b>109%</b>	<b>199,928</b>	<b>99%</b>	<b>2,768,248</b>	<b>100%</b>
Eliminations / Others*	(56,646)	-13%	(11,322)	-9%	1,884	1%	11,348	
Accumulated Depreciation and Amortisation							(1,085,862)	
<b>Total (India &amp; SA)</b>	<b>449,214</b>	<b>100%</b>	<b>132,850</b>	<b>100%</b>	<b>201,812</b>	<b>100%</b>	<b>1,693,735</b>	
<b>India SA % of Consolidated</b>	<b>74%</b>		<b>68%</b>		<b>90%</b>		<b>81%</b>	
Africa	168,348		62,023		22,880		593,875	
Accumulated Depreciation and Amortisation							(131,787)	
<b>Total (Africa)</b>	<b>168,348</b>		<b>62,023</b>		<b>22,880</b>		<b>462,088</b>	
<b>Africa % of Consolidated</b>	<b>28%</b>		<b>32%</b>		<b>10%</b>		<b>17%</b>	
Eliminations / Others	(7,345)		(0)		0		27,551	
Eliminations / Others % of Consolidated	-1%		0%		0%		1%	
<b>Consolidated</b>	<b>610,217</b>		<b>194,873</b>		<b>224,691</b>		<b>3,401,022</b>	

\* Refer section 5.1 on "reporting changes" on page no. 19 for details

## SECTION 4

### OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, Revenue per Site, Gross revenue per employee per month, Personnel cost per employee per month are based on Ind-AS.

#### 4.1 Customers - Consolidated

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
<b>Mobile Services</b>	<b>000's</b>	<b>384,656</b>	<b>429,287</b>	<b>-10.4%</b>	<b>376,393</b>	<b>2.2%</b>
India	000's	284,224	332,764	-14.6%	290,113	-2.0%
South Asia	000's	2,509	2,428	3.3%	2,150	16.7%
Africa	000's	97,922	94,096	4.1%	84,130	16.4%
Homes Services	000's	2,245	2,213	1.5%	2,164	3.8%
Digital TV Services	000's	15,001	14,779	1.5%	13,937	7.6%
Airtel Business	000's	1,797	1,783	0.8%	1,749	2.7%
<b>Total</b>	<b>000's</b>	<b>403,699</b>	<b>448,062</b>	<b>-9.9%</b>	<b>394,243</b>	<b>2.4%</b>

#### 4.2 Traffic Details – Consolidated

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
<b>Mobile Services</b>	<b>Mn Min</b>	<b>757,245</b>	<b>747,197</b>	<b>1.3%</b>	<b>537,878</b>	<b>40.8%</b>
India	Mn Min	702,881	693,061	1.4%	494,546	42.1%
South Asia	Mn Min	1,919	1,779	7.9%	1,404	36.7%
Africa	Mn Min	52,445	52,357	0.2%	41,928	25.1%
Homes Services	Mn Min	3,698	3,451	7.2%	3,071	20.4%
Airtel Business	Mn Min	2,744	2,865	-4.2%	2,869	-4.3%
National Long Distance Services	Mn Min	97,933	93,191	5.1%	65,925	48.6%
International Long Distance Services	Mn Min	4,423	5,213	-15.2%	5,476	-19.2%
<b>Total Minutes on Network (Gross)</b>	<b>Mn Min</b>	<b>866,044</b>	<b>851,916</b>	<b>1.7%</b>	<b>615,219</b>	<b>40.8%</b>
Eliminations	Mn Min	(98,024)	(93,298)	-5.1%	(65,871)	-48.8%
<b>Total Minutes on Network (Net)</b>	<b>Mn Min</b>	<b>768,020</b>	<b>758,618</b>	<b>1.2%</b>	<b>549,347</b>	<b>39.8%</b>

#### 4.3 Mobile Services India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Customer Base	000's	284,224	332,764	-14.6%	290,113	-2.0%
Net Additions	000's	(48,539)	(11,800)	-311.3%	8,066	-701.8%
Pre-Paid (as % of total Customer Base)	%	93.6%	94.4%		93.7%	
Monthly Churn	%	7.3%	4.1%		3.3%	
Average Revenue Per User (ARPU)	Rs	104	100	4.1%	123	-15.5%
Average Revenue Per User (ARPU)	US\$	1.4	1.4	1.4%	1.9	-23.8%
Average Revenue Per User (ARPU) -Exit <sup>8</sup>	Rs	118				
Revenue per towers per month	Rs	193,519	198,400	-2.5%	215,670	-10.3%
<b>Revenues</b>						
Mobile Services <sup>9</sup>	Rs Mn	100,532	100,704	-0.2%	105,709	-4.9%
<b>Voice</b>						
Minutes on the network	Mn	702,881	693,061	1.4%	494,546	42.1%
Voice Usage per customer	min	726	686	5.8%	575	26.3%
<b>Data</b>						
Data Customer Base	000's	107,511	97,666	10.1%	70,836	51.8%
Of which 4G data customers	000's	77,068	65,731	17.2%	36,367	111.9%
As % of Customer Base	%	37.8%	29.4%		24.4%	
Total MBs on the network	Mn MBs	3,216,897	2,660,297	20.9%	1,105,839	190.9%
Data Usage per customer	MBs	10,528	9,221	14.2%	5,349	96.8%

Note 8: Exit ARPU is basis customer base as on December'18.

Note 9: Excludes revenues from network groups building / providing fiber connectivity and group eliminations.

#### 4.4 Homes Services

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Homes Customers	000's	2,245	2,213	1.5%	2,164	3.8%
Net additions	000's	33	24	35.0%	5	606.4%
Average Revenue Per User (ARPU)	Rs	821	847	-3.0%	948	-13.4%
Average Revenue Per User (ARPU)	US\$	11.4	12.1	-5.5%	14.7	-22.0%

#### 4.5 Digital TV Services

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Digital TV Customers	000's	15,001	14,779	1.5%	13,937	7.6%
Net additions	000's	222	133	67.5%	416	-46.6%
Average Revenue Per User (ARPU)	Rs	231	232	-0.3%	233	-1.0%
Average Revenue Per User (ARPU)	US\$	3.2	3.3	-2.9%	3.6	-10.8%
Monthly Churn	%	1.3%	1.3%		1.2%	

#### 4.6 Network and Coverage - India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
<b>Mobile Services</b>						
Census Towns	Nos	7,906	7,904	2	7,897	9
Non-Census Towns and Villages	Nos	786,134	786,129	5	786,032	102
Population Coverage	%	95.3%	95.3%		95.3%	
Optic Fibre Network	R Kms	273,600	263,507	10,093	233,720	39,880
Network towers	Nos	175,300	171,031	4,269	163,808	11,492
<i>Of which Mobile Broadband towers</i>	<i>Nos</i>	<i>164,859</i>	<i>154,531</i>	<i>10,328</i>	<i>130,334</i>	<i>34,525</i>
Total Mobile Broadband Base stations	Nos	371,562	347,642	23,920	259,002	112,560
<b>Homes Services- Cities covered</b>	Nos	90	89	1	89	1
<b>Airtel Business - Submarine cable systems</b>	Nos	7	7	0	7	0
<b>Digital TV Services</b>						
Districts Covered	Nos	639	639	0	639	0
Coverage	%	99.8%	99.8%		99.8%	

#### 4.7 Tower Infrastructure Services

##### 4.7.1 Bharti Infratel Standalone

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Total Towers	Nos	40,192	39,946	246	39,363	829
Total Co-locations	Nos	77,693	78,275	(582)	92,211	(14,518)
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	41,632	38,687	7.6%	36,495	14.1%
Average Sharing Factor	Times	1.95	2.06		2.38	

##### Additional Information:

##### 4.7.2 Indus Towers

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Total Towers	Nos	124,069	124,230	(161)	122,962	1,107
Total Co-locations	Nos	230,372	229,136	1,236	288,727	(58,355)
Average Sharing Factor	Times	1.85	2.02		2.39	

##### 4.7.3 Bharti Infratel Consolidated

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Total Towers	Nos	92,301	92,123	178	91,007	1,294
Total Co-locations	Nos	174,449	174,512	(63)	213,476	(39,027)
Average Sharing Factor	Times	1.89	2.04		2.38	

#### 4.8 Human Resource Analysis – India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Total Employees	Nos	16,962	17,044	(82)	17,482	(520)
Number of Customers per employee	Nos	17,879	20,625	(2,746)	17,616	263
Personnel cost per employee per month	Rs	103,294	109,131	-5.3%	112,201	-7.9%
Gross Revenue per employee per month	Rs	2,902,235	2,917,897	-0.5%	2,916,176	-0.5%

## 4.9 Africa

### 4.9.1 Operational Performance (In Constant Currency)

Parameters	Unit	Dec-18	Sep-18	Q-on-Q Growth	Dec-17	Y-on-Y Growth
Customer Base	000's	97,922	94,096	4.1%	84,130	16.4%
Net Additions	000's	3,827	2,903	31.8%	5,388	-29.0%
Monthly Churn	%	4.7%	4.8%		4.1%	
Average Revenue Per User (ARPU)	US\$	3.0	3.0	0.4%	3.2	-5.6%
<b>Voice</b>						
Voice Revenue	\$ Mn	526	517	1.8%	507	3.7%
Minutes on the network	Mn	52,445	52,357	0.2%	41,928	25.1%
Voice Average Revenue Per User (ARPU)	US\$	1.8	1.9	-1.3%	2.1	-12.0%
Voice Usage per customer	min	183	189	-2.9%	172	6.2%
<b>Data</b>						
Data Revenue	\$ Mn	192	180	6.5%	149	28.6%
Data Customer Base	000's	29,264	27,113	7.9%	23,324	25.5%
As % of Customer Base	%	29.9%	28.8%		27.7%	
Total MBs on the network	Mn MBs	105,338	88,808	18.6%	65,544	60.7%
Data Average Revenue Per User (ARPU)	US\$	2.3	2.3	0.7%	2.3	0.1%
Data Usage per customer	MBs	1,248	1,113	12.1%	997	25.1%
<b>Airtel Money</b>						
Transaction Value	\$ Mn	6,917	6,263	10.4%	5,358	29.1%
Transaction Value per Sub	US\$	166	163	1.7%	182	-8.6%
Airtel Money Revenue	\$ Mn	68	55	22.9%	40	69.7%
Active Customers	000's	13,805	12,943	6.7%	10,449	32.1%
Airtel Money ARPU	US\$	1.6	1.4	13.1%	1.4	20.1%
<b>Network &amp; coverage</b>						
Network towers	Nos	20,582	20,060	522	19,054	1,528
Owned Towers	Nos	4,441	4,449	(8)	4,181	260
Leased Towers	Nos	16,141	15,611	530	14,873	1,268
Of which Mobile Broadband towers	Nos	15,734	15,280	454	12,933	2,801
Total Mobile Broadband Base stations	Nos	29,650	26,338	3,312	16,863	12,787
Revenue Per Site Per Month	US\$	13,954	13,717	1.7%	13,423	4.0%

Constant currency rates as on March 1, 2018 (AOP FY 2018-19 Currency) considered for above KPIs

### 4.9.2 Human Resources Analysis

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Q-on-Q Growth	Dec 30, 2017	Y-on-Y Growth
Total Employees	Nos	3,334	3,338	(4)	3,420	(86)
Number of Customers per employee	Nos	29,371	28,189	1,182	24,599	4,772
Personnel cost per employee per month	US\$	6,410	5,747	11.5%	5,628	13.9%
Gross Revenue per employee per month	US\$	85,303	82,245	3.7%	74,756	14.1%

## SECTION 5

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 5.1 Reporting Changes

##### A. Segment-wise Reporting Changes

During the quarter ended December 31, 2018, due to the change in the shareholder rights of the Company in Airtel Payment Bank Limited ('APBL'), APBL ceased to be a subsidiary of the Group and has become an Associate under Ind-AS.

Financials of ABPL, Corporate office and other small entities were hitherto being reported as part of "Others (India)" in section 3.3 Segment wise Summarized Statement of Operations. Subsequent to the above mentioned change, "Others (India)" reporting is no longer included in the segmental reporting within India.

#### 5.2 India & SA

##### A. Key Industry Developments

##### A. Issuance of In Flight and Maritime Connectivity Rules (IFMC), 2018

Department of Telecom (DoT) issued a notification on December 14<sup>th</sup>, 2018 for permitting in-flight voice and data services (IFMC). Highlights of the notification are:

- Following are eligible to apply for authorization to provide IFMC Services:
  - An Internet Service provider (ISP) (CAT-A) licensee or an Access Service licensee. These licensees should also hold an NLD license or a commercial VSAT CUG service license and a satellite gateway earth station within the service area of its license, in case connectivity through satellite is used.
  - Any Indian Company or any airline or any shipping Company (Indian or foreign permitted to enter Indian space). These companies are required to enter into a commercial agreement with either ISP licensee or an Access Service licensee (partnering licensee) to provide IFMC services.
- Revenue earned shall be included in the Gross Revenue of the licensee, for the purpose of license fee and spectrum usage charges (SUC).

##### B. Amendment to Telecommunication Mobile Number Portability (MNP) Regulations

Telecom Regulatory Authority of India (TRAI) has issued "Telecommunication Mobile Number Portability (Seventh Amendment) Regulations, 2018" on December 13<sup>th</sup>, 2018. The salient points of regulations are as below:

- The porting timeline of 2 working days is kept for Intra-Licensed Service Area (Intra-LSA) numbers & 4 working days for Inter-LSA numbers and corporate

category. The validity of Unique Porting Code (UPC) has been kept 4 days in place of 15 days.

- Telecom Service Provider will be liable to pay an amount, by way of financial disincentive not exceeding ten thousand rupees for each wrongful rejection of the request for porting, as the Authority may, by order direct.
- Every Access Provider shall set up a mechanism for the purpose of receiving SMS from its subscribers requesting for a UPC and forwarding the same to the MNP zone to which the mobile number belongs.
- Introduction of query response mechanism for the generation & delivery of Unique Porting Code (UPC) for all the cases except corporate category. The Mobile Number Portability Service Provider (MNPSP) will query the database of the Donor Operator on real time basis and ensure the delivery of UPC.

##### C. Regulations on Broadcasting and Cable Services

The new Tariff framework of DTH as per "The Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 dated March 3<sup>rd</sup>, 2017" shall be effective from February 1<sup>st</sup>, 2019. The salient features of the same are as follows:

- It allows the consumers to select the channels which they want to view and pay their cable or DTH operator only for them
- Consumers can either select a-la-carte channels or bouquet from a broadcaster.
- It also bars any price disparity between channel offered to cable digital platforms and DTH operators, thus infusing a higher level of transparency & level-playing field for all, cable or DTH operators.

##### D. Amendments to the Basic Service, CMTS, UAS, UL (VNO) and Unified License for change in interest rate on delayed payment

DoT has issued amendments in the various licences which includes Basic Service, Cellular Mobile Telephone Service (CMTS), Unified Access Service (UAS), Unified License (Virtual Network Operators) and Unified License on October 24<sup>th</sup> 2018 by which the interest levied in case of delayed payments of License Fee and Spectrum Usage Charges has been revised from PLR + 2% to MCLR + 4% w.e.f. April 2016.

##### B. Key Company Developments

- The Hon'ble National Company Law Tribunal (NCLT), New Delhi, Principal Bench, vide its order dated January 17, 2019 ('Order') has sanctioned the composite scheme of arrangement between **Tata Teleservices Limited, Bharti Airtel Limited and Bharti Hexacom Limited**. The scheme would be given effect after the approval of the DoT.

- **Airtel** becomes the first operator to launch 4G services in the Andaman and Nicobar islands on January 15<sup>th</sup>, 2019. Airtel's 4G services will enable local residents to enjoy digital services like HD quality video streaming, superfast downloads and uploads, high speeds internet browsing on Airtel's state-of-the-art FDD 4G network. It will contribute to the Government's Digital India vision.
- **Airtel** and **Ericsson** conducted India's first Licensed Assisted Access (LAA) trial over a LIVE LTE network. LAA enables the use of unlicensed spectrum in the 5 GHz band in combination with licensed spectrum. With this, customers can get a significantly enhanced mobile broadband experience and ultra-fast speeds, while operators make efficient use of unlicensed spectrum resources.
- **Airtel** unveiled '**Airtel 3.0**'- a range of futuristic digital technologies and exciting products at the India Mobile Congress (IMC) 2018. The showcase is part of the Company's vision under which it aims to build networks and services that enrich lives of customers by enabling a world-class digital experience.
- **Airtel** launched **Google Assistant** based Digital Customer Care. In an industry first, **Airtel** has collaborated with **Google** to truly simplify its customer service experience by integrating its customer care with the Artificial Intelligence-powered Google Assistant.
- Airtel announced a content partnership with **Hoichoi**, world's biggest Bengali entertainment app to offer exciting Bengali digital content to Airtel TV users. Hoichoi's exclusive Bangla content, including original shows and chartbuster movies would now be available on the **Airtel TV** app, which now has one of the largest and most exciting digital content portfolios in India.
- Airtel's music streaming app **Wynk Music** has been rated as '*Most Entertaining app of 2018*' on Google Play Store. Also, the OTT music streaming app from Airtel introduced 'Your Year in Music 2018', a new way for its 100 Mn users to look back on their musical journey on the app with just a single touch. This initiative was aimed to create a deeply personalized music experience for its users.
- **Airtel** has discontinued charges for activating international roaming services for both Postpaid and Prepaid users. Consequently, users will experience uninterrupted services while travelling internationally.
- **Airtel** has now introduced '**Smart Recharge**' plans that offer bundled offers for prepaid customers. These plans begin from Rs 25, and extend up to Rs 245. Each smart recharge plan from Airtel offers something unique, and comes with a minimum validity of 28 days.
- **Airtel** bagged top honors at **CIO CHOICE awards**. Airtel was declared as the winner in the Co-location, Public Cloud, Network Security and Information Security categories at the seventh edition of the **CIO CHOICE awards**. CIO recognition is conducted via an independent advisory panel of eminent CIOs and the winners in each category are selected by over 4000 CIOs from across the country.

### 5.3 Africa

#### A. Key Company Developments

- Airtel Africa Ltd, a subsidiary of the Company and holding entity of Africa operations of the Group has appointed Global banks comprising J.P. Morgan, Citigroup, BofA Merrill Lynch, Absa Group Limited, Barclays Bank PLC, BNP Paribas, Goldman Sachs International and Standard Bank Group for an intended IPO on International Stock Exchange.
- Subsequent to the Balance sheet date, Qatar Investment Authority ("QIA"), the sovereign wealth fund of the State of Qatar has agreed to invest USD 200 million in Airtel Africa Limited, a subsidiary of the Company and holding entity of Africa operations of the Group, through a primary equity issuance in the company.
- Airtel Uganda Public service provider license has been renewed for 1 year on the same terms and conditions of existing license.
- Central Bank of Nigeria has issued guidelines for license of Payment Service Bank in Nigeria.
- Airtel Tanzania won an Appreciation Award for the contributions and continued support in improvement of school environment in Tanzania by Tanga City Council and was also recognized for Mobile Health Support by Ministry of Health.
- Airtel Nigeria has been awarded with Smart recharge campaign of the year by Advertiser association of Nigeria.

### 5.4 Share of Associates / Joint Ventures

#### A) Robi Axiata Limited

Robi Axiata Limited is a joint venture between Axiata Group Berhad, of Malaysia, Bharti Airtel Limited, of India and NTT Docomo Inc. of Japan. Axiata holds 68.7% controlling stake in the entity, Bharti Airtel holds 25% while the remaining 6.3% is held by NTT Docomo.

Robi Axiata Limited is the second largest mobile phone operator of Bangladesh and the first operator to introduce GPRS and 3.5G services in the country.

Key operational and financial performance

Bangladesh	Unit	Quarter Ended			
		Sep-18	Jun-18	Mar-18	Dec-17
<b>Operational Performance</b>					
Customer Base	000's	46,753	44,729	45,609	42,908
Data Customer as % of Customer Base	%	60.6%	59.5%	57.8%	56.6%
ARPU	BDT	122	117	118	123
<b>Financial Highlights</b> (proportionate share of Airtel)					
Total revenues	Rs Mn	3,648	3,299	3,153	3,605
EBITDA	Rs Mn	983	833	679	724
EBITDA / Total revenues	%	27.0%	25.3%	21.5%	20.1%
Net Income	Rs Mn	1,036	(89)	(200)	(261)

### B) Bharti Airtel Ghana Limited

Bharti Airtel Ghana Limited is a joint venture between Bharti Airtel Africa B.V. and MIC Africa B.V. Both the entities effectively hold 49.95% share in the merged entity.

Key operational and financial performance

Ghana	Unit	Quarter Ended			
		Dec-18	Sep-18	Jun-18	Mar-18
<b>Operational Performance</b>					
Customer Base	000's	4,847	5,389	5,784	6,113
Data Customer as % of Customer Base	%	56.5%	61.4%	56.7%	58.2%
ARPU	GHS	12.0	12.4	12.8	13.2
<b>Financial Highlights</b> (proportionate share of Airtel)					
Total revenues	Rs Mn	1,358	1,519	1,674	1,767
EBITDA	Rs Mn	(64)	108	319	262
EBITDA / Total revenues	%	-4.7%	7.1%	19.1%	14.8%
Net Income	Rs Mn	(1,214)	(906)	(961)	(241)

### C) Airtel Payments Bank Limited

Airtel Payments Bank Limited has become an associate of Bharti Airtel Limited w.e.f November 01<sup>st</sup>, 2018.

Key operational and financial performance (based on 2 months ended December 31<sup>st</sup>, 2018)

Airtel Payments Bank Limited	Unit	2 Months Ended
		Dec-18
<b>Operational Performance</b>		
Active users	000's	5,724
<b>Financial Highlights</b> (proportionate share of Airtel)		
Total revenues	Rs Mn	410
EBITDA	Rs Mn	(477)
EBITDA / Total revenues	%	-116.4%
Net Income	Rs Mn	(497)

## 5.5 Results of Operations

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) and the underlying information.

### Key Highlights – For the quarter ended December 31, 2018

- Overall customer base at 404 Mn across 16 countries (up 2.4% Y-o-Y)
- Net addition of 9 Mn customers over the previous year
- Consolidated mobile data traffic at 3,332 Bn MBs (up 182.8% Y-o-Y)
- Total revenues of Rs 205.19 Bn; up 1.0% Y-o-Y (underlying up 1.9% Y-o-Y)
- EBITDA at Rs 63.1 Bn; down 16.9% Y-o-Y (underlying down 15.4% Y-o-Y); EBITDA margin down 6.6% Y-o-Y
- EBIT at Rs 8.1 Bn; down 69.9% Y-o-Y
- Consolidated net income of Rs 0.9 Bn (Q2'19 at Rs 1.2 Bn) vis-à-vis Rs 3.1 Bn in the corresponding quarter last year
- Return on Capital Employed (ROCE) at 4.7% vis-à-vis 4.9% in the corresponding quarter last year

### Results for the quarter ended Dec 31, 2018

#### 5.5.1 Bharti Airtel Consolidated

As on Dec 31, 2018, the company had 404 Mn customers, an increase of 2.4% as compared to 394 Mn in the corresponding quarter last year. Total minutes of usage on the network during the quarter were 768 Bn, representing a growth of 39.8% as compared to 549 Bn in the corresponding quarter last year. Mobile Data traffic grew 182.8% to 3,332 Bn MBs during the quarter as compared to 1,178 Bn MBs in the corresponding quarter last year.

Consolidated revenues for the quarter stood at Rs 205,192 Mn, up 1.0% (underlying up 1.9%) compared to Rs 203,186 Mn in the corresponding quarter last year.

India revenues for the quarter stood at Rs 147,683 Mn, down 3.5% (underlying down 2.3%) compared to Rs 153,035 Mn in the corresponding quarter last year, primarily on account of the sustained pricing pressure in India Mobile segment.

Consolidated net revenues, after netting off access costs and cost of goods sold, decreased by 1.6% (down 0.8% underlying) to Rs 178,002 Mn as compared to Rs 180,846 Mn in the corresponding quarter last year.

Company has sustained its investments towards enhancing network capacities and expanding its content partnerships. This has resulted in an increase in consolidated opex (excluding access costs, costs of goods sold and license fees) by 11.4% Y-o-Y to Rs 98,139 Mn for the quarter ending Dec 31, 2018.

Consolidated EBITDA of Rs 63,069 Mn during the quarter, decreased by 16.9% (15.4% underlying) compared to Rs 75,871 Mn in the corresponding quarter last year. EBITDA margin for the quarter was at 30.7% as compared to 37.3% in the corresponding quarter last year. India EBITDA margin for the quarter was at 27.9% as compared to 37.7% in the corresponding quarter last year.

Depreciation and amortization expenses were at Rs 54,723 Mn vis-à-vis Rs 48,375 Mn in the corresponding quarter last year, primarily due to the impact of sustained capex spends aimed at enhancing our 4G capacities. EBIT for the quarter was at Rs 8,132 Mn as compared to Rs 27,008 Mn for the quarter ended Dec 31, 2017. The resultant EBIT margin was 4.0% as compared to 13.3% in the last year same quarter. Cash profits from

operations (before derivative and exchange fluctuations) for the quarter were at Rs 41,641 Mn as compared to Rs 54,567 Mn in the corresponding quarter last year.

Net finance costs for the quarter were at Rs 19,448 Mn, lower by Rs 1,432 Mn as compared to the corresponding quarter last year. Decrease has largely been on account of lower forex fluctuations during the quarter.

The resultant loss before tax and exceptional items for the quarter ended Dec 31, 2018 was Rs 12,135 Mn as compared to profit of Rs 8,381 Mn in the corresponding quarter last year.

The consolidated income tax expense for the period of nine months ended Dec 31, 2018 was (negative) Rs 19,169 Mn as compared to Rs 15,090 Mn in the corresponding period of last year. The decline is primarily led by drop in profits in India. The underlying effective tax rate (ETR) in India for the period was at 34.5% vs 26.5% for the full year ended March 31, 2018. The tax charge in Africa (excluding divested units) for the period of nine months ended Dec 31, 2018 was at \$ 95 Mn as compared to \$ 117 Mn in the corresponding period of last year, decline is primarily on account of change in profit mix of the countries.

Net loss before exceptional items for the quarter ended Dec 31, 2018 was Rs 10,408 Mn as compared to income of Rs 4,341 Mn in the corresponding quarter last year. After accounting for gain of Rs 10,170 Mn towards exceptional items (net of tax) (details provided below in 5.5.2), the resultant net income for the quarter ended Dec 31, 2018 came in at Rs 862 Mn, compared to Rs 3,058 Mn in the corresponding quarter last year and Rs 1,188 Mn in the previous quarter.

The capital expenditure for the quarter was Rs 65,679 Mn as compared to Rs 64,657 Mn in the corresponding quarter last year. The consolidated operating free cash burn during the quarter was at Rs 2,609 Mn as compared to a positive cash flow of Rs 11,214 Mn in the corresponding quarter last year.

Consolidated net debt for the company has decreased by Rs 68,368 Mn to Rs 1,063,674 Mn as compared to Rs 1,132,042 Mn for the previous quarter. The Net Debt-EBITDA ratio (LTM) as at Dec 31, 2018 at 4.28 times as compared to 4.25 times as on Sep 30, 2018. The Net Debt-Equity ratio was at 1.50 times as at Dec 31, 2018 as compared to 1.64 times as on Sep 30, 2018.

EBITDA decline along with continued investments to build future data capacities have resulted in decline of Return on Capital

\* Underlying growth mentioned in section 5.5.1 is after adjusting for IUC rate cut.

Employed (ROCE) to 4.7% from 4.9% in the corresponding quarter last year.

### 5.5.2 Exceptional Items

Exceptional gain during the quarter ended Dec 31, 2018 was Rs 10,170 Mn (net of tax) largely on account of deconsolidation of Airtel Payments Bank Limited as explained in Section 5.1 and reassessment of certain levies.

### 5.5.3 B2C Services – India

#### 5.5.3.1 Mobile Services

As on Dec 31, 2018, the company had 284.2 Mn customers as compared to 290.1 Mn in the corresponding quarter last year, a decrease of 2.0% Y-o-Y. Effective December, 2018, the company has modified the prepaid customer base definition in order to represent only the customers who transact and generate revenue. All customers related KPIs have accordingly been changed. Prior period data has not been restated. This is a more stringent definition and better indicates the operating performance of the company (Please refer glossary for customer definition).

Continued rise in penetration of bundled offers resulted in minutes traffic growth of 42.1% to 703 Bn during the quarter as compared to 494.5 Bn in the corresponding quarter last year.

The current quarter has witnessed total data customer addition of 9.8 Mn on a sequential quarter basis with 4G data customer base growing faster at 11 Mn. Overall 4G customer base stood at 77.1 Mn at the end of the quarter. With increased data penetration, the total MBs on the network have increased by 190.9% to 3,217 Bn MBs as compared to 1,106 Bn MBs in the corresponding quarter last year. Mobile Data usage per customer witnessed an increase of 96.8% to 10,528 MBs during the quarter as compared to 5,349 MBs in the corresponding quarter last year and has increased by 14.2% compared to previous quarter.

The company has stepped up investments on up-gradation and capacity expansion of network towers. By the end of the quarter, the company had 175,300 network towers as compared to 163,808 network towers in the corresponding quarter last year. Out of the total number of towers, 164,859 are mobile broadband towers. The company has total 371,562 mobile broadband base stations as compared to 259,002 mobile broadband base stations at the end of the corresponding quarter last year and 347,642 at the end of the previous quarter.

Revenue from mobile services decreased by 5.2% to Rs 101,894 Mn as compared to Rs 107,510 Mn in the corresponding quarter last year. Overall ARPU for the quarter was Rs 104 as compared to Rs 123 in the corresponding quarter last year. The quarter has witnessed a sequential increase in ARPU after 9 quarters of consecutive decline.

EBITDA for the quarter was at Rs 19,498 Mn as compared to Rs 35,091 Mn in the corresponding quarter last year. EBITDA margin was at 19.1% during the quarter as compared to 32.6% in the corresponding quarter last year. EBIT during the quarter was (negative) Rs 19,032 Mn as compared to Rs 1,668 Mn in the corresponding quarter last year. EBIT margin was at (negative) 18.7% as compared to 1.6% in corresponding quarter last year.

During the quarter, the company has incurred a capex of Rs 37,274 Mn, primarily to enhance its data capacities. This capex investment along with decline in EBITDA has resulted into cash burn of Rs 17,776 Mn for the quarter as compared to cash burn of Rs 14,266 Mn in the corresponding quarter last year.

#### 5.5.3.2 Homes Services

As on Dec 31, 2018, the company had 2.25 Mn customers in its Homes operations. There has been a growth in net customer additions during the quarter as compared to previous periods, on the back of investments made towards fiber roll outs.

For the quarter ended Dec 31, 2018, revenues from Homes operations were Rs 5,503 Mn as compared to Rs 6,153 Mn in the corresponding quarter last year due to continuing ARPU down-trading. There have been some opex headwinds on the back of sustained investments and consequently the EBITDA for the quarter stood at Rs 2,583 Mn compared to Rs 3,072 Mn in the corresponding quarter last year. EBITDA margin stood at 46.9% during the quarter as against 49.9% in the corresponding quarter last year. EBIT for the quarter ended Dec 31, 2018 was Rs 734 Mn as compared to Rs 1,129 Mn in the corresponding quarter last year.

During the quarter ended Dec 31, 2018, the company incurred capital expenditure of Rs 2,388 Mn primarily on account of high speed fiber deployments and capacity enhancement. The resulting cash flow for the quarter was Rs 195 Mn as compared to Rs 137 Mn cash burn in the corresponding quarter last year.

#### 5.5.3.3 Digital TV Services

As on Dec 31, 2018, the company had its Digital TV operations in 639 districts. DTH had 15 Mn customers at the end of the quarter, which represents an increase of 7.6%, as compared to the corresponding quarter last year. Net customer additions for Digital TV during the quarter were 222K. ARPU for the quarter was at Rs 231 as compared to Rs 233 in the corresponding quarter last year.

Revenue from Digital TV services increased by Rs 687 Mn to Rs 10,330 Mn as compared to Rs 9,642 Mn in the corresponding quarter last year. EBITDA for this segment continued to improve and was at Rs 3,826 Mn as compared to Rs 3,708 Mn in the corresponding quarter last year. The reported EBITDA margin was at 37.0% in the current quarter, as compared to 38.5% in the corresponding quarter last year. EBIT for the quarter was at Rs 1,568 Mn in the current quarter, as compared to Rs 1,500 Mn in the corresponding quarter last year.

During the current quarter, the company incurred a capital expenditure of Rs 3,268 Mn. The resultant operating free cash flow during the quarter was at Rs 558 Mn as compared to Rs 1,348 Mn in the corresponding quarter last year.

#### 5.5.4 B2B Services – India: Airtel Business

Revenues in this segment comprises of: a) Enterprise & Corporates Fixed Line, Data and Voice businesses, and b) Global Business which includes wholesale voice and data.

Airtel Business segment has reported revenues of Rs 31,116 Mn as compared to Rs 29,099 Mn in the corresponding quarter last

year, increase of 6.9% (10.9% on underlying basis). Reduction in low margin revenue streams has led to net revenue growth of 11.9% (12.7% on underlying basis) as compared to corresponding quarter last year.

EBITDA stood at Rs 9,874 Mn during the quarter as compared to Rs 11,682 Mn in the corresponding quarter last year, de-growth of 15.5%. The reported EBITDA margin stood at 31.7% in the current quarter, as compared to 40.1% in the corresponding quarter last year. EBIT for the current quarter has decreased by 24.5% to Rs 6,667 Mn as compared to Rs 8,828 Mn during the corresponding quarter last year. EBIT margin was at 21.4% during the quarter as compared to 30.3% in the corresponding quarter last year.

The company incurred a capital expenditure of Rs 8,688 Mn in Airtel Business as compared to Rs 823 Mn in the corresponding quarter last year majorly due to deployment of MENA submarine cable aimed to enhance global data capacities. Operating free cash flow during the quarter was Rs 1,187 Mn as compared to Rs 10,860 Mn in the corresponding quarter last year.

### 5.5.5 Tower Infrastructure Services

The financials of this segment reflect standalone operations of Bharti Infratel Limited (Infratel), a subsidiary of the company, with the interest in Indus Tower Ltd (Indus) disclosed under share of profits from Joint Ventures/ Associates.

Revenues of Infratel for the quarter ended Dec 31, 2018 has increased by 2.2% to Rs 17,325 Mn as compared to Rs 16,950 Mn in the corresponding quarter last year. EBITDA during the quarter was higher by 2.3% at Rs 8,510 Mn compared to Rs 8,318 Mn in the corresponding quarter last year. EBIT for the quarter was higher by 11.1% to Rs 5,829 Mn as compared to Rs 5,249 Mn in the corresponding quarter last year.

As at the end of the quarter, Infratel had 40,192 towers with average sharing factor of 1.95 times compared to 2.38 times in the corresponding quarter last year. Including proportionate share of Indus in which Infratel holds 42% of stake, on a consolidated basis, Infratel had 92,301 towers with an average sharing factor of 1.89 times as compared to 2.38 times in the corresponding quarter last year.

Bharti Infratel incurred a capital expenditure of Rs 1,876 Mn during the quarter on a standalone basis. Operating free cash flows during the quarter were Rs 6,633 Mn as compared to Rs 5,938 Mn in the corresponding quarter last year. The share of profits of Indus during the quarter came in at Rs 2,177 Mn as compared to Rs 3,226 Mn in the corresponding quarter last year.

### 5.5.6 Africa

In Africa, exchange rates have been largely stable except devaluation of CFA in French countries which have seen currency depreciation versus the US dollar. To enable comparison on an underlying basis, all financials up to PBT and all operating metrics mentioned below are in constant currency rates as of March 1, 2018. PBT as mentioned below excludes any realized/unrealized derivatives and exchange gain or loss for the period.

As on Dec 31, 2018, the company had an aggregate customer base of 97.9 Mn as compared to 84.1 Mn in the corresponding quarter last year, an increase of 16.4%. Customer churn for the quarter has decreased to 4.7% as compared to 4.8% in the previous quarter. Total minutes on network during the quarter registered a growth of 25.1% to 52.4 Bn as compared to 41.9 Bn in the corresponding quarter last year.

Data customers during the quarter increased by 5.9 Mn to 29.3 Mn as compared to 23.3 Mn in the corresponding quarter last year. Data customers now represent 29.9% of the total customer base, as compared to 27.7% in the corresponding quarter last year. The total MBs on the network grew at a healthy growth rate of 60.7% to 105.3 Bn MBs compared to 65.5 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 1,248 MBs as compared to 997 MBs in the corresponding quarter last year, an increase of 25.1%.

The total customer base using the Airtel Money platform increased by 32.1% to 13.8 Mn as compared to 10.4 Mn in the corresponding quarter last year. The total number of transactions during the quarter increased by 76.9% to 835 Mn as compared to 472 Mn in the corresponding quarter last year. Total value of transactions on the Airtel money platform has witnessed a growth of 29.1% to \$ 6,917 Mn in the current quarter as compared to \$ 5,358 Mn in the corresponding quarter last year. Airtel Money revenue is at \$ 67.7 Mn as compared to \$ 55.1 Mn in the quarter ended Sep 30, 2018 reflecting a growth of 23%.

The company had 20,582 network towers at end of the quarter as compared to 19,054 network towers in the corresponding quarter last year. 3G has been rolled out in 14 countries and 4G across 11 countries. Out of the total number of towers, 15,734 are mobile broadband towers. The company has total 29,650 mobile broadband base stations as compared to 16,863 mobile broadband base stations at the end of the corresponding quarter last year.

Africa revenues at \$ 853 Mn grew by 11.2% as compared to \$ 767 Mn in the corresponding quarter last year. Increase in data & Airtel Money penetration led to faster net revenue growth of 12.0%.

Opex for the quarter is at \$ 371 Mn as compared to \$ 341 Mn in the corresponding quarter last year. EBITDA was at \$ 317 Mn as compared to \$ 272 Mn in the corresponding quarter last year. EBITDA margin improved by 1.7% and was at 37.2% for the quarter. Depreciation and amortization charges were at \$ 118 Mn as compared to \$ 104 Mn in the corresponding quarter last year. EBIT for the quarter was at \$ 198 Mn as compared to \$ 166 Mn in the corresponding quarter last year.

The resultant profit before tax and exceptional items for the quarter was at \$ 120 Mn as compared to \$ 106 Mn in the corresponding quarter last year.

Capital expenditure during the quarter was \$ 170 Mn for African operations, largely on account of investment in data capacities and network modernization. Operating free cash flow during the quarter was at \$ 147 Mn, as compared to \$ 197 Mn in the corresponding quarter last year.

### 5.6 Bharti's Three Line Graph

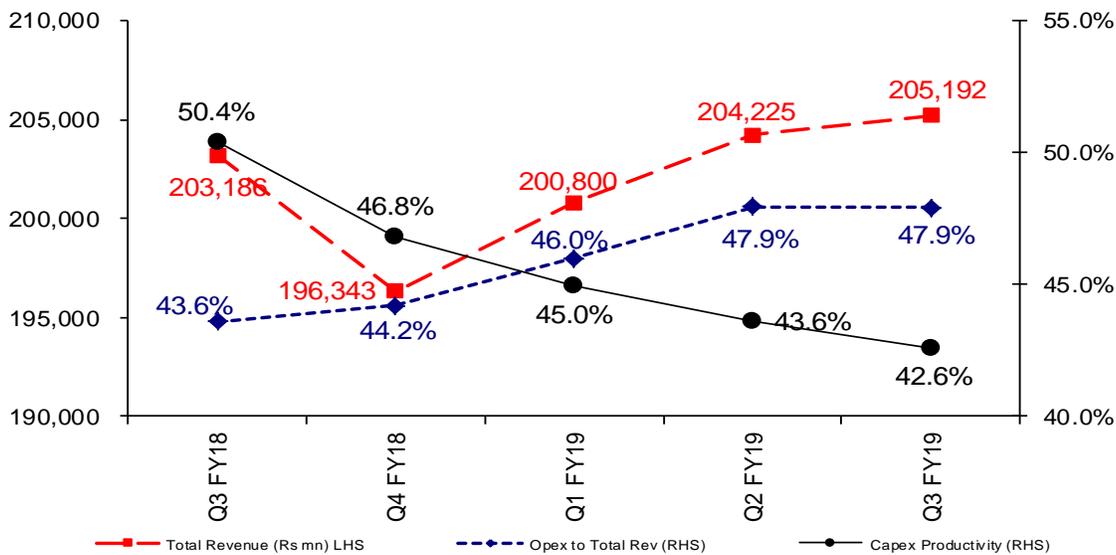
The Company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

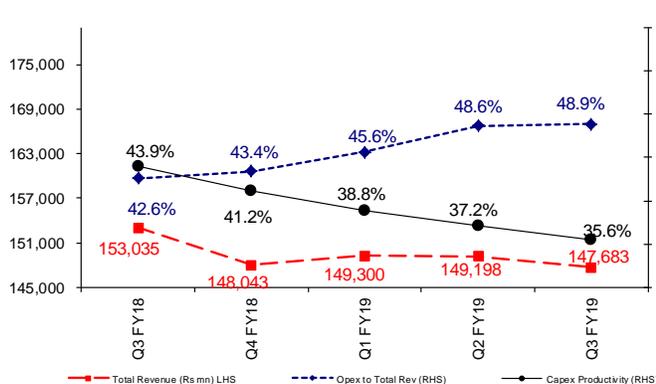
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – this is computed by dividing operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs (ii) network operations costs and (iii) selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

Given below are the graphs for the last five quarters of the Company:

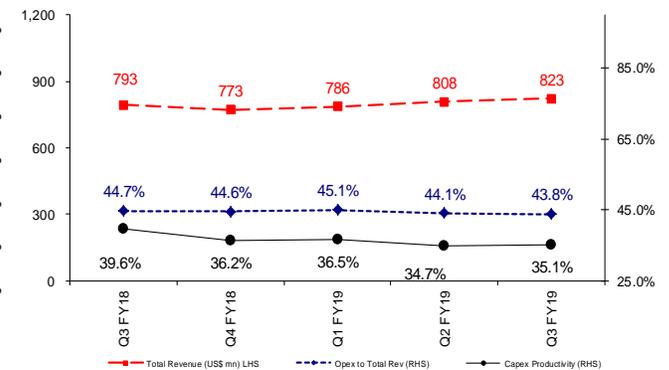
#### 5.6.1 Bharti Airtel – Consolidated



#### 5.6.2 Bharti Airtel – India



#### 5.6.3 Bharti Airtel – Africa



## SECTION 6

### STOCK MARKET HIGHLIGHTS

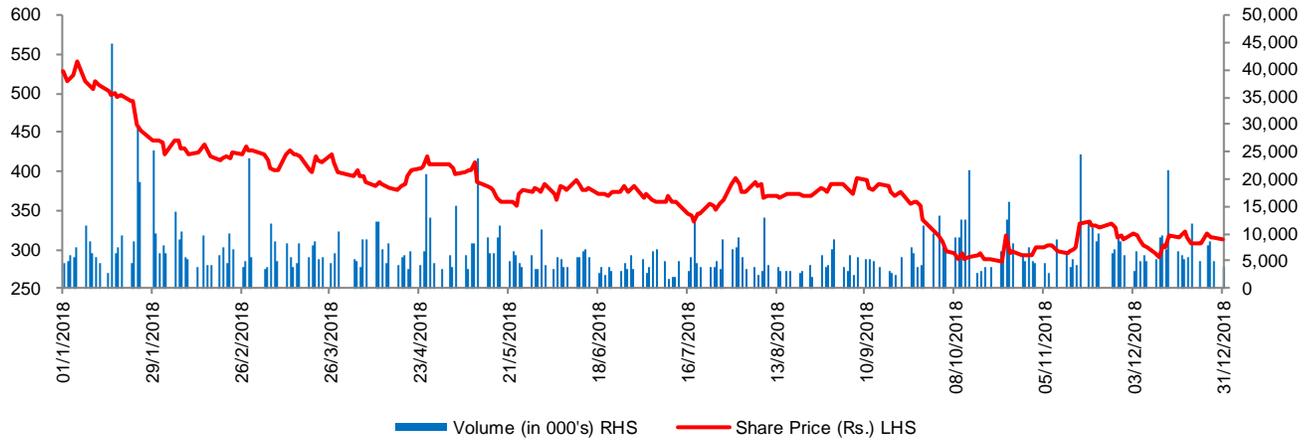
#### 6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (31/12/18)	Mn Nos	3,997.40
Closing Market Price - BSE (31/12/18)	Rs /Share	312.90
Combined Volume (NSE & BSE) (01/01/18 - 31/12/18)	Nos in Mn/day	6.96
Combined Value (NSE & BSE) (01/01/18 - 31/12/18)	Rs Mn /day	2,651.06
Market Capitalization	Rs Bn	1,251
Market Capitalization	US\$ Bn	17.88
Book Value Per Equity Share	Rs /share	177.91
Market Price/Book Value	Times	1.76
Enterprise Value	Rs Bn	2,364
Enterprise Value	US\$ Bn	33.79
Enterprise Value/ EBITDA (LTM)	Times	8.91
P/E Ratio (LTM)	Times	325.11

#### 6.2 Summarized Shareholding pattern as of December 31, 2018

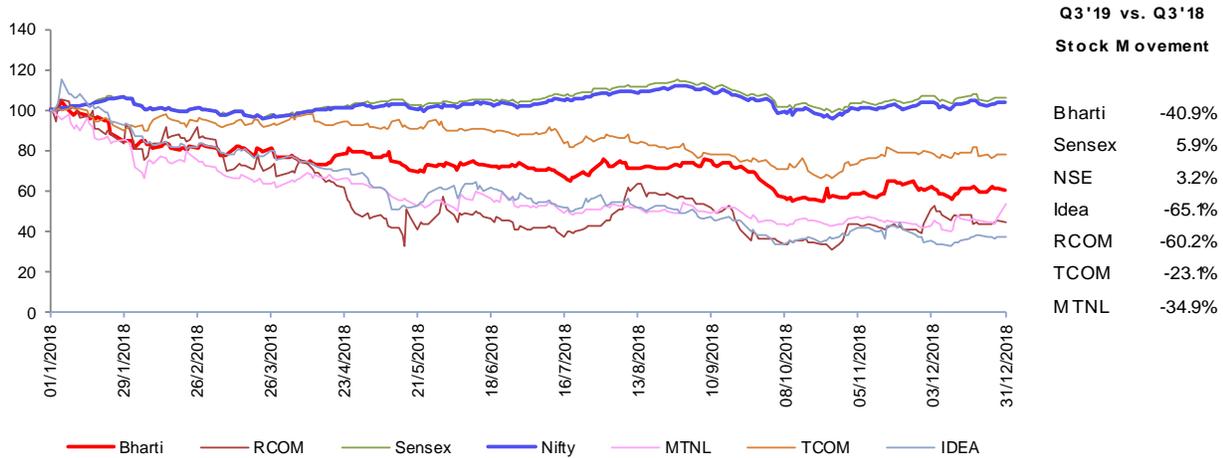
Category	Number of Shares	%
<b>Promoter &amp; Promoter Group</b>		
Indian	2,002,818,452	50.10%
Foreign	680,963,103	17.04%
<b>Sub total</b>	<b>2,683,781,555</b>	<b>67.14%</b>
<b>Public Shareholding</b>		
Institutions	1,240,588,333	31.03%
Non-institutions	71,555,243	1.79%
<b>Sub total</b>	<b>1,312,143,576</b>	<b>32.82%</b>
<b>Others</b>	<b>1,474,976</b>	<b>0.04%</b>
<b>Total</b>	<b>3,997,400,107</b>	<b>100.00%</b>

### 6.3 Bharti Airtel Daily Stock price (BSE) and Volume (BSE & NSE Combined) Movement



Source: Bloomberg

### 6.4 Comparison of Domestic Telecom Stock movement with Sensex and Nifty



Source: Bloomberg

## SECTION 7

### DETAILED FINANCIAL AND RELATED INFORMATION

#### 7.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with Indian Accounting Standards (Ind-AS)

##### 7.1.1 Consolidated Summarized Statement of Income (net of inter segment eliminations)

*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
<b>Income</b>						
Revenue	205,192	203,186	1%	610,217	640,536	-5%
Other income	675	696	-3%	2,366	1,735	36%
<b>Total</b>	<b>205,867</b>	<b>203,882</b>	<b>1%</b>	<b>612,583</b>	<b>642,271</b>	<b>-5%</b>
<b>Expenses</b>						
Network operating expenses	57,539	47,365	21%	164,278	149,449	10%
Access Charges	24,462	19,539	25%	69,111	70,158	-1%
License fee / spectrum charges (revenue share)	17,469	17,542	0%	52,138	58,082	-10%
Employee benefits	9,530	9,586	-1%	28,546	29,822	-4%
Sales and marketing expenses	13,442	14,562	-8%	39,306	41,648	-6%
Other expenses	20,570	19,904	3%	64,965	59,885	8%
<b>Total</b>	<b>143,012</b>	<b>128,498</b>	<b>11%</b>	<b>418,344</b>	<b>409,044</b>	<b>2%</b>
<b>Profit from operating activities before depreciation, amortization and exceptional items</b>	<b>62,855</b>	<b>75,384</b>	<b>-17%</b>	<b>194,239</b>	<b>233,227</b>	<b>-17%</b>
Depreciation and amortisation	54,723	48,375	13%	158,541	143,440	11%
Finance costs	28,381	24,846	14%	80,978	69,353	17%
Finance income	(8,933)	(3,964)	125%	(10,407)	(6,931)	50%
Non-operating income / expenses, (net)	721	2	35950%	1,835	(47)	-4004%
Share of results of joint ventures and associates	98	(2,256)	-104%	(3,188)	(8,773)	-64%
<b>Profit before exceptional items and tax</b>	<b>(12,135)</b>	<b>8,381</b>	<b>-245%</b>	<b>(33,520)</b>	<b>36,185</b>	<b>-193%</b>
Exceptional items	(14,137)	2,395		(9,067)	4,684	-294%
<b>Profit before tax</b>	<b>2,002</b>	<b>5,986</b>	<b>-67%</b>	<b>(24,453)</b>	<b>31,501</b>	<b>-178%</b>
<b>Tax expense</b>						
Current tax	5,331	2,420	120%	16,357	16,608	-2%
Deferred tax	(7,155)	(2,041)	251%	(51,924)	(2,752)	1787%
<b>Profit for the period</b>	<b>3,826</b>	<b>5,607</b>	<b>-32%</b>	<b>11,114</b>	<b>17,645</b>	<b>-37%</b>

### 7.1.2 Consolidated Statement of Comprehensive Income

Particulars	Quarter Ended			Nine Months Ended		
	Dec-18	Dec-17	Y-on-Y Growth	Dec-18	Dec-17	Y-on-Y Growth
	<i>Amount in Rs Mn, except ratios</i>					
<b>Profit for the period</b>	<b>3,826</b>	<b>5,607</b>	<b>-32%</b>	<b>11,114</b>	<b>17,645</b>	<b>-37%</b>
<b>Other comprehensive income ('OCI'):</b>						
Items to be reclassified subsequently to profit or loss :						
Net gains / (losses) due to foreign currency translation differences	(5,431)	(6,993)	22%	(13,711)	(3,876)	-254%
Gains / (losses) on net investments hedge	2,781	(1,557)	279%	(3,043)	(4,499)	32%
Gains / (Losses) on cash flow hedge	(223)	247	-190%	(878)	210	-518%
Gains / (losses) on fair value through OCI investments	10	(15)	167%	(34)	27	-226%
Tax credit / (charge)	4,231	88	4708%	4,758	(1)	389544%
	<b>1,368</b>	<b>(8,230)</b>	<b>117%</b>	<b>(12,908)</b>	<b>(8,138)</b>	<b>-59%</b>
Items not to be reclassified to profit or loss :						
Re-measurement gains / (losses) on defined benefit plans	(51)	226	-122%	90	192	-53%
Share of joint ventures and associates	(9)	(2)	-345%	(9)	(5)	-89%
Tax credit / (charge)	9	(23)	139%	(62)	(12)	-427%
	(51)	201	-125%	18	175	-90%
<b>Other comprehensive income / (loss) for the period</b>	<b>1,317</b>	<b>(8,029)</b>	<b>116%</b>	<b>(12,889)</b>	<b>(7,963)</b>	<b>-62%</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>5,143</b>	<b>(2,422)</b>	<b>312%</b>	<b>(1,775)</b>	<b>9,682</b>	<b>-118%</b>
<b>Profit for the period Attributable to:</b>	<b>3,826</b>	<b>5,607</b>	<b>-32%</b>	<b>11,114</b>	<b>17,645</b>	<b>-37%</b>
Owners of the Parent	862	3,058	-72%	3,023	10,161	-70%
Non-controlling interests	2,964	2,549	16%	8,091	7,484	8%
<b>Other comprehensive income / (loss) for the period attributable to :</b>	<b>1,317</b>	<b>(8,029)</b>	<b>116%</b>	<b>(12,889)</b>	<b>(7,963)</b>	<b>-62%</b>
Owners of the Parent	3,201	(8,025)	140%	(11,198)	(7,695)	-46%
Non-controlling interests	(1,883)	(4)	-46975%	(1,691)	(268)	-531%
<b>Total comprehensive income / (loss) for the period attributable to :</b>	<b>5,143</b>	<b>(2,422)</b>	<b>312%</b>	<b>(1,775)</b>	<b>9,682</b>	<b>-118%</b>
Owners of the Parent	4,062	(4,967)	182%	(8,176)	2,466	-432%
Non-controlling interests	1,081	2,545	-58%	6,400	7,216	-11%
<b>Earnings per share (Face value : Rs. 5/- each) (In Rupees)</b>						
Basic	0.22	0.77	-71%	0.76	2.54	-70%
Diluted	0.22	0.76	-71%	0.76	2.54	-70%

### 7.1.3 Consolidated Summarized Balance Sheet

Particulars	<i>Amount in Rs Mn</i>		
	As at Dec 31, 2018	As at Dec 31, 2017	As at Mar 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (inc CWIP)	880,811	725,398	758,168
Intangible assets	1,212,330	1,217,450	1,211,348
Investment in joint ventures and associates	89,250	84,598	86,839
<b>Financial Assets</b>			
- Investments	21,645	35,941	5,769
- Others	17,286	24,719	17,548
Income & Deferred tax assets (net)	100,567	47,177	54,835
Other non-current assets	53,647	36,938	36,319
	<b>2,375,536</b>	<b>2,172,221</b>	<b>2,170,826</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
- Investments	38,189	35,185	68,978
- Trade receivables	48,955	54,785	58,830
- Cash and bank balances	43,458	20,171	49,552
- Bank deposits	21,461	16,695	17,154
- Others	20,493	25,498	36,403
Other current assets	147,022	104,307	104,073
	<b>319,578</b>	<b>256,641</b>	<b>334,990</b>
<b>Total Assets</b>	<b>2,695,114</b>	<b>2,428,862</b>	<b>2,505,816</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to owners of the Parent	711,097	714,175	695,344
Non-controlling interests ('NCI')	120,962	85,594	88,139
	<b>832,059</b>	<b>799,769</b>	<b>783,483</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
- Borrowings	901,513	801,325	849,420
- Others	49,761	19,333	49,956
Deferred tax liabilities (net)	8,190	9,048	10,606
Other non-current liabilities	25,803	30,870	29,952
	<b>985,268</b>	<b>860,576</b>	<b>939,934</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
- Borrowings	308,955	229,283	263,915
- Trade Payables	297,379	290,186	268,537
- Others	165,861	142,628	140,888
Current tax liabilities (net)	8,345	12,050	11,058
Other current liabilities	97,248	94,372	98,002
	<b>877,787</b>	<b>768,517</b>	<b>782,399</b>
<b>Total liabilities</b>	<b>1,863,055</b>	<b>1,629,093</b>	<b>1,722,333</b>
<b>Total equity and liabilities</b>	<b>2,695,114</b>	<b>2,428,862</b>	<b>2,505,816</b>

### 7.1.4 Consolidated Statement of Cash Flows

Amount in Rs Mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>2,002</b>	<b>5,986</b>	<b>(24,453)</b>	<b>31,501</b>
<b>Adjustments for -</b>				
Depreciation and amortisation	54,723	48,375	158,541	143,440
Finance costs	28,381	24,846	80,978	69,353
Finance income	(8,933)	(3,964)	(10,407)	(6,931)
Other non-cash items	(15,140)	110	(6,264)	1,151
<b>Operating cash flow before changes in working capital</b>	<b>61,033</b>	<b>75,353</b>	<b>198,395</b>	<b>238,514</b>
<b>Changes in working capital -</b>				
Trade receivables	(1,984)	(12,855)	2,760	(18,529)
Trade payables	11,057	9,349	16,923	44,141
Other assets and liabilities	(16,168)	(3,703)	(63,139)	(15,496)
<b>Net cash generated from operations before tax and dividend</b>	<b>53,938</b>	<b>68,144</b>	<b>154,939</b>	<b>248,630</b>
Income tax paid	6,372	(1,841)	(6,113)	(9,351)
<b>Net cash generated from operating activities (a)</b>	<b>60,310</b>	<b>66,303</b>	<b>148,826</b>	<b>239,279</b>
<b>Cash flows from investing activities</b>				
Purchase of PPE	(53,366)	(78,422)	(212,127)	(177,515)
Purchase of intangible assets	(13,430)	(3,861)	(34,221)	(9,188)
Net movement in current investments	14,350	(15,890)	27,959	(17,032)
Net (Purchase) / Sale of non-current investments	(14,694)	1,028	(14,533)	7,162
Consideration / advance for acquisitions, net of cash acquired	(811)	(1,468)	(283)	(18,232)
Sale of tower assets	78	1,858	3,051	3,790
Investment in joint venture / associate	0	0	(60)	0
Dividend received	54	92	11,440	10,297
Interest received	2,608	571	4,451	3,864
<b>Net cash (used in) / generated from investing activities (b)</b>	<b>(65,211)</b>	<b>(96,092)</b>	<b>(214,323)</b>	<b>(196,854)</b>
<b>Cash flows from financing activities</b>				
Net proceeds / (repayments) from borrowings	(62,549)	1,201	11,962	(77,018)
Net (repayment of) / proceeds from short-term borrowings	11,863	1,636	32,710	21,962
Proceeds from sale and finance leaseback of towers and	(2,029)	138	(2,060)	(783)
Purchase of treasury shares and proceeds from exercise of share	(42)	(240)	(240)	(231)
Interest and other finance charges paid	(12,801)	(10,379)	(49,551)	(27,574)
Dividend paid (including tax)	(19,820)	0	(46,617)	(18,816)
Proceeds from issuance of equity shares to non-controlling interests	89,751	0	90,348	0
Sale of interest in a subsidiary	0	31,630	16,238	57,162
Purchase of shares from NCI	(23)	0	(5,389)	0
<b>Net cash (used in) / generated from financing activities (c)</b>	<b>4,350</b>	<b>23,986</b>	<b>47,401</b>	<b>(45,298)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)</b>	<b>(551)</b>	<b>(5,803)</b>	<b>(18,096)</b>	<b>(2,873)</b>
Effect of exchange rate on cash and cash equivalents	(1,221)	(276)	1,870	(299)
Cash and cash equivalents as at beginning of the period	14,014	(6,973)	28,468	(9,880)
<b>Cash and cash equivalents as at end of the period</b>	<b>12,242</b>	<b>(13,052)</b>	<b>12,242</b>	<b>(13,052)</b>

## 7.2 Consolidated Schedule of Net Debt & Finance Cost

### 7.2.1 Schedule of Net Debt in INR

Particulars	Amount in Rs Mn		
	As at Dec 31, 2018	As at Dec 31, 2017	As at Mar 31, 2018
Long term debt, net of current portion	432,029	346,638	405,021
Short-term borrowings and current portion of long-term debt	288,549	197,007	234,563
Deferred payment liability	445,905	470,371	433,294
<b>Less:</b>			
Cash and Cash Equivalents	43,459	18,294	47,886
Restricted Cash	0	1,931	0
Investments & Receivables <sup>10</sup>	59,350	76,652	72,707
<b>Net Debt</b>	<b>1,063,674</b>	<b>917,139</b>	<b>952,285</b>

### 7.2.2 Schedule of Net Debt in US\$

Particulars	Amount in US\$ Mn		
	As at Dec 31, 2018	As at Dec 31, 2017	As at Mar 31, 2018
Long term debt, net of current portion	6,177	5,427	6,214
Short-term borrowings and current portion of long-term debt	4,125	3,084	3,599
Deferred payment liability	6,375	7,364	6,648
<b>Less:</b>			
Cash and Cash Equivalents	621	286	735
Restricted cash	0	30	0
Investments & Receivables <sup>10</sup>	849	1,200	1,116
<b>Net Debt</b>	<b>15,207</b>	<b>14,358</b>	<b>14,611</b>

Note 10: Investments & Receivables include interest bearing notes and residual portion of Tower sale proceeds receivables.

### 7.2.3 Schedule of Finance Cost

Particulars	Amount in Rs Mn, except ratios			
	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Interest on borrowings & Finance charges	22,636	19,775	68,745	57,906
Interest on Finance Lease Obligation	1,380	1,249	4,098	3,922
Derivatives and exchange (gain)/ loss	(1,046)	67	4,693	4,672
Investment (income)/ loss	(3,523)	(212)	(6,965)	(4,081)
<b>Finance cost (net)</b>	<b>19,448</b>	<b>20,880</b>	<b>70,571</b>	<b>62,419</b>

### 7.3 Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with Ind-AS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for Ind-AS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Profit from operating activities before depreciation, amortization and exceptional items	Page 33
Cash Profit from Operations before Derivative & Exchange (Gain)/Loss	Profit from operating activities before depreciation, amortization and exceptional items	Page 33
Capex	NA	NA
Operating Free Cash flow	NA	NA
Cumulative investments	NA	NA

#### 7.3.1 Reconciliation of Non-GAAP financial information based on Ind-AS

Amount in Rs Mn, except ratios

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
<b>Profit / (loss) from operating activities before depreciation, amortization and exceptional items To EBITDA</b>				
Profit / (Loss) from Operating Activities	62,855	75,384	194,239	233,227
Add: CSR Costs	215	488	635	914
<b>EBITDA</b>	<b>63,069</b>	<b>75,871</b>	<b>194,873</b>	<b>234,138</b>
<b>Reconciliation of Finance Cost</b>				
Finance Cost	28,381	24,846	80,978	69,353
Less: Finance Income	(8,933)	(3,964)	(10,407)	(6,931)
<b>Finance Cost (net)</b>	<b>19,448</b>	<b>20,880</b>	<b>70,571</b>	<b>62,419</b>
<b>Profit / (loss) from operating activities before depreciation, amortization and exceptional items to Cash Profit from Operations before Derivative &amp; Exchange Fluctuation</b>				
Profit / (Loss) from Operating Activities	62,855	75,384	194,239	233,227
Less: Finance cost (net)	19,448	20,880	70,571	62,419
Less: Non Operating Expense	721	2	1,835	(47)
Add: Derivatives and exchange (gain)/loss	(1,046)	67	4,693	4,672
<b>Cash Profit from Operations before Derivative &amp; Exchange Fluctuation</b>	<b>41,641</b>	<b>54,567</b>	<b>126,524</b>	<b>175,523</b>

## SECTION 8

### REGION WISE COST SCHEDULES

#### 8.1 India

##### 8.1.1 Schedule of Operating Expenses

*Amount in Rs Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Access charges	20,486	15,290	57,691	56,914
Licence fees, revenue share & spectrum charges	14,041	14,696	42,135	48,836
Network operations costs	44,641	36,434	127,799	114,404
Cost of goods sold	604	1,260	2,730	2,856
Employee costs	5,256	5,885	16,171	18,210
Selling, general and administration expense	22,254	22,862	68,819	68,182
<b>Operating Expenses</b>	<b>107,283</b>	<b>96,427</b>	<b>315,346</b>	<b>309,402</b>

##### 8.1.2 Schedule of Depreciation & Amortization

*Amount in Rs Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Depreciation	31,493	27,566	90,437	78,913
Amortization	14,758	13,484	44,366	39,666
<b>Depreciation &amp; Amortization</b>	<b>46,251</b>	<b>41,050</b>	<b>134,803</b>	<b>118,579</b>

##### 8.1.3 Schedule of Income Tax

*Amount in Rs Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Current tax expense	2,765	651	11,314	10,374
Deferred tax expense / (income)	(10,764)	(1,275)	(37,540)	(2,879)
<b>Income tax expense</b>	<b>(7,999)</b>	<b>(624)</b>	<b>(26,226)</b>	<b>7,495</b>

## 8.2 South Asia

### 8.2.1 Schedule of Operating Expenses

*Amount in Rs Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Access charges	146	106	373	359
Licence fees, revenue share & spectrum charges	139	136	417	399
Network operations costs	427	427	1,315	1,294
Cost of goods sold	1	0	2	2
Employee costs	101	101	315	300
Selling, general and administration expense	275	223	809	718
<b>Operating Expenses</b>	<b>1,088</b>	<b>994</b>	<b>3,230</b>	<b>3,071</b>

### 8.2.2 Schedule of Depreciation & Amortization

*Amount in Rs Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Depreciation	268	313	863	910
Amortization	21	2	68	27
<b>Depreciation &amp; Amortization</b>	<b>289</b>	<b>315</b>	<b>931</b>	<b>938</b>

### 8.3 Africa

#### 8.3.1 Schedule of Operating Expenses (In Constant Currency) – Ongoing Operations

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Access charges	89	90	261	270
Cost of goods sold	32	24	86	73
Licence fees, revenue share & spectrum charges	48	42	141	134
Network operations costs	185	165	527	497
Employee costs	64	58	188	177
Selling, general and administration expense	123	119	374	347
<b>Operating Expenses</b>	<b>540</b>	<b>497</b>	<b>1,577</b>	<b>1,497</b>

Refer Note 5, & 6 on page 12

#### 8.3.2 Schedule of Operating Expenses (In Constant Currency)

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Access charges	89	90	261	280
Cost of goods sold	32	24	86	73
Licence fees, revenue share & spectrum charges	48	42	141	137
Network operations costs	185	165	527	518
Employee costs	64	58	188	183
Selling, general and administration expense	123	119	374	358
<b>Operating Expenses</b>	<b>540</b>	<b>497</b>	<b>1,577</b>	<b>1,549</b>

Refer Note 5, & 6 on page 12

#### 8.3.3 Schedule of Depreciation & Amortization (In Constant Currency) – Ongoing Operations

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Depreciation	97	85	275	277
Amortization	21	19	59	67
<b>Depreciation &amp; Amortization</b>	<b>118</b>	<b>104</b>	<b>334</b>	<b>344</b>

Refer Note 5, & 6 on page 12

#### 8.3.4 Schedule of Depreciation & Amortization (In Constant Currency)

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Depreciation	97	85	275	287
Amortization	21	19	59	69
<b>Depreciation &amp; Amortization</b>	<b>118</b>	<b>104</b>	<b>334</b>	<b>356</b>

Refer Note 5, & 6 on page 12

### 8.3.5 Schedule of Income Tax (In USD Reported Currency) – Ongoing Operations

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Current tax expense	30	25	87	95
Deferred tax expense / (income)	1	2	8	22
<b>Income tax expense</b>	<b>32</b>	<b>26</b>	<b>95</b>	<b>117</b>

Refer Note 5 on page 12

### 8.3.6 Schedule of Income Tax (In USD Reported Currency)

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-18	Dec-17	Dec-18	Dec-17
Current tax expense	30	25	87	96
Deferred tax expense / (income)	1	2	8	22
<b>Income tax expense</b>	<b>32</b>	<b>26</b>	<b>95</b>	<b>117</b>

## SECTION 9

### TRENDS AND RATIO ANALYSIS

#### 9.1 Based on Statement of Operations

##### Consolidated

*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>205,192</b>	<b>204,225</b>	<b>200,800</b>	<b>196,343</b>	<b>203,186</b>
Access charges	24,462	23,294	21,355	20,287	19,539
Cost of goods sold	2,729	2,896	2,865	2,462	2,800
<b>Net revenues</b>	<b>178,002</b>	<b>178,035</b>	<b>176,580</b>	<b>173,594</b>	<b>180,846</b>
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	98,139	97,599	92,234	86,528	88,128
Licence Fee	17,468	17,697	16,972	17,475	17,542
<b>EBITDA</b>	<b>63,069</b>	<b>63,433</b>	<b>68,370</b>	<b>70,341</b>	<b>75,871</b>
Cash profit from operations before Derivative and Exchange Fluctuations	41,641	37,548	47,335	51,646	54,567
EBIT	8,132	10,764	16,801	21,061	27,008
Share of results of Joint Ventures/Associates	(97)	1,633	1,653	1,836	2,256
Profit before Tax	(12,135)	(18,535)	(2,850)	4,416	8,381
<b>Profit after Tax (before exceptional items)</b>	<b>(6,344)</b>	<b>(7,645)</b>	<b>(360)</b>	<b>4,588</b>	<b>7,200</b>
Non Controlling Interest	4,064	2,004	2,643	3,754	2,859
<b>Net income (before exceptional items)</b>	<b>(10,408)</b>	<b>(9,650)</b>	<b>(3,004)</b>	<b>834</b>	<b>4,341</b>
Exceptional items (net of tax)	(10,170)	(10,137)	(5,156)	398	1,593
<b>Profit after tax (after exceptional items)</b>	<b>3,826</b>	<b>2,492</b>	<b>4,796</b>	<b>4,190</b>	<b>5,607</b>
Non Controlling Interest	2,964	1,304	3,823	3,361	2,549
<b>Net income</b>	<b>862</b>	<b>1,188</b>	<b>973</b>	<b>829</b>	<b>3,058</b>
Capex	65,679	76,845	82,167	62,824	64,657
Operating Free Cash Flow (EBITDA - Capex)	(2,609)	(13,412)	(13,797)	7,517	11,214
Cumulative Investments	3,401,022	3,348,001	3,251,595	3,119,402	3,071,442

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	11.9%	11.4%	10.6%	10.3%	9.6%
Cost of goods sold	1.3%	1.4%	1.4%	1.3%	1.4%
Net revenues	86.7%	87.2%	87.9%	88.4%	89.0%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	47.8%	47.8%	45.9%	44.1%	43.4%
Licence Fee	8.5%	8.7%	8.5%	8.9%	8.6%
EBITDA	30.7%	31.1%	34.0%	35.8%	37.3%
Cash profit from operations before Derivative and Exchange Fluctuations	20.3%	18.4%	23.6%	26.3%	26.9%
EBIT	4.0%	5.3%	8.4%	10.7%	13.3%
Share of results of JV / Associates	0.0%	0.8%	0.8%	0.9%	1.1%
Profit before Tax	-5.9%	-9.1%	-1.4%	2.2%	4.1%
Profit after Tax (before exceptional items)	-3.1%	-3.7%	-0.2%	2.3%	3.5%
Non Controlling Interest	2.0%	1.0%	1.3%	1.9%	1.4%
Net income (before exceptional items)	-5.1%	-4.7%	-1.5%	0.4%	2.1%
Profit after tax (after exceptional items)	1.9%	1.2%	2.4%	2.1%	2.8%
Non Controlling Interest	1.4%	0.6%	1.9%	1.7%	1.3%
Net income	0.4%	0.6%	0.5%	0.4%	1.5%

**India & South Asia**
*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>148,713</b>	<b>150,223</b>	<b>150,278</b>	<b>148,984</b>	<b>153,946</b>
Access charges	20,546	19,540	17,737	16,792	15,308
Cost of goods sold	605	1,059	1,067	826	1,260
<b>Net revenues</b>	<b>127,562</b>	<b>129,624</b>	<b>131,473</b>	<b>131,367</b>	<b>137,378</b>
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	72,798	73,173	68,806	64,788	65,516
Licence Fee	14,180	14,427	13,945	14,507	14,833
<b>EBITDA</b>	<b>41,194</b>	<b>42,512</b>	<b>49,144</b>	<b>52,490</b>	<b>57,707</b>
EBIT	(5,489)	(2,771)	4,956	9,863	15,942
Profit before Tax	(15,918)	(27,958)	(13,482)	(863)	4,460
<b>Profit after Tax (before exceptional items)</b>	<b>(7,925)</b>	<b>(15,498)</b>	<b>(7,725)</b>	<b>1,841</b>	<b>5,079</b>
Non Controlling Interest	2,305	1,438	2,100	2,039	1,831
<b>Net income (before exceptional items)</b>	<b>(10,230)</b>	<b>(16,936)</b>	<b>(9,825)</b>	<b>(198)</b>	<b>3,248</b>
Capex	53,481	69,459	78,871	46,534	59,989
Operating Free Cash Flow (EBITDA - Capex)	(12,287)	(26,947)	(29,728)	5,956	(2,282)
Cumulative Investments	2,779,596	2,714,118	2,648,951	2,532,197	2,494,225

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	13.8%	13.0%	11.8%	11.3%	9.9%
Cost of goods sold	0.4%	0.7%	0.7%	0.6%	0.8%
Net revenues	85.8%	86.3%	87.5%	88.2%	89.2%
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	49.0%	48.7%	45.8%	43.5%	42.6%
Licence Fee	9.5%	9.6%	9.3%	9.7%	9.6%
EBITDA	27.7%	28.3%	32.7%	35.2%	37.5%
EBIT	-3.7%	-1.8%	3.3%	6.6%	10.4%
Profit before Tax	-10.7%	-18.6%	-9.0%	-0.6%	2.9%
Profit after Tax (before exceptional items)	-5.3%	-10.3%	-5.1%	1.2%	3.3%
Non Controlling Interest	1.5%	1.0%	1.4%	1.4%	1.2%
Net income (before exceptional items)	-6.9%	-11.3%	-6.5%	-0.1%	2.1%

**India**
*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>147,683</b>	<b>149,198</b>	<b>149,300</b>	<b>148,043</b>	<b>153,035</b>
Access charges	20,486	19,508	17,697	16,772	15,290
Cost of goods sold	604	1,058	1,067	825	1,260
<b>Net revenues</b>	<b>126,592</b>	<b>128,632</b>	<b>130,535</b>	<b>130,445</b>	<b>136,485</b>
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	72,009	72,347	68,015	64,063	64,780
Licence Fee	14,041	14,286	13,808	14,378	14,696
<b>EBITDA</b>	<b>41,152</b>	<b>42,487</b>	<b>49,133</b>	<b>52,422</b>	<b>57,686</b>
EBIT	(5,241)	(2,495)	5,287	10,133	16,236
Profit before Tax	(15,413)	(27,492)	(13,067)	(483)	4,942
<b>Profit after Tax (before exceptional items)</b>	<b>(7,414)</b>	<b>(15,027)</b>	<b>(7,304)</b>	<b>2,226</b>	<b>5,567</b>
Non Controlling Interest	2,305	1,438	2,100	2,039	1,831
<b>Net income (before exceptional items)</b>	<b>(9,719)</b>	<b>(16,464)</b>	<b>(9,404)</b>	<b>186</b>	<b>3,735</b>
Capex	53,091	69,036	78,664	46,233	59,601
Operating Free Cash Flow (EBITDA - Capex)	(11,939)	(26,549)	(29,530)	6,189	(1,915)
Cumulative Investments	2,765,673	2,698,914	2,634,026	2,517,948	2,480,374

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	13.9%	13.1%	11.9%	11.3%	10.0%
Cost of goods sold	0.4%	0.7%	0.7%	0.6%	0.8%
Net revenues	85.7%	86.2%	87.4%	88.1%	89.2%
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	48.8%	48.5%	45.6%	43.3%	42.3%
Licence Fee	9.5%	9.6%	9.2%	9.7%	9.6%
EBITDA	27.9%	28.5%	32.9%	35.4%	37.7%
EBIT	-3.5%	-1.7%	3.5%	6.8%	10.6%
Profit before Tax	-10.4%	-18.4%	-8.8%	-0.3%	3.2%
Profit after Tax (before exceptional items)	-5.0%	-10.1%	-4.9%	1.5%	3.6%
Non Controlling Interest	1.6%	1.0%	1.4%	1.4%	1.2%
Net income (before exceptional items)	-6.6%	-11.0%	-6.3%	0.1%	2.4%

**South Asia**
*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>1,130</b>	<b>1,122</b>	<b>1,060</b>	<b>1,033</b>	<b>1,013</b>
Access charges	146	113	114	101	106
Cost of goods sold	1	1	0	0	0
<b>Net revenues</b>	<b>983</b>	<b>1,008</b>	<b>946</b>	<b>932</b>	<b>906</b>
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	803	837	799	736	752
Licence Fee	139	141	137	129	136
<b>EBITDA</b>	<b>42</b>	<b>30</b>	<b>10</b>	<b>67</b>	<b>18</b>
EBIT	(248)	(271)	(331)	(272)	(297)
Profit before Tax	(506)	(460)	(415)	(381)	(485)
<b>Profit after Tax (before exceptional items)</b>	<b>(511)</b>	<b>(466)</b>	<b>(421)</b>	<b>(386)</b>	<b>(491)</b>
Non Controlling Interest	0	0	0	0	0
<b>Net income (before exceptional items)</b>	<b>(511)</b>	<b>(466)</b>	<b>(421)</b>	<b>(386)</b>	<b>(491)</b>
Capex	389	423	208	301	389
Operating Free Cash Flow (EBITDA - Capex)	(348)	(393)	(198)	(234)	(370)
Cumulative Investments	13,923	15,203	14,925	14,249	13,851

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	12.9%	10.1%	10.7%	9.8%	10.5%
Cost of goods sold	0.1%	0.1%	0.0%	0.0%	0.0%
Net revenues	87.0%	89.9%	89.2%	90.2%	89.5%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	71.0%	74.6%	75.4%	71.3%	74.2%
Licence Fee	12.3%	12.6%	12.9%	12.5%	13.5%
EBITDA	3.7%	2.7%	0.9%	6.5%	1.8%
EBIT	-21.9%	-24.1%	-31.2%	-26.3%	-29.3%
Profit before Tax	-44.7%	-41.0%	-39.2%	-36.8%	-47.9%
Profit after Tax (before exceptional items)	-45.2%	-41.6%	-39.7%	-37.3%	-48.5%
Non Controlling Interest	0.0%	0.0%	0.0%	0.0%	0.0%
Net income (before exceptional items)	-45.2%	-41.6%	-39.7%	-37.3%	-48.5%

**Africa: In INR**
*Amount in Rs Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>59,035</b>	<b>56,472</b>	<b>52,841</b>	<b>49,712</b>	<b>51,295</b>
Access charges	6,222	5,960	5,726	5,491	6,128
Cost of goods sold	2,150	1,837	1,797	1,637	1,541
<b>Net revenues</b>	<b>50,662</b>	<b>48,676</b>	<b>45,317</b>	<b>42,583</b>	<b>43,625</b>
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	25,896	24,873	23,799	22,132	22,936
Licence Fee	3,288	3,270	3,027	2,970	2,709
<b>EBITDA</b>	<b>21,868</b>	<b>20,934</b>	<b>19,221</b>	<b>17,861</b>	<b>18,159</b>
EBIT	13,614	13,548	11,839	11,208	11,060
Profit before Tax	9,506	4,053	7,552	3,559	4,494
<b>Profit after Tax (before exceptional items)</b>	<b>7,251</b>	<b>2,845</b>	<b>4,445</b>	<b>905</b>	<b>2,782</b>
Non Controlling Interest	1,734	522	506	1,660	1,021
<b>Net income (before exceptional items)</b>	<b>5,518</b>	<b>2,323</b>	<b>3,939</b>	<b>(755)</b>	<b>1,762</b>
Capex	12,198	7,386	3,296	16,060	4,872
Operating Free Cash Flow (EBITDA - Capex)	9,670	13,548	15,925	1,801	13,287
Cumulative Investments	593,875	603,147	573,800	559,042	548,562

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	10.5%	10.6%	10.8%	11.0%	11.9%
Cost of goods sold	3.6%	3.3%	3.4%	3.3%	3.0%
Net revenues	85.8%	86.2%	85.8%	85.7%	85.0%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	43.9%	44.0%	45.0%	44.5%	44.7%
Licence Fee	5.6%	5.8%	5.7%	6.0%	5.3%
EBITDA	37.0%	37.1%	36.4%	35.9%	35.4%
EBIT	23.1%	24.0%	22.4%	22.5%	21.6%
Profit before Tax	16.1%	7.2%	14.3%	7.2%	8.8%
Profit after Tax (before exceptional items)	12.3%	5.0%	8.4%	1.8%	5.4%
Non Controlling Interest	2.9%	0.9%	1.0%	3.3%	2.0%
Net income (before exceptional items)	9.3%	4.1%	7.5%	-1.5%	3.4%

**Africa: In USD Constant Currency** <sup>Note 11</sup>
*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>853</b>	<b>824</b>	<b>794</b>	<b>772</b>	<b>767</b>
Access charges	89	87	86	85	90
Cost of goods sold	32	27	27	25	24
<b>Net revenues</b>	<b>732</b>	<b>710</b>	<b>681</b>	<b>661</b>	<b>654</b>
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	371	360	355	342	341
Licence Fee	48	48	45	46	42
<b>EBITDA</b>	<b>317</b>	<b>305</b>	<b>289</b>	<b>277</b>	<b>272</b>
EBIT	198	197	178	173	166
Profit before Tax (before exceptional items)	120	121	113	69	106
Capex	170	106	49	250	75
Operating Free Cash Flow (EBITDA - Capex)	147	200	240	27	197
Cumulative Investments	8,491	8,321	8,380	8,578	8,588

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	10.4%	10.5%	10.8%	11.1%	11.7%
Cost of goods sold	3.7%	3.3%	3.4%	3.3%	3.1%
Net revenues	85.8%	86.2%	85.8%	85.7%	85.2%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	43.5%	43.8%	44.7%	44.3%	44.4%
Licence Fee	5.6%	5.8%	5.7%	6.0%	5.4%
EBITDA	37.2%	37.1%	36.4%	35.9%	35.5%
EBIT	23.2%	24.0%	22.5%	22.5%	21.7%
Profit before Tax	14.1%	14.7%	14.2%	8.9%	13.8%

Note 11: Closing currency rates as on March 1, 2018 (AOP FY 18-19 currency) considered for above financials up to PBT. Actual currency rates are taken for Capex & Cumulative Investments.

Note 12: PBT excludes any realized / unrealized derivatives and exchange (gain) / loss for the period.

**Africa: In USD Reported Currency**
*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>823</b>	<b>808</b>	<b>786</b>	<b>773</b>	<b>793</b>
Access charges	87	85	85	85	95
Cost of goods sold	30	26	27	25	24
<b>Net revenues</b>	<b>706</b>	<b>696</b>	<b>674</b>	<b>662</b>	<b>675</b>
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	361	356	354	344	354
Licence Fee	46	47	45	46	42
<b>EBITDA</b>	<b>305</b>	<b>299</b>	<b>286</b>	<b>277</b>	<b>281</b>
EBIT	190	193	176	174	171
Profit before Tax	134	58	111	54	70
<b>Profit after Tax (before exceptional items)</b>	<b>102</b>	<b>40</b>	<b>65</b>	<b>13</b>	<b>44</b>
Non Controlling Interest	25	7	7	26	16
<b>Net income (before exceptional items)</b>	<b>77</b>	<b>33</b>	<b>58</b>	<b>(13)</b>	<b>28</b>
Capex	170	106	49	250	75
Operating Free Cash Flow (EBITDA - Capex)	135	194	237	28	206
Cumulative Investments	8,491	8,321	8,380	8,578	8,588

	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>As a % of Total revenues</b>					
Access charges	10.5%	10.6%	10.8%	11.0%	11.9%
Cost of goods sold	3.6%	3.3%	3.4%	3.3%	3.0%
Net revenues	85.8%	86.2%	85.8%	85.7%	85.0%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	43.8%	44.1%	45.1%	44.6%	44.7%
Licence Fee	5.6%	5.8%	5.7%	6.0%	5.3%
EBITDA	37.1%	37.1%	36.3%	35.9%	35.4%
EBIT	23.1%	23.9%	22.4%	22.5%	21.6%
Profit before Tax	16.2%	7.2%	14.2%	7.0%	8.8%
Profit after Tax (before exceptional items)	12.4%	5.0%	8.3%	1.7%	5.5%
Non Controlling Interest	3.0%	0.9%	1.0%	3.3%	2.0%
Net income (before exceptional items)	9.4%	4.0%	7.4%	-1.7%	3.5%

## 9.2 Financial Trends of Business Operations

### Mobile Services India

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>101,894</b>	<b>102,521</b>	<b>104,803</b>	<b>103,532</b>	<b>107,510</b>
EBITDA	19,498	21,468	27,603	29,428	35,091
<i>EBITDA / Total revenues</i>	<i>19.1%</i>	<i>20.9%</i>	<i>26.3%</i>	<i>28.4%</i>	<i>32.6%</i>
EBIT	(19,032)	(15,919)	(8,782)	(4,820)	1,668
Capex	37,274	58,863	69,350	33,554	49,357
Operating Free Cash Flow (EBITDA - Capex)	(17,776)	(37,395)	(41,747)	(4,126)	(14,266)
Cumulative Investments	2,266,463	2,226,885	2,170,373	2,051,570	2,027,872

### Homes Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>5,503</b>	<b>5,607</b>	<b>5,745</b>	<b>6,042</b>	<b>6,153</b>
EBITDA	2,583	2,932	2,859	3,001	3,072
<i>EBITDA / Total revenues</i>	<i>46.9%</i>	<i>52.3%</i>	<i>49.8%</i>	<i>49.7%</i>	<i>49.9%</i>
EBIT	734	1,083	1,026	1,149	1,129
Capex	2,388	1,888	1,923	1,290	3,209
Operating Free Cash Flow (EBITDA - Capex)	195	1,044	936	1,711	(137)
Cumulative Investments	75,237	73,087	74,031	72,097	68,221

### Digital TV Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>10,330</b>	<b>10,242</b>	<b>9,924</b>	<b>9,585</b>	<b>9,642</b>
EBITDA	3,826	3,960	4,010	3,701	3,708
<i>EBITDA / Total revenues</i>	<i>37.0%</i>	<i>38.7%</i>	<i>40.4%</i>	<i>38.6%</i>	<i>38.5%</i>
EBIT	1,568	1,905	2,084	1,538	1,500
Capex	3,268	1,797	1,809	2,064	2,360
Operating Free Cash Flow (EBITDA - Capex)	558	2,163	2,202	1,637	1,348
Cumulative Investments	86,765	83,514	81,686	80,057	77,993

### Airtel Business

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>31,116</b>	<b>33,458</b>	<b>29,923</b>	<b>28,282</b>	<b>29,099</b>
EBITDA	9,874	10,759	10,425	11,468	11,682
<i>EBITDA / Total revenues</i>	<i>31.7%</i>	<i>32.2%</i>	<i>34.8%</i>	<i>40.5%</i>	<i>40.1%</i>
EBIT	6,667	7,741	7,435	8,401	8,828
Capex	8,688	2,868	1,396	4,221	823
Operating Free Cash Flow (EBITDA - Capex)	1,187	7,891	9,030	7,247	10,860
Cumulative Investments	126,988	119,146	114,751	99,282	97,923

### Tower Infrastructure Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
<b>Total revenues</b>	<b>17,325</b>	<b>17,206</b>	<b>16,949</b>	<b>16,739</b>	<b>16,950</b>
EBITDA	8,510	7,968	7,815	8,144	8,318
<i>EBITDA / Total revenues</i>	<i>49.1%</i>	<i>46.3%</i>	<i>46.1%</i>	<i>48.7%</i>	<i>49.1%</i>
EBIT	5,829	5,196	5,038	5,149	5,249
Share of results of Joint ventures / Associates	2,177	2,390	2,966	3,287	3,226
Capex	1,876	2,587	2,934	2,670	2,380
Operating Free Cash Flow (EBITDA - Capex)	6,633	5,381	4,881	5,474	5,938
Cumulative Investments	198,872	195,888	193,101	201,998	197,747

### 9.3 Based on Statement of Financial Position

#### Consolidated

Amount in Rs Mn, except ratios

Particulars	As at				
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Equity attributable to equity holders of parent	711,097	688,804	693,876	695,322	714,187
Net Debt	1,063,674	1,132,042	1,029,028	952,285	917,139
Net Debt (US\$ Mn)	15,207	15,618	15,029	14,611	14,358
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,774,771	1,820,846	1,722,904	1,647,607	1,631,326
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Return on Equity attributable to equity holders of parent (LTM)	0.6%	0.9%	1.2%	1.6%	2.0%
Return on Capital Employed (LTM)	4.7%	4.9%	4.8%	4.7%	4.9%
Net Debt to EBITDA (LTM)	4.28	4.25	3.61	3.23	3.01
Net Debt to EBITDA (Annualised)	4.78	4.83	3.90	3.50	3.12
Assets Turnover ratio (LTM)	46.1%	46.7%	48.0%	49.4%	50.8%
Interest Coverage ratio (times)	2.57	2.75	3.17	4.04	4.30
Net debt to Equity attributable to equity holders of parent (Times)	1.50	1.64	1.48	1.37	1.28
<b>Per share data (for the period)</b>					
Net profit/(loss) per common share (in Rs)	0.22	0.30	0.24	0.21	0.76
Net profit/(loss) per diluted share (in Rs)	0.22	0.30	0.24	0.21	0.76
Book Value Per Equity Share (in Rs)	177.9	172.3	173.6	174.0	178.7
Market Capitalization (Rs Bn)	1,251	1,352	1,523	1,595	2,116
Enterprise Value (Rs Bn)	2,364	2,536	2,602	2,596	3,082

Refer Note 3 on page 4

#### 9.4 Operational Performance – India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
<b>Total Customers Base</b>	<b>000's</b>	<b>303,268</b>	<b>351,539</b>	<b>363,165</b>	<b>322,292</b>	<b>307,964</b>
<b>Mobile Services</b>						
Customer Base	000's	284,224	332,764	344,564	304,192	290,113
Net Additions	000's	(48,539)	(11,800)	40,372	14,079	8,066
Pre-Paid (as a % of total Customer Base)	%	93.6%	94.4%	94.6%	93.9%	93.7%
Monthly Churn	%	7.3%	4.1%	2.0%	2.8%	3.3%
Average Revenue Per User (ARPU)	Rs	104	100	105	116	123
Average Revenue Per User (ARPU)	US\$	1.4	1.4	1.6	1.8	1.9
Revenue per towers per month	Rs	193,519	198,400	206,215	206,785	215,670
<b>Revenues</b>						
Mobile Services <sup>9</sup>	Rs Mn	100,532	100,704	103,036	102,221	105,709
<b>Voice</b>						
Minutes on the network	Mn	702,881	693,061	684,191	592,657	494,546
Voice Usage per customer	min	726	686	700	670	575
<b>Data</b>						
Data Customer Base	000's	107,511	97,666	94,783	86,077	70,836
<i>Of which 4G data customers</i>	<i>000's</i>	<i>77,068</i>	<i>65,731</i>	<i>58,281</i>	<i>47,862</i>	<i>36,367</i>
<i>As % of Customer Base</i>	<i>%</i>	<i>37.8%</i>	<i>29.4%</i>	<i>27.5%</i>	<i>28.3%</i>	<i>24.4%</i>
Total MBs on the network	Mn MBs	3,216,897	2,660,297	2,150,645	1,539,746	1,105,839
Data Usage per customer	MBs	10,528	9,221	7,864	6,585	5,349
<b>Homes Services</b>						
Homes Customers	000's	2,245	2,213	2,189	2,172	2,164
Net Additions	000's	33	24	16	8	5
Average Revenue Per User (ARPU)	Rs	821	847	879	929	948
Average Revenue Per User (ARPU)	US\$	11.4	12.1	13.1	14.5	14.7
<b>Digital TV Services</b>						
Digital TV Customers	000's	15,001	14,779	14,646	14,168	13,937
Net additions	000's	222	133	479	230	416
Average Revenue Per User (ARPU)	Rs	231	232	229	228	233
Average Revenue Per User (ARPU)	US\$	3.2	3.3	3.4	3.5	3.6
Monthly Churn	%	1.3%	1.3%	0.7%	1.1%	1.2%

Refer note 9 on page 11.

### 9.5 Traffic Trends – India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
Mobile Services	Mn Min	702,881	693,061	684,191	592,657	494,546
Homes Services	Mn Min	3,698	3,451	2,841	2,831	3,071
Airtel Business	Mn Min	2,744	2,865	3,065	2,714	2,869
National Long Distance Services	Mn Min	97,933	93,191	89,398	78,732	65,925
International Long Distance Services	Mn Min	4,423	5,213	5,109	5,085	5,476
<b>Total Minutes on Network (Gross)</b>	<b>Mn Min</b>	<b>811,679</b>	<b>797,780</b>	<b>784,605</b>	<b>682,019</b>	<b>571,887</b>
Eliminations	Mn Min	(98,024)	(93,298)	(89,091)	(78,412)	(65,871)
<b>Total Minutes on Network (Net)</b>	<b>Mn Min</b>	<b>713,655</b>	<b>704,482</b>	<b>695,514</b>	<b>603,608</b>	<b>506,016</b>

### 9.6 Network and Coverage Trends - India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
<b>Mobile Services</b>						
Census Towns	Nos	7,906	7,904	7,902	7,899	7,897
Non-Census Towns & Villages	Nos	786,134	786,129	786,112	786,043	786,032
Population Coverage	%	95.3%	95.3%	95.3%	95.3%	95.3%
Optic Fibre Network	R Kms	273,600	263,507	245,847	237,893	233,720
Network towers	Nos	175,300	171,031	167,355	165,748	163,808
<i>Of which Mobile Broadband towers</i>	<i>Nos</i>	<i>164,859</i>	<i>154,531</i>	<i>146,428</i>	<i>144,708</i>	<i>130,334</i>
Total Mobile Broadband Base stations	Nos	371,562	347,642	320,204	298,014	259,002
<b>Homes Services - Cities covered</b>	Nos	90	89	89	89	89
<b>Airtel Business - Submarine cable systems</b>	Nos	7	7	7	7	7
<b>Digital TV Services</b>						
Districts Covered	Nos	639	639	639	639	639
Coverage	%	99.8%	99.8%	99.8%	99.8%	99.8%

### 9.7 Tower Infrastructure Services

#### 9.7.1 Bharti Infratel Standalone

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
Total Towers	Nos	40,192	39,946	39,719	39,523	39,363
Total Co-locations	Nos	77,693	78,275	86,053	88,665	92,211
<b>Key Indicators</b>						
Sharing Revenue per sharing operator per month	Rs	41,632	38,687	37,281	35,890	36,495
Average Sharing Factor	Times	1.95	2.06	2.20	2.29	2.38

#### Additional Information

#### 9.7.2 Indus Towers

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
Total Towers	Nos	124,069	124,230	123,904	123,639	122,962
Total Co-locations	Nos	230,372	229,136	273,154	278,408	288,727
Average Sharing Factor	Times	1.85	2.02	2.23	2.30	2.39

#### 9.7.3 Bharti Infratel Consolidated

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
Total Towers	Nos	92,301	92,123	91,759	91,451	91,007
Total Co-locations	Nos	174,449	174,512	200,778	205,596	213,476
Average Sharing Factor	Times	1.89	2.04	2.22	2.30	2.38

## 9.8 Human Resource Analysis - India

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
Total Employees	Nos	16,962	17,044	18,032	17,263	17,482
Number of Customers per employee	Nos	17,879	20,625	20,140	18,670	17,616
Personnel Cost per employee per month	Rs	103,294	109,131	98,618	116,094	112,201
Gross Revenue per employee per month	Rs	2,902,235	2,917,897	2,759,902	2,856,890	2,916,176

## 9.9 Africa

### 9.9.1 Operational Performance (In Constant Currency)

Parameters	Unit	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
Customer Base	000's	97,922	94,096	91,193	89,262	84,130
Net Additions	000's	3,827	2,903	1,930	5,133	5,388
Monthly Churn	%	4.7%	4.8%	4.9%	4.1%	4.1%
Average Revenue Per User (ARPU)	US\$	3.0	3.0	2.9	3.0	3.2
<b>Voice</b>						
Voice Revenue	\$ Mn	526	517	500	497	507
Minutes on the network	Mn	52,445	52,357	49,666	44,688	41,928
Voice Average Revenue Per User (ARPU)	US\$	1.8	1.9	1.8	1.9	2.1
Voice Usage per customer	min	183	189	183	172	172
<b>Data</b>						
Data Revenue	\$ Mn	192	180	170	158	149
Data Customer Base	000's	29,264	27,113	26,376	24,941	23,324
As % of Customer Base	%	29.9%	28.8%	28.9%	27.9%	27.7%
Total MBs on the network	Mn MBs	105,338	88,808	77,811	69,705	65,544
Data Average Revenue Per User (ARPU)	US\$	2.3	2.3	2.2	2.2	2.3
Data Usage per customer	MBs	1,248	1,113	1,006	963	997
<b>Airtel Money</b>						
Transaction Value	US\$ Mn	6,917	6,263	6,090	5,645	5,358
Transaction Value per Subs	US\$	166	163	168	170	182
Airtel Money Revenue	\$ Mn	68	55	50	46	40
Active Customers	000's	13,805	12,943	11,816	11,465	10,449
Airtel Money ARPU	US\$	1.6	1.4	1.4	1.4	1.4
<b>Network &amp; coverage</b>						
Network towers	Nos	20,582	20,060	19,895	19,731	19,054
Owned towers	Nos	4,441	4,449	4,377	4,397	4,181
Leased towers	Nos	16,141	15,611	15,518	15,334	14,873
Of which Mobile Broadband towers	Nos	15,734	15,280	14,653	13,725	12,933
Total Mobile Broadband Base stations	Nos	29,650	26,338	23,754	20,093	16,863
Revenue Per site Per Month	US\$	13,954	13,717	13,326	13,237	13,423

Refer Note 6, & 7 on page 12

### 9.9.3 Human Resources Analysis

Parameters	Unit	Dec 30, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 30, 2017
Total Employees	Nos	3,334	3,338	3,480	3,530	3,420
Number of Customers per employee	Nos	29,371	28,189	26,205	25,287	24,599
Personnel Cost per employee per month	US\$	6,410	5,747	6,383	5,914	5,628
Gross Revenue per employee per month	US\$	85,303	82,245	76,018	72,905	74,756

## SECTION 10

### KEY ACCOUNTING POLICIES AS PER Ind-AS

- **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalised.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

Assets	Years
Building	20
Network equipment	3-25
Customer premises equipment	5 – 6
Assets taken on finance lease	Period of lease or 10 years, as applicable, whichever is less
Computer equipment	3
Furniture & Fixture and office equipment	2 – 5
Vehicles	3 – 5
Leasehold improvements	Period of the lease or 10/20 years, as applicable, whichever is less
Leasehold Land	Period of the lease

Land is not depreciated. The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Costs of additions and substantial improvements to property and equipment are capitalised. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

- **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition.

Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of profit and loss on disposal.

- **Other Intangible assets**

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

The intangible assets that are acquired in a business combination are recognised at its fair value there at. Other intangible assets are recognised at cost. These assets having finite useful life are carried at cost less accumulated Amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

- a. **Licenses (including spectrum)**

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two years to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

- b. **Software:** Software are amortised over the period of license, generally not exceeding three years.

- c. **Bandwidth:** Bandwidth is amortised on straight-line basis over the period of the agreement.

- d. **Other acquired intangible assets:** Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges upto five years.

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships which ranges from one year to five years.

Non-compete fee: Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the borrowing costs that are directly attributable to the acquisition or construction of qualifying assets and are presented separately in the balance sheet.

- **Investment in Joint Ventures and Associates**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net

assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures and associates are accounted for from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

Accounting policies of the respective joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind-AS. The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Losses of a joint venture or an associate in excess of the Group's interest in that joint venture or associate are not recognized. However, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

- **Finance leases - Lessee accounting**

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease. Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

Sale and leaseback transaction involves the sale and the leasing back of the same asset. In case it results in a finance lease, any profit or loss is not recognised, instead the asset leased back is retained at its carrying value. However, in case it results in an operating lease, any profit or loss is recognised immediately provided the transaction occurs at fair value.

- **Indefeasible right to use (IRU)**

The Group enters into 'Indefeasible right to use' arrangement wherein the assets are given on lease over the substantial part of the asset life. However, the title to the assets and significant risk associated with the operation and maintenance of these assets remains with the Group. Hence, such arrangements are recognised as operating lease.

The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

Exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of

neither the capacity received nor the capacity given is reliably measurable.

- **Derivative financial instruments**

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

- **Hedging activities**

**i. Fair value hedge**

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest rate swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

**ii. Cash flow hedge**

The Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to is either to a recognised item or a highly probable forecast transaction. The effective portion of changes in the fair value of derivative financial instruments (or its components), that are designated and qualify as Cash flow hedges, are recognised in the other comprehensive income and held in Cash flow hedge reserve. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss.

**iii. Net investment hedge**

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognized in other comprehensive income and held in foreign currency translation reserve, so as to offset the change in the value of the net investment being hedged. The ineffective

portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

- **Revenue recognition**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" basis the cumulative effect method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard was insignificant on these financial statements.

Revenue is recognised upon transfer of control of promised products or services to customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. In order to determine if it is acting as a principal or as an agent, the Company assesses whether it is primarily responsible for fulfilling the performance obligation.

- (i) **Service revenues**

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging and value added services. It also includes revenue towards interconnection/roaming charges for usage of the Company's network by other operators for voice, data, messaging and signalling services.

Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognised upon successful onboarding of customer i.e. upfront.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the Balance Sheet whereas unbilled revenue is recognised under other current financial assets.

Certain business' services revenue include income from registration and installation, which are amortised over the period of agreement since the date of activation of service.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of arrangement respectively.

- (ii) **Multiple element arrangements**

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent separate performance obligations.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices.

- (iii) **Equipment sales**

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separate performance obligation, revenue is recognised over the customer relationship period.

- Interest income**

The interest income is recognised using the Effective interest rate ('EIR') method.

- Dividend income**

Dividend income is recognised when the Company's right to receive the payment is established.

- **Exceptional items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

- **Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value).

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees (functional currency of parent) at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in FCTR. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

- **Income-taxes**

Income tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial

statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

- **Transactions with non-controlling interests**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The differences between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

## SECTION 11

### GLOSSARY

#### Technical and Industry Terms

Company Related	
Asset Turnover	Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non-current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Average Customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations for the relevant period.
Average Sharing Factor	It is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the Opening and Closing towers for the relevant period.
Book Value Per Equity Share	Total stockholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity holders of parent and net debt.
Cumulative Investments	Cumulative Investments comprises of gross value of property, plant & equipment (including CWIP & capital advances) and intangibles including investment in associates.
Cash Profit From Operations before Derivative & Exchange Fluctuation	It is not an Ind-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for interest expense, interest income and non-operating expenses before adjusting for derivative & exchange (gain)/ loss.
Churn	Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower, 'co-location' refers to that single operator. Co-locations as referred to are revenue generating Co-locations.
Customer Base	Customers generating revenue through recharge, billing or any outgoing activity.
Customers Per Employee	Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period.
Data Customer Base	A customer who used at least 1 MB on GPRS / 3G / 4G network in the last 30 days.
Data Usage per Customer	It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period.
DTH / Digital TV Services	Direct to Home broadcast service
Earnings Per Basic Share	It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

	<p>The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.</p> <p>Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above).</p>
Earnings Per Diluted Share	
EBITDA	Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not an Ind-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for CSR costs.
EBITDA Margin	It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period.
EBIT	EBITDA adjusted for depreciation and amortization.
Enterprise Valuation (EV)	Calculated as sum of Market Capitalization, Net Debt and finance lease obligations as at the end of the relevant period.
EV / EBITDA (times)	Computed by dividing Enterprise Valuation as at the end of the relevant period (EV) by EBITDA for the relevant period (LTM).
Finance Lease Obligation (FLO)	Finance Lease Obligation represents present value of future obligation for assets taken on finance lease.
Gross Revenue per Employee per month	It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period.
Mobile Broadband Base stations	It includes all the 3G and 4G Base stations deployed across all technologies i.e. 900/1800/2100/2300 Mhz bands.
4G Data Customer	A customer who used at least 1 MB on 4G network in the last 30 days.
Mobile Broadband Towers	It means the total number of network towers (defined below) in which unique number of either 3G or 4G Base stations are deployed, irrespective of their technologies. Total numbers of Mobile Broadband Towers are subset of Total Network Towers.
Minutes on the network	Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month. It includes incoming, outgoing and in-roaming minutes.
Network Towers	Comprises of Base Transmission System (BTS) which holds the radio transreceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period.
Net Debt	It is not an Ind-AS measure and is defined as the long-term debt, net of current portion plus short-term borrowings and current portion of long-term debt minus cash and cash equivalents. The debt origination cost and Bond fair value hedge are not included in the borrowings
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA (EBITDA adjusted downwards to the extent of finance lease charges on towers in Africa) for preceding (last) 12 months from the end of the relevant period.
Net Debt to EBITDA (Annualized)	It is computed by dividing net debt as at the end of the relevant period by EBITDA (EBITDA adjusted downwards to the extent of finance lease charges on towers in Africa) for the relevant period (annualized).

Net Debt to Funded Equity Ratio	It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period.
Net Revenues	It is not an Ind-AS measure and is defined as total revenues adjusted for access charges and cost of goods sold for the relevant period.
Operating Free Cash flow	It is computed by subtracting capex from EBITDA.
Personnel Cost per Employee per month	It is computed by dividing the Personnel Cost by the closing number of employees in a given business unit and number of months in the relevant period.
Price-Earnings Ratio – P/E Ratio	It is computed by dividing the closing market price (BSE) as at end of the relevant period by the earnings per basic share for the relevant period (LTM).
Profit / (Loss) after current tax expense	It is not an Ind-AS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
Return On Capital Employed (ROCE)	For the full year ended March 31, 2016, 2017 and 2018. ROCE is computed by dividing the sum of net profit and finance cost (net) excluding finance charges and interest on FLO for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the sum of net profit and finance cost (net) excluding finance charges and interest on FLO for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Return On Equity attributable to equity holders of parent	For the full year ended March 31, 2016, 2017 and 2018, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average Stockholder's equity for the preceding (last) 12 months. Average Stockholder's equity is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
Revenue per Site per month	Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.
Sharing revenue per Sharing Operator per month	It is calculated on the basis of the total revenues less energy and other pass through accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period.
Total Employees	Total on-roll employees as at the end of respective period and excludes 42% of Indus Towers employees in India.
Total MBs on Network	Includes total MBs consumed on the network (uploaded & downloaded) on our network during the relevant period.
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating Towers.
Total Operating Expenses	It is defined as sum of employee costs, network operations costs and selling, general and administrative cost for the relevant period.
Voice Minutes of Usage per Customer per month	It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period.

**Regulatory & Others**

3G	Third - Generation Technology
4G	Fourth - Generation Technology
BSE	The Stock Exchange, Mumbai
RBI	Reserve Bank of India
GSM	Global System for Mobile Communications.
ICT	Information and Communication Technology
GAAP	Generally Accepted Accounting Principles
KYC	Know Your Customer
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Ind-AS	Indian Accounting Standards
NSE	The National Stock Exchange of India Limited.
Sensex	Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986.
PPE	Property, plant and equipment
VoIP	Voice over Internet Protocol
SA	South Asia
KPI	Key Performance Indicator
LTM	Last twelve month
FTTH	Fiber-to-the home
VAS	Value added service
MPLS	Multi-Protocol Label Switching

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