

Quarterly report on the results for the second quarter and six months ended September 30, 2017

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



October 31, 2017

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 33

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 Hexacom Limited (“Bharti Hexacom”), Bharti Airtel (Services) Limited, Bharti Infratel Limited (Bharti Infratel), Indo Teleports Limited (Formerly Bharti Teleports Limited), SmartX Services Limited, Airtel Money Transfer Limited, Bharti Telemedia Limited (Bharti Telemedia), Bharti Airtel (USA) Limited, Bharti Airtel (UK) Limited, Bharti Airtel (Hong Kong) Limited, Bharti Airtel Lanka (Private) Limited, Network i2i Limited, Telesonic Networks Limited (formerly Alcatel Lucent Network Management Services India Limited), Bharti Infratel Lanka (Private) Limited, Bharti Airtel International (Netherlands) B.V., Bharti International (Singapore) Pte Ltd, Airtel Payments Bank Limited (Formerly known as Airtel M Commerce Services Limited), Bharti Airtel (Japan) Kabushiki Kaisha, Bharti Airtel (France) SAS, Bharti Airtel International (Mauritius) Limited, Indian Ocean Telecom Limited, Airtel (Seychelles) Limited, Bharti Airtel Africa B.V., Bharti Airtel Burkina Faso Holdings B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Gabon Holdings B.V., Bharti Airtel Ghana 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 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., Airtel Congo S.A, Airtel Congo (RDC) S.A. (Formerly Celtel Congo (RDC) S.a.r.l.), Airtel Gabon S.A., Airtel (Ghana) Limited, Airtel Networks Kenya Limited, Airtel Madagascar S.A., Airtel Malawi Limited, Celtel Niger S.A., Airtel Networks Limited, Airtel Tanzania Limited, Airtel Uganda Limited, Airtel Networks Zambia Plc (formerly known as Celtel Zambia plc), Partnership Investments S.a.r.l., MSI-Celtel Nigeria Limited, Celtel (Mauritius) Holdings Limited, Channel Sea Management Co Mauritius Limited, Montana International, Airtel Mobile Commerce Tchad SARL, Airtel Mobile Commerce Zambia Limited (formerly known as ZMP Ltd. (Zambia)), Airtel Mobile Commerce Ghana Limited, Airtel Mobile Commerce Kenya Limited, Airtel Money Niger S.A., Africa Towers N.V., Malawi Towers Limited, Airtel Money S.A. (Gabon), Société Malgache de Telephonie Cellulaire SA, Airtel Money (RDC) S.A., Wynk Limited, Augere Wireless Broadband India Private Limited, Congo RDC Towers S.A., Gabon Towers S.A., Madagascar Towers S.A., Mobile Commerce Congo S.A., Tanzania Towers Limited, Bharti Airtel Developers Forum Ltd., Bangladesh Infratel Networks Limited, Africa Towers Services Limited, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Uganda Limited, Airtel Rwanda Limited, Airtel Tchad S.A., Bharti Airtel Rwanda Holdings Limited (formerly known as Zebrano (Mauritius) Limited), Airtel Mobile Commerce Rwanda Limited, Warid Telecom Uganda Limited, Nextra Data Limited, Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited), Airtel Mobile Commerce (Seychelles) Limited., Airtel Mobile Commerce Tanzania Limited, Airtel Mobile Commerce Limited (Malawi), Bharti Airtel Nigeria B.V., Tikona Digital Networks Private Limited, Airtel Mobile Commerce Nigeria Limited

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SECTION 1

BHARTI AIRTEL – PERFORMANCE AT A GLANCE

Particulars	Unit	Full Year Ended			Quarter Ended				
		IFRS	Ind-AS		Ind-AS				
		2015	2016	2017	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Operating Highlights									
Total Customer Base	000's	324,368	357,428	372,354	363,088	364,564	372,354	379,870	383,484
Total Minutes on Network	Mn Min	1,266,914	1,386,313	1,548,602	370,153	381,011	426,199	470,623	489,690
Network Towers	Nos	172,225	181,376	184,255	185,885	182,285	184,255	184,677	185,201
Total Employees	Nos	24,694	24,940	22,815	24,134	23,289	22,815	22,437	21,589
No. of countries of operation	Nos	20	20	17	18	17	17	17	17
Population Covered	Bn	2.02	2.03	1.87	2.00	1.87	1.87	1.87	1.87
Consolidated Financials (Rs Mn)									
Total revenues	Rs Mn	920,395	965,320	954,684	246,515	233,357	219,346	219,581	217,769
EBITDA	Rs Mn	314,517	341,682	356,208	94,662	85,705	79,928	78,231	80,037
EBIT	Rs Mn	158,571	166,215	156,775	45,042	36,748	29,643	29,878	32,898
Cash profit from operations before Derivative & Exchange Fluctuations	Rs Mn	285,280	289,083	283,668	77,240	67,508	59,505	60,539	60,417
Profit before tax	Rs Mn	115,662	106,723	88,929	27,353	20,595	12,515	14,816	12,988
Net income	Rs Mn	51,835	60,768	37,997	14,607	5,036	3,734	3,673	3,430
Capex	Rs Mn	186,682	205,919	198,745	52,875	58,537	38,082	65,857	74,838
Operating Free Cash Flow (EBITDA - Capex)	Rs Mn	127,834	135,762	157,463	41,786	27,168	41,847	12,374	5,199
Net Debt	Rs Mn	668,417	835,106	913,999	814,803	973,952	913,999	878,404	914,801
Shareholder's Equity	Rs Mn	619,564	667,693	674,563	641,388	631,431	674,563	679,268	695,690
Consolidated Financials (US\$ Mn)									
Total Revenue ¹	US\$ Mn	15,064	14,742	14,214	3,672	3,450	3,270	3,407	3,384
EBITDA ¹	US\$ Mn	5,148	5,218	5,304	1,410	1,267	1,191	1,214	1,244
EBIT ¹	US\$ Mn	2,595	2,538	2,334	671	543	442	464	511
Cash profit from operations before Derivative & Exchange Fluctuations ¹	US\$ Mn	4,669	4,415	4,224	1,151	998	887	939	939
Profit before Tax ¹	US\$ Mn	1,893	1,630	1,324	407	305	187	230	202
Net income ¹	US\$ Mn	848	928	566	218	74	56	57	53
Capex ¹	US\$ Mn	3,055	3,145	2,959	788	866	568	1,022	1,163
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	2,092	2,073	2,344	622	402	624	192	81
Net Debt ²	US\$ Mn	10,679	12,604	14,094	12,232	14,339	14,094	13,602	14,012
Shareholder's Equity ²	US\$ Mn	9,899	10,078	10,402	9,628	9,296	10,402	10,518	10,656
Key Ratios									
EBITDA Margin	%	34.2%	35.4%	37.3%	38.4%	36.7%	36.4%	35.6%	36.8%
EBIT Margin	%	17.2%	17.2%	16.4%	18.3%	15.7%	13.5%	13.6%	15.1%
Net Profit Margin	%	5.6%	6.3%	4.0%	5.9%	2.2%	1.7%	1.7%	1.6%
Net Debt to Funded Equity Ratio	Times	1.08	1.25	1.35	1.27	1.54	1.35	1.29	1.31
Net Debt to EBITDA (LTM) ³	Times	2.13	2.49	2.63	2.27	2.71	2.63	2.67	2.91
Net Debt to EBITDA (Annualised) ³	Times	2.08	2.33	2.95	2.20	2.93	2.95	2.89	2.95
Interest Coverage ratio	Times	8.43	7.06	5.20	5.63	4.94	4.46	4.50	4.65
Return on Shareholder's Equity	%	8.5%	9.4%	5.7%	8.2%	7.3%	5.9%	4.1%	2.4%
Return on Capital employed	%	7.6%	8.3%	6.5%	7.4%	7.1%	6.6%	5.6%	5.1%
Valuation Indicators									
Market Capitalization	Rs Bn	1,575	1,403	1,399	1,255	1,221	1,399	1,516	1,554
Market Capitalization	US\$ Bn	25.2	21.2	21.6	18.8	18.0	21.6	23.5	23.8
Enterprise Value	Rs Bn	2,243	2,296	2,369	2,129	2,254	2,369	2,449	2,522
EV / EBITDA (LTM)	Times	7.13	6.72	6.65	5.80	6.12	6.65	7.24	7.79
P/E Ratio (LTM)	Times	30.36	23.08	36.81	23.46	25.72	36.81	56.03	97.87

Note 1: Average exchange rates used for Rupee conversion to US\$ is (a) Rs 61.10 for the financial year ended March 31, 2015 (b) Rs 65.48 for the financial year ended March 31, 2016 (c) Rs 67.16 for the financial year ended March 31, 2017 (d) Rs 67.13 for the quarter ended September 30, 2016 (e) Rs 67.63 for the quarter ended December 31, 2016 (f) Rs 67.09 for the quarter ended March 31, 2017 (g) Rs 64.44 for the quarter ended June 30, 2017 (h) Rs 64.36 for the quarter ended September 30, 2017 based on the RBI Reference rate.

Note 2: Closing exchange rates used for Rupee conversion to US\$ is (a) Rs 62.59 for the financial year ended March 31, 2015 (b) Rs 66.26 for the financial year ended March 31, 2016 (c) Rs 64.85 for the quarter ended March 31, 2017 (d) Rs 66.62 for the quarter ended September 30, 2016 (e) Rs 67.93 for the quarter ended December 31, 2016 (f) Rs 64.85 for the quarter ended March 31, 2017 (g) Rs 64.58 for the quarter ended June 30, 2017 (h) Rs 65.29 for the quarter ended September 30, 2017 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 significant presence in 17 countries representing India, Sri Lanka and 15 countries in Africa. As per United Nations data published on January 01, 2013, the population of these 17 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 15 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 1.4 Mn outlets with network presence in 7,896 census and 786,032 non-census towns and villages in India covering approximately 95.3% of the country's population.

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

Our national long distance infrastructure provides a pan-India reach with 232,150 Rkms of optical fiber.

Homes Services – The Company provides fixed-line telephone and broadband (DSL) services for homes in 88 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 590 channels including 71 HD channels, 5 international channels and 4 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 16% respectively. The Company's consolidated portfolio of 90,955 telecom towers, which includes 39,264 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 48 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 15 countries across Africa, namely: Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Ghana, 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 15 countries and 4G services in 3 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 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 57) 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			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	217,769	246,515	-12%	437,350	501,980	-13%
EBITDA	80,037	94,662	-15%	158,267	190,575	-17%
<i>EBITDA / Total revenues</i>	<i>36.8%</i>	<i>38.4%</i>		<i>36.2%</i>	<i>38.0%</i>	
EBIT	32,898	45,042	-27%	62,777	90,385	-31%
Finance cost (net)	23,266	19,057	22%	41,539	38,456	8%
Share of results of Joint Ventures/Associates	3,662	2,697	36%	6,517	5,245	24%
Profit before tax	12,988	27,353	-53%	27,804	55,819	-50%
Income tax expense	5,672	12,073	-53%	13,909	24,404	-43%
Profit after tax (before exceptional items)	7,316	15,280	-52%	13,894	31,415	-56%
Non Controlling Interest	2,592	1,580	64%	5,110	3,915	31%
Net income (before exceptional items)	4,724	13,700	-66%	8,784	27,500	-68%
Exceptional Items (net of tax)	1,455	(871)	267%	1,856	423	339%
Profit after tax (after exceptional items)	5,861	16,151	-64%	12,038	30,992	-61%
Non Controlling Interest	2,430	1,544	57%	4,934	1,766	179%
Net income	3,430	14,607	-77%	7,102	29,227	-76%
Capex	74,838	52,875	42%	140,695	102,127	38%
Operating Free Cash Flow (EBITDA - Capex)	5,199	41,786	-88%	17,572	88,448	-80%
Cumulative Investments	3,060,093	2,712,477	13%	3,060,093	2,712,477	13%

Refer section 5.4.2 on "Exceptional Items" on page 22 for details.

3.1.2 Consolidated Summarized Statement of Financial Position

Amount in Rs Mn

Particulars	As at Sep 30, 2017	As at Mar 31, 2017
Assets		
Non-current assets	2,171,472	2,124,352
Current assets	247,472	203,150
Total assets	2,418,944	2,327,502
Liabilities		
Non-current liabilities	945,948	954,742
Current liabilities	701,808	629,447
Total liabilities	1,647,756	1,584,189
Equity & Non Controlling Interests		
Equity	695,691	674,563
Non controlling interests	75,497	68,750
Total Equity & Non Controlling Interests	771,188	743,313
Total Equity and liabilities	2,418,944	2,327,502

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 Sep 2017			Quarter Ended Sep 2016			Six Months Ended Sep 2017			Six Months Ended Sep 2016		
	India SA	Africa	Total	India SA	Africa	Total	India SA	Africa	Total	India SA	Africa	Total
Total revenues	168,183	52,030	217,769	196,149	53,048	246,515	341,468	100,558	437,350	391,600	115,541	501,980
EBITDA	63,223	16,814	80,037	82,415	12,247	94,662	127,861	30,430	158,267	164,347	26,245	190,575
<i>EBITDA / Total revenues</i>	<i>37.6%</i>	<i>32.3%</i>	<i>36.8%</i>	<i>42.0%</i>	<i>23.1%</i>	<i>38.4%</i>	<i>37.4%</i>	<i>30.3%</i>	<i>36.2%</i>	<i>42.0%</i>	<i>22.7%</i>	<i>38.0%</i>
EBIT	24,600	8,300	32,898	43,940	1,103	45,042	49,462	13,338	62,777	87,325	3,078	90,385
Profit before tax	6,885	5,370	12,988	31,875	(6,158)	27,353	15,322	12,536	27,804	62,067	(8,631)	55,819
Income tax expense	3,504	2,085	5,672	10,481	1,540	12,073	8,130	5,864	13,909	19,997	4,621	24,404
Profit after tax (before exceptional items)	3,382	3,285	7,316	21,394	(7,699)	15,280	7,192	6,672	13,894	42,070	(13,252)	31,415
Non Controlling Interest	2,373	217	2,592	2,672	(1,600)	1,580	4,895	248	5,110	5,339	(1,949)	3,915
Net income (before exceptional items)	1,009	3,067	4,724	18,723	(6,099)	13,700	2,297	6,424	8,784	36,730	(11,303)	27,500
Exceptional Items (net of tax)			1,455			(871)			1,856			423
Profit after tax (after exceptional items)			5,861			16,151			12,038			30,992
Non Controlling Interest			2,430			1,544			4,934			1,766
Net income			3,431			14,607			7,103			29,227
Capex	71,708	3,131	74,838	46,094	6,781	52,875	134,404	6,292	140,695	87,842	14,285	102,127
Operating Free Cash Flow (EBITDA - Capex)	(8,485)	13,684	5,199	36,322	5,466	41,786	(6,543)	24,139	17,572	76,505	11,961	88,448
Cumulative Investments	2,458,028	602,065	3,060,093	2,139,440	573,037	2,712,477	2,458,028	602,065	3,060,093	2,139,440	573,037	2,712,477

Refer section 5.4.2 on "Exceptional Items" on page 22 for details.

3.2.2 Region wise Summarized Statement of Financial Position

Amount in Rs Mn

Particulars	As at Sep 30, 2017			
	India SA	Africa	Eliminations	Total
Assets				
Non-current assets	1,984,384	491,485	(304,396)	2,171,472
Current assets	492,782	96,069	(341,380)	247,472
Total assets	2,477,166	587,554	(645,776)	2,418,944
Liabilities				
Non-current liabilities	878,258	365,265	(297,575)	945,948
Current liabilities	601,752	143,895	(43,838)	701,808
Total liabilities	1,480,010	509,160	(341,413)	1,647,756
Equity & Non Controlling Interests				
Equity	905,190	94,863	(304,362)	695,691
Non controlling interests	91,965	(16,468)	0	75,497
Total Equity & Non Controlling Interests	997,155	78,394	(304,362)	771,188
Total Equity and liabilities	2,477,166	587,554	(645,776)	2,418,944

3.3 Segment wise Summarized Statement of Operations

3.3.1 India & South Asia

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	168,183	196,149	-14%	341,468	391,600	-13%
EBITDA	63,223	82,415	-23%	127,861	164,347	-22%
<i>EBITDA / Total revenues</i>	<i>37.6%</i>	<i>42.0%</i>		<i>37.4%</i>	<i>42.0%</i>	
EBIT	24,600	43,940	-44%	49,462	87,325	-43%
Capex	71,708	46,094	56%	134,404	87,842	53%
Operating Free Cash Flow (EBITDA - Capex)	(8,485)	36,322	-123%	(6,543)	76,505	-109%
Cumulative Investments	2,458,028	2,139,440	15%	2,458,028	2,139,440	15%

3.3.2 India

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	167,282	192,188	-13%	339,718	383,735	-11%
EBITDA	63,241	82,206	-23%	127,943	164,163	-22%
<i>EBITDA / Total revenues</i>	<i>37.8%</i>	<i>42.8%</i>		<i>37.7%</i>	<i>42.8%</i>	
EBIT	24,938	45,208	-45%	50,168	90,168	-44%
Capex	71,440	45,804	56%	133,858	87,021	54%
Operating Free Cash Flow (EBITDA - Capex)	(8,199)	36,402	-123%	(5,915)	77,142	-108%
Cumulative Investments	2,422,553	2,064,316	17%	2,422,553	2,064,316	17%

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			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	122,450	147,243	-17%	251,597	297,663	-15%
EBITDA	42,087	62,775	-33%	86,369	126,874	-32%
<i>EBITDA / Total revenues</i>	<i>34.4%</i>	<i>42.6%</i>		<i>34.3%</i>	<i>42.6%</i>	
EBIT	11,378	33,398	-66%	23,981	68,069	-65%
Capex	61,053	37,056	65%	111,783	68,990	62%
Operating Free Cash Flow (EBITDA - Capex)	(18,966)	25,720	-174%	(25,414)	57,884	-144%
Cumulative Investments	1,983,494	1,651,117	20%	1,983,494	1,651,117	20%

3.3.4 Homes Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	6,367	7,063	-10%	13,071	13,707	-5%
EBITDA	2,715	3,347	-19%	5,729	6,261	-8%
<i>EBITDA / Total revenues</i>	<i>42.6%</i>	<i>47.4%</i>		<i>43.8%</i>	<i>45.7%</i>	
EBIT	1,089	1,634	-33%	2,439	3,248	-25%
Capex	1,599	2,162	-26%	3,664	4,732	-23%
Operating Free Cash Flow (EBITDA - Capex)	1,116	1,186	-6%	2,065	1,529	35%
Cumulative Investments	66,226	62,344	6%	66,226	62,344	6%

3.3.5 Digital TV Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	9,369	8,545	10%	18,343	16,914	8%
EBITDA	3,517	3,030	16%	6,817	6,040	13%
<i>EBITDA / Total revenues</i>	<i>37.5%</i>	<i>35.5%</i>		<i>37.2%</i>	<i>35.7%</i>	
EBIT	1,230	699	76%	2,268	1,918	18%
Capex	3,191	2,541	26%	5,852	4,571	28%
Operating Free Cash Flow (EBITDA - Capex)	326	488	-33%	964	1,469	-34%
Cumulative Investments	75,435	69,453	9%	75,435	69,453	9%

B2B Services

3.3.6 Airtel Business

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	28,231	29,816	-5%	56,018	56,610	-1%
EBITDA	9,881	8,440	17%	19,223	16,173	19%
<i>EBITDA / Total revenues</i>	<i>35.0%</i>	<i>28.3%</i>		<i>34.3%</i>	<i>28.6%</i>	
EBIT	7,310	6,114	20%	13,793	10,809	28%
Capex	1,532	1,507	2%	3,685	3,443	7%
Operating Free Cash Flow (EBITDA - Capex)	8,349	6,934	20%	15,538	12,730	22%
Cumulative Investments	93,755	87,874	7%	93,755	87,874	7%

3.3.7 Tower Infrastructure Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	16,613	14,962	11%	32,595	29,519	10%
EBITDA	8,130	7,106	14%	16,084	13,943	15%
<i>EBITDA / Total revenues</i>	<i>48.9%</i>	<i>47.5%</i>		<i>49.3%</i>	<i>47.2%</i>	
EBIT	5,051	4,200	20%	10,054	8,026	25%
Share of results of joint ventures/associates	3,304	2,866	15%	6,512	5,637	16%
Capex	2,796	2,128	31%	6,256	4,181	50%
Operating Free Cash Flow (EBITDA - Capex)	5,334	4,978	7%	9,828	9,762	1%
Cumulative Investments	193,794	186,877	4%	193,794	186,877	4%

Others

3.3.8 Others (India) – comprises of Airtel Payments Bank, Corporate Office and other small entities.

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	972	899	8%	1,991	1,828	9%
EBITDA	(894)	(356)	-151%	(1,835)	(1,051)	-75%
EBIT	(938)	(371)	-153%	(1,889)	(1,080)	-75%
Capex	1,269	410	210%	2,617	1,102	138%
Operating Free Cash Flow (EBITDA - Capex)	(2,163)	(766)	-182%	(4,452)	(2,153)	-107%
Cumulative Investments	9,850	6,650	48%	9,850	6,650	48%

3.3.9 South Asia – comprises of operations in Sri Lanka.

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	1,028	4,169	-75%	1,999	8,312	-76%
EBITDA	(15)	210	-107%	(77)	184	-142%
<i>EBITDA / Total revenues</i>	<i>-14%</i>	<i>5.0%</i>		<i>-3.8%</i>	<i>2.2%</i>	
EBIT	(334)	(1,271)	74%	(700)	(2,851)	75%
Capex	267	290	-8%	546	821	-34%
Operating Free Cash Flow (EBITDA - Capex)	(282)	(80)	-251%	(622)	(637)	2%
Cumulative Investments	35,475	75,124	-53%	35,475	75,124	-53%

Note 5: W.e.f November 16, 2016, Bangladesh operations merged with "Robi Axiata Limited", where Bharti Airtel is having 25% stake and hence the above results reflects Bangladesh operations till November 16, 2016 only.

3.3.10 Africa – comprises of operations in 15 countries in Africa

In USD Constant Currency - 15 Countries ^{Note 6}

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	782	762	3%	1,518	1,493	2%
EBITDA	251	176	42%	457	327	40%
<i>EBITDA / Total revenues</i>	<i>32.1%</i>	<i>23.1%</i>		<i>30.1%</i>	<i>219%</i>	
EBIT	123	18	592%	199	21	865%
Capex	50	102	-52%	99	211	-53%
Operating Free Cash Flow (EBITDA - Capex)	201	74	172%	358	116	209%
Cumulative Investments	9,218	8,604	7%	9,218	8,604	7%

Note 6: Closing currency rates as on March 1, 2017 (AOP FY 17-18 currency) considered for above financials up to EBIT. Actual currency rates are taken for Capex & Cumulative Investments.

Refer page 44 & 46 for the last 5 quarter trends in constant currency and reported currency.

In USD Constant Currency ^{Note 6}

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Total revenues	782	766	2%	1,518	1,560	-3%
EBITDA	251	178	41%	457	350	31%
<i>EBITDA / Total revenues</i>	<i>32.1%</i>	<i>23.2%</i>		<i>30.1%</i>	<i>22.4%</i>	
EBIT	123	17	604%	199	33	497%
Capex	50	102	-52%	99	215	-54%
Operating Free Cash Flow (EBITDA - Capex)	201	76	166%	358	135	165%
Cumulative Investments	9,218	8,604	7%	9,218	8,604	7%

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

Refer page 45 & 47 for the last 5 quarter trends in constant currency and reported currency.

3.4 Region wise & Segment wise - Investment & Contribution

Quarter Ended:

Amount in Rs Mn, except ratios

Segment	Quarter Ended Sep 2017						As at Sep 30, 2017	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services	122,450	73%	42,087	67%	61,053	85%	1,983,494	81%
Homes Services	6,367	4%	2,715	4%	1,599	2%	66,226	3%
Digital TV Services	9,369	6%	3,517	6%	3,191	4%	75,435	3%
Airtel Business	28,231	17%	9,881	16%	1,532	2%	93,755	4%
Tower Infrastructure Services	16,613	10%	8,130	13%	2,796	4%	193,794	8%
Others (India)	972	1%	(894)	-1%	1,269	2%	9,850	0%
South Asia	1,028	1%	(15)	0%	267	0%	35,475	1%
Sub Total	185,031	110%	65,421	103%	71,708	100%	2,458,028	100%
Eliminations	(16,848)	-10%	(2,198)	-3%	0	0%		
Accumulated Depreciation and Amortisation							(885,939)	
Total (India SA)	168,183	100%	63,223	100%	71,708	100%	1,572,089	
India SA % of Consolidated	77%		79%		96%		80%	
Africa	52,030		16,814		3,131		602,065	
Accumulated Depreciation and Amortisation							(132,266)	
Total (Africa)	52,030		16,814		3,131		469,799	
Africa % of Consolidated	24%		21%		4%		20%	
Eliminations	(2,444)		(0)		0		0	
Eliminations % of Consolidated	-1%		0%		0%		0%	
Consolidated	217,769		80,037		74,838		3,060,093	

Six Months Ended:
Amount in Rs Mn, except ratios

Segment	Six Months Ended Sep 2017						As at Sep 30, 2017	
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total	Cummulative Investments	% of Total
Mobile Services	251,597	74%	86,369	68%	111,783	83%	1,983,494	81%
Homes Services	13,071	4%	5,729	4%	3,664	3%	66,226	3%
Digital TV Services	18,343	5%	6,817	5%	5,852	4%	75,435	3%
Airtel Business	56,018	16%	19,223	15%	3,685	3%	93,755	4%
Tower Infrastructure Services	32,595	10%	16,084	13%	6,256	5%	193,794	8%
Others (India)	1,991	1%	(1,835)	-1%	2,617	2%	9,850	0%
South Asia	1,999	1%	(77)	0%	546	0%	35,475	1%
Sub Total	375,614	110%	132,310	103%	134,403	100%	2,458,028	100%
Eliminations	(34,147)	-10%	(4,450)	-3%	1	0%		
Accumulated Depreciation and Amortisation							(885,939)	
Total (India & SA)	341,468	100%	127,861	100%	134,404	100%	1,572,089	
India SA % of Consolidated	78%		81%		96%		80%	
Africa	100,558		30,430		6,292		602,065	
Accumulated Depreciation and Amortisation							(132,266)	
Total (Africa)	100,558		30,430		6,292		469,799	
Africa % of Consolidated	23%		19%		4%		20%	
Eliminations	(4,675)		(24)		0		0	
Eliminations % of Consolidated	-1%		0%		0%		0%	
Consolidated	437,350		158,267		140,695		3,060,093	

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	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Mobile Services	000's	366,060	362,676	0.9%	346,886	5.5%
India	000's	282,047	280,647	0.5%	259,941	8.5%
South Asia	000's	2,086	1,990	4.8%	8,800	-76.3%
Africa	000's	81,927	80,039	2.4%	78,145	4.8%
Homes Services	000's	2,159	2,137	1.1%	2,083	3.7%
Digital TV Services	000's	13,521	13,314	1.6%	12,405	9.0%
Airtel Business	000's	1,743	1,743	0.0%	1,714	1.7%
Total	000's	383,484	379,870	1.0%	363,088	5.6%

Note 8: Reported Y-o-Y customer base growth impacted on account of Africa / Bangladesh divested operating units.

4.2 Traffic Details – Consolidated

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Mobile Services	Mn Min	478,107	458,946	4.2%	358,862	33.2%
India	Mn Min	437,142	421,912	3.6%	313,403	39.5%
South Asia	Mn Min	1,347	1,261	6.8%	8,819	-84.7%
Africa	Mn Min	39,618	35,773	10.7%	36,640	8.1%
Homes Services	Mn Min	3,500	3,474	0.8%	3,128	11.9%
Airtel Business	Mn Min	3,151	3,173	-0.7%	3,002	5.0%
National Long Distance Services	Mn Min	56,709	51,125	10.9%	34,226	65.7%
International Long Distance Services	Mn Min	5,103	5,168	-1.3%	5,193	-1.7%
Total Minutes on Network (Gross)	Mn Min	546,570	521,886	4.7%	404,411	35.2%
Eliminations	Mn Min	(56,881)	(51,262)	-11.0%	(34,258)	-66.0%
Total Minutes on Network (Net)	Mn Min	489,690	470,623	4.1%	370,153	32.3%

Note 9: Reported Y-o-Y traffic growth impacted on account of Africa / Bangladesh divested operating units.

4.3 Mobile Services India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Customer Base	000's	282,047	280,647	0.5%	259,941	8.5%
VLR	%	96.5%	96.9%		97.4%	
Net Additions	000's	1,400	6,999	-80.0%	4,206	-66.7%
Pre-Paid (as % of total Customer Base)	%	93.7%	93.8%		93.7%	
Monthly Churn	%	3.9%	3.8%		3.7%	
Average Revenue Per User (ARPU)	Rs	145	154	-6.3%	188	-23.0%
Average Revenue Per User (ARPU)	US\$	2.2	2.4	-6.2%	2.8	-19.6%
Revenue per towers per month	Rs	250,234	264,200	-5.3%	306,055	-18.2%
Revenues						
Mobile Services ¹⁰	Rs Mn	122,115	128,570	-5.0%	145,065	-15.8%
Voice						
Minutes on the network	Mn	437,142	421,912	3.6%	313,403	39.5%
Voice Usage per customer	min	518	507	2.2%	406	27.7%
Data						
Data Customer Base	000's	65,769	62,560	5.1%	62,659	5.0%
Of which Mobile Broadband customers	000's	55,218	48,911	12.9%	41,335	33.6%
As % of Customer Base	%	23.3%	22.3%		24.1%	
Total MBs on the network	Mn MBs	783,809	472,385	65.9%	178,125	340.0%
Data Usage per customer	MBs	4,087	2,611	56.5%	1,000	308.7%

Note 10: Excludes revenues from network groups building / providing fiber connectivity and group eliminations.

4.4 Homes Services

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Homes Customers	000's	2,159	2,137	1.1%	2,083	3.7%
Of which no. of broadband (DSL) customers	000's	2,001	1,978	1.1%	1,897	5.5%
As % of Customer Base	%	92.7%	92.6%		91.1%	
Net additions	000's	23	8	198.0%	64	-64.7%
Average Revenue Per User (ARPU)	Rs	989	1,048	-5.7%	1,143	-13.4%
Average Revenue Per User (ARPU)	US\$	15.4	16.3	-5.5%	17.0	-9.7%
Non Voice Revenue as % of Homes revenues	%	90.4%	89.1%		86.7%	

4.5 Digital TV Services

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Digital TV Customers	000's	13,521	13,314	1.6%	12,405	9.0%
Net additions	000's	207	499	-58.6%	256	-19.3%
Average Revenue Per User (ARPU)	Rs	233	228	1.9%	232	0.3%
Average Revenue Per User (ARPU)	US\$	3.6	3.5	2.0%	3.5	4.6%
Monthly Churn	%	1.4%	0.9%		1.2%	

4.6 Network and Coverage - India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Mobile Services						
Census Towns	Nos	7,896	7,896	0	7,889	7
Non-Census Towns and Villages	Nos	786,032	785,823	209	781,679	4,353
Population Coverage	%	95.3%	95.3%		95.1%	
Optic Fibre Network	R Kms	232,150	230,914	1,236	218,799	13,351
Network towers	Nos	162,954	162,380	574	158,934	4,020
<i>Of which Mobile Broadband towers</i>	Nos	123,181	120,132	3,049	110,382	12,799
Total Mobile Broadband Base stations	Nos	226,132	203,506	22,626	148,078	78,054
Homes Services- Cities covered	Nos	88	88	0	87	1
Airtel Business - Submarine cable systems	Nos	7	7	0	7	0
Digital TV Services						
Districts Covered	Nos	639	639	0	639	0
Coverage	%	100%	100%		100%	

4.7 Tower Infrastructure Services

4.7.1 Bharti Infratel Standalone

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Total Towers	Nos	39,264	39,211	53	38,832	432
Total Co-locations	Nos	94,538	93,297	1,241	83,085	11,453
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	36,394	37,292	-2.4%	37,868	-3.9%
Average Sharing Factor	Times	2.39	2.33		2.13	

Additional Information:

4.7.2 Indus Towers

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Total Towers	Nos	123,073	122,920	153	121,330	1,743
Total Co-locations	Nos	298,929	297,867	1,062	275,499	23,430
Average Sharing Factor	Times	2.43	2.39		2.26	

4.7.3 Bharti Infratel Consolidated

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Total Towers	Nos	90,955	90,837	118	89,791	1,164
Total Co-locations	Nos	220,088	218,401	1,687	198,795	21,294
Average Sharing Factor	Times	2.41	2.36		2.21	

4.8 Human Resource Analysis – India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Total Employees	Nos	17,657	18,369	(712)	19,462	(1,805)
Number of Customers per employee	Nos	16,960	16,214	746	14,189	2,772
Personnel cost per employee per month	Rs	115,911	112,247	3.3%	105,915	9.4%
Gross Revenue per employee per month	Rs	3,157,990	3,129,115	0.9%	3,291,680	-4.1%

4.9 Africa – 15 Countries

4.9.1 Operational Performance (In Constant Currency)

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Customer Base	000's	81,927	80,039	2.4%	78,145	4.8%
VLR	%	82.0%	80.3%		81.2%	
Net Additions	000's	1,888	(22)	8600.7%	2,377	-20.6%
Pre-Paid (as % of total Customer Base)	%	99.0%	99.0%		99.2%	
Monthly Churn	%	4.9%	5.0%		5.3%	
Average Revenue Per User (ARPU)	US\$	3.2	3.1	4.8%	3.3	-2.7%
Revenue per site per month	US\$	12,654	12,000	5.5%	12,795	-1.1%
Voice						
Minutes on the network	Mn	39,618	35,773	10.7%	36,570	8.3%
Voice Usage per customer	min	163	149	9.3%	159	2.6%
Data						
Data Customer Base	000's	21,711	19,369	12.1%	18,071	20.1%
As % of Customer Base	%	26.5%	24.2%		23.1%	
Total MBs on the network	Mn MBs	62,982	48,386	30.2%	34,269	83.8%
Data Usage per customer	MBs	1,018	860	18.3%	670	51.9%

Constant currency rates as on March 1, 2017 (AOP FY 2017-18 Currency) considered for above KPIs
Refer page 53 for the last 5 quarter trends in constant currency.

4.9.2 Network & Coverage

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Network towers	Nos	20,305	20,377	(72)	19,866	439
Of which Mobile Broadband towers	Nos	13,866	13,888	(22)	13,280	586
Total Mobile Broadband Base stations	Nos	16,729	15,127	1,602	13,317	3,412

4.9.3 Human Resource Analysis

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Q-on-Q Growth	Sep 30, 2016	Y-on-Y Growth
Total Employees	Nos	3,737	3,871	(134)	4,058	(321)
Number of Customers per employee	Nos	21,923	20,677	1,247	19,257	2,666
Personnel cost per employee per month	US\$	5,485	5,434	0.9%	5,545	-1.1%
Gross Revenue per employee per month	US\$	69,741	63,376	10.0%	62,572	11.5%

SECTION 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 India & SA

A. Key Industry Developments

A. Revision of Mobile Termination Charges (MTC)

- In September, 2017 the sector regulator Telecom Regulatory Authority of India (TRAI) came out with final regulation on termination rates for the industry effective from October 1, 2017. The Mobile Termination charge has been reduced from Rs 0.14 per min to Rs 0.06 per min.
- The regulation also lays out a roadmap to phase out these charges completely w.e.f January 1, 2020.

B. Regulation on Quality of Service

- TRAI has released an amendment to the Quality of Service regulation w.e.f October 1, 2017 and key highlights are as below :
 - Methodology for assessment of Drop Call Rate (DCR) has been revised from 'simple average' of call drop across all Base Transceiver Station (BTS) in a month to a 'percentile' based approach which better reflects area-to-area and day-to-day variations.
 - To ensure a technology agnostic performance measurement, the DCR assessment will be done across all technologies (GSM, WCDMA, CDMA, LTE etc) as a whole.
 - Graded financial disincentives for failing to meet DCR benchmarks have been introduced. Disincentives range up to Rs 5 lakhs per parameter in the first month.

C. Implementation of the Goods and Services Tax (GST)

With the enactment of GST Act, 2017, various central and state taxes have been subsumed in a unified Goods & Services tax (GST) w.e.f July 1, 2017. The GST rate for telecommunication and broadcast services has been fixed at 18%.

B. Key Company Developments

- Airtel is one of only 3 companies from India to be ranked amongst the **Forbes' list of 100 most innovative companies in the world** for 2017.
- Airtel has won the prestigious '**Golden Peacock Award for Corporate Sustainability - 2017**'. The award assesses the responsiveness of organizational strategy to the needs of different stakeholders, integration of sustainable

development issues with corporate functioning and development of innovative partnership models to fulfill social responsibility.

- Airtel Global Business has won the '**Best Wholesale Carrier (Global) Award**' at the Carriers World Awards' 2017 held in London, UK.
- **Airtel released its India Sustainability Report - 2017** outlining its impact across all stakeholders. Airtel reported over 81% reduction in CO2 emissions per TB in network infrastructure over the last five years and committed to reduce carbon footprint by 70% by 2020.
- Airtel's Internet TV – India's first 4K hybrid set-top box, powered by Android TV, has won the '**Tech Peripheral of the Year**' award at the NEXA NDTV Gadget Guru Awards.
- **Airtel** has entered into an understanding with **Tata Teleservices Ltd & Tata Teleservices Maharashtra Ltd** to **merge their Consumer Mobile Businesses (CMB)**. The merger will provide quality network experience to their customer base and bolster Airtel's spectrum pool in the 1800, 2100 and 850 MHz bands. The merger is subject to various regulatory approvals.
- Airtel has completed the proposed acquisition of shares of Tikona Digital Networks. With the said acquisition, **Tikona has become a wholly owned subsidiary of Airtel**. Merger is subject to other statutory approvals.
- **In an industry first**, Airtel announced the deployment of **Massive Multiple-Input Multiple-Output (MIMO)** in partnership with Huawei Telecommunication India. Part of Airtel's ongoing network transformation program, **Project Leap**, this technology will expand existing network capacity and enhance user experience. The first round of deployment has started in Bangalore and Kolkata.
- Airtel announced a **strategic partnership with SK Telecom**, Korea's largest telecommunications company to leverage the latter's expertise to build the most advanced telecom network in India.
- **Airtel launched 'Mera Pehla Smartphone'** initiative wherein Airtel and Karbonn Mobiles have announced a partnership to bring an affordable 4G Smartphone to the market. The Android based 4G smartphone comes with full touch screen experience, dual SIM slots and access to all popular apps like YouTube, WhatsApp and Facebook.
- Airtel launched its **VoLTE services** in Mumbai on September 11, 2017 and then subsequently in Madhya Pradesh and Chhattisgarh. Customers can now enjoy HD quality voice calls and call any mobile, landline network using Airtel VoLTE, which works over 4G.

- Airtel entered into a **strategic alliance with Symantec Corp.** to serve the growing cyber security requirements of businesses in India, providing protection and prevention of online threats. As part of the agreement, Airtel will be the exclusive Cyber Security Services partner for Symantec in India, and will distribute Symantec's enterprise security software.
- Airtel Payments Bank entered into a **strategic partnership with Hindustan Petroleum Corporation Limited (HPCL)**, and enabled all 14,000 HPCL fuel stations across the country to also act as its banking points. Airtel Payments Bank customers will also be able to make secure and convenient digital payments for fuel purchases at all these stations.
- **In an industry first**, Airtel Payments Bank launched **UPI enabled digital payments** which allows for secure digital payments to online/offline merchants and instant money transfers to any bank account in India over smartphones.

5.2 Africa

A. Key Industry Developments

- The **Reserve Bank of Malawi** has passed a law in June, 2017 which makes mobile money interoperability mandatory with an implementation timeline of six months.
- The **Rwandan Regulator has set a new glide path for Mobile Termination Revenue (MTR)** effective from September 1, 2017. The current MTR rate of 20.7 FRW will change to 15 FRW till December 31, 2017, 10 FRW till December 31, 2018 and finally 5 FRW from January 1, 2019.

B. Key Company Developments

- Airtel Nigeria won the **'Service Excellence in Telecommunication Award'** at the 2017 Commerce & Industry Awards organized by the Lagos Chamber of Commerce and Industry.
- Airtel Nigeria won the **'Payment Innovation Award'** at an award ceremony organized by Interswitch, Africa's leading transaction switching and processing services company. The award recognises Airtel's transformative use of mobile financial solutions to solve real world customer problems.

- Airtel Ghana won the **'Best Corporate Social Responsibility Initiative Award'** at the 2017 African Carrier Awards. The award recognizes Airtel Ghana's educational initiatives like the School Adoption Programme.
- The transaction between **Airtel and Millicom International Cellular** to combine their telecommunication operations in Ghana has been consummated.

5.3 Share of Associates / Joint Ventures

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	
		Jun-17	Mar-17
Operational Performance			
Customer Base	000's	39,570	36,200
Data Customer as % of Customer Base	%	56.1%	55.3%
ARPU	BDT	132	133
Financial Highlights (proportionate share of Airtel)			
Total revenues	Rs Mn	3,310	3,256
EBITDA	Rs Mn	526	573
EBITDA / Total revenues	%	15.9%	17.6%
Net Income	Rs Mn	135	(371)

5.4 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 Sep 30, 2017

- Overall customer base at 383.5 Mn across 17 countries (up 7.7% Y-o-Y on underlying basis*)
- Net addition of 27.3 Mn customers over the previous year (on underlying basis)
- Consolidated mobile data traffic at 853.2 Bn MBs (up 293.8% Y-o-Y on underlying basis)
- Total revenues of Rs 217.8 Bn; down 10.4% Y-o-Y (underlying basis)
- EBITDA at Rs 80.0 Bn; down 15.4% Y-o-Y (underlying down 15.0% Y-o-Y); EBITDA margin down 1.6% Y-o-Y
- EBIT at Rs 32.9 Bn; down 27.0% Y-o-Y
- Consolidated net income of Rs 3.4 Bn (Q1'18 : Rs 3.7 Bn) vis-à-vis Rs 14.6 Bn in the corresponding quarter last year
- Return on Capital Employed (ROCE) at 5.1% vis-à-vis 7.4% in the corresponding quarter last year

Results for the quarter ended Sep 30, 2017

5.4.1 Bharti Airtel Consolidated

As on Sep 30, 2017, the company had 383.5 Mn customers, an increase of 5.6% (7.7% underlying) as compared to 363.1 Mn in the corresponding quarter last year. Total minutes of usage on the network during the quarter were 489.7 Bn, representing a growth of 32.3% (35.0% underlying) as compared to 370.2 Bn in the corresponding quarter last year. Mobile Data traffic grew at 285.2% (293.8% underlying) to 853.2 Bn MBs during the quarter as compared to 221.5 Bn MBs in the corresponding quarter last year.

Consolidated revenues for the quarter stood at Rs 217,769 Mn, down 11.7% (underlying down 10.4%) compared to Rs 246,515 Mn in the corresponding quarter last year, primarily due to decline of mobile revenues in India.

India revenues for the quarter stood at Rs 167,282 Mn, down 13.0% compared to Rs 192,188 Mn in the corresponding quarter last year, primarily led by drop in mobile segment.

Consolidated net revenues, after netting off access costs and cost of goods sold, decreased by 12.1% (10.9% underlying) to Rs 190,820 Mn as compared to Rs 217,050 Mn in the corresponding quarter last year.

Our continued focus on costs & efficiencies has resulted in an opex (excluding access costs, costs of goods sold and license fees) decline of 6.9% Y-o-Y (4.9% underlying) to Rs 91,616 Mn for the quarter ending September 30, 2017.

Consolidated EBITDA of Rs 80,037 Mn during the quarter, decreased by 15.4% (15.0% underlying) compared to Rs 94,662 Mn in the corresponding quarter last year. EBITDA margin for the quarter was at 36.8% as compared to 38.4% in the corresponding quarter last year. India EBITDA margin for the quarter was at 37.8% as compared to 42.8% in the corresponding quarter last year.

Depreciation and amortization expenses amounted to Rs 46,873 Mn down from Rs 49,560 Mn in the corresponding quarter last year, primarily due to divestment of operating units and tower assets in Africa / Bangladesh. EBIT for the quarter was at Rs 32,898 Mn as compared to Rs 45,042 Mn in the corresponding quarter last year resulting in EBIT margin of 15.1% as compared

to 18.3% in the corresponding quarter last year. Cash profits from operations (before derivative and exchange fluctuations) for the quarter were at Rs 60,417 Mn as compared to Rs 77,240 Mn in the corresponding quarter last year.

Net finance costs for the quarter were at Rs 23,266 Mn, higher by Rs 4,209 Mn as compared to corresponding quarter last year mainly due to lower investment income by Rs 2,335 Mn and higher forex & derivative losses of Rs 1,195 Mn (Q2'18 – Rs 4,219 Mn, Q2'17 – Rs 3,023 Mn).

The resultant profit before tax and exceptional items for the quarter ended September 30, 2017 was Rs 12,988 Mn as compared to Rs 27,353 Mn in the corresponding quarter last year.

The consolidated income tax expense for the period of six months ending September 30, 2017 was Rs 13,909 Mn as compared to Rs 24,404 Mn in the corresponding period of last year. The decline is primarily led by drop in profits in India. After adjusting for certain losses where no DTA was created, the underlying effective tax rate in India for the period was at 29.2% vs 29.4% for the full year ended March 31, 2017. The tax charge in Africa (excluding divested units) for the period of six months ending September 30, 2017 was at \$ 91 Mn (full year 2016-17: \$ 160 Mn) is higher as compared to last year average, primarily on account of higher profit and change in profit mix of the countries.

Net income before exceptional items for the quarter ended September 30, 2017 was Rs 4,724 Mn as compared to Rs 13,700 Mn in the corresponding quarter last year. After accounting for loss of Rs 1,455 Mn towards exceptional items (net of tax) (details provided below in 5.4.2), the resultant net income for the quarter ended September 30, 2017 came in at Rs 3,430 Mn, compared to Rs 14,607 Mn in the corresponding quarter last year and Rs 3,673 Mn in the previous quarter.

The capital expenditure for the quarter was Rs 74,838 Mn as compared to Rs 52,875 Mn in the corresponding quarter last year. The consolidated operating free cash flow during the quarter was at Rs 5,199 Mn as compared to Rs 41,786 Mn in the corresponding quarter last year.

Consolidated net debt for the company has increased by Rs 36,398 Mn to Rs 914,801 Mn as compared to Rs 878,404 Mn for the previous quarter. The net debt excluding the DOT obligations has increased by Rs 25,543 Mn as compared to previous quarter and stood at Rs 454,009 Mn as at 30 September 2017, (Rs 428,466 Mn as at 30 June 2017). The Net Debt-EBITDA ratio (LTM) as at September 30, 2017 was at 2.91 times as compared

* Underlying growth mentioned in **section 5.4.1** is after adjusting for Africa / Bangladesh divested operating units and tower assets sale.

to 2.67 times as on June 30, 2017. The Net Debt-Equity ratio was at 1.31 times as at September 30, 2017 as compared to 1.29 times as on June 30, 2017.

EBITDA decline along with higher spectrum costs and continued investments in India have resulted in decline of Return on Capital Employed (ROCE) to 5.1% from 7.4% in the corresponding quarter last year.

5.4.2 Exceptional Items

Exceptional items during the quarter ended September 30, 2017 was Rs 1,455 Mn (net of tax) which mainly includes charge towards costs on network re-farming and up-gradation program.

5.4.3 B2C Services – India

5.4.3.1 Mobile Services

Mobile market continues to experience value erosion and financial stress which is likely to increase further by the recent reduction in IUC rates from 14p to 6p.

As on September 30, 2017, the company had 282.0 Mn customers as compared to 259.9 Mn in the corresponding quarter last year, an increase of 8.5%. The churn has increased to 3.9% for the quarter ending September 30, 2017 compared to 3.7% in the corresponding quarter last year on account of continuous competitive pressures. Bundled offers with unlimited voice calling benefits resulted in minutes traffic growth of 39.5% to 437.1 Bn during the quarter as compared to 313.4 Bn in the corresponding quarter last year.

Continued adoption of bundled packs has resulted in healthy data customer addition of 3.2 Mn on a sequential quarter basis and was at 65.8 Mn at the end of the quarter. With the increased penetration of bundled offers, the total MBs on the network have increased by 340.0% to 783.8 Bn MBs as compared to 178.1 Bn MBs in the corresponding quarter last year. Mobile Data usage per customer witnessed an increase of 308.7% to 4,087 MBs during the quarter as compared to 1,000 MBs in the corresponding quarter last year and has increased by 56.5% compared to previous quarter.

The company has stepped up investments on upgradation and expansion of network towers. By the end of the quarter, the company had 162,954 network towers as compared to 158,934 network towers in the corresponding quarter last year. Out of the total number of towers, 123,181 are mobile broadband towers. The company has total 226,132 mobile broadband base stations as compared to 148,078 mobile broadband base stations at the end of the corresponding quarter last year and 203,506 at the end of the previous quarter.

Revenue from mobile services decreased by 16.8% to Rs 122,450 Mn as compared to Rs 147,243 Mn in the corresponding quarter last year due to reasons mentioned above. Overall ARPU for the quarter was Rs 145 as compared to Rs 188 in the corresponding quarter last year.

EBITDA for the quarter was at Rs 42,087 Mn as compared to Rs 62,775 Mn in the corresponding quarter last year. EBITDA

margin was at 34.4% during the quarter as compared to 42.6% in the corresponding quarter last year. EBIT during the quarter was Rs 11,378 Mn as compared to Rs 33,398 Mn in the corresponding quarter last year. EBIT margin was at 9.3% as compared to 22.7% in corresponding quarter last year.

During the quarter, the company has incurred a capex of Rs 61,053 Mn, primarily to enhance data capabilities. This capex investment along with decline in EBITDA has resulted into cash burn of Rs 18,966 Mn for the quarter as compared to positive cash flow of Rs 25,720 Mn in the corresponding quarter last year.

5.4.3.2 Homes Services

As on September 30, 2017, the company had its Homes operations in 88 cities with 2.2 Mn customers, out of which 2.0 Mn were broadband (DSL) customers, representing 92.7% of the total Homes customers. As on September 30, 2017, 81.9% of total Homes customers were V-Fiber enabled customers. Net customer additions for Homes segment during the quarter were 23 K.

For the quarter ended September 30, 2017, revenues from Homes operations were Rs 6,367 Mn as compared to Rs 7,063 Mn in the corresponding quarter last year due to broadband ARPU dilution as fixed line operators rollout ring fencing plans to protect their data customers. EBITDA for the quarter was at Rs 2,715 Mn compared to Rs 3,347 Mn in the corresponding quarter last year. EBITDA margin was at 42.6% during the quarter as against 47.4% in the corresponding quarter last year. EBIT for the quarter ended September 30, 2017 was Rs 1,089 Mn as compared to Rs 1,634 Mn in the corresponding quarter last year.

During the quarter ended September 30, 2017, the company incurred capital expenditure of Rs 1,599 Mn primarily on network upgradation and capacity enhancement. The resulting operating cash flow for the quarter was Rs 1,116 Mn as compared to Rs 1,186 Mn in the corresponding quarter last year.

5.4.3.3 Digital TV Services

As on September 30, 2017, the company had its Digital TV operations in 639 districts. DTH had 13.5 Mn customers at the end of the quarter, which represents an increase of 9.0%, as compared to the corresponding quarter last year. Net customer additions for Digital TV during the quarter were 207 K. ARPU for the quarter was at Rs 233 as compared to Rs 232 in the corresponding quarter last year.

Revenue from Digital TV services increased by 9.6% to Rs 9,369 Mn as compared to Rs 8,545 Mn in the corresponding quarter last year. EBITDA for this segment continued to improve and was at Rs 3,517 Mn as compared to Rs 3,030 Mn in the corresponding quarter last year. The reported EBITDA margin improved to 37.5% in the current quarter, as compared to 35.5% in the corresponding quarter last year. EBIT for the quarter was at Rs 1,230 Mn in the current quarter, as compared to Rs 699 Mn in the corresponding quarter last year.

During the current quarter, the company incurred a capital expenditure of Rs 3,191 Mn. The resultant operating free cash

flow during the quarter was at Rs 326 Mn as compared to Rs 488 Mn in the corresponding quarter last year.

5.4.4 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. Revenue as per point a) above, together with Enterprise Mobile revenues (included in India Mobile) is at Rs 27,503 Mn in this quarter, this is now 16.4% of the total India revenues.

Airtel Business segment has reported revenues of Rs 28,231 Mn as compared to Rs 29,816 Mn in the corresponding quarter last year, decrease of 5.3%. Reduction in low margin revenue streams has led to net revenue growth of 6.6% as compared to corresponding quarter last year.

EBITDA stood at Rs 9,881 Mn during the quarter as compared to Rs 8,440 Mn in the corresponding quarter last year, growth of 17.1%. The reported EBITDA margin improved to 35.0% in the current quarter, as compared to 28.3% in the corresponding quarter last year. EBIT for the current quarter has increased by 19.6% to Rs 7,310 Mn as compared to Rs 6,114 Mn during the corresponding quarter last year. EBIT margin was at 25.9% during the quarter as compared to 20.5% in the corresponding quarter last year.

The company incurred a capital expenditure of Rs 1,532 Mn in Airtel Business as compared to Rs 1,507 Mn in the corresponding quarter last year. Operating free cash flow during the quarter was Rs 8,349 Mn as compared to Rs 6,934 Mn in the corresponding quarter last year.

5.4.5 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 September 30, 2017 has increased by 11.0% to Rs 16,613 Mn as compared to Rs 14,962 Mn in the corresponding quarter last year. EBITDA during the quarter was higher by 14.4% at Rs 8,130 Mn compared to Rs 7,106 Mn in the corresponding quarter last year. EBIT for the quarter was higher by 20.3% to Rs 5,051 Mn as compared to Rs 4,200 Mn in the corresponding quarter last year.

As at the end of the quarter, Infratel had 39,264 towers with average sharing factor of 2.39 times compared to 2.13 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 90,955 towers with an average sharing factor of 2.41 times as compared to 2.21 times in the corresponding quarter last year, reflecting an improvement in the tenancy ratio.

Bharti Infratel incurred a capital expenditure of Rs 2,796 Mn during the quarter on a standalone basis. Operating free cash flows during the quarter were Rs 5,334 Mn as compared to Rs

4,978 Mn in the corresponding quarter last year. The share of profits of Indus during the quarter came in at Rs 3,304 Mn as compared to Rs 2,866 Mn in the corresponding quarter last year.

5.4.6 Africa

In Africa, exchange rates have been comparatively stable versus the US dollar. The revenue-weighted currency appreciation during the quarter has been 0.14% compared to previous quarter, mainly caused by appreciation in CFA currency. 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, 2017 and are adjusted for divestment of operating units for all the periods i.e. the comparison till PBT has been given below for 15 countries. PBT as mentioned below excludes any realized/unrealized derivatives and exchange gain or loss for the period.

As on September 30, 2017, the company had an aggregate customer base of 81.9 Mn as compared to 78.1 Mn in the corresponding quarter last year, an increase of 4.8%. Our focus on acquiring quality customers has resulted in a lower customer churn for the quarter at 4.9% as compared to 5.3% in the corresponding quarter last year. Total minutes on network during the quarter registered a growth of 8.3% to 39.6 Bn as compared to 36.6 Bn in the corresponding quarter last year.

Data customers during the quarter increased by 20.1% to 21.7 Mn as compared to 18.1 Mn in the corresponding quarter last year. Data customers now represent 26.5% of the total customer base, as compared to 23.1% in the corresponding quarter last year. The total MBs on the network grew at a healthy growth rate of 83.8% to 63.0 Bn MBs compared to 34.3 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 1,018 MBs as compared to 670 MBs in the corresponding quarter last year, an increase of 51.9%.

The total customer base using the Airtel Money platform increased by 3.5% to 9.5 Mn as compared to 9.1 Mn in the corresponding quarter last year. The total number of transactions during the quarter increased by 23.8% to 424 Mn as compared to 342 Mn in the corresponding quarter last year. Total value of transactions on the Airtel money platform has witnessed a strong growth of 31.1% to \$ 4,853 Mn in the current quarter as compared to \$ 3,703 Mn in the corresponding quarter last year.

The company had 20,305 network towers at end of the quarter as compared to 19,866 network towers in the corresponding quarter last year. 3G has been rolled out in 15 countries and 4G across 3 countries. Out of the total number of towers, 13,866 are mobile broadband towers. The company has total 16,729 mobile broadband base stations as compared to 13,317 mobile broadband base stations at the end of the corresponding quarter last year.

Africa revenues at \$ 782 Mn grew by 2.6% (2.8% adjusted for divestment of tower assets) as compared to \$ 762 Mn in the corresponding quarter last year. Increase in data & Airtel Money penetration led to faster net revenue growth of 6.1% (6.3% underlying).

Our continued cost control initiatives have resulted into lower opex at \$ 384 Mn as compared to \$ 416 Mn in the corresponding quarter last year. EBITDA was at \$ 251 Mn as compared to \$ 176 Mn in the corresponding quarter last year. EBITDA margin improved significantly by 8.9% (9.1% normalized for divestment of tower assets) and was at its highest ever level of 32.1% for the quarter. Depreciation and amortization charges were at \$ 127 Mn as compared to \$ 158 Mn in the corresponding quarter last year. EBIT for the quarter was at \$ 123 Mn as compared to \$ 18 Mn in the corresponding quarter last year.

The resultant profit before tax and exceptional items for the quarter was at \$ 92 Mn as compared to loss of \$ 20 Mn in the corresponding quarter last year.

On reported basis, after accounting for the finance costs and taxes, the net income for the quarter was \$ 48 Mn as compared to a loss of \$ 91 Mn in the corresponding quarter last year.

Capital expenditure during the quarter was \$ 50 Mn for African operations. Operating free cash flow during the quarter was at \$ 201 Mn, as compared to \$ 74 Mn in the corresponding quarter last year.

5.5 Bharti's Three Line Graph

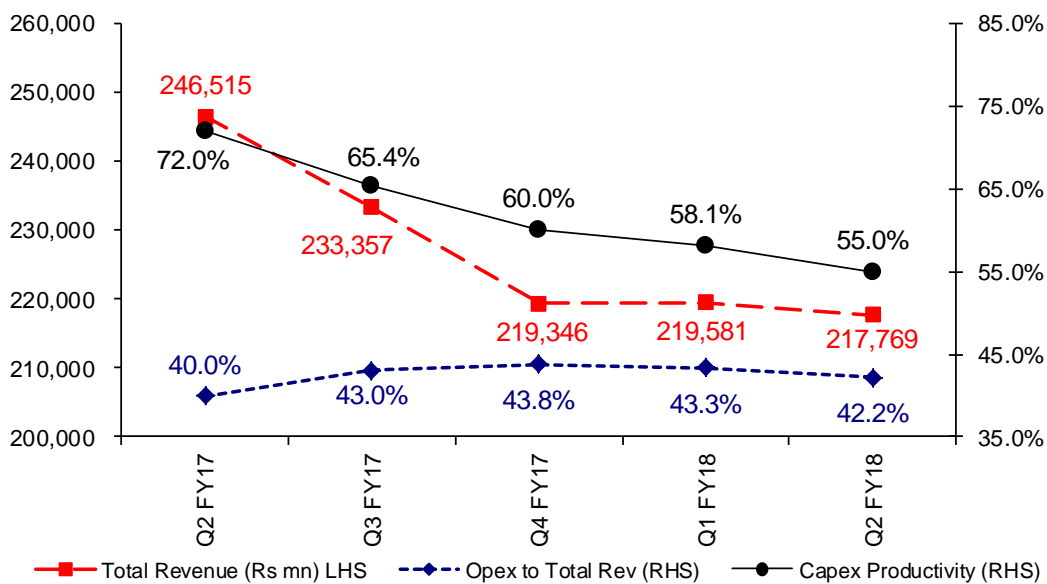
The Company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

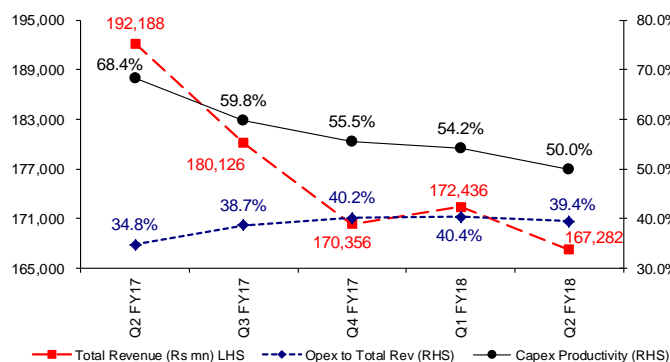
1. Total Revenues i.e. absolute turnover/sales
2. Opex Productivity – this is computed by dividing operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs (ii) network operations costs and (iii) selling, general and administrative costs. 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:

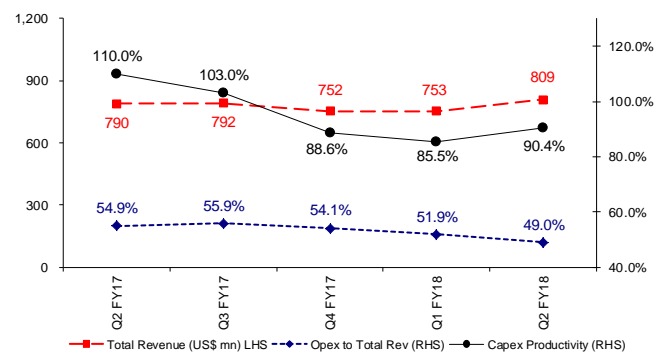
5.5.1 Bharti Airtel – Consolidated



5.5.2 Bharti Airtel – India



5.5.3 Bharti Airtel – Africa



SECTION 6

STOCK MARKET HIGHLIGHTS

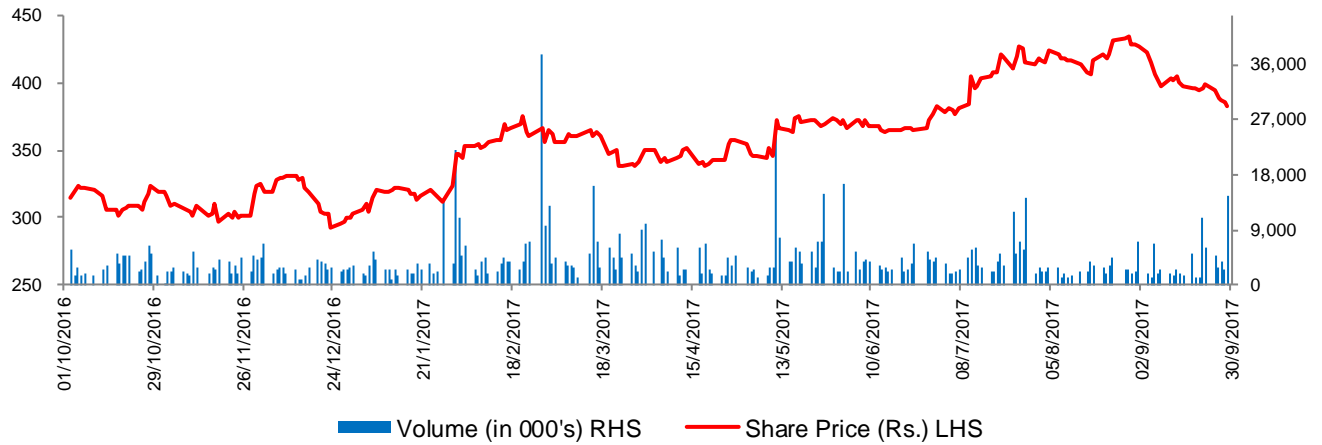
6.1 General Information

Shareholding and Financial Data	Unit	
Code/Exchange		532454/BSE
Bloomberg/Reuters		BHARTI IN/BRTI.BO
No. of Shares Outstanding (30/09/17)	Mn Nos	3,997.40
Closing Market Price - BSE (30/09/17)	Rs /Share	388.65
Combined Volume (NSE & BSE) (01/10/16 - 30/09/17)	Nos in Mn/day	4.11
Combined Value (NSE & BSE) (01/10/16 - 30/09/17)	Rs Mn /day	1,475.63
Market Capitalization	Rs Bn	1,554
Market Capitalization	US\$ Bn	23.80
Book Value Per Equity Share	Rs /share	174.05
Market Price/Book Value	Times	2.23
Enterprise Value	Rs Bn	2,522
Enterprise Value	US\$ Bn	38.63
Enterprise Value/ EBITDA (LTM)	Times	7.79
P/E Ratio (LTM)	Times	97.87

6.2 Summarized Shareholding pattern as of September 30, 2017

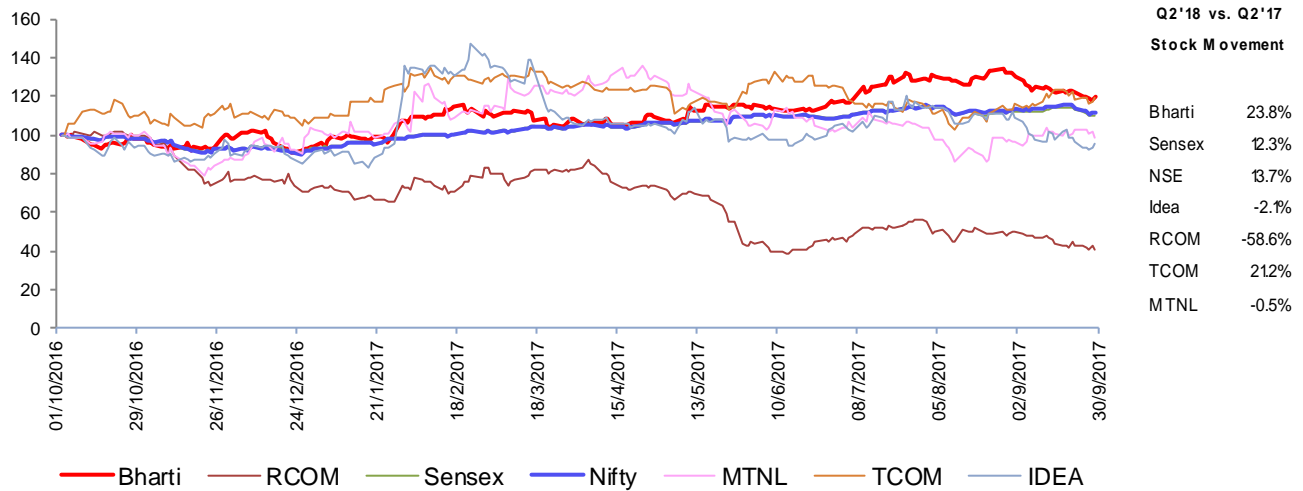
Category	Number of Shares	%
Promoter & Promoter Group		
Indian	1,818,108,269	45.48%
Foreign	865,673,286	21.66%
Sub total	2,683,781,555	67.14%
Public Shareholding		
Institutions	1,050,703,643	26.28%
Non-institutions	261,813,167	6.55%
Sub total	1,312,516,810	32.83%
Others	1,101,737	0.03%
Total	3,997,400,102	100.00%

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			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Income						
Revenue	217,769	246,515	-12%	437,350	501,980	-13%
Other income	553	200	177%	1,039	464	124%
Total	218,322	246,715	-12%	438,389	502,444	-13%
Expenses						
Network operating expenses	50,472	50,933	-1%	102,084	104,891	-3%
Access Charges	25,603	28,598	-10%	50,619	55,639	-9%
License fee / spectrum charges (revenue share)	19,720	24,143	-18%	40,540	49,642	-18%
Employee benefits	10,089	10,858	-7%	20,236	22,002	-8%
Sales and marketing expenses	14,104	18,012	-22%	29,469	37,916	-22%
Other expenses	18,561	19,568	-5%	37,598	42,006	-10%
Total	138,549	152,113	-9%	280,546	312,097	-10%
Profit from operating activities before depreciation, amortization and exceptional items	79,773	94,602	-16%	157,843	190,347	-17%
Depreciation and amortisation	46,873	49,560	-5%	95,065	99,962	-5%
Finance costs	24,916	24,626	1%	45,572	44,225	3%
Finance income	(1,650)	(5,569)	-70%	(4,032)	(5,769)	-30%
Non-operating income / expenses, (net)	308	1,329	-77%	(49)	1,354	-104%
Share of results of joint ventures and associates	(3,662)	(2,697)	36%	(6,517)	(5,245)	24%
Profit before exceptional items and tax	12,988	27,353	-53%	27,804	55,820	-50%
Exceptional items	1,786	66		2,289	3,602	-36%
Profit before tax	11,202	27,287	-59%	25,515	52,218	-51%
Tax expense						
Current tax	4,794	11,027	-57%	14,188	23,663	-40%
Deferred tax	547	109	402%	(711)	(2,438)	-71%
Profit for the period	5,861	16,151	-64%	12,038	30,993	-61%

7.1.2 Consolidated Statement of Comprehensive Income

Amount in Rs Mn, except ratios

Particulars	Quarter Ended			Six Months Ended		
	Sep-17	Sep-16	Y-on-Y Growth	Sep-17	Sep-16	Y-on-Y Growth
Profit for the period	5,861	16,151	-64%	12,038	30,993	-61%
Other comprehensive income ('OCI'):						
Items to be reclassified subsequently to profit or loss :						
Net gains / (losses) due to foreign currency translation differences	639	(5,924)	111%	3,117	(37,171)	108%
Gains / (losses) on net investments hedge	(1,870)	(2,206)	15%	(2,942)	(12,866)	77%
Gains / (Losses) on cash flow hedge	(3)	(56)	95%	(37)	225	-116%
Gains / (losses) on fair value through OCI investments	36	58	-38%	42	88	-52%
Tax credit / (charge)	79	34	136%	(89)	(243)	63%
	(1,119)	(8,094)	86%	92	(49,965)	100%
Items not to be reclassified to profit or loss :						
Re-measurement gains / (losses) on defined benefit plans	37	(96)	138%	(34)	(166)	79%
Share of joint ventures and associates	(1)	(18)	94%	(3)	(20)	85%
Tax credit / (charge)	(8)	27	-131%	11	47	-77%
	28	(87)	132%	(26)	(140)	81%
Other comprehensive income / (loss) for the period	(1,091)	(8,181)	87%	66	(50,105)	100%
Total comprehensive income / (loss) for the period	4,770	7,970	-40%	12,104	(19,112)	163%
Profit for the period Attributable to:	5,861	16,151	-64%	12,038	30,993	-61%
Owners of the Parent	3,430	14,607	-77%	7,103	29,227	-76%
Non-controlling interests	2,431	1,544	57%	4,935	1,766	179%
Other comprehensive income / (loss) for the period attributable to :	(1,091)	(8,181)	87%	66	(50,105)	100%
Owners of the Parent	(846)	(8,081)	90%	330	(47,253)	101%
Non-controlling interests	(245)	(100)	-145%	(264)	(2,852)	91%
Total comprehensive income / (loss) for the period attributable to :	4,770	7,970	-40%	12,104	(19,112)	163%
Owners of the Parent	2,584	6,526	-60%	7,433	(18,026)	141%
Non-controlling interests	2,186	1,444	51%	4,671	(1,086)	530%
Earnings per share (Face value : Rs. 5/- each) (In Rupees)						
Basic	0.86	3.66	-77%	1.78	7.31	-76%
Diluted	0.86	3.65	-77%	1.78	7.31	-76%

7.1.3 Consolidated Summarized Balance Sheet

Particulars	Amount in Rs Mn		
	As at Sep 30, 2017	As at Sep 30, 2016	As at Mar 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	625,541	595,048	620,088
Capital work-in-progress	86,317	48,279	23,942
Goodwill	346,458	361,949	338,082
Other intangible assets	811,741	718,905	824,181
Intangible assets under development	92,375	68,065	84,443
Investment in joint ventures and associates	75,819	54,147	82,277
Financial Assets			
- Investments	37,784	57,957	44,187
- Derivative instruments	9,148	16,286	4,732
- Security deposits	9,231	8,716	9,630
- Others	15,673	20,856	16,653
Deferred tax assets (net)	25,589	41,341	26,262
Other non-current assets	35,796	40,355	49,875
	2,171,472	2,031,904	2,124,352
Current assets			
Inventories	544	1,483	488
Financial Assets			
- Investments	18,799	15,580	16,923
- Derivative instruments	2,927	2,729	2,060
- Trade receivables	48,989	56,260	49,838
- Cash and cash equivalents	16,419	21,677	12,817
- Bank deposits	2,764	1,384	3,360
- Others	39,845	32,394	52,105
Current tax assets	21,141	8,175	21,454
Other current assets	96,044	47,967	44,105
Assets-held-for-sale	0	3,022	0
	247,472	190,671	203,150
Total Assets	2,418,944	2,222,575	2,327,502
Equity and liabilities			
Equity			
Share capital	19,987	19,987	19,987
Other Equity	675,704	621,401	654,576
Equity attributable to owners of the Parent	695,691	641,388	674,563
Non-controlling interests ('NCI')	75,497	44,908	68,750
	771,188	686,296	743,313
Non-current liabilities			
Financial Liabilities			
- Borrowings	888,844	879,836	896,373
- Derivative instruments	1,664	118	2,726
- Others	15,793	15,433	15,681
Deferred revenue	21,616	23,457	22,335
Provisions	7,093	7,110	7,471
Deferred tax liabilities (net)	10,163	9,850	9,429
Other non-current liabilities	775	669	727
	945,948	936,473	954,742
Current liabilities			
Financial Liabilities			
- Borrowings	83,843	56,156	129,442
- Current maturities of long term borrowings	80,552	52,143	48,466
- Derivative instruments	1,187	711	2,335
- Trade Payables	304,215	278,731	268,537
- Others	141,402	116,761	88,808
Deferred revenue	43,885	48,641	48,785
Provisions	2,330	2,603	2,215
Current tax liabilities (net)	9,445	8,904	6,089
Other current liabilities	34,949	34,288	34,770
Liabilities-held-for-sale	0	868	0
	701,808	599,806	629,447
Total liabilities	1,647,756	1,536,279	1,584,189
Total equity and liabilities	2,418,944	2,222,575	2,327,502

7.1.4 Consolidated Statement of Cash Flows

Amount in Rs Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Cash flows from operating activities				
Profit before tax	11,202	27,287	25,515	52,218
Adjustments for -				
Depreciation and amortisation	46,873	49,560	95,065	99,962
Finance costs	24,916	24,626	45,572	44,225
Finance income	(1,650)	(5,569)	(4,032)	(5,769)
Share of results of joint ventures and associates	(3,662)	(2,697)	(6,517)	(5,245)
Exceptional items	1,413	(313)	1,997	2,152
Employee share-based payment expenses	65	78	149	175
Other non-cash items	(120)	(30)	(211)	85
Operating cash flow before changes in working capital	79,037	92,942	157,538	187,803
Changes in working capital -				
Trade receivables	(343)	(916)	(51)	1,616
Trade payables	2,851	5,562	34,792	16,126
Inventories	266	(32)	(44)	(17)
Provisions	(23)	221	289	351
Other financial and non financial liabilities	8,068	(2,468)	10,161	8,872
Other financial and non financial assets	(34,161)	(3,802)	(22,199)	(16,973)
Net cash generated from operations before tax and dividend	55,695	91,507	180,486	197,778
Income tax paid	(6,084)	(11,111)	(7,510)	(18,272)
Net cash generated from operating activities (a)	49,611	80,396	172,976	179,506
Cash flows from investing activities				
Purchase of property, plant and equipment	(57,717)	(44,926)	(101,509)	(104,503)
Proceeds from sale of property, plant and equipment	1,672	410	2,416	2,098
Purchase of intangible assets	(3,213)	(26,520)	(5,327)	(73,619)
Net movement in current investments	8,083	33,475	(1,142)	1,280
Purchase of non-current investments	0	(14,736)	0	(14,736)
Sale of non-current investments	0	1,415	6,134	1,415
Investment in subsidiary, net of cash acquired	(16,764)	0	(16,764)	(283)
Sale of subsidiary	0	20,419	0	60,030
Sale of tower assets	92	5,290	1,932	5,410
Proceeds from sale of interest in associate and joint venture	0	447	0	447
Dividend received	109	62	10,205	9,633
Interest received	1,279	539	3,293	1,904
Net cash (used in) / generated from investing activities (b)	(66,459)	(24,125)	(100,762)	(110,924)
Cash flows from financing activities				
Proceeds from borrowings	6,659	21,489	27,996	66,135
Repayment of borrowings	(30,576)	(60,004)	(106,215)	(131,184)
Net (repayment of) / proceeds from short-term borrowings	22,200	(4,042)	20,326	4,649
Proceeds from sale and finance leaseback of towers	99	5,025	1,176	5,117
Repayment of finance lease liabilities	(1,003)	(987)	(2,097)	(1,831)
Interest and other finance charges paid	(6,259)	(6,411)	(17,195)	(16,155)
Proceeds from exercise of share options	9	16	9	18
Dividend paid (including tax)	(8,468)	(9,145)	(18,816)	(9,168)
Proceeds from issuance of equity shares to non-controlling interests	0	250	0	250
Sale of interest in a subsidiary	25,532	0	25,532	0
Purchase of shares from NCI	0	(7,632)	0	(7,632)
Net cash (used in) / generated from financing activities (c)	8,193	(61,441)	(69,284)	(89,801)
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	(8,655)	(5,170)	2,930	(21,219)
Effect of exchange rate on cash and cash equivalents	(9)	(157)	(23)	(978)
Cash and cash equivalents as at beginning of the period	1,691	765	(9,880)	17,635
Cash and cash equivalents as at end of the period	(6,973)	(4,562)	(6,973)	(4,562)

7.2 Consolidated Schedule of Net Debt & Finance Cost

7.2.1 Schedule of Net Debt in INR

Amount in Rs Mn

Particulars	Amount in Rs Mn		
	As at Sep 30, 2017	As at Sep 30, 2016	As at Mar 31, 2017
Long term debt, net of current portion	439,273	474,252	432,782
Short-term borrowings and current portion of long-term debt	99,669	76,406	145,746
Deferred payment liability	460,792	378,648	439,204
Less:			
Cash and Cash Equivalents	16,419	21,677	12,817
Restricted Cash	2,158	2,340	15,440
Investments & Receivables ¹¹	66,357	90,486	75,476
Net Debt	914,801	814,803	913,999

7.2.2 Schedule of Net Debt in US\$

Amount in US\$ Mn

Particulars	Amount in US\$ Mn		
	As at Sep 30, 2017	As at Sep 30, 2016	As at Mar 31, 2017
Long term debt, net of current portion	6,729	7,119	6,674
Short-term borrowings and current portion of long-term debt	1,527	1,147	2,247
Deferred payment liability	7,058	5,684	6,773
Less:			
Cash and Cash Equivalents	251	325	198
Restricted cash	33	35	238
Investments & Receivables ¹¹	1,016	1,358	1,164
Net Debt	14,012	12,232	14,094

Note 11: Investments & Receivables include interest bearing notes and residual portion of Tower sale proceeds receivables.

7.2.3 Schedule of Finance Cost

Amount in Rs Mn, except ratios

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Interest on borrowings & Finance charges	18,765	18,135	38,131	35,350
Interest on Finance Lease Obligation	1,332	1,284	2,673	2,742
Derivatives and exchange (gain)/ loss	4,219	3,023	4,605	6,117
Investment (income)/ loss	(1,051)	(3,386)	(3,869)	(5,753)
Finance cost (net)	23,266	19,057	41,539	38,456

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		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Profit / (loss) from operating activities before depreciation, amortization and exceptional items To EBITDA				
Profit / (Loss) from Operating Activities	79,773	94,602	157,843	190,347
Add: CSR Costs	265	59	426	227
EBITDA	80,037	94,662	158,267	190,575
Reconciliation of Finance Cost				
Finance Cost	24,916	24,626	45,572	44,225
Less: Finance Income	(1,650)	(5,569)	(4,032)	(5,769)
Finance Cost (net)	23,266	19,057	41,540	38,456
Profit / (loss) from operating activities before depreciation, amortization and exceptional items to Cash Profit from Operations before Derivative & Exchange Fluctuation				
Profit / (Loss) from Operating Activities	79,773	94,602	157,843	190,347
Less: Finance cost (net)	23,266	19,057	41,539	38,456
Less: Non Operating Expense	(3,662)	(2,697)	(6,517)	(5,245)
Add: Derivatives and exchange (gain)/loss	4,219	3,023	4,605	6,117
Cash Profit from Operations before Derivative & Exchange Fluctuation	60,417	77,240	120,956	156,654

SECTION 8

REGION WISE COST SCHEDULES

8.1 India

8.1.1 Schedule of Operating Expenses

Amount in Rs Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Access charges	21,302	22,401	41,624	42,170
Licence fees, revenue share & spectrum charges	16,633	20,690	34,139	42,063
Network operations costs	38,555	38,312	77,903	76,653
Cost of goods sold	801	385	1,597	786
Employee costs	6,140	6,184	12,326	12,047
Selling, general and administration expense	21,251	22,394	45,320	46,742
Operating Expenses	104,682	110,365	212,909	220,460

8.1.2 Schedule of Depreciation & Amortization

Amount in Rs Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Depreciation	25,026	25,953	51,348	52,210
Amortization	13,073	10,998	26,087	21,604
Depreciation & Amortization	38,100	36,951	77,435	73,814

8.1.3 Schedule of Income Tax

Amount in Rs Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Current tax expense	3,192	10,055	9,724	19,798
Deferred tax expense / (income)	306	398	(1,604)	85
Income tax expense	3,498	10,453	8,119	19,882

8.2 South Asia

8.2.1 Schedule of Operating Expenses

Amount in Rs Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Access charges	139	644	252	1,301
Licence fees, revenue share & spectrum charges	135	419	263	839
Network operations costs	430	1,460	867	2,931
Cost of goods sold	0	29	2	46
Employee costs	97	324	199	674
Selling, general and administration expense	241	1,084	494	2,337
Operating Expenses	1,042	3,960	2,076	8,128

8.2.2 Schedule of Depreciation & Amortization

Amount in Rs Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Depreciation	307	1,217	598	2,507
Amortization	13	264	25	528
Depreciation & Amortization	319	1,481	623	3,035

8.3 Africa

8.3.1 Schedule of Operating Expenses (In Constant Currency) – 15 Countries

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Access charges	97	118	196	223
Licence fees, revenue share & spectrum charges	44	43	92	89
Network operations costs	181	159	363	332
Cost of goods sold	8	7	13	15
Employee costs	61	68	125	136
Selling, general and administration expense	143	190	279	371
Operating Expenses	534	585	1,068	1,166

8.3.2 Schedule of Operating Expenses (In Constant Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Access charges	97	118	196	228
Licence fees, revenue share & spectrum charges	44	44	92	94
Network operations costs	181	160	363	343
Cost of goods sold	8	7	13	15
Employee costs	61	68	125	141
Selling, general and administration expense	143	191	279	388
Operating Expenses	534	588	1,068	1,209

8.3.3 Schedule of Depreciation & Amortization (In Constant Currency) – 15 Countries

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Depreciation	100	132	204	254
Amortization	27	26	53	52
Depreciation & Amortization	127	158	257	306

8.3.4 Schedule of Depreciation & Amortization (In Constant Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Depreciation	100	133	204	261
Amortization	27	28	53	55
Depreciation & Amortization	127	160	257	316

8.3.5 Schedule of Income Tax (In USD Reported Currency) – 15 Countries

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Current tax expense	25	9	71	54
Deferred tax expense / (income)	7	13	20	26
Income tax expense	32	23	91	80

8.3.6 Schedule of Income Tax (In USD Reported Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Six Months Ended	
	Sep-17	Sep-16	Sep-17	Sep-16
Current tax expense	25	9	71	51
Deferred tax expense / (income)	7	14	20	17
Income tax expense	32	23	91	69

SECTION 9

TRENDS AND RATIO ANALYSIS

9.1 Based on Statement of Operations

Consolidated

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	217,769	219,581	219,346	233,357	246,515
Access charges	25,603	25,016	22,761	24,386	28,597
Cost of goods sold	1,346	1,002	981	1,543	868
Net revenues	190,820	193,563	195,605	207,428	217,050
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	91,616	94,998	95,287	99,737	98,445
Licence Fee	19,720	20,820	20,850	22,268	24,143
EBITDA	80,037	78,231	79,928	85,705	94,662
Cash profit from operations before Derivative and Exchange Fluctuations	60,417	60,539	59,505	67,508	77,240
EBIT	32,898	29,878	29,643	36,748	45,042
Share of results of Joint Ventures/Associates	3,662	2,855	2,508	2,696	2,697
Profit before Tax	12,988	14,816	12,515	20,595	27,353
Profit after Tax (before exceptional items)	7,316	6,579	5,572	7,712	15,280
Non Controlling Interest	2,592	2,518	1,107	1,541	1,580
Net income (before exceptional items)	4,724	4,060	4,465	6,171	13,700
Exceptional items (net of tax)	1,455	402	865	998	(871)
Profit after tax (after exceptional items)	5,861	6,177	4,706	6,715	16,151
Non Controlling Interest	2,429	2,505	972	1,679	1,544
Net income	3,430	3,673	3,734	5,036	14,607
Capex	74,838	65,857	38,082	58,537	52,875
Operating Free Cash Flow (EBITDA - Capex)	5,199	12,374	41,847	27,168	41,786
Cumulative Investments	3,060,093	2,958,339	2,911,547	2,891,535	2,712,477

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	11.8%	11.4%	10.4%	10.5%	11.6%
Cost of goods sold	0.6%	0.5%	0.4%	0.7%	0.4%
Net revenues	87.6%	88.2%	89.2%	88.9%	88.0%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	42.1%	43.3%	43.4%	42.7%	39.9%
Licence Fee	9.1%	9.5%	9.5%	9.5%	9.8%
EBITDA	36.8%	35.6%	36.4%	36.7%	38.4%
Cash profit from operations before Derivative and Exchange Fluctuations	27.7%	27.6%	27.1%	28.9%	31.3%
EBIT	15.1%	13.6%	13.5%	15.7%	18.3%
Share of results of JV / Associates	1.7%	1.3%	1.1%	1.2%	1.1%
Profit before Tax	6.0%	6.7%	5.7%	8.8%	11.1%
Profit after Tax (before exceptional items)	3.4%	3.0%	2.5%	3.3%	6.2%
Non Controlling Interest	1.2%	1.1%	0.5%	0.7%	0.6%
Net income (before exceptional items)	2.2%	1.8%	2.0%	2.6%	5.6%
Profit after tax (after exceptional items)	2.7%	2.8%	2.1%	2.9%	6.6%
Non Controlling Interest	1.1%	1.1%	0.4%	0.7%	0.6%
Net income	1.6%	1.7%	1.7%	2.2%	5.9%

India & South Asia
Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	168,183	173,285	171,167	182,392	196,149
Access charges	21,333	20,328	17,796	18,897	22,841
Cost of goods sold	802	797	715	1,086	413
Net revenues	146,048	152,160	152,656	162,409	172,894
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	66,495	70,245	68,423	70,771	69,706
Licence Fee	16,768	17,634	17,775	19,149	21,109
EBITDA	63,223	64,638	66,871	72,693	82,415
EBIT	24,600	24,863	25,721	33,500	43,940
Profit before Tax	6,885	8,436	12,267	23,048	31,875
Profit after Tax (before exceptional items)	3,382	3,810	8,042	13,041	21,394
Non Controlling Interest	2,373	2,522	1,494	1,970	2,672
Net income (before exceptional items)	1,009	1,288	6,548	11,071	18,723
Capex	71,708	62,696	29,049	54,171	46,094
Operating Free Cash Flow (EBITDA - Capex)	(8,485)	1,942	37,822	18,522	36,322
Cumulative Investments	2,458,028	2,368,975	2,332,858	2,307,154	2,139,440

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.7%	11.7%	10.4%	10.4%	11.6%
Cost of goods sold	0.5%	0.5%	0.4%	0.6%	0.2%
Net revenues	86.8%	87.8%	89.2%	89.0%	88.1%
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	39.5%	40.5%	40.0%	38.8%	35.5%
Licence Fee	10.0%	10.2%	10.4%	10.5%	10.8%
EBITDA	37.6%	37.3%	39.1%	39.9%	42.0%
EBIT	14.6%	14.3%	15.0%	18.4%	22.4%
Profit before Tax	4.1%	4.9%	7.2%	12.6%	16.3%
Profit after Tax (before exceptional items)	2.0%	2.2%	4.7%	7.1%	10.9%
Non Controlling Interest	1.4%	1.5%	0.9%	1.1%	1.4%
Net income (before exceptional items)	0.6%	0.7%	3.8%	6.1%	9.5%

India
Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	167,282	172,436	170,356	180,126	192,188
Access charges	21,302	20,321	17,834	18,698	22,401
Cost of goods sold	801	795	715	1,077	385
Net revenues	145,178	151,319	151,807	160,351	169,403
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	65,741	69,467	67,599	69,160	66,843
Licence Fee	16,633	17,506	17,635	18,876	20,690
EBITDA	63,241	64,702	66,986	72,518	82,206
EBIT	24,938	25,230	26,143	34,238	45,208
Profit before Tax	7,085	9,232	13,422	24,670	34,084
Profit after Tax (before exceptional items)	3,587	4,611	9,203	14,679	23,631
Non Controlling Interest	2,373	2,522	1,494	1,970	2,672
Net income (before exceptional items)	1,214	2,089	7,708	12,709	20,959
Capex	71,440	62,418	28,497	53,714	45,804
Operating Free Cash Flow (EBITDA - Capex)	(8,199)	2,284	38,490	18,804	36,402
Cumulative Investments	2,422,553	2,334,085	2,297,615	2,270,718	2,064,316

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.7%	11.8%	10.5%	10.4%	11.7%
Cost of goods sold	0.5%	0.5%	0.4%	0.6%	0.2%
Net revenues	86.8%	87.8%	89.1%	89.0%	88.1%
Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs)	39.3%	40.3%	39.7%	38.4%	34.8%
Licence Fee	9.9%	10.2%	10.4%	10.5%	10.8%
EBITDA	37.8%	37.5%	39.3%	40.3%	42.8%
EBIT	14.9%	14.6%	15.3%	19.0%	23.5%
Profit before Tax	4.2%	5.4%	7.9%	13.7%	17.7%
Profit after Tax (before exceptional items)	2.1%	2.7%	5.4%	8.1%	12.3%
Non Controlling Interest	1.4%	1.5%	0.9%	1.1%	1.4%
Net income (before exceptional items)	0.7%	1.2%	4.5%	7.1%	10.9%

South Asia
Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	1,028	972	977	2,454	4,169
Access charges	139	114	114	372	644
Cost of goods sold	0	1	0	9	29
Net revenues	889	857	862	2,073	3,497
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	768	792	830	1,639	2,868
Licence Fee	135	127	140	273	419
EBITDA	(15)	(62)	(108)	162	210
EBIT	(334)	(366)	(416)	(751)	(1,271)
Profit before Tax	(511)	(596)	(675)	(1,466)	(2,212)
Profit after Tax (before exceptional items)	(517)	(601)	(680)	(1,483)	(2,240)
Non Controlling Interest	0	0	0	0	0
Net income (before exceptional items)	(517)	(601)	(680)	(1,483)	(2,240)
Capex	267	278	552	457	290
Operating Free Cash Flow (EBITDA - Capex)	(282)	(341)	(660)	(295)	(80)
Cumulative Investments	35,475	34,890	35,243	36,436	75,124

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Exchange Fluctuation Impact					
Reported revenues (Rs Mn)	1,028	972	977	2,454	4,169
a. QoQ growth (%)	5.76%	-0.50%	-60.20%	-41.15%	0.64%
b. Impact of exchange fluctuation (%) ¹²	-0.60%	-5.05%	-0.29%	0.04%	0.64%
c. QoQ growth in constant currency (%) (a - b)	6.35%	4.55%	-59.91%	-41.18%	-0.01%
Revenues in constant currency (Rs Mn) ¹³	1,080	1,015	971	2,423	4,119

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	13.5%	11.7%	11.7%	15.2%	15.4%
Cost of goods sold	0.0%	0.1%	0.0%	0.4%	0.7%
Net revenues	86.5%	88.2%	88.3%	84.5%	83.9%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	74.7%	81.5%	85.0%	66.8%	68.8%
Licence Fee	13.2%	13.1%	14.3%	11.1%	10.1%
EBITDA	-1.4%	-6.4%	-11.1%	6.6%	5.0%
EBIT	-32.5%	-37.6%	-42.6%	-30.6%	-30.5%
Profit before Tax	-49.8%	-61.3%	-69.2%	-59.8%	-53.1%
Profit after Tax (before exceptional items)	-50.3%	-61.8%	-69.7%	-60.4%	-53.7%
Non Controlling Interest	0.0%	0.0%	0.0%	0.0%	0.0%
Net income (before exceptional items)	-50.3%	-61.8%	-69.7%	-60.4%	-53.7%

Note 12: Based on Q-o-Q variation and weighted on the revenues of each country for the current quarter.

Note 13: Closing currency rates as on March 1, 2017 (AOP FY 17-18 currency) considered for calculation of revenues in constant currency of each country.

Africa: In INR – 15 Countries
Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	52,030	48,528	50,468	53,559	52,726
Access charges	6,486	6,565	6,931	7,818	8,162
Cost of goods sold	544	276	297	458	486
Net revenues	45,000	41,687	43,240	45,283	44,078
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	25,496	25,165	27,301	29,440	29,005
Licence Fee	2,952	3,187	3,075	3,119	3,012
EBITDA	16,814	13,616	13,065	12,945	12,126
EBIT	8,300	5,038	3,931	3,180	1,125
Profit before Tax	5,370	7,166	2,703	(4,070)	(6,299)
Profit after Tax (before exceptional items)	3,285	3,388	(40)	(6,716)	(7,827)
Non Controlling Interest	217	31	(399)	(511)	(1,600)
Net income (before exceptional items)	3,067	3,356	359	(6,204)	(6,227)
Capex	3,131	3,161	9,033	4,366	6,875
Operating Free Cash Flow (EBITDA - Capex)	13,684	10,455	4,033	8,579	5,251
Cumulative Investments	602,065	589,364	578,688	584,381	573,154

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.5%	13.5%	13.7%	14.6%	15.5%
Cost of goods sold	1.0%	0.6%	0.6%	0.9%	0.9%
Net revenues	86.5%	85.9%	85.7%	84.5%	83.6%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49.0%	51.9%	54.1%	55.0%	55.0%
Licence Fee	5.7%	6.6%	6.1%	5.8%	5.7%
EBITDA	32.3%	28.1%	25.9%	24.2%	23.0%
EBIT	16.0%	10.4%	7.8%	5.9%	2.1%
Profit before Tax (before exceptional items)	10.3%	14.8%	5.4%	-7.6%	-11.9%
Profit after Tax (before exceptional items)	6.3%	7.0%	-0.1%	-12.5%	-14.8%
Non Controlling Interest	0.4%	0.1%	-0.8%	-1.0%	-3.0%
Net income (before exceptional items)	5.9%	6.9%	0.7%	-11.6%	-11.8%

Africa: In INR
Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	52,030	48,528	50,468	53,559	53,048
Access charges	6,486	6,565	6,931	7,818	8,197
Cost of goods sold	544	276	297	458	487
Net revenues	45,000	41,687	43,240	45,283	44,363
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	25,496	25,165	27,301	29,440	29,107
Licence Fee	2,952	3,187	3,075	3,119	3,035
EBITDA	16,814	13,616	13,065	12,945	12,247
EBIT	8,300	5,038	3,931	3,180	1,103
Profit before Tax	5,370	7,166	2,703	(4,070)	(6,158)
Profit after Tax (before exceptional items)	3,285	3,388	(40)	(6,716)	(7,699)
Non Controlling Interest	217	31	(399)	(511)	(1,600)
Net income (before exceptional items)	3,067	3,356	359	(6,204)	(6,099)
Capex	3,131	3,161	9,033	4,366	6,781
Operating Free Cash Flow (EBITDA - Capex)	13,684	10,455	4,033	8,579	5,466
Cumulative Investments	602,065	589,364	578,688	584,381	573,037

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.5%	13.5%	13.7%	14.6%	15.5%
Cost of goods sold	1.0%	0.6%	0.6%	0.9%	0.9%
Net revenues	86.5%	85.9%	85.7%	84.5%	83.6%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49.0%	51.9%	54.1%	55.0%	54.9%
Licence Fee	5.7%	6.6%	6.1%	5.8%	5.7%
EBITDA	32.3%	28.1%	25.9%	24.2%	23.1%
EBIT	16.0%	10.4%	7.8%	5.9%	2.1%
Profit before Tax	10.3%	14.8%	5.4%	-7.6%	-11.6%
Profit after Tax (before exceptional items)	6.3%	7.0%	-0.1%	-12.5%	-14.5%
Non Controlling Interest	0.4%	0.1%	-0.8%	-1.0%	-3.0%
Net income (before exceptional items)	5.9%	6.9%	0.7%	-11.6%	-11.5%

Note 14: Above table reflects the INR reported numbers.

Africa: In USD Constant Currency – 15 Countries ^{Note 15}
Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	782	736	744	775	762
Access charges	97	99	102	112	118
Cost of goods sold	8	4	4	7	7
Net revenues	676	633	638	656	637
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	384	381	402	431	416
Licence Fee	44	48	45	45	43
EBITDA	251	206	192	186	176
EBIT	123	76	57	46	18
Profit before tax (before exceptional items) ¹⁶	92	49	27	14	(20)
Capex	50	49	135	65	102
Operating Free Cash Flow (EBITDA - Capex)	201	157	57	122	74
Cumulative Investments	9,218	9,126	8,922	8,603	8,604

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.5%	13.5%	13.6%	14.5%	15.4%
Cost of goods sold	1.1%	0.6%	0.6%	0.9%	0.9%
Net revenues	86.5%	86.0%	85.8%	84.6%	83.6%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49.1%	51.8%	54.0%	55.7%	54.6%
Licence Fee	5.6%	6.6%	6.1%	5.8%	5.7%
EBITDA	32.1%	28.0%	25.9%	24.0%	23.1%
EBIT	15.8%	10.3%	7.7%	6.0%	2.3%
Profit before tax (before exceptional items) ¹⁶	11.8%	6.7%	3.7%	1.8%	-2.6%

Note 15: Closing currency rates as on March 1, 2017 (AOP FY 17-18 currency) considered for above financials up to PBT. Actual currency rates are taken for Capex & Cumulative Investments.

Note 16: PBT excludes any realized / unrealized derivatives and exchange (gain) / loss for the period.

Africa: In USD Constant Currency ^{Note 15}
Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	782	736	744	775	766
Access charges	97	99	102	112	118
Cost of goods sold	8	4	4	7	7
Net revenues	676	633	638	656	641
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	384	381	402	431	418
Licence Fee	44	48	45	45	44
EBITDA	251	206	192	186	178
EBIT	123	76	57	46	17
Profit before tax (before exceptional items) ¹⁶	92	49	27	14	(20)
Capex	50	49	135	65	102
Operating Free Cash Flow (EBITDA - Capex)	201	157	57	122	76
Cumulative Investments	9,218	9,126	8,922	8,603	8,604

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.5%	13.5%	13.6%	14.5%	15.4%
Cost of goods sold	1.1%	0.6%	0.6%	0.9%	0.9%
Net revenues	86.5%	86.0%	85.8%	84.6%	83.7%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49.1%	51.8%	54.0%	55.7%	54.6%
Licence Fee	5.6%	6.6%	6.1%	5.8%	5.7%
EBITDA	32.1%	28.0%	25.9%	24.0%	23.2%
EBIT	15.8%	10.3%	7.7%	6.0%	2.3%
Profit before tax (before exceptional items) ¹⁶	11.8%	6.7%	3.7%	1.8%	-2.6%

Refer Note 7 on page 12

Africa: In USD Reported Currency – 15 Countries
Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	809	753	752	792	785
Access charges	101	102	103	116	122
Cost of goods sold	8	4	4	7	7
Net revenues	699	647	645	670	657
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	396	391	407	442	432
Licence Fee	46	49	46	46	45
EBITDA	261	211	195	190	181
EBIT	129	78	59	47	17
Profit before Tax	84	111	41	(61)	(93)
Profit after Tax (before exceptional items)	51	53	(0)	(100)	(116)
Non Controlling Interest	3	0	(6)	(8)	(24)
Net income (before exceptional items)	48	52	6	(93)	(92)
Capex	50	49	135	65	102
Operating Free Cash Flow (EBITDA - Capex)	212	162	60	125	78
Cumulative Investments	9,218	9,126	8,922	8,603	8,604

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.5%	13.5%	13.7%	14.6%	15.5%
Cost of goods sold	1.0%	0.6%	0.6%	0.9%	0.9%
Net revenues	86.5%	85.9%	85.7%	84.5%	83.6%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49.0%	51.9%	54.1%	55.9%	55.0%
Licence Fee	5.7%	6.6%	6.1%	5.8%	5.7%
EBITDA	32.3%	28.1%	25.9%	24.0%	23.0%
EBIT	16.0%	10.4%	7.8%	5.9%	2.1%
Profit before Tax	10.3%	14.8%	5.4%	-7.7%	-11.9%
Profit after Tax (before exceptional items)	6.3%	7.0%	0.0%	-12.7%	-14.8%
Non Controlling Interest	0.4%	0.1%	-0.8%	-1.0%	-3.0%
Net income (before exceptional items)	5.9%	6.9%	0.8%	-11.7%	-11.8%

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

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	809	753	752	792	790
Access charges	101	102	103	116	122
Cost of goods sold	8	4	4	7	7
Net revenues	699	647	645	670	661
Operating Expenses (Excl Access Charges, cost of goods sold & License Fee)	396	391	407	442	434
Licence Fee	46	49	46	46	45
EBITDA	261	211	195	190	182
EBIT	129	78	59	47	16
Profit before Tax	84	111	41	(61)	(91)
Profit after Tax (before exceptional items)	51	53	(0)	(100)	(114)
Non Controlling Interest	3	0	(6)	(8)	(24)
Net income (before exceptional items)	48	52	6	(93)	(91)
Capex	50	49	135	65	102
Operating Free Cash Flow (EBITDA - Capex)	212	162	60	125	80
Cumulative Investments	9,218	9,126	8,922	8,603	8,604

	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
As a % of Total revenues					
Access charges	12.5%	13.5%	13.7%	14.6%	15.5%
Cost of goods sold	1.0%	0.6%	0.6%	0.9%	0.9%
Net revenues	86.5%	85.9%	85.7%	84.5%	83.6%
Operating Expenses (excluding access charges, cost of goods sold & license fee)	49.0%	51.9%	54.1%	55.9%	54.9%
Licence Fee	5.7%	6.6%	6.1%	5.8%	5.7%
EBITDA	32.3%	28.1%	25.9%	24.0%	23.1%
EBIT	16.0%	10.4%	7.8%	5.9%	2.1%
Profit before Tax	10.3%	14.8%	5.4%	-7.7%	-11.6%
Profit after Tax (before exceptional items)	6.3%	7.0%	0.0%	-12.7%	-14.4%
Non Controlling Interest	0.4%	0.1%	-0.8%	-1.0%	-3.0%
Net income (before exceptional items)	5.9%	6.9%	0.8%	-11.7%	-11.5%

Note 17: Above table reflects the USD reported numbers.

9.2 Financial Trends of Business Operations

Mobile Services India

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	122,450	129,147	129,718	138,130	147,243
EBITDA	42,087	44,281	47,873	52,986	62,775
<i>EBITDA / Total revenues</i>	34.4%	34.3%	36.9%	38.4%	42.6%
EBIT	11,378	12,603	14,392	23,023	33,398
Capex	61,053	50,729	20,543	44,091	37,056
Operating Free Cash Flow (EBITDA - Capex)	(18,966)	(6,448)	27,330	8,895	25,720
Cumulative Investments	1,983,494	1,905,161	1,864,560	1,845,896	1,651,117

Homes Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	6,367	6,703	6,785	7,025	7,063
EBITDA	2,715	3,014	3,323	3,414	3,347
<i>EBITDA / Total revenues</i>	42.6%	45.0%	49.0%	48.6%	47.4%
EBIT	1,089	1,350	1,679	1,941	1,634
Capex	1,599	2,065	2,022	1,858	2,162
Operating Free Cash Flow (EBITDA - Capex)	1,116	949	1,301	1,555	1,186
Cumulative Investments	66,226	64,693	64,313	63,676	62,344

Digital TV Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	9,369	8,974	8,657	8,735	8,545
EBITDA	3,517	3,300	3,153	3,026	3,030
<i>EBITDA / Total revenues</i>	37.5%	36.8%	36.4%	34.6%	35.5%
EBIT	1,230	1,038	975	684	699
Capex	3,191	2,661	1,386	2,650	2,541
Operating Free Cash Flow (EBITDA - Capex)	326	639	1,767	376	488
Cumulative Investments	75,435	72,253	73,513	72,127	69,453

Airtel Business

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	28,231	27,787	25,770	27,050	29,816
EBITDA	9,881	9,342	9,424	8,287	8,440
<i>EBITDA / Total revenues</i>	<i>35.0%</i>	<i>33.6%</i>	<i>36.6%</i>	<i>30.6%</i>	<i>28.3%</i>
EBIT	7,310	6,483	6,545	5,384	6,114
Capex	1,532	2,153	2,218	1,239	1,507
Operating Free Cash Flow (EBITDA - Capex)	8,349	7,190	7,206	7,048	6,934
Cumulative Investments	93,755	93,479	91,982	89,831	87,874

Tower Infrastructure Services

Amount in Rs Mn, except ratios

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	16,613	15,982	16,017	15,292	14,962
EBITDA	8,130	7,954	7,943	7,291	7,106
<i>EBITDA / Total revenues</i>	<i>48.9%</i>	<i>49.8%</i>	<i>49.6%</i>	<i>47.7%</i>	<i>47.5%</i>
EBIT	5,051	5,004	4,921	4,299	4,200
Share of results of Joint ventures / Associates	3,304	3,208	3,272	3,041	2,866
Capex	2,796	3,461	2,243	3,405	2,128
Operating Free Cash Flow (EBITDA - Capex)	5,334	4,494	5,700	3,886	4,978
Cumulative Investments	193,794	189,543	196,111	192,103	186,877

Others (India)

Amount in Rs Mn

Particulars	Quarter Ended				
	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16
Total revenues	972	1,019	939	961	899
EBITDA	(894)	(941)	(2,371)	(421)	(356)
EBIT	(938)	(951)	(1,992)	(840)	(371)
Capex	1,269	1,348	85	469	410
Operating Free Cash Flow (EBITDA - Capex)	(2,163)	(2,289)	(2,456)	(890)	(766)
Cumulative Investments	9,850	8,956	7,135	7,084	6,650

9.3 Based on Statement of Financial Position

Consolidated

Amount in Rs Mn, except ratios

Particulars	As at				
	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Equity attributable to equity holders of parent	695,690	679,268	674,563	631,431	641,388
Net Debt	914,801	878,404	913,999	973,952	814,803
Net Debt (US\$ Mn)	14,012	13,602	14,094	14,339	12,232
Capital Employed = Equity attributable to equity holders of parent + Net Debt	1,610,491	1,557,672	1,588,562	1,605,383	1,456,191
	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Return on Equity attributable to equity holders of parent (LTM)	2.4%	4.1%	5.9%	7.3%	8.2%
Return on Capital Employed (LTM)	5.1%	5.6%	6.6%	7.1%	7.4%
Net Debt to EBITDA (LTM)	2.91	2.67	2.63	2.71	2.27
Net Debt to EBITDA (Annualised)	2.95	2.89	2.95	2.93	2.20
Assets Turnover ratio (LTM)	52.8%	55.0%	57.5%	59.7%	60.9%
Interest Coverage ratio (times)	4.65	4.50	4.46	4.94	5.63
Net debt to Equity attributable to equity holders of parent (Times)	1.31	1.29	1.35	1.54	1.27
Per share data (for the period)					
Net profit/(loss) per common share (in Rs)	0.86	0.92	0.93	1.26	3.65
Net profit/(loss) per diluted share (in Rs)	0.86	0.92	0.93	1.26	3.65
Book Value Per Equity Share (in Rs)	174.1	169.9	168.8	158.0	160.5
Market Capitalization (Rs Bn)	1,554	1,516	1,399	1,221	1,255
Enterprise Value (Rs Bn)	2,522	2,449	2,369	2,254	2,129

Refer Note 3 on page 4

9.4 Operational Performance – India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Total Customers Base	000's	299,471	297,841	290,329	282,270	276,143
Mobile Services						
Customer Base	000's	282,047	280,647	273,648	265,853	259,941
VLR	%	96.5%	96.9%	97.3%	97.2%	97.4%
Net Additions	000's	1,400	6,999	7,796	5,912	4,206
Pre-Paid (as a % of total Customer Base)	%	93.7%	93.8%	93.7%	93.7%	93.7%
Monthly Churn	%	3.9%	3.8%	3.6%	4.1%	3.7%
Average Revenue Per User (ARPU)	Rs	145	154	158	172	188
Average Revenue Per User (ARPU)	US\$	2.2	2.4	2.3	2.5	2.8
Revenue per towers per month	Rs	250,234	264,200	264,007	283,359	306,055
Revenues						
Mobile Services ¹⁰	Rs Mn	122,115	128,570	127,612	135,644	145,065
Voice						
Minutes on the network	Mn	437,142	421,912	381,236	330,217	313,403
Voice Usage per customer	min	518	507	471	419	406
Data						
Data Customer Base	000's	65,769	62,560	57,362	54,915	62,659
<i>Of which Mobile Broadband customers</i>	000's	55,218	48,911	42,716	37,690	41,335
<i>As % of Customer Base</i>	%	23.3%	22.3%	21.0%	20.7%	24.1%
Total MBs on the network	Mn MBs	783,809	472,385	225,109	171,817	178,125
Data Usage per customer	MBs	4,087	2,611	1,331	972	1,000
Homes Services						
Homes Customers	000's	2,159	2,137	2,129	2,102	2,083
<i>Of which no. of Broadband (DSL) customers</i>	000's	2,001	1,978	1,966	1,922	1,897
<i>As % of Customer Base</i>	%	92.7%	92.6%	92.3%	91.4%	91.1%
Net Additions	000's	23	8	27	19	64
Average Revenue Per User (ARPU)	Rs	989	1,048	1,064	1,112	1,143
Average Revenue Per User (ARPU)	US\$	15.4	16.3	15.9	16.4	17.0
Non Voice Revenue as % of Homes Revenues	%	90.4%	89.1%	89.4%	87.9%	86.7%
Digital TV Services						
Digital TV Customers	000's	13,521	13,314	12,815	12,588	12,405
Net additions	000's	207	499	228	183	256
Average Revenue Per User (ARPU)	Rs	233	228	228	232	232
Average Revenue Per User (ARPU)	US\$	3.6	3.5	3.4	3.4	3.5
Monthly Churn	%	1.4%	0.9%	1.2%	1.3%	1.2%
Airtel Business						
Airtel Business customer	000's	1,743	1,743	1,736	1,728	1,714

Refer Note 10 on page 16

9.5 Traffic Trends – India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Mobile Services	Mn Min	437,142	421,912	381,236	330,217	313,403
Homes Services	Mn Min	3,500	3,474	2,411	2,426	3,128
Airtel Business	Mn Min	3,151	3,173	2,897	2,842	3,002
National Long Distance Services	Mn Min	56,709	51,125	43,235	34,755	34,226
International Long Distance Services	Mn Min	5,103	5,168	4,445	4,910	5,193
Total Minutes on Network (Gross)	Mn Min	505,606	484,852	434,224	375,149	358,952
Eliminations	Mn Min	(56,881)	(51,262)	(43,271)	(34,803)	(34,258)
Total Minutes on Network (Net)	Mn Min	448,725	433,589	390,953	340,346	324,694

9.6 Network and Coverage Trends - India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Mobile Services						
Census Towns	Nos	7,896	7,896	7,893	7,892	7,889
Non-Census Towns & Villages	Nos	786,032	785,823	785,494	784,769	781,679
Population Coverage	%	95.3%	95.3%	95.3%	95.3%	95.1%
Optic Fibre Network	R Kms	232,150	230,914	229,856	223,607	218,799
Network towers	Nos	162,954	162,380	162,046	160,199	158,934
<i>Of which Mobile Broadband towers</i>	Nos	123,181	120,132	116,717	113,367	110,382
Total Mobile Broadband Base stations	Nos	226,132	203,506	190,860	170,844	148,078
Homes Services - Cities covered	Nos	88	88	87	87	87
Airtel Business - Submarine cable systems	Nos	7	7	7	7	7
Digital TV Services						
Districts Covered	Nos	639	639	639	639	639
Coverage	%	100%	100%	100%	100%	100%

9.7 Tower Infrastructure Services

9.7.1 Bharti Infratel Standalone

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Total Towers	Nos	39,264	39,211	39,099	38,997	38,832
Total Co-locations	Nos	94,538	93,297	89,263	86,112	83,085
Key Indicators						
Sharing Revenue per sharing operator per month	Rs	36,394	37,292	37,512	37,428	37,868
Average Sharing Factor	Times	2.39	2.33	2.25	2.17	2.13

Additional Information

9.7.2 Indus Towers

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Total Towers	Nos	123,073	122,920	122,730	122,044	121,330
Total Co-locations	Nos	298,929	297,867	288,913	282,909	275,499
Average Sharing Factor	Times	2.43	2.39	2.34	2.29	2.26

9.7.3 Bharti Infratel Consolidated

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Total Towers	Nos	90,955	90,837	90,646	90,255	89,791
Total Co-locations	Nos	220,088	218,401	210,606	204,934	198,795
Average Sharing Factor	Times	2.41	2.36	2.30	2.24	2.21

9.8 Human Resource Analysis - India

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Total Employees	Nos	17,657	18,369	18,683	19,048	19,462
Number of Customers per employee	Nos	16,960	16,214	15,540	14,819	14,189
Personnel Cost per employee per month	Rs	115,911	112,247	108,121	100,338	105,915
Gross Revenue per employee per month	Rs	3,157,990	3,129,115	3,039,413	3,152,145	3,291,680

9.9 Africa – 15 Countries

9.9.1 Operational Performance (In Constant Currency)

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Customer Base	000's	81,927	80,039	80,061	80,356	78,145
VLR	%	82.0%	80.3%	80.5%	81.1%	81.2%
Net Additions	000's	1,888	(22)	(295)	2,211	2,377
Pre-Paid (as % of total Customer Base)	%	99.0%	99.0%	99.1%	99.2%	99.2%
Monthly Churn	%	4.9%	5.0%	5.2%	4.9%	5.3%
Average Revenue Per User (ARPU)	US\$	3.2	3.1	3.1	3.3	3.3
Revenue per site per month	US\$	12,654	12,000	12,158	12,783	12,795
Voice						
Minutes on the network	Mn	39,618	35,773	33,977	35,913	36,570
Voice Usage per customer	min	163	149	141	152	159
Data						
Data Customer Base	000's	21,711	19,369	18,067	17,948	18,071
As % of Customer Base	%	26.5%	24.2%	22.6%	22.3%	23.1%
Total MBs on the network	Mn MBs	62,982	48,386	40,334	36,768	34,269
Data Usage per customer	MBs	1,018	860	752	684	670

Constant currency rates as on March 1, 2017 (AOP FY 2017-18 Currency) considered for above KPIs.

9.9.2 Network and Coverage Trends

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Network towers	Nos	20,305	20,377	20,337	20,240	19,866
Of which Mobile Broadband towers	Nos	13,866	13,888	13,817	13,622	13,280
Total Mobile Broadband Base stations	Nos	16,729	15,127	14,166	13,703	13,317

9.9.3 Human Resource Analysis

Parameters	Unit	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Total Employees	Nos	3,737	3,871	3,928	4,033	4,058
Number of Customers per employee	Nos	21,923	20,677	20,382	19,925	19,257
Personnel Cost per employee per month	US\$	5,485	5,434	5,803	5,801	5,545
Gross Revenue per employee per month	US\$	69,741	63,376	63,105	64,018	62,572

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	3-20
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**

1. **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**

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or

receivable, which is generally the transaction price, net of any discounts and process waivers.

In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services.

(i) Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging, value added services and broadcasting. It also includes revenue towards interconnection charges for usage of the Group'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. Activation revenue and related activation costs are amortised over the estimated customer relationship period. However, any excess of activation costs over activation revenue are expensed as incurred.

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

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 Group 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 separately identifiable component basis it is perceived from the customer perspective to have value on standalone basis.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables). In case the relative fair value of different components cannot be determined on a reasonable basis, the total consideration is allocated to the different components on a residual value method.

(ii) Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

- **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	
3G	Third Generation of Mobile Telephony.
4G	Fourth Generation of Mobile Telephony.
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
Bn	Billion
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	Customer who made at least one revenue generating call or a data session of more than zero Kbs on 2G / 3G / 4G network in the last 30 days.
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	Direct to Home broadcast service

Services

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. 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.
Earnings Per Diluted Share	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).
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	Earnings / (Loss) before interest, taxation for the relevant period.
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.
ILD	International Long Distance Services.
Intangibles	Comprises of goodwill, software, bandwidth, one-time entry fee paid towards acquisition of licenses, distribution network and customer relationships.
Interest Coverage Ratio	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
IPTV	Internet Protocol TV. IPTV is the method of delivering and viewing television programmes using an IP transmission and service infrastructure, which can deliver digital television to the customers. IPTV when offered using an IP network and high speed broadband technology becomes interactive because of availability of return path and is capable of providing Video on Demand (VOD), time shifted television and many other exciting programmes.
KPI	Key Performance Indicators
LTM	Last twelve months.
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.
MBB	Mobile Broadband
Mn	Million
MNP	Mobile Number Portability
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.
Mobile Broadband Customer	A customer who used at least 1 MB on 3G / 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.
MoU	Minutes of Usage. Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month.
MPLS	Multi-Protocol Label Switching
Network Towers	Comprises of Base Transmission System (BTS) which holds the radio transceivers (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 plus deferred payment liability minus cash and cash equivalents, short-term investments which includes interest bearing notes, receivables towards residual portion of Tower sale proceeds, restricted cash and restricted cash non-current as at the end of the relevant period. This excludes finance lease obligations. Restricted cash deducted does not include cash related to mobile commerce services which is restricted in use.
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 Income from operations	It is calculated by adding back the interest expense on loans taken for the Africa acquisition to the net income of Africa.
Net Revenues	It is not Ind-AS measure and is defined as total revenues adjusted for access charges and cost of goods sold for the relevant period.
NLD	National Long Distance Services.
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, 2015, 2016 and 2017. 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, 2015, 2016 and 2017, 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.

SA	South Asia
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.
TD-LTE	Time Division – Long Term Evolution.
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.
TSP	Telecom Service Provider
Total Operating Expenses	It is defined as sum of employee costs, network operations costs and selling, general and administrative cost for the relevant period.
V-Fiber	A combination of fiber and vectorisation technology that delivers super-fast data speed of up to 100 Mbps over existing broadband network thereby enabling a rich online experience in a multi-device environment.
VAS	Value Added Service
Voice Minutes on Network	Includes usage on our network (incoming, outgoing & in-roaming minutes) during 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

BWA	Broadband Wireless Access
3G	Third - Generation Technology
4G	Fourth - Generation Technology
UCC	Unsolicited Commercial Cells
DoT	Department of Telecommunications
IP	Internet Protocol
ITFS	International Toll Free Service
QoS	Quality of Service
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
TRAI	Telecom Regulatory Authority of India
UAS	Unified Access Service
UASL	Unified Access Service License
USSD	Unstructured Supplementary Services Data

VSAT Very Small Aperture Terminals

VLR Visitor Location Register

Others

BSE The Stock Exchange, Mumbai

CMAI Communication Multimedia & Infrastructure

RBI Reserve Bank of India

GSM Global System for Mobile Communications.

CDMA Code Division Multiple Access

DSL Digital Subscriber Line

ICT Information and Communication Technology

GAAP Generally Accepted Accounting Principles

KYC Know Your Customer

MMS Multimedia Messaging Service

MTM Mark to Market

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.

SMS Short Messaging Service.

BYOD Bring Your Own Device

STB/CPE Set Top Box/Customer Premises Equipment

DAS Digital Addressable System

SIM Subscriber Identity Module

VAT Value Added Tax

IPLC International Private Leased Circuit

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