

Bharti Airtel Limited

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India CIN: L74899DL1995PLC070609

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Statement of Audited Standalone Financial Results for the quarter ended June 30, 2018

(Rs. Million: except per share data)

	- (Year ended		
	June	March 31, 2018 Audited	June 30, 2017 Audited	March 31, 2018 Audited
Particulars	30, 2018 Audited			
Revenue	124,188	124,888	145,065	536,630
Other income	541	321	516	2,356
	124,729	125,209	145,581	538,986
Expenses	100000000000000000000000000000000000000			- Committee
Network operating expenses	37,154	34,359	36,802	139,512
Access charges	18,493	19,138	21,001	78,944
License fee / spectrum charges (revenue share)	12,295	12,708	15,408	55,630
Employee benefits expense	3,328	4,339	4,426	17,209
Sales and marketing expenses	6,585	8,396	7,850	30,519
Other expenses	10,355	7,106	10,490	36,171
	88,210	86,046	95,977	357,985
Profit from operating activities before depreciation,	36,519	39,163	49,604	181,001
amortisation and exceptional items	36,319	39,103	49,004	181,001
Depreciation and amortisation	36,641	34,533	31,789	130,486
Finance costs	22,570	16,103	15,507	59,107
Finance income	(1,936)	(2,160)	(2,053)	(8,417
Non-operating expenses	39	133	98	596
(Loss) / profit before exceptional items and tax	(20,795)	(9,446)	4,263	(771)
Exceptional items	2,429	4,693	40	6,041
(Loss) / profit before tax	(23,224)	(14,139)	4,223	(6,812)
Tax (credit) / expense			700.0	
Current tax	-	(2,893)	1,727	(2,204)
Deferred tax	(8,652)	(3,644)	(310)	(5,400)
(Loss) / profit for the period / year	(14,572)	(7,602)	2,806	792
Other comprehensive income	1			
Items not to be reclassified to profit or loss :	4 1	-		
 Re-measurement gains / (losses) on defined benefit plans 	131	46	(53)	87
- Tax (charge) / credit	(46)	(16)	18	(30)
Other comprehensive income / (loss) for the period / year	85	30	(35)	57
Total comprehensive (loss) / income for the period / year	(14,487)	(7,572)	2,771	849
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Paid-up equity share capital (Face value : Rs. 5/- each)	19,987	19,987	19,987	19,987
Other equity	999,837	1,008,622	994,917	1,008,622
Earnings per share (Face value : Rs. 5/- each)				
Basic and Diluted	(3.65)	(1.90)	0.70	0.20



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(Rs Million)

Particulars	Quarter ended			(Rs. Million Year ended	
	June 30, 2018 Audited	March 31, 2018 Audited	June 30, 2017 Audited	March 31, 2018 Audited	
					1. Segment Revenue
- Mobile Services	100,350	100,802	121,433	441,155	
- Airtel Business	25,634	25.101	24,810	100,554	
- Homes Services	5,624	5,970	6.532	24,700	
Total segment revenue	131,608	131,873	152,775	566,409	
Less Inter-segment eliminations	7,420	6,985	7,710	29,779	
Total revenue	124,188	124,888	145,065	536,630	
2. Segment Results					
(Loss) / profit before net finance costs, non-operating expenses, exceptional					
items and tax		1			
- Mobile Services	(6.918)	(3,749)	11.530	21.563	
- Airtel Business	6.047	7.418	5.444	26.193	
- Homes Services	923	980	1,286	4,398	
Total segment results	52	4,649	18,260	52,154	
- Unallocated	(174)	(19)	(445)	(1,639	
Total	(122)	4,630	17,815	50,515	
Less	1,221	4,030	11,015	30,313	
(i) Net finance costs	20.634	13.943	13,454	50,690	
(ii) Non-operating expenses	39	133	98	596	
(iii) Exceptional items	2,429	4,693	40	6,041	
(Loss) / profit before tax	(23,224)	(14,139)	4,223	(6,812)	
3. Segment Assets	120,224	(14,155)	4,223	10,012	
- Mobile Services	1.450.312	1.356.580	1.259.141	1,356,580	
- Airtel Business	102,339	101.826	87,105	101.826	
Homes Services	44,593	43.059	43.000	43.059	
Total segment assets	1,597,244	1,501,465	1,389,246	1,501,465	
Unallocated	617.413	617,272	632.075	617,272	
Inter-segment eliminations	(68,469)	(69,364)	(70,053)	(69,364)	
Total assets	2,146,188	2,049,373	1,951,268	2,049,373	
I. Segment Liabilities	2,1,10,1,00	210101010	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Mobile Services	368.385	303.670	324.287	303,670	
Airtel Business	39,803	38.625	36.381	38.625	
Homes Services	22,206	20,276	16,369	20,276	
Total segment liabilities	430,394	362,571	377,037	362,571	
Unallocated	764,439	727,557	629,380	727.557	
Inter-segment eliminations	(68,469)	(69.364)	(70,053)	(69, 364)	
otal liabilities	1,126,364	1,020,764	936,364	1,020,764	



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Notes to the Audited Standalone Financial Results

- The said financial results for the quarter ended June 30, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 26, 2018.
- The above financial results are extracted from the Audited Interim Condensed Standalone Financial Statements of the Company, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- During the quarter ended June 30, 2018, the Company has completed the acquisition of Telenor (India) Communications Private Limited by merging it with the Company under section 230 to section 232 of the Companies Act, 2013.
- 4. During the quarter ended June 30, 2018, the Company has done internal restructuring of its certain international and domestic operations. The excess of proceeds over the cost of investments / net assets, for the said common control transactions aggregating to Rs.918 Mn has been recognised directly in equity.
- 5. Effective April 1, 2018, the Company adopted Ind AS 115, 'Revenue from Contracts with Customers' basis the cumulative effect method applied to the contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been restated. The effect on adoption of the said standard was insignificant on these results.
- 6. Exceptional items during the quarter ended June 30, 2018 comprises of (i) charge of Rs. 764 Mn towards operating costs on network re-farming and up-gradation program; (ii) charge of Rs. 190 Mn mainly due to levies and taxes pertaining to internally restructuring as discussed in note 4 above; (iii) charge of Rs. 1,475 Mn towards integration related cost incurred pertaining to the business combination consummated during the quarter. Net tax credit on the above is Rs. 849 Mn.
- 7. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company for Rs. 51,353 Mn towards levy of one time spectrum charge, which was further revised on June 27, 2018 to Rs. 79,403 Mn. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, till date has not given any effect to the above demand.
- 8. Previous period / year figures have been re-grouped, wherever necessary to conform to current period's classification.

For Bharti Airtel Limited

Gopal Vittal

Managing Director and CEO (India & South Asia)

DIN: 02291778

New Delhi July 26, 2018

Notes:

a) 'Bharti Airtel' or 'Company' stands for Bharti Airtel Limited b) For more details on the financial results, please visit our website 'www.airtel.in'



Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BHARTI AIRTEL LIMITED

We have audited the accompanying Statement of Standalone Financial Results of **Bharti Airtel Limited** ("the Company") for the quarter ended June 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Interim Condensed Standalone Financial Statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such Interim Condensed Standalone Financial Statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

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

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

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Deloitte Haskins & Sells LLP

- 3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the loss, total comprehensive loss and other financial information of the Company for the quarter ended June 30, 2018.
- 4. We draw attention to Note 7 of the Statement, which describes the uncertainties related to the legal outcome of Department of Telecommunications demand with respect to one time spectrum charges. Our opinion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Hemant M. Joshi Partner

(Membership No. 38019)

Place: New Delhi Date: July 26, 2018