

BHARTI AIRTEL LIMITED

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

Financial results for the second quarter and half year ended September 30, 2013

1. Consolidated summarised financial results of Bharti Airtel Limited and its subsidiaries prepared as per International Financial Reporting Standards (IFRS)

S.No.	Particulars	(In Rs. Million except per share data)						
		Quarter Ended September 30, 2013 Audited	Quarter Ended June 30, 2013 Audited	Quarter Ended September 30, 2012 Audited and Restated	Half Year Ended September 30, 2013 Audited	Half Year Ended September 30, 2012 Audited	Year Ended March 31, 2013 Audited and Restated	
1	Total Sales / Income	213,428	202,995	194,085	416,423	379,790	769,470	
	(a) Net Sales/ Income from Operations	213,244	202,639	193,999	415,883	379,600	769,045	
	(b) Other Operating Income	184	356	86	540	190	425	
2	Total Expenditure	184,501	176,016	171,607	360,517	338,356	685,039	
	(a) Employee Cost	12,206	10,926	9,580	23,132	18,497	38,823	
	(b) Depreciation & Amortisation	39,394	38,470	36,891	77,864	72,793	148,148	
	(c) License Fees & Spectrum Charges	19,565	18,219	16,469	37,784	32,769	66,486	
	(d) Access & Interconnection Charges	27,475	26,961	29,524	54,436	56,570	113,227	
	(e) Network Operating Expenses	49,143	46,700	42,132	95,843	83,677	173,333	
	(f) Sales & Marketing	21,963	18,761	21,536	40,724	43,922	83,778	
	(g) Administration & others	14,635	15,826	15,448	30,461	29,898	60,854	
	(h) Other Expenditure	120	153	27	273	230	390	
3	Profit from Operations before Other Income, Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (1-2)	28,927	26,979	22,478	55,906	41,434	84,431	
4	Other Income	-	-	-	-	-	-	
5	Profit before Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (3+4)	28,927	26,979	22,478	55,906	41,434	84,431	
6	Net Finance Charges (including exchange fluctuation)	16,111	11,676	9,250	27,787	16,617	40,084	
7	Share of Loss / (Gain) in joint ventures / associates	(1,652)	(822)	(982)	(2,474)	(1,688)	(3,506)	
8	Profit after Net Finance Charges (including exchange fluctuation), Share of Loss / (Gain) in Joint Ventures / Associates but before Exceptional Items and Tax	14,468	16,125	14,210	30,593	26,505	47,853	
9	Exceptional Items (Refer Note 7 below)	819	(2,252)	-	(1,433)	-	-	
10	Profit (+)/Loss(-) from Ordinary Activities after Exceptional Items but before Tax	13,649	18,377	14,210	32,026	26,505	47,853	
11	Tax Expense (Refer Note 8 below)	8,634	9,684	7,195	18,318	11,739	25,184	
12	Net profit (+)/ loss(–) from Ordinary Activities after tax	5,015	8,693	7,015	13,708	14,766	22,669	
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-	
14	Profit (+)/ Loss (-) for the period / year	5,015	8,693	7,015	13,708	14,766	22,669	
15	Minority Interest (Refer Note 8 below)	(105)	1,804	(197)	1,699	(68)	(88)	
16	Net Profit/(Loss) for the period / year	5,120	6,889	7,212	12,009	14,834	22,757	
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	18,988	19,987	18,988	18,988	
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	579,030	576,866	503,740	579,030	503,740	517,474	
19	Earnings per share (Face value Rs.5/- each) (in Rs.)							
	a. Basic and diluted EPS before Extraordinary items							
	i) Basic	1.282	1.801	1.900	3.072	3.909	5.998	
	ii) Diluted	1.281	1.800	1.899	3.070	3.908	5.995	
	b. Basic and diluted EPS after Extraordinary items							
	i) Basic	1.282	1.801	1.900	3.072	3.909	5.998	
	ii) Diluted	1.281	1.800	1.899	3.070	3.908	5.995	
Part II								
S.No.	Particulars							Year Ended March 31,
		Quarter Ended September 30, 2013 Audited	Quarter Ended June 30, 2013 Audited	Quarter Ended September 30, 2012 Audited	Half Year Ended September 30, 2013 Audited	Half Year Ended September 30, 2012 Audited	Year Ended March 31, 2013 Audited	
A	Particulars of Shareholding							
1	Public Shareholding							
	a. Number of shares	1,389,895,924	1,389,895,924	1,196,402,920	1,389,895,924	1,196,402,920	1,194,297,918	
	b. Percentage of shareholding	34.77%	34.77%	31.50%	34.77%	31.50%	31.45%	
2	Promoters and Promoter Group Shareholding							
	a) Pledged/ Encumbered							
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil	
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil	
	b) Non-encumbered							
	- Number of Shares	2,607,504,178	2,607,504,178	2,601,127,176	2,607,504,178	2,601,127,176	2,603,232,178	
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%	100%	
	- Percentage of Shares (as a % of the total share capital of the Company)	65.23%	65.23%	68.50%	65.23%	68.50%	68.55%	
S.No.	Particulars							Quarter Ended September 30, 2013
B	Status of investor complaints as on September 30, 2013 is as follows:							Nil 7 7 Nil
	Complaints pending as on July 1, 2013							
	Complaints received during the quarter							
	Complaints resolved during the quarter							
	Complaints pending as on September 30, 2013							

2. Segment Reporting – Prepared as per International Financial Reporting Standards (IFRS) (as Consolidated Entity)

Particulars	Quarter Ended September 30, 2013	Quarter Ended June 30, 2013	Quarter Ended September 30, 2012	Half Year Ended September 30, 2013	Half Year Ended September 30, 2012	Year Ended March 31, 2013
	Audited	Audited	Audited and Restated	Audited	Audited and Restated	Audited and Restated
1. Segment Revenue						
Net sales/income from each segment						
a) Mobile Services India	113,541	116,013	108,905	229,554	213,540	430,705
b) Mobile Services South Asia	4,537	3,913	2,938	8,450	5,792	12,330
c) Mobile Services Africa	70,258	59,309	60,512	129,567	118,098	240,439
d) Telemedia Services	9,757	9,484	8,940	19,241	17,829	35,896
e) Airtel Business	16,825	14,036	13,934	30,861	25,840	53,203
f) Digital TV Services	5,072	4,900	3,937	9,972	7,595	16,295
g) Tower Infrastructure Services ^	12,602	12,832	12,173	25,434	23,960	49,865
h) Others	836	860	958	1,696	1,785	3,359
i) Unallocated	-	-	-	-	-	-
Total	233,428	221,347	212,297	454,775	414,439	842,092
Less: Inter Segment Eliminations	20,184	18,708	18,298	38,892	34,839	73,047
Net sales/Income	213,244	202,639	193,999	415,883	379,600	769,045
2. Segment Results \$						
Profit/(Loss) before tax and net Finance Charges from each segment						
a) Mobile Services India	21,773	20,941	17,936	42,714	34,112	66,552
b) Mobile Services South Asia	(1,051)	(1,008)	(1,407)	(2,059)	(2,811)	(5,117)
c) Mobile Services Africa	4,769	3,602	4,397	8,371	7,802	15,569
d) Telemedia Services	1,404	1,439	1,793	2,843	3,365	6,999
e) Airtel Business	1,844	1,422	670	3,266	1,101	3,110
f) Digital TV Services	(1,473)	(1,156)	(2,228)	(2,629)	(4,493)	(8,105)
g) Tower Infrastructure Services ^	4,045	2,838	2,669	6,883	4,995	10,894
h) Others	10	20	46	30	84	83
i) Unallocated	(707)	(352)	(426)	(1,059)	(1,007)	(2,027)
Total	30,614	27,746	23,450	58,360	43,148	87,958
Less: Inter Segment Eliminations	35	(55)	(10)	(20)	26	21
Total profit/(loss) before tax and Net Finance Charges (including exchange fluctuation)	30,579	27,801	23,460	58,380	43,122	87,937
Less :						
Net Finance Charges (including exchange fluctuation)	16,111	11,676	9,250	27,787	16,617	40,084
Exceptional Items	819	(2,252)	-	(1,433)	-	-
Total profit before tax	13,649	18,377	14,210	32,026	26,505	47,853
3. Capital Employed						
(Segment assets - Segment liabilities)						
a) Mobile Services India	670,777	629,496	551,671	670,777	551,671	577,782
b) Mobile Services South Asia	15,087	9,793	7,724	15,087	7,724	8,693
c) Mobile Services Africa	644,413	606,198	535,551	644,413	535,551	549,131
d) Telemedia Services	44,221	42,955	38,555	44,221	38,555	41,950
e) Airtel Business	70,445	66,196	59,824	70,445	59,824	62,396
f) Digital TV Services	(31,036)	(29,468)	(24,263)	(31,036)	(24,263)	(28,138)
g) Tower Infrastructure Services ^	173,802	179,875	128,538	173,802	128,538	166,099
h) Others	(449)	(723)	(458)	(449)	(458)	(476)
i) Unallocated (net of eliminations) *	(958,239)	(885,289)	(777,320)	(958,239)	(777,320)	(833,334)
Total	629,021	619,033	519,822	629,021	519,822	544,103

*Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs 633,707 mn (USD 10.09 bn), Rs 595,223 mn (USD 9.97 bn), Rs 509,407 mn (USD 9.67 bn) and Rs 537,760 mn (USD 9.89 bn), for 3G and BWA licenses of Rs 67,950 mn ,Rs 45,700 mn, Rs 54,750 mn and Rs 52,225 mn, as at September 30, 2013, June 30, 2013, September 30, 2012 and March 31, 2013, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

^ Previously known as Passive Infrastructure Services

\$ Segment results include share of (loss) / gain in joint ventures / associates.

Notes to accounts

- The above financial results for the second quarter and half year ended September 30, 2013 have been reviewed by the Audit Committee in its meeting held on October 29, 2013 and approved by the Board of Directors in its meeting held on October 30, 2013.
- In terms of clause 41 of the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards (IFRS) notified by the International Accounting Standards Board, in the preparation of consolidated financial statements w.e.f. April 1, 2010 and has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company for the second quarter and half year ended September 30, 2013 are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).

3. Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial statements have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.
4. Pursuant to the approval of the Shareholders through Postal Ballot on September 30, 2013, the Company has decided to transfer the Data Center and Managed Services undertaking to Nxtra Data Limited (a wholly owned subsidiary company) w.e.f. January 1, 2014.
5. Pursuant to the Scheme of Amalgamation (hereinafter referred to as 'Scheme') approved by the Hon'ble High Courts of Delhi and Bombay, Wireless Broadband Business Services (Kerala) Private Limited, Wireless Broadband Business Services (Delhi) Private Limited and Wireless Broadband Business Services (Haryana) Private Limited have merged with Airtel Broadband Services Private Limited (ABSPL) (formerly known as Wireless Business Services Private Limited) with an appointed date as July 6, 2010. The approved Scheme has been filed with the Registrar of Companies on August 5, 2013.

During the quarter ended September 30, 2013, the Company has made additional equity investment of Rs 49,094 Mn in its existing 51% owned subsidiary, ABSPL, by way of conversion of loan into equity, thereby increasing its equity shareholding to 93.45%.

Subsequent to the end of the quarter,

- the Company has acquired the balance stake in ABSPL for a consideration of Rs 6,903 Mn, thereby increasing its equity shareholding to 100%
 - the Board of Directors of the Company and ABSPL have approved the scheme for amalgamation of ABSPL with the Company. The scheme has been submitted to the National Stock Exchange Limited and BSE Limited, for seeking the approval under clause 24(f) of the Listing Agreement.
6. During the quarter ended September 30, 2013, the Company has made additional equity investments in its following wholly owned subsidiaries:
 - USD 50 Mn (Rs 3,126 Mn) in Bharti Airtel International (Mauritius) Limited; and
 - USD 24.63 Mn (Rs 1,457 Mn) in Network i2i Limited, by way of transfer of its co-ownership interest in two undersea cables to Network i2i Limited.
 7. Exceptional item during the current quarter resulted in a charge of Rs 819 Mn arising from a new regulatory levy in one of the Group's international operations which is being contested by the Industry and customers. Tax impact on above of Rs 246 Mn and impact on Minority Interest of Rs 229 Mn has been recognised.
 8. Tax expense include benefit of Rs 246 Mn, expense of Rs 864 Mn and Rs 1,110 Mn for the quarter ended September 30, 2013, half year ended September 30, 2013 and quarter ended June 30, 2013 respectively on exceptional items. Minority Interest include impact of Rs (229) Mn,

Rs 1,113 Mn and Rs 1,342 Mn for the quarter ended September 30, 2013, half year ended September 30, 2013 and quarter ended June 30, 2013 respectively on exceptional items.

9. During the quarter ended September 30, 2013, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) transferred 563,362 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of September 30, 2013, the trust held 1,709,971 equity shares.
10. In its Annual General Meeting held on September 5, 2013, the Company declared final dividend at the rate of Re. 1/- per equity share of Rs. 5/- each aggregating to Rs. 3,798 Mn.
11. On January 8, 2013, the Department of Telecommunications ('DoT') issued a demand on the Company and one of its subsidiaries for Rs. 52,013 Mn towards levy of one time spectrum charge. Based on a petition filed by the Company, the Hon'ble High Court of Bombay, through its order dated January 28, 2013, has directed the DoT to respond and not to take any coercive action until the next date of hearing. The Company, based on independent legal opinions, has not given effect for the one time spectrum charges in these financial results.
12. Audited financial results of Bharti Airtel Limited as per IGAAP (standalone information in terms of clause 41 (IV) (b) of the Listing agreement) are as follows:

Sl. No.	Particulars	Quarter Ended September 30, 2013	Quarter Ended June 30, 2013	Quarter Ended September 30, 2012	Half Year Ended September 30, 2013	Half Year Ended September 30, 2012	Year Ended March 31, 2013
1	Net Sales / Income from operations	122,434	122,244	115,230	244,678	225,036	453,509
2	Profit before tax and exceptional items	22,010	14,009	22,532	36,019	39,190	64,548
3	Profit after tax and before exceptional items	17,844	11,887	17,916	29,731	32,616	50,963
4	Profit after tax and exceptional items	17,844	9,588	17,916	27,432	32,616	50,963

13. Consolidated statement of assets and liabilities as per IFRS in terms of clause 41 of the listing agreement is as follows:

Particulars	(In Rs Million)		
	As of		
	September 30	March 31	
	2013	2013	Audited
Assets			Audited and Restated
Property, plant and equipment	615,313	638,277	
Goodwill on consolidation	490,556	412,423	
Other Intangible assets	295,457	235,963	
Investment (non-current)	35,647	-	
Other non current and current assets	265,564	222,857	
Inventories	1,662	1,109	
Short term investments	58,229	65,546	
Cash and cash equivalents	30,819	16,078	
Total assets	1,793,247	1,592,253	
Equity and liabilities			
Equity			
Issued capital	19,987	18,988	
Treasury shares	(478)	(674)	
Reserves and surplus	568,247	484,903	
Equity attributable to equity holders of parent	587,756	503,217	
Non-controlling interest	41,265	40,886	
Total equity	629,021	544,103	
Liabilities			
Borrowings	744,437	667,363	
Provisions	11,129	11,512	
Other non current and current liabilities	408,660	369,275	
Total equity and liabilities	1,793,247	1,592,253	

14. Previous year's / periods' figures have been regrouped/ rearranged, wherever required.

For Bharti Airtel Limited

Sd/-

Manoj Kohli
Managing Director and CEO (International)

For Bharti Airtel Limited

Sd/-

Gopal Vittal
Joint Managing Director and CEO (India)

New Delhi
October 30, 2013

"Bharti Airtel", or "the Company", wherever stated stands for Bharti Airtel Limited. Group, wherever stated stands for Bharti Airtel together with its subsidiaries. For more details on the financial results, please visit our website www.airtel.in