

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, 2014

1. Bharti Airtel Limited – Audited financial results for the second quarter and half year ended September 30, 2014 as per Indian GAAP (as Stand alone entity)

Part I		(In Rs. Million except per share data)					
S.No.	Particulars	Quarter Ended September 30,	Quarter Ended June 30,	Quarter Ended September 30,	Half Year Ended September 30,	Half Year Ended September 30,	Year Ended March 31,
		2014	2014	2013	2014	2013	2014
		Audited	Audited	Audited	Audited	Audited	Audited
1	Income from Operations	135,813	136,278	122,434	272,091	244,678	499,185
2	Expenses						
	(a) Access charges	19,826	18,894	17,760	38,720	36,786	73,015
	(b) Employee benefits expenses	4,428	4,181	4,201	8,609	8,495	16,481
	(c) Cost of goods sold	15	24	-	39	-	22
	(d) Power and Fuel	10,048	10,226	10,404	20,274	20,830	41,697
	(e) Rent	14,900	14,984	14,226	29,884	28,236	56,904
	(f) License fee and spectrum charges (revenue share)	17,979	15,883	13,585	33,862	26,796	54,682
	(g) Depreciation and amortisation expense	18,718	18,786	17,977	37,504	36,124	72,313
	(h) Other operating expenses	23,455	24,207	24,979	47,662	50,333	93,396
	Total Expenses	109,369	107,185	103,132	216,554	207,600	408,510
3	Profit from operations before Other Income, Finance Costs, Exceptional Items and Tax (1-2)	26,444	29,093	19,302	55,537	37,078	90,675
4	Other Income	31,523	1,763	5,390	33,286	6,220	8,534
5	Profit from ordinary activities before finance costs, exceptional items and tax (3+4)	57,967	30,856	24,692	88,823	43,298	99,209
6	Finance Costs	2,716	2,716	2,682	5,432	7,279	13,364
7	Profit from ordinary activities after finance costs but before exceptional items and tax	55,251	28,140	22,010	83,391	36,019	85,845
8	Exceptional items - Loss / (Gain)	-	-	-	-	2,299	2,071
9	Profit (+) / Loss(-) from ordinary activities before Tax	55,251	28,140	22,010	83,391	33,720	83,774
10	Tax Expense (including expense of Rs Nil for the quarter and half year ended Sep, 14, benefit of Rs Nil for the quarter ended Sep, 13, benefit of Rs 597 Mn for the half year ended Sep, 13 and benefit of Rs 1,180 Mn for the year ended Mar, 14 on exceptional items)	5,878	6,536	4,166	12,414	6,288	17,772
11	Net profit (+) / loss(-) from Ordinary Activities after tax	49,373	21,604	17,844	70,977	27,432	66,002
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	Profit (+) / Loss (-) for the period / year	49,373	21,604	17,844	70,977	27,432	66,002
14	Paid-up equity share capital (Face value Rs 5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
15	Reserves excluding revaluation reserves including employee stock option outstanding (Refer Note 3 below)	712,831	668,874	617,137	712,831	617,137	647,272
16	Earnings per share (Face value Rs.5/- each) (in Rs.)						
	a. Basic and diluted EPS before Extraordinary items						
	i) Basic	12.351	5.405	4.464	17.756	7.010	16.687
	ii) Diluted	12.351	5.405	4.464	17.756	7.010	16.687
	b. Basic and diluted EPS after Extraordinary items						
	i) Basic	12.351	5.405	4.464	17.756	7.010	16.687
	ii) Diluted	12.351	5.405	4.464	17.756	7.010	16.687

Part II		Quarter Ended September 30,	Quarter Ended June 30,	Quarter Ended September 30,	Half Year Ended September 30,	Half Year Ended September 30,	Year Ended March 31,
S. No.	Particulars	2014	2014	2013	2014	2013	2014
		Audited	Audited	Audited	Audited	Audited	Audited
A	Particulars of Shareholding						
1	Public Shareholding						
	a. Number of shares	1,384,181,356	1,384,181,356	1,389,895,924	1,384,181,356	1,389,895,924	1,386,131,356
	b. Percentage of shareholding	34.63%	34.63%	34.77%	34.63%	34.77%	34.68%
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	2,613,218,746	2,613,218,746	2,607,504,178	2,613,218,746	2,607,504,178	2,611,268,746
	- 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)	65.37%	65.37%	65.23%	65.37%	65.23%	65.32%

S.No.	Particulars	Quarter Ended September 30,
		2014
B	Status of investor complaints as on September 30, 2014 is as follows:	
	Complaints pending as on July 1, 2014	Nil
	Complaints received during the quarter	1
	Complaints resolved during the quarter	1
	Complaints pending as on September 30, 2014	Nil

2. Segment Reporting - Prepared as per Indian GAAP (as Stand alone entity)

(In Rs Million)

Particulars	Quarter Ended September 30,	Quarter Ended June 30,	Quarter Ended September 30,	Half Year Ended September 30,	Half Year Ended September 30,	Year Ended March 31,
	2014	2014	2013	2014	2013	2014
	Audited	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue						
Net sales/income from each segment						
a) Mobile Services	117,563	118,672	106,022	236,235	213,917	435,014
b) Telemedia Services	10,213	10,040	9,286	20,253	18,298	37,375
c) Airtel Business	14,975	14,445	15,705	29,420	28,877	58,567
d) Unallocated	-	-	-	-	-	-
Total	142,751	143,157	131,013	285,908	261,092	530,956
Less: Inter Segment Eliminations	6,938	6,879	8,579	13,817	16,414	31,771
Net sales/Income	135,813	136,278	122,434	272,091	244,678	499,185
2. Segment Results						
Profit/(Loss) before tax , net Finance Costs and exceptional items from each segment						
a) Mobile Services	25,491	27,336	18,496	52,827	34,965	81,667
b) Telemedia Services	1,898	1,899	1,322	3,797	2,830	5,750
c) Airtel Business	1,461	1,274	1,185	2,735	2,640	6,519
d) Unallocated #	(2,240)	(465)	(1,406)	(2,705)	(2,811)	(1,844)
Total	26,610	30,044	19,597	56,654	37,624	92,092
Less: Inter Segment Eliminations	-	-	-	-	-	-
Total profit/(loss) before tax , Net Finance Costs and exceptional items	26,610	30,044	19,597	56,654	37,624	92,092
Less :						
Net Finance Costs / (Income)	(28,641)	1,904	(2,413)	(26,737)	1,605	6,247
Exceptional Items - Loss / (Gain)	-	-	-	-	2,299	2,071
Total profit before tax	55,251	28,140	22,010	83,391	33,720	83,774
3. Capital Employed						
(Segment assets - Segment liabilities) *						
a) Mobile Services	292,385	296,360	261,442	292,385	261,442	308,484
b) Telemedia Services	19,889	20,381	22,462	19,889	22,462	21,369
c) Airtel Business	4,352	5,423	9,622	4,352	9,622	5,695
d) Unallocated **	395,522	346,842	319,751	395,522	319,751	307,715
Total	712,148	669,006	613,277	712,148	613,277	643,263

*Excludes inter segment assets and liabilities.

**Includes borrowings for 3G and BWA licenses (including spectrum) of Rs 19,285 Mn, Rs 19,285 Mn, Rs 36,400 Mn and Rs 41,450 Mn as of September 30, 2014, June 30, 2014, March 31, 2014 and September 30, 2013, respectively.

includes foreign exchange fluctuations in respect of loans given to subsidiaries.

Notes to accounts

- The above financial results for the second quarter and half year ended September 30, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 30, 2014.
- Notes to the consolidated financial results form part of the notes to the standalone financial results.
- Reserves and surplus as at September 30, 2014 include Rs. 987 Mn, towards employee stock option outstanding account (net of the related deferred cost) of the Company.
- During the quarter ended September 30, 2014, in order to comply with the requirement to maintain minimum public shareholding of 25% in terms of rule 19(2)(b)/ 19A of Securities Contracts (Regulation) Rules, 1957, as amended, and Clause 40A of the equity listing agreement, the Company has sold 85 Mn shares in Bharti Infratel Limited (BIL) for Rs 21,434 Mn, representing 4.5% shareholding in BIL. Subsequent to the transaction, the shareholding of the Company in BIL has reduced to 74.86%. Excess of proceeds over the cost of investment net of associated costs, taxes and levies, amounting to Rs 16,573 Mn has been recognised in Other income.
- Other income for the quarter ended September 30, 2014 includes dividends from subsidiary companies of Rs 13,700 Mn.

6. During the quarter ended September 30, 2014, the Government of India issued Letters of Intent (LOI) earmarking spectrum in the 1800 MHz band that was successfully won by the Company in the auctions conducted in February 2014. From the date of such LOI, the reckoning of the validity period of 20 years has commenced. Accordingly, the Group has recognized deferred payment liability of Rs 64,452 Mn. The remaining amount of Rs 64,677 Mn for 900 MHz spectrum not yet assigned has been disclosed under capital commitments.
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. 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, has not given effect to the one time spectrum charges in these financial results.
8. Audited statement of assets and liabilities as per IGAAP (as a standalone entity) in terms of clause 41 of the listing agreement is as follows:

(In Rs Million)

Particulars	As of	
	September 30,	March 31,
	2014	2014
	Audited	Audited
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
a) Share capital	19,987	19,987
b) Reserves and surplus	712,852	647,293
	732,839	667,280
2 Non- Current Liabilities		
a) Long-term borrowings	134,179	72,717
b) Deferred tax liabilities (Net)	10,437	9,475
c) Other long term liabilities	39,094	39,394
d) Long term provisions	1,955	2,095
	185,665	123,681
3 Current Liabilities		
a) Short-term borrowings	222	12,510
b) Trade payables	68,679	62,663
c) Other current liabilities	136,235	106,454
d) Short term provisions	4,664	9,453
	209,800	191,080
Total Equity and Liabilities	1,128,304	982,041
B ASSETS		
1 Non-Current Assets		
a) Fixed Assets	414,790	411,224
b) Non current investments	369,508	340,348
c) Long- term loans and advances	208,567	145,180
d) Other non-current assets	18,753	17,901
	1,011,618	914,653
2 Current Assets		
a) Current investments	19,343	4,891
b) Inventories	66	11
c) Trade receivables	26,973	21,655
d) Cash and cash equivalents	3,871	4,460
e) Short-term loans and advances	54,729	24,218
f) Other current assets	11,704	12,153
	116,686	67,388
Total Assets	1,128,304	982,041

9. Previous year's/ period's figures have been regrouped / rearranged, wherever required.

For Bharti Airtel Limited
Sd/-

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

New Delhi
October 30, 2014

“Bharti Airtel”, or “the Company”, wherever stated stands for Bharti Airtel Limited.
For more details on the financial results, please visit our website www.airtel.in