

Auditor's Report On Quarterly Financial Results and Year to Date Results of Bharti Airtel Limited pursuant to Clause 41 of the Listing Agreement

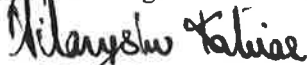
To
Board of Directors of Bharti Airtel Limited

1. We have audited the quarterly financial results of Bharti Airtel Limited ("the Company") for the quarter ended September 30, 2014 and the year to date results for the period from April 1, 2014 to September 30, 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim condensed financial statements, which are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express an opinion on these quarterly financial results as well as the year to date financial results based on our audit of such interim condensed financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We draw attention to Note 7 to the quarterly financial results as well as the year to date financial results, which describes the uncertainties related to the legal outcome of Department of Telecommunication's demand with respect to One Time Spectrum Charge. Our opinion is not qualified in respect of this matter.
4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date financial results:
 - i. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended September 30, 2014 as well as the year to date results for the period from April 1, 2014 to September 30, 2014.
5. Further, read with paragraph 1 above, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W



per Nilangshu Katriar

Partner

Membership No.: 58814

Place: New Delhi

Date: October 30, 2014

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

Part I		(In Rs. Million except per share data)					
S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
		September 30,	June 30,	September 30,	September 30,	September 30,	March 31,
		2014	2014	2013	2014	2013	2014
		Audited	Audited	Audited	Audited	Audited	Audited
1	Total Sales / Income	228,617	230,055	213,428	458,672	416,423	858,635
	(a) Net Sales/ Income from Operations	228,452	229,616	213,244	458,068	415,883	857,461
	(b) Other Operating Income	165	439	184	604	540	1,174
2	Total Expenditure	190,094	193,142	184,093	383,236	360,049	736,701
	(a) Employee Cost	11,909	11,600	12,206	23,589	23,132	46,228
	(b) Depreciation & Amortisation	38,530	40,365	39,394	78,895	77,864	156,496
	(c) License Fees & Spectrum Charges	21,559	21,925	19,157	43,484	37,316	75,971
	(d) Access & Interconnection Charges	28,078	27,889	27,475	55,967	54,436	111,923
	(e) Network Operating Expenses	51,425	51,236	49,143	102,661	95,843	197,202
	(f) Sales & Marketing	22,321	21,976	21,963	44,297	40,724	86,075
	(g) Administration & others	15,749	17,304	14,635	33,053	30,461	61,904
	(h) Other Expenditure	523	767	120	1,290	273	902
3	Profit from Operations before Other Income, Net Finance Charges (including exchange fluctuation and related expenses), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (1-2)	38,523	36,913	29,335	75,436	56,374	121,934
4	Other Income	-	-	-	-	-	-
5	Profit before Net Finance Charges (including exchange fluctuation and related expenses), Share of Loss / (Gain) in Joint Ventures / Associates, Exceptional Items and Tax (3+4)	38,523	36,913	29,335	75,436	56,374	121,934
6	Net Finance Charges (including exchange fluctuation and related expenses)	10,264	9,643	16,519	19,907	28,255	49,040
7	Share of Loss / (Gain) in joint ventures / associates	(1,709)	(1,578)	(1,652)	(3,287)	(2,474)	(5,211)
8	Profit after Net Finance Charges (including exchange fluctuation and related expenses), Share of Loss / (Gain) in Joint Ventures / Associates but before Exceptional Items and Tax	29,968	28,848	14,468	58,816	30,593	78,105
9	Exceptional Items - Loss / (Gain) (Refer Note 11 below)	1,750	1,820	819	3,570	(1,433)	(538)
10	Profit (+) / Loss(-) from Ordinary Activities after Exceptional Items but before Tax	28,218	27,028	13,649	55,246	32,026	78,643
11	Tax Expense (including benefit of Rs 62 Mn, expense of Rs 637 Mn for the quarter and half year ended Sep14, respectively, expense of Rs 699 Mn for the quarter ended Jun,14, benefit of Rs 246 Mn and expense of Rs 864 Mn for the quarter and half year ended Sep,13, respectively and expense of Rs 3,970 Mn for the year ended Mar,14 on exceptional items)	14,765	15,326	8,634	30,091	18,318	48,449
12	Net profit (+)/ loss(-) from Ordinary Activities after tax	13,453	11,702	5,015	25,155	13,708	30,194
13	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
14	Profit (+)/ Loss (-) for the period / year	13,453	11,702	5,015	25,155	13,708	30,194
15	Minority Interest (including impact of Rs (107) Mn for the quarter and half year ended Sep,14, respectively, Rs (229) Mn and Rs 1,113 Mn for the quarter and half year ended Sep,13, respectively and Rs 1,558 Mn for the year ended Mar,14 on exceptional items)	(379)	617	(105)	238	1,699	2,467
16	Net Profit/(Loss) for the period / year	13,832	11,085	5,120	24,917	12,009	27,727
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	19,987	19,987	19,987	19,987
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	616,212	605,783	579,030	616,212	579,030	594,692
19	Earnings per share (Face value Rs.5/- each) (in Rs.)						
	a. Basic and diluted EPS before Extraordinary items						
	i) Basic	3.462	2.775	1.282	6.237	3.072	7.016
	ii) Diluted	3.461	2.773	1.281	6.234	3.070	7.010
	b. Basic and diluted EPS after Extraordinary items						
	i) Basic	3.462	2.775	1.282	6.237	3.072	7.016
	ii) Diluted	3.461	2.773	1.281	6.234	3.070	7.010
Part II							
S.No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
		September 30,	June 30,	September 30,	September 30,	September 30,	March 31,
		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 International Financial Reporting Standards (IFRS) (as Consolidated Entity)

(In Rs Million)

Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
	September 30,	June 30,	September 30,	September 30,	September 30,	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 India	126,342	127,525	113,541	253,867	229,554	466,835
b) Mobile Services South Asia	3,893	4,371	4,537	8,264	8,450	17,403
c) Mobile Services Africa	68,956	69,685	70,258	138,641	129,567	272,488
d) Telemedia Services	11,160	10,705	9,757	21,865	19,241	39,352
e) Airtel Business	17,038	16,110	16,825	33,148	30,861	63,361
f) Digital TV Services	6,263	5,915	5,072	12,178	9,972	20,771
g) Tower Infrastructure Services	13,744	13,328	12,602	27,072	25,434	51,087
h) Others	727	781	836	1,508	1,696	3,197
i) Unallocated	-	-	-	-	-	-
Total	248,123	248,420	233,428	496,543	454,775	934,494
Less: Inter Segment Eliminations	19,671	18,804	20,184	38,475	38,892	77,033
Net sales/Income	228,452	229,616	213,244	458,068	415,883	857,461
2. Segment Results ⁵						
Profit/(Loss) before tax, net Finance Charges (including exchange fluctuation and related expenses) and exceptional items from each segment						
a) Mobile Services India	28,986	29,516	21,773	58,502	42,725	91,298
b) Mobile Services South Asia	(1,340)	(1,076)	(1,051)	(2,416)	(2,059)	(4,271)
c) Mobile Services Africa	3,819	2,773	4,769	6,592	8,371	16,983
d) Telemedia Services	2,129	1,756	1,404	3,885	2,843	5,541
e) Airtel Business	2,487	1,755	1,844	4,242	3,266	8,078
f) Digital TV Services	(676)	(626)	(1,472)	(1,302)	(2,627)	(4,812)
g) Tower Infrastructure Services	5,306	4,964	4,045	10,270	6,883	16,185
h) Others	16	15	10	31	30	62
i) Unallocated	(458)	(499)	(300)	(957)	(604)	(1,644)
Total	40,269	38,578	31,022	78,847	58,828	127,420
Less: Inter Segment Eliminations	37	87	35	124	(20)	275
Total profit/(loss) before tax , Net Finance Charges (including exchange fluctuation and related expenses) and exceptional items	40,232	38,491	30,987	78,723	58,848	127,145
Less :						
Net Finance Charges (including exchange fluctuation and related expenses)	10,264	9,643	16,519	19,907	28,255	49,040
Exceptional Items - Loss / (Gain)	1,750	1,820	819	3,570	(1,433)	(538)
Total profit before tax	28,218	27,028	13,649	55,246	32,026	78,643
3. Capital Employed						
(Segment assets - Segment liabilities)						
a) Mobile Services India	771,492	746,297	671,118	771,492	671,118	718,552
b) Mobile Services South Asia	22,319	21,240	15,087	22,319	15,087	11,087
c) Mobile Services Africa	551,409	586,417	644,413	551,409	644,413	629,398
d) Telemedia Services	50,261	48,325	44,222	50,261	44,222	46,700
e) Airtel Business	78,651	76,777	70,445	78,651	70,445	75,301
f) Digital TV Services	(34,849)	(34,040)	(31,029)	(34,849)	(31,029)	(33,317)
g) Tower Infrastructure Services	166,709	188,284	173,802	166,709	173,802	183,527
h) Others	(348)	(362)	(449)	(348)	(449)	(314)
i) Unallocated (net of eliminations) *	(946,042)	(982,862)	(958,588)	(946,042)	(958,588)	(991,272)
Total	659,602	650,076	629,021	659,602	629,021	639,662

*Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs. 579,738 Mn (USD 9.41 Bn), Rs. 619,093 Mn (USD 10.30 Bn), Rs 640,237 Mn (USD 10.65 Bn) and Rs 633,707 Mn (USD 10.09 Bn), for 3G and BWA licenses (including spectrum) of Rs. 39,285 Mn, Rs. 39,285 Mn, Rs 62,900 Mn, and Rs 67,950 Mn as of September 30, 2014, June 30, 2014, March 31,2014 and September 30,2013, respectively, provision for taxes, deferred tax asset/ liabilities and fair value of derivative financial instruments.

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

Notes to accounts

1. 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.
2. 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, 2014 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 results have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.
4. During the quarter ended September 30, 2014, the Company made additional equity investments in its following wholly owned subsidiaries:
 - i) Rs. 200 Mn in Airtel M Commerce Services Limited.
 - ii) USD 370 Mn (Rs. 22,410) Mn in Bharti Airtel International (Mauritius) Limited.
5. 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 change in non-controlling interests net of associated costs, taxes and levies, amounting to Rs 12,809 Mn has been recognised directly in consolidated statement of changes in equity.
6. During the quarter ended September 30, 2014, the Group formally designated for accounting purposes, a significant portion of its Euro borrowings as a hedge against net investments in subsidiaries (in 5 Francophone countries where the local currency is pegged to the Euro). Any foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income to offset the change in the value of the net investment being hedged. During the quarter, foreign exchange gain of Rs 11,643 Mn (USD 192 Mn) has been recognised in other comprehensive income.
7. On September 5, 2014, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. (BAIN)/ its subsidiaries and Eaton Towers Limited (Eaton)/ its subsidiaries have entered into agreements for the divestment of over 3,500 telecom towers in six countries across Africa operations from BAIN to Eaton. The Company's subsidiaries will have access to a dedicated portion of the towers from Eaton under long term lease contracts, considered as finance lease. As the criteria stated by IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' are met during the quarter, assets and associated liabilities that are part of this sale and will not be leased back amounting to Rs 15,274 Mn and Rs 1,960 Mn have been reclassified respectively as 'assets of disposal group classified as held for sale' and 'liabilities of disposal group classified as held for sale' in the statement of financial position. As of September 30, 2014, Rs. 30,875 Mn and Rs. 3,349 Mn have been reclassified as 'assets of disposal group classified as held for sale'

and 'liabilities of disposal group classified as held for sale', reselectively, in the statement of financial position.

8. 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.
9. During the quarter ended September 30, 2014, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has transferred 230,168 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of September 30, 2014, the trust holds 819,713 equity shares.
10. 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 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.
11. Exceptional items during the quarter resulted in a net loss of Rs 1,581 Mn, comprising of: (i) charge of Rs 1,457 Mn related to post-acquisition integration activities in two countries and other costs attributable to restructuring activities in a few countries, (ii) charge of Rs 293 Mn on account of certain one-off disputes, (iii) tax credit of Rs 62 Mn with respect to (i) above, and (iv) impact on minority interest of Rs 107 Mn on (i) and (iii) above.
12. In its Annual General Meeting held on September 1, 2014, the Company declared final dividend at the rate of Rs. 1.80/- per equity share of Rs. 5/- each aggregating to Rs. 7,195 Mn.
13. In its Board Meeting held on August 13, 2014, the Company declared Interim dividend at the rate of Rs. 1.63/- per equity share of Rs. 5/- each aggregating to Rs. 6,516 Mn.
14. Audited financial results of the Company as per IGAAP (standalone information in terms of clause 41 (VI) (b) of the Listing agreement) are as follows:

(In Rs Million)

Sl. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
		September 30,	June 30,	September 30,	September 30,	September 30,	March 31,
		2014	2014	2013	2014	2013	2014
		Audited	Audited	Audited	Audited	Audited	Audited
1	Net Sales / Income from operations	135,813	136,278	122,434	272,091	244,678	499,185
2	Profit before tax and exceptional items	55,251	28,140	22,010	83,391	36,019	85,845
3	Profit before tax and after exceptional items	55,251	28,140	22,010	83,391	33,720	83,774
4	Profit after tax and before exceptional items	49,373	21,604	17,844	70,977	29,134	66,893
5	Profit after tax and exceptional items	49,373	21,604	17,844	70,977	27,432	66,002

15. Consolidated statement of assets and liabilities as per IFRS 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
Assets		
Property, plant and equipment	573,972	596,429
Goodwill on consolidation	462,578	469,136
Other Intangible assets	409,826	340,580
Investment (non-current)	36,461	36,341
Other non current and current assets	279,952	275,791
Inventories	1,308	1,422
Short term investments	72,901	62,265
Cash and cash equivalents	15,941	49,808
Assets of disposal group classified as held for sale	30,875	-
Total assets	1,883,814	1,831,772
Equity and liabilities		
Equity		
Issued capital	19,987	19,987
Treasury shares	(242)	(342)
Reserves and surplus	595,396	577,915
Equity attributable to equity holders of parent	615,141	597,560
Non-controlling interest	44,461	42,102
Total equity	659,602	639,662
Liabilities		
Borrowings	677,274	758,958
Provisions	10,254	11,769
Other non current and current liabilities	533,335	421,383
Liabilities of disposal group classified as held for sale	3,349	-
Total equity and liabilities	1,883,814	1,831,772

16. Previous year's / periods' 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. 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

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	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
		September 30,	June 30,	September 30,	September 30,	September 30,	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	Quarter Ended	Quarter Ended	Half Year Ended	Half Year Ended	Year Ended
S.No.	Particulars	September 30,	June 30,	September 30,	September 30,	September 30,	March 31,
		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

Bharti Airtel Limited

Overall customer base crosses 300 million;

Quarterly mobile internet revenues cross Rs 2,500 crore

Bharti Airtel announces consolidated IFRS results for the Second quarter ended September 30, 2014

Highlights for the Second quarter ended September 30, 2014

- ~ Customer base crosses mark of 300 million and stands at 303.7 million across 20 countries, up 8.4% Y-o-Y.
- ~ Consolidated total revenues at Rs 22,845 crore, up by 7.1% Y-o-Y.
- ~ India revenues up 12.3%; Africa revenues (in local currency) up 6.4% Y-o-Y.
- ~ Consolidated Mobile Data revenue at Rs 2,540 crore, up by 66.7% Y-o-Y; growth across geographies
- ~ Consolidated EBITDA at Rs 7,705 crore, up by 12.1% Y-o-Y, EBITDA margin up 1.5% Y-o-Y.
- ~ India EBITDA margin at 38.3%, up by 3.2% Y-o-Y.
- ~ Net Income at Rs 1,383 crore, up by 170.2% Y-o-Y.

New Delhi, India, October 30, 2014: Bharti Airtel Limited (“Bharti Airtel” or “the Company”) today announced its audited consolidated IFRS results for the Second quarter ended September 30, 2014.

The consolidated revenues for Q2'15 at Rs 22,845 crore grew by 7.1% over the corresponding quarter last year. Consolidated Mobile data revenues at Rs 2,540 crore grew by 66.7% Y-o-Y, contributing more than two-thirds of the incremental revenues.

India revenues accelerated by 12.3% Y-o-Y, growth was witnessed across segments, led by 11.3% in Mobile, 14.4% in Telemedia and 23.5% in Digital TV. Mobile voice realisation in India improved to 37.69p per minute (up 0.90p Y-o-Y). Mobile Data revenue at Rs 1,805 crore registered a growth of 73.8% Y-o-Y in India, uplifted by increase in data customer base by 43.0% and higher usage per customer by 31.2%. Mobile data revenues contribute to 14.5% of Mobile India revenues vis-à-vis 9.4% in the corresponding quarter last year.

Africa revenues grew by 6.4% in local currency terms, but the USD appreciation depressed the reported growth to 1.9% Y-o-Y. Data revenues stood at \$ 115 Mn with growth of 56.8% Y-o-Y, led by increase in data customer base by 50.4% and higher usage per customer by 24.5%. Data revenues contribute to 10.1% of overall Africa revenues vis-à-vis 6.6% in the corresponding quarter last year. Active Airtel Money customers have risen to 5.3 Mn with the total value of transactions on the Airtel money platform crossing \$ 3.3 Bn during the quarter.

Consolidated EBITDA at Rs 7,705 crore grew by 12.1% Y-o-Y, with margin expanding by 1.5% to 33.7%. The resultant consolidated EBIT of Rs 3,852 crore represents a Y-o-Y growth of 31.3%, with EBIT margin improving by 3.1%. Improved operational efficiency, lower forex & derivative losses in the current quarter and higher MTM losses on investment in the corresponding quarter last year have resulted in consolidated Net Income growing by 170.2% Y-o-Y to Rs 1,383 crore. This is the highest quarterly profit since March 2011.

Consequent to an addition of Rs 6,445 crore of deferred payment liabilities for the 2G spectrum, the Company's consolidated net debt has increased to \$ 10,098 Mn and the Net Debt to EBITDA ratio (LTM) has moved marginally to 2.06 times from 2.04 in the previous quarter.

In a statement, **Mr. Gopal Vittal, MD and CEO, India & South Asia**, said:

“Airtel's revenue growth in India has further accelerated to 12.3% in Q2. We continue to see strong momentum in mobile data which has grown by 74% in this quarter. Airtel's pioneering 4G roll-out in 15 cities is now witnessing stronger customer acceptance. On the regulatory front, the recent TRAI recommendations on making more contiguous spectrum available in the upcoming auctions have the potential of transforming the industry. We believe that this is critical to realise the exciting vision of "Digital India" that the Government has articulated”.

In a statement, **Mr. Christian de Faria, MD and CEO, Africa**, said:

"I am delighted to note that mobile data revenues in Africa have grown by 57% Y-o-Y to clock \$115 Mn in this quarter, which is now 10% of the total revenues. Our robust 3G networks have supported the doubling of data volumes Y-o-Y, and we have been gearing up for much more growth. Airtel money transaction values have also crossed \$ 1 Bn a month. More than 5 Mn customers are carrying out a daily average of 1.4 million transactions on Airtel Money. We are delighted to be in the forefront of this twin opportunity – mobile data and m-commerce, both of which have enormous potential to change quality of lives of people in Africa. The contraction in voice revenues in Q2 and the consequent pressure on EBITDA were mainly due to seasonal and regulatory factors, and the impact of both was somewhat more pronounced than what we anticipated. We are optimistic about the potential in Africa, despite these aberrations".

Summary of the Consolidated Statement of Income – represents consolidated Statement of Income as per International Financial Reporting Standards (IFRS)

(Amount in Rs crore, except ratios)

Particulars	Quarter Ended		Y-o-Y Growth	Six Months Ended		Y-o-Y Growth
	Sep 2014	Sep 2013		Sep 2014	Sep 2013	
Total revenues	22,845	21,324	7.1%	45,807	41,588	10.1%
EBITDA	7,705	6,873	12.1%	15,433	13,424	15.0%
<i>EBITDA/ Total revenues</i>	33.7%	32.2%		33.7%	32.3%	
EBIT	3,852	2,934	31.3%	7,544	5,637	33.8%
<i>EBIT/ Total revenues</i>	16.9%	13.8%		16.5%	13.6%	
Profit before tax	2,997	1,447	107.1%	5,882	3,059	92.3%
Net Income	1,383	512	170.2%	2,492	1,201	107.5%
Operating free cash flow	3,978	4,734	-16.0%	7,720	8,989	-14.1%

Customer Base

(Figures in nos, except ratios)

Particulars	Unit	Sep 2014	Jun 2014	Q-o-Q Growth	Sep 2013	Y-o-Y Growth
Mobile Services	000's	290,798	287,147	1.3%	268,177	8.4%
India	000's	211,752	209,411	1.1%	193,457	9.5%
South Asia	000's	7,678	8,650	-11.2%	8,342	-8.0%
Africa	000's	71,367	69,086	3.3%	66,378	7.5%
Telemedia Services	000's	3,372	3,350	0.6%	3,338	1.0%
Digital TV Services	000's	9,540	9,388	1.6%	8,572	11.3%
Total	000's	303,709	299,885	1.3%	280,087	8.4%

About Bharti Airtel Limited

Bharti Airtel Limited is a leading global telecommunications company with operations in 20 countries across Asia and Africa. Headquartered in New Delhi, India, the company ranks amongst the top 4 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national & international long distance services to carriers. In the rest of the geographies, it offers 2G, 3G wireless services and mobile commerce. Bharti Airtel had over 303 million customers across its operations at the end of September 2014. To know more please visit, www.airtel.com

Disclaimer:

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