BHARTI AIRTEL LIMITED

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

Financial results for the fourth quarter and year ended March 31, 2014

1. **Consolidated summarised 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 March 31, 2014 Audited	Quarter Ended December 31, 2013 Audited	Quarter Ended March 31, 2013 Audited and Restated	Year Ended March 31, 2014 Audited	Year Ended March 31, 2013 Audited and Restated
1	**Total Sales / Income**	**222,605**	**219,607**	**195,924**	**858,635**	**769,470**
	(a) Net Sales/ Income from Operations	222,193	219,385	195,821	857,461	769,045
	(b) Other Operating Income	412	222	103	1,174	425
2	**Total Expenditure**	**188,983**	**187,861**	**173,323**	**737,361**	**685,039**
	(a) Employee Cost	11,517	11,579	10,435	46,228	38,823
	(b) Depreciation & Amortisation	39,444	39,188	38,004	156,496	148,148
	(c) License Fees & Spectrum Charges	19,951	18,896	16,933	76,631	66,486
	(d) Access & Interconnection Charges	28,732	28,755	27,499	111,923	113,227
	(e) Network Operating Expenses	50,219	51,140	45,354	197,202	173,333
	(f) Sales & Marketing	22,631	22,720	19,336	86,075	83,778
	(g) Administration & others	15,971	15,472	15,696	61,904	60,854
	(h) Other Expenditure	518	111	66	902	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)**	**33,622**	**31,746**	**22,601**	**121,274**	**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)**	**33,622**	**31,746**	**22,601**	**121,274**	**84,431**
6	Net Finance Charges (including exchange fluctuation)	9,911	10,682	11,158	48,380	40,084
7	Share of Loss / (Gain) in joint ventures / associates	(1,673)	(1,064)	(875)	(5,211)	(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**	**25,384**	**22,128**	**12,318**	**78,105**	**47,853**
9	Exceptional Items - Loss / (Gain) (Refer Note 7 below)	1,569	(674)	-	(538)	-
10	**Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax**	**23,815**	**22,802**	**12,318**	**78,643**	**47,853**
11	Tax Expense (including expense of Rs 256 Mn for the quarter ended Mar,14 ,expense of Rs 2,762 Mn for the quarter ended Dec,13 and expense of Rs 3,970 Mn for the year ended Mar,14 on exceptional items)	13,562	16,569	7,255	48,449	25,184
12	**Net profit (+)/ loss(-) from Ordinary Activities after tax**	**10,253**	**6,233**	**5,063**	**30,194**	**22,669**
13	Extraordinary items (net of tax expenses)	-	-	-	-	-
14	**Profit (+)/ Loss (-) for the period / year**	**10,253**	**6,233**	**5,063**	**30,194**	**22,669**
15	Minority Interest (including impact of Rs 508 Mn for the quarter ended Mar,14, Rs 125 Mn for the quarter ended Dec,13 and Rs 1,558 Mn for the year ended Mar,14 on exceptional items)	637	131	(23)	2,467	(88)
16	**Net Profit/(Loss) for the period / year**	**9,616**	**6,102**	**5,086**	**27,727**	**22,757**
17	Paid-up equity share capital (Face value Rs.5/- each)	19,987	19,987	18,988	19,987	18,988
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	594,692	585,089	517,474	594,692	517,474
19	**Earnings per share (Face value Rs.5/- each) (in Rs.)**					
	a. Basic and diluted EPS before Extraordinary items					
	i) Basic	2.407	1.528	1.341	7.016	5.998
	ii) Diluted	2.406	1.527	1.340	7.010	5.995
	b. Basic and diluted EPS after Extraordinary items					
	i) Basic	2.407	1.528	1.341	7.016	5.998
	ii) Diluted	2.406	1.527	1.340	7.010	5.995

Part II

S.No.	Particulars	Quarter Ended March 31, 2014 Audited	Quarter Ended December 31, 2013 Audited	Quarter Ended March 31, 2013 Audited	Year Ended March 31, 2014 Audited	Year Ended March 31, 2013 Audited
A	**Particulars of Shareholding**					
1	**Public Shareholding**					
	a. Number of shares	1,386,131,356	1,389,895,924	1,194,297,918	1,386,131,356	1,194,297,918
	b. Percentage of shareholding	34.68%	34.77%	31.45%	34.68%	31.45%
2	**Promoters and Promoter Group Shareholding**					
	a) Pledged/ Encumbered					
	- Number of Shares	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
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered					
	- Number of Shares	2,611,268,746	2,607,504,178	2,603,232,178	2,611,268,746	2,603,232,178
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	65.32%	65.23%	68.55%	65.32%	68.55%

S.No.	Particulars	Quarter Ended March 31, 2014
B	**Status of investor complaints as on March 31, 2014 is as follows:**	
	Complaints pending as on January 1, 2014	1
	Complaints received during the quarter	0
	Complaints resolved during the quarter	1
	Complaints pending as on March 31, 2014	NIL

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

(In Rs Million)

Particulars	Quarter Ended March 31, 2014 Audited	Quarter Ended December 31, 2013 Audited	Quarter Ended March 31, 2013 Audited and Restated	Year Ended March 31, 2014 Audited	Year Ended March 31, 2013 Audited and Restated
1. Segment Revenue					
Net sales/income from each segment					
a) Mobile Services India	120,835	116,446	110,173	466,835	430,705
b) Mobile Services South Asia	4,488	4,465	3,453	17,403	12,330
c) Mobile Services Africa	70,623	72,298	60,647	272,488	240,439
d) Telemedia Services	10,242	9,869	9,130	39,352	35,896
e) Airtel Business	16,305	16,195	13,144	63,361	53,203
f) Digital TV Services	5,415	5,384	4,419	20,771	16,295
g) Tower Infrastructure Services	13,061	12,592	13,160	51,087	49,865
h) Others	717	784	805	3,197	3,359
i) Unallocated	-	-	-	-	-
Total	**241,686**	**238,033**	**214,931**	**934,494**	**842,092**
Less: Inter Segment Eliminations	19,493	18,648	19,110	77,033	73,047
Net sales/Income	**222,193**	**219,385**	**195,821**	**857,461**	**769,045**
2. Segment Results [$]					
Profit/(Loss) before tax , net Finance Charges and exceptional items from each segment					
a) Mobile Services India	25,402	23,100	17,241	91,216	66,552
b) Mobile Services South Asia	(1,083)	(1,129)	(1,123)	(4,271)	(5,117)
c) Mobile Services Africa	3,881	4,731	3,361	16,983	15,569
d) Telemedia Services	1,420	1,278	1,866	5,541	6,999
e) Airtel Business	2,136	2,676	1,282	8,078	3,110
f) Digital TV Services	(1,111)	(1,081)	(1,784)	(4,821)	(8,105)
g) Tower Infrastructure Services	5,465	3,837	3,149	16,185	10,894
h) Others	(15)	47	2	62	83
i) Unallocated	(510)	(644)	(521)	(2,213)	(2,027)
Total	**35,585**	**32,815**	**23,473**	**126,760**	**87,958**
Less: Inter Segment Eliminations	290	5	(3)	275	21
Total profit/(loss) before tax , Net Finance Charges (including exchange fluctuation) and exceptional items	**35,295**	**32,810**	**23,476**	**126,485**	**87,937**
Less :					
Net Finance Charges (including exchange fluctuation)	9,911	10,682	11,158	48,380	40,084
Exceptional Items - Loss / (Gain)	1,569	(674)	-	(538)	-
Total profit before tax	**23,815**	**22,802**	**12,318**	**78,643**	**47,853**
3. Capital Employed					
(Segment assets - Segment liabilities)					
a) Mobile Services India	718,141	694,083	577,782	718,141	577,782
b) Mobile Services South Asia	11,087	11,775	8,693	11,087	8,693
c) Mobile Services Africa	629,398	635,633	549,131	629,398	549,131
d) Telemedia Services	46,699	45,421	41,950	46,699	41,950
e) Airtel Business	75,301	73,220	62,396	75,301	62,396
f) Digital TV Services	(33,330)	(32,181)	(28,138)	(33,330)	(28,138)
g) Tower Infrastructure Services	183,527	177,789	166,099	183,527	166,099
h) Others	(314)	(291)	(476)	(314)	(476)
i) Unallocated (net of eliminations) *	(990,847)	(971,764)	(833,334)	(990,847)	(833,334)
Total	**639,662**	**633,685**	**544,103**	**639,662**	**544,103**

*Comprises borrowings, including borrowings for acquisition of Africa operations and other borrowings of Africa operations of Rs 640,237 mn (USD 10.65bn), Rs 628,073 mn (USD 10.15 bn) and Rs 537,760 mn (USD 9.89 bn), for 3G and BWA licenses (including spectrum) of Rs 62,900 mn ,Rs 62,900 mn and Rs 52,225 mn as of March 31,2014, December 31,2013 and March 31,2013, 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 fourth quarter and financial year ended March 31, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on April 29, 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 fourth quarter and financial year ended March 31, 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 statements have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.

4. During the quarter ended March 31, 2014, the Company's subsidiary, Airtel Congo S.A., acquired 100% equity stake in Warid Congo S.A. Consequently, the referred entity has been consolidated as a subsidiary beginning March 12, 2014.

5. During the quarter, the Group has won the auction for 115 MHz spectrum in 15 service areas in the auction conducted by the Government of India. The Group has opted for the deferred payment option in 13 service areas and has paid an advance of Rs 53,304 Mn with the balance amount of Rs 129,129 Mn payable in 10 equal installments after a moratorium of two years. Pending the allocation of spectrum by the Government of India, the balance amount has been disclosed under capital commitments in the notes to the consolidated financial statements. For the other 2 service areas, an upfront advance of Rs 1,953 Mn has been paid.

6. During the quarter ended March 31, 2014, the Company's subsidiary, Bharti Airtel International (Netherlands) B.V. successfully raised EUR 250 Mn through issuance of 4% Guaranteed Notes due 2018 at an issue price of 100.374 percent. It also raised CHF 350 Mn through issuance of 3% Guaranteed Notes due 2020 at an issue price of 100.108 percent.

7. Exceptional items during the quarter resulted in a net loss of Rs 2,333 Mn, comprising of: (i) charge of Rs 1,569 Mn on account of integration costs due to business combination, (ii) tax expense of Rs 256 Mn made up of (a) tax provision (net) of Rs 542 Mn on account of settlement of various disputes / uncertain tax position and (b) tax benefit of Rs 286 Mn on account of reversal of exceptional charge recorded in previous quarters, and (iii) charge of Rs 508 Mn being share of minority interests in respect of (i) and (ii) above, wherever applicable.

8. During the quarter ended March 31, 2014, the Company made additional equity investments in its following wholly owned subsidiaries:

   i) USD 30 Mn (Rs 1,818 Mn) in Bharti Airtel International (Mauritius) Limited
   ii) Rs 550 Mn in Airtel M Commerce Services Limited
   iii) USD 18.60 Mn (Rs.1,152 Mn) in Network i2i Limited, by way of transfer of its co-ownership rights in a sub marine cable

9. Subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, the Board of Directors has recommended a final dividend of Rs 1.80 per equity share of Rs. 5/- each for the financial year 2013-14. As per IFRS these will be recorded in the financial statements upon shareholder's approval. The Company, based on an independent legal opinion, has determined that the provisions of the Companies Act, 2013 apply to the proposed dividend for the year ended March 31, 2014, as it would be declared and paid after April 1, 2014. Since the Companies Act, 2013 does not mandate transfer to general reserve, the Company has not transferred any amount to the general reserve for the proposed dividend.

10. During the quarter ended March 31, 2014, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has transferred 275,967 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of March 31, 2014, the trust holds 1,196,407 equity shares.

11. Effective April 1, 2013, accounting standard "IFRS 11 on Joint Arrangements" became mandatory, where by accounting for investments in Joint Ventures changed from "Proportionate Consolidation" method (line by line consolidation) to Equity method i.e. accounting for share of results of Joint Venture. This change is presentational in nature and does not impact on the Group's profit after tax for the financial periods reported earlier. Since the Standard requires retrospective application, the figures for the comparative year/period have been restated.

12. 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.

13. The financial results for the quarter ended March 31, 2014 and March 31, 2013 are the balancing figures between audited results in respect of the full financial year and the published year to date figures up to the third quarter of the respective financial years.

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 March 31, 2014	Quarter Ended December 31, 2013	Quarter Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013
1	Net Sales / Income from operations	129,365	125,142	115,483	499,185	453,509
2	Profit before tax and exceptional items	26,059	23,767	15,430	85,845	64,548
3	Profit before tax and after exceptional items	26,059	23,995	15,430	83,774	64,548
4	Profit after tax and before exceptional items	19,633	17,800	10,844	66,893	50,963
5	Profit after tax and exceptional items	20,599	17,971	10,844	66,002	50,963

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	
	March 31 2014 Audited	March 31 2013 Audited and Restated
Assets		
Property, plant and equipment	596,429	638,277
Goodwill on consolidation	469,139	412,423
Other Intangible assets	340,577	235,963
Investment (non-current)	36,341	-
Other non current and current assets	275,791	222,857
Inventories	1,422	1,109
Short term investments	62,265	65,546
Cash and cash equivalents	49,808	16,078
Total assets	**1,831,772**	**1,592,253**
Equity and liabilities		
Equity		
Issued capital	19,987	18,988
Treasury shares	(342)	(674)
Reserves and surplus	577,915	484,903
Equity attributable to equity holders of parent	**597,560**	**503,217**
Non-controlling interest	42,102	40,886
Total equity	**639,662**	**544,103**
Liabilities		
Borrowings	758,958	667,363
Provisions	11,769	11,512
Other non current and current liabilities	421,383	369,275
Total equity and liabilities	**1,831,772**	**1,592,253**

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)

Gurgaon
April 29, 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