

Bharti Airtel's quarterly profit drops 49 percent

May 2 2013

Bharti Airtel, India's biggest telecommunications company, reported Thursday that quarterly net profit fell by nearly half to 5.1 billion rupees (\$94.7 million) on higher taxes and operating costs.

The company said revenue for the January-March final quarter of its fiscal year rose 9.2 percent from a year earlier to 205 billion rupees (\$3.8 billion).

However, a tax increase of 1.3 billion rupees (\$24.8 million) for the quarter over the previous year cut into profits, accounting for about half of the steep year-on-year drop.

Higher operating costs, including investments in network expansion, also contributed to the fall in earnings.

Bharti Airtel has invested heavily in its Africa networks, and growth in that market has not been rapid enough to offset the cost of the buildup. Africa revenues were up 12.6 percent in the quarter. The company said Africa revenue growth is expected to further pick up in coming quarters.

"With Africa over its peak of organic investments, we are optimistic about the potential for improved market shares and margin expansions," said Sunil Bharti Mittal, the company's chairman.

India's mobile phone companies have been in a price war for several years that has dented earnings but Bharti said the situation eased in the

latest quarter.

© 2013 The Associated Press. All rights reserved.

Citation: Bharti Airtel's quarterly profit drops 49 percent (2013, May 2) retrieved 20 April 2024 from <https://phys.org/news/2013-05-bharti-airtel-quarterly-profit-percent.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.