



July 24, 2019

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: Quarterly report for the first quarter (Q1) ended on June 30, 2019

Dear Sir / Madam,

Pursuant to Regulation 30 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the quarterly report being released by the Company w.r.t. the audited financial results of the first quarter (Q1) ended on June 30, 2019.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

For Bharti Infratel Limited

Samridhi Rodhe
Company Secretary



Encl: As above

Supplemental Disclosures

Safe Harbor: - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

General Risk: - Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Bharti Infratel Limited; along with the equity investment risk which doesn't guarantee capital protection.

Use of Certain Non GAAP measures: - This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with Indian Accounting Standards (IND AS) i.e. Non-GAAP measures. They should not be viewed in isolation as alternatives to the equivalent IND AS measures and should be read in conjunction with the equivalent IND AS measures.

Further disclosures are also provided under "Use of Non - GAAP financial information" on page 26

Others: In this report, the term "Bharti Infratel" or "Infratel" or "the Company" refers to Bharti Infratel Limited, whereas references to "we", "us", "our", "the Group" and other similar terms, unless otherwise specified or the context otherwise implies, refer to Bharti Infratel Limited taken together with Bharti Infratel's 42% equity interest in Indus Towers Limited.

With effect from January 2015, Bharti Infratel Employee Welfare Trust (incorporated for allotment of shares to employees as part of Employee Stock Option Plan) has been included as part of the group. With effect from September 2015, Smartx Services Ltd (incorporated on September 21, 2015 as a wholly owned subsidiary) has been included as a part of the group.

Disclaimer: - This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

TABLE OF CONTENTS

<u>Section A</u>	<u>Consolidated Results</u>	4
Section 1	Bharti Infratel – Performance at a glance	5
Section 2	An Overview	6
Section 3	Proforma Financial Highlights	
3.1	Summary of Proforma Consolidated Financial Statements	9
3.2	Summarised Statement of Proforma Group Consolidation- Statement of Operations	10
3.3	Summarised Statement of Proforma Group Consolidation- Statement of Balance Sheet	11
Section 4	Operating Highlights	12
Section 5	Management Discussion & Analysis	
5.1	Key Industry Developments	14
5.2	Key Company Developments	14
5.3	Results of Operations	16
5.4	Three Line Graph	18
Section 6	Stock Market Highlights	18
Section 7	Detailed Proforma Financial and Related Information	21
Section 8	Trends & Ratios	26
<u>Section B</u>	<u>Consolidated IND AS Financial Statements</u>	31
Section 9	Financial Highlights	32
<u>Section C</u>	<u>Walk of IND AS Consolidated Results to Proforma Consolidated Results</u>	35
Section 10	Walk - IND AS Consolidated Results to Proforma Consolidated Results	36
<u>Section D</u>	<u>Reconciliation between Proforma Financials results with impact of IND AS 116 to financial results without impact of IND AS 116</u>	39
Section 11	Reconciliation between Proforma Financials results with impact of IND AS 116 to financial results without impact of IND AS 116	41
<u>Section E</u>	<u>Key Accounting Policies and Glossary</u>	43
Section 12	Basis of Preparation and Key Accounting Policies as per IND AS	44
Section 13	Glossary	59

Section A
Consolidated Results

The Group has adopted Indian Accounting Standards (IND AS) w.e.f. April 1, 2016 with transition date being April 1, 2015 in accordance with the requirements under Section 133 of the Companies Act, 2013. Accordingly, the consolidated financial statements under IND AS include the share of Joint-Venture on the basis of Equity Method of accounting. Further, the group has adopted Ind AS 116 'Leases' effective April 1, 2019.

In the past, we have been presenting our consolidated financial results based on proportionate consolidation method as required under previous GAAP. In order to ensure continuity of comparison, this section A includes Proforma audited consolidated financial results as per proportionate consolidation method based on segment information in the audited consolidated financial statement of IND AS and underlying information.

Section-1

BHARTI INFRA TEL – PERFORMANCE AT A GLANCE⁴

Particulars	UNITS	Full Year Ended ³			Quarter Ended ³				
		2017	2018	2019	June 2018	Sep 2018	Dec 2018	Mar 2019	Jun 2019 ⁶
Consolidated Operating Highlights⁵									
Total Towers	Nos	90,646	91,451	92,277	91,759	92,123	92,301	92,277	92,632
Total Co-locations	Nos	210,606	205,596	172,724	200,778	174,512	174,449	172,724	173,247
Average Sharing factor	Times	2.26	2.29	2.06	2.22	2.04	1.89	1.88	1.87
Closing Sharing factor	Times	2.32	2.25	1.87	2.19	1.89	1.89	1.87	1.87
Sharing Revenue per Tower per month	Rs	78,318	82,094	77,322	80,014	76,865	75,775	76,159	81,503
Sharing Revenue per Sharing Operator per month	Rs	34,648	35,702	36,886	35,276	36,599	39,262	39,685	42,591
Financials									
Revenue ¹	Rs Mn	134,237	144,896	145,823	36,735	36,683	36,402	36,003	37,119
EBITDA ¹	Rs Mn	59,420	64,272	60,733	15,205	15,060	15,128	15,340	19,528
EBIT ¹	Rs Mn	36,343	40,339	37,773	9,807	9,239	9,314	9,413	11,530
Finance Cost (Net)	Rs Mn	(4,414)	-	(1,571)	(285)	(442)	(601)	(243)	1,125
Profit before Tax	Rs Mn	42,211	42,262	41,021	10,701	9,881	10,375	10,064	11,056
Profit after Tax	Rs Mn	27,470	24,937	24,938	6,380	5,998	6,484	6,076	8,870
Capex	Rs Mn	21,788	21,820	17,961	5,163	4,972	4,078	3,748	4,196
-of Which Maintenance & General Corporate Capex	Rs Mn	5,048	5,166	4,275	1,485	1,217	648	925	1,352
Operating Free Cash Flow ¹	Rs Mn	37,209	42,021	42,366	9,915	9,983	10,926	11,542	12,072
Adjusted Fund From Operations (AFFO) ¹	Rs Mn	53,949	58,675	56,052	13,593	13,738	14,356	14,365	14,915
Total Capital Employed	Rs Mn	119,738	117,836	119,393	120,137	114,357	117,348	119,393	177,512
Net Debt / (Net Cash) with Lease Liabilities	Rs Mn	(35,127)	(51,708)	(25,852)	(55,462)	(35,707)	(22,157)	(25,852)	49,952
Net Debt / (Net Cash) without Lease Liabilities	Rs Mn	(35,127)	(51,708)	(25,852)	(55,462)	(35,707)	(22,157)	(25,852)	(14,495)
Shareholder's Equity	Rs Mn	154,865	169,544	145,245	175,599	150,064	139,505	145,245	127,560
Key Ratios									
EBITDA Margin ²	%	44.3%	44.4%	41.6%	41.4%	41.1%	41.6%	42.6%	52.6%
EBIT Margin ²	%	27.1%	27.8%	25.9%	26.7%	25.2%	25.6%	26.1%	31.1%
Net Profit Margin ²	%	20.5%	17.2%	17.1%	17.4%	16.4%	17.8%	16.9%	23.9%
Net Debt / (Net Cash) with Lease Liabilities to EBITDA ⁷	Times	(0.59)	(0.80)	(0.43)	(0.87)	(0.57)	(0.36)	(0.43)	0.64
Interest Coverage ratio ⁷	Times	22.17	24.83	19.85	23.65	22.91	21.55	19.85	9.46
Return on Capital Employed Pre Tax ⁷	%	30.1%	34.0%	31.8%	34.0%	34.1%	33.1%	31.8%	26.1%
Return on Shareholder's Equity Pre Tax ⁷	%	25.0%	26.1%	26.1%	25.0%	26.7%	27.4%	26.1%	33.6%
Return on Shareholder's Equity Post tax ⁷	%	16.3%	15.4%	15.8%	14.7%	15.8%	16.4%	15.8%	26.9%
Valuation Indicators									
Market Capitalization	Rs Bn	603	622	580	556	486	479	580	494
Enterprise Value	Rs Bn	568	570	554	500	451	457	554	544
EV / EBITDA ⁷	Times	9.55	8.87	9.12	7.85	7.22	7.44	9.12	6.96
EPS (Diluted)	Rs	14.73	13.49	13.49	3.45	3.24	3.51	3.29	4.80
PE Ratio	Times	22.13	24.92	23.23	22.52	20.01	19.22	23.23	18.00

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.

2. EBITDA, EBIT and Net profit margin have been computed on revenue excluding other income.

3. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period classifications.

4. The Company has adopted IND AS w.e.f. April 1, 2016 with transition date being April 1, 2015 in accordance with the requirements under Section 133 of the Companies Act, 2013. Accordingly, the consolidated financial statements under IND AS include the share of Joint-Venture on the basis of Equity Method of accounting.

In the past, we have been presenting our consolidated financial results based on proportionate consolidation method as required under previous GAAP. In order to ensure continuity of comparison after introduction of IND AS, we have disclosed the above Proforma consolidated financials based on segment information in the audited consolidated financial statement of IND AS and underlying information.

5. Consolidated Operating Highlights for Quarter ended June 30, 2019- The Company during the quarter has reported co-locations reduction of 956 basis exit notices received. However as at June 30, 2019, there are cumulative 3,566 co-locations for which though the exit notices have been received but actual exits have not happened.

6. Effective April 1, 2019, the Company adopted Ind AS116 "Leases". The result for the quarter ended June 30, 2019 includes the impact of Ind AS116 and the same is not comparable with the past period results. Refer Section-D for reconciliation between financial results with impact of IND AS 116 and proforma financial results excluding impact of IND AS 116.

7. With the adoption of IND AS 116 effective from April 1, 2019 definition for Financial KPIs – 'Operating Free Cash Flow' and 'Adjusted Fund From Operations'; Key Ratios – 'Net Debt / (Net Cash) with Lease Liabilities to EBITDA', 'Interest Coverage Ratio', 'Return on Capital Employed Pre Tax', 'Return on Shareholder's Equity Pre Tax / Post Tax' and Valuation Indicators – 'EV/EBITDA' have been revised. Basis the revised definition Financial KPIs, Ratios and Valuation Indicators for the current period ended June 30, 2019 are not comparable with previous period. Refer Section 13- Glossary for previous and revised definitions.

Section 2

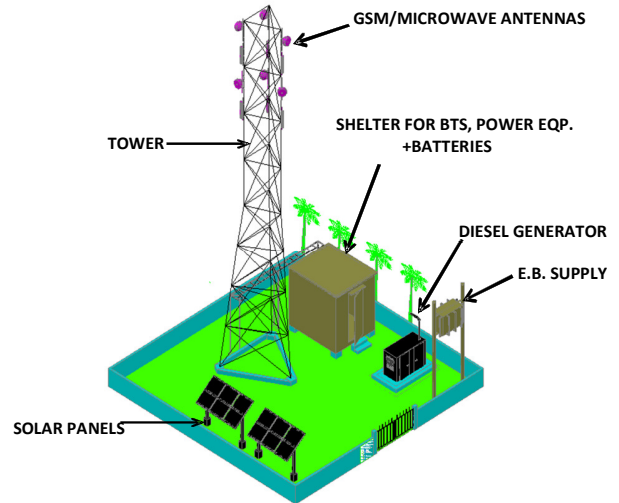
AN OVERVIEW

2.1 Industry Overview

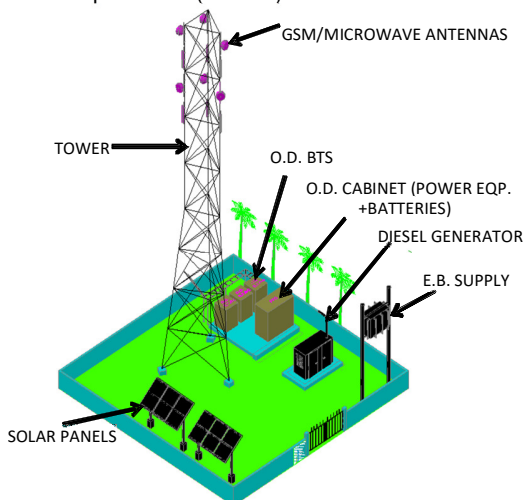
The Indian telecommunications industry is one of the most competitive globally. The focus of Indian operators in the last ten years or so has been to develop an affordable mass market telecommunications service model which allows for service availability across India's urban and rural areas at affordable prices. A strong focus on optimization of operational expenses through the outsourcing of non-core areas, process innovation, cost-to-serve alignment and strategic partnerships has also resulted in steady growth of the Tower Industry. Today, all operators prefer to lease towers from tower companies rather than build them for captive use.

Infrastructure sharing is effective in optimizing the utilization of available resources and helps to bring down the cost of providing telecommunications services. With the reduction in overall tariffs and restrictions placed by various local regulatory bodies on the installation of telecom towers, infrastructure sharing amongst service providers has become the norm rather than the exception in the Indian telecommunications industry.

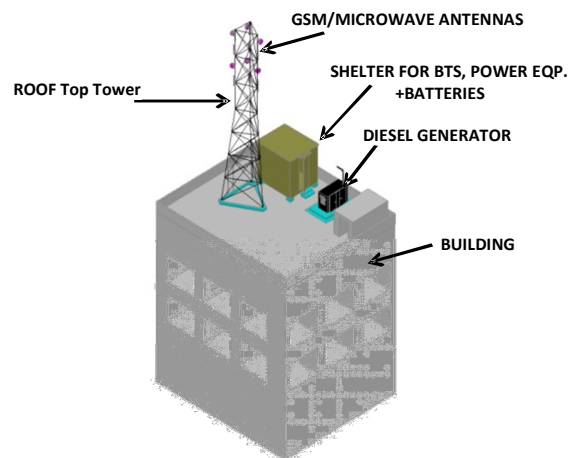
Tower companies provide the entire range of tower infrastructure that is required by wireless telecommunications service providers to offer mobile telephony services to their subscribers. Tower infrastructure refers to equipments such as towers, shelters, power regulation equipment, battery banks, diesel generator sets ("DG sets"), air conditioners, fire extinguishers and a security cabin, required at a site where such towers are installed. There are generally two types of towers – Ground Based Towers ("GBTs") and Roof Top Towers ("RTTs").



GBT-WITH INDOOR BTS



GBT-WITH OUTDOOR BTS



RTT-WITH INDOOR BTS

Average specifications for GBT and RTT are summarized in the following table:

	GBT	RTT
Space Requirement	4,000 Sq. Ft.	Roof Top
Height (m)	40-60	14-20
Occupancy Capacity	3-5 co-location	2-3 co-location

There are two kinds of infrastructure that constitute a telecom tower:

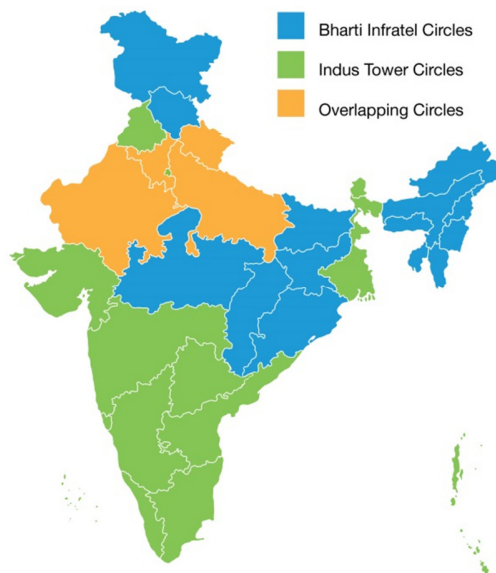
- Active Infrastructure: Radio antenna, BTS/cell site, cables etc that are owned and supplied by telecom operators
- Tower Infrastructure: Steel tower, shelter room, DG set, Power regulation equipment, Battery bank, security cabin etc. that supports active infrastructure.

2.2 Company Overview

Bharti Infratel is a provider of tower and related infrastructure sharing services. On a consolidated basis, we are one of the largest pan - India tower infrastructure providers, based on the number of towers owned and operated by Bharti Infratel and Indus, which are represented by Bharti Infratel's 42% equity interest in Indus. The business of Bharti Infratel and Indus is to acquire, build, own and operate tower and related infrastructure. Bharti Infratel and Indus provide access to their towers primarily to wireless telecommunications service providers on a shared basis, under long-term contracts. Bharti Infratel's and Indus's three largest customers are Bharti Airtel (together with Bharti Hexacom), Vodafone Idea Limited and Reliance Jio Infocomm Limited, which are leading wireless telecommunications service providers in India by wireless revenue.

We have a nationwide presence with operations in all 22 telecommunications Circles in India, with Bharti Infratel and Indus having operations in 4 overlapping Circles.

As of June 30, 2019, Bharti Infratel owned and operated 40,636 towers with 76,119 co-locations in 11 telecommunications Circles while Indus operated 123,799 towers with 231,256 co-locations in 15 telecommunications Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 92,632 towers and 173,247 co-locations in India as of June 30, 2019.



We have entered into MSAs with our customers. The MSAs are long-term contracts which set out the terms on which access is provided to Bharti Infratel's and Indus's towers, with all service providers being offered substantially the same terms and receiving equal treatment at towers where they have installed their active infrastructure. Under the MSAs, Bharti Infratel and Indus enter into service contracts in respect of individual towers. The MSAs and service contracts govern Bharti Infratel's and Indus's relationship with their customers; the services provided, the applicable charges and incorporate annual escalation clauses in respect of the applicable charges. This provides stability to our business and provides visibility with regard to future revenues.

Relationship with Indus

In order to capitalize on the opportunities for tower sharing in the Indian telecommunications market, Bharti Airtel, Vodafone India and Idea Cellular agreed to establish Indus as an independently managed joint venture that provides non-discriminatory shared tower services to all wireless telecommunications service providers. In furtherance of this joint venture, the parties also agreed to contribute certain identified towers to Indus and to use the services of Indus in the first instance for any new rollout of telecommunications towers or co-locations in 15 telecommunications circles. In this context, Indus was incorporated in November 2007 and Bharti Airtel, Bharti Infratel, Vodafone India (certain of its subsidiaries), Idea Cellular and Idea Cellular

Infrastructure entered into the Indus Share Holders Agreement (SHA) to govern their relationship with respect to Indus and its day-to-day operations and the Framework Agreement, which sets out among other things, the basis on which towers were to be contributed to Indus by the respective parties. In accordance with the Framework Agreement, Bharti Infratel, Vodafone India and Vodafone Idea hold a 42%, 42% and 16% shareholding interest in Indus, respectively. During the quarter ended March' 2017, Aditya Birla Telecom transferred 4.85% of its stake in Indus to P5 Asia Holding Investment (Mauritius) Limited. As on 30th June 2019, Bharti Infratel, Vodafone India and Vodafone Idea hold shareholding interest of 42%, 42% and 11.15% respectively in Indus.

The Indus SHA provides that Indus cannot carry on business in the seven telecommunications Circles in which Bharti Infratel currently operates exclusive of Indus. Similarly, subject to certain exceptions, the joint venture partners are not permitted to, among other things (a) compete with the business of Indus in the 15 specified telecommunications Circles that Indus currently operates in, (b) develop, construct or acquire any tower in the 15 specified telecommunications Circles that Indus currently operates in, and (c) directly or indirectly procure orders from or do business with any entity that has been a customer of Indus during the previous two year period in competition with the business of Indus in the 15 specified telecommunications Circles that Indus currently operates in.

On the basis of the relationship as described above, Bharti Infratel and Indus do not compete with each other in any telecommunications Circle, they do not have any conflicts of interest in this regard and are able to work closely with each other and benefit from the synergies generated by the nationwide coverage and large scale of their operations.

Future visibility on revenues & cash flows

Bharti Infratel has assured future revenues and cash flows because of the following key competitive strengths:

- A leading telecommunications infrastructure operator in India, with large scale, nationwide operations in an industry with entry barriers.
- Extensive presence in all telecommunications Circles with high growth potential
- Long term contracts with leading wireless telecommunications service providers in India, providing visibility on future revenues.

On a consolidated basis, the estimated weighted average remaining life of service contracts, entered into with telecommunications service providers, as on June 30, 2019 is 4.79 Years.

- Comprehensive deployment and operational experience supported by well-developed processes, systems and IT infrastructure.

Alternate Energy and Energy Conservation Measures

Bharti Infratel believes that a healthy environment is a prerequisite for progress, contributing to the well-being of society, our people and our business, and serving as the foundation for a sustainable and strong economy. In line with the vision of being known for Environmental Friendliness, the Company continues to deploy people, ideas and capital to help find effective solutions to environmental issues.

Bharti Infratel has initiated Green Towers P7 program based on seven ideas aimed at minimizing dependency on diesel and, thereby, carbon footprint reduction. This program promotes (a) improving energy efficiency of tower infrastructure equipment, (b) use of renewable energy resources, and (c) reduction of equipment load on tower infrastructure equipment.

Some of the key initiatives taken so far are:

- Solar Photovoltaic (PV) Solutions: As of June 30, 2019, we operate ~3,100 solar-powered sites across the network on a consolidated basis, which helps in reducing noise and emissions from DG sets and also in reducing dependency on diesel, thereby contributing towards better energy security. The Company is working towards scaling up the solar installations across the network.

Further, we are partnering with Renewable Energy Service Companies in our efforts towards powering our towers using renewable energy along with community power development, in rural areas.

- Adoption of Integrated Power Management Solutions (IPMS) and Plug and Play Cabinets (PPC) as part of standard configuration for new tower deployment to ensure effective utilization of grid power supply on the towers.
- Comprehensive program to ensure zero diesel consumption at our tower sites. On a consolidated basis, over ~41,000 towers across our network are green as of June 30, 2019.

We believe that these renewable energy initiatives, energy efficiency measures and load optimization methods will continue to have long-term benefits to our business, securing us against rising power and fuel costs as well as reducing the environmental impact of our operations.

For Operating highlights and details refer Page no. 12.

Section 3

PROFORMA FINANCIAL HIGHLIGHTS

The proforma audited financial results presented in this section are prepared as per proportionate consolidation method based on segment information in the audited consolidated financial statement of IND AS and underlying information.

Detailed financial statements, analysis & other related information is attached to this report (Page 19). Also, kindly refer to section 7.3 – use of Non GAAP financial information (Page 22) and Glossary (Page 58) for detailed definitions.

3.1 Summary of Proforma Consolidated Financial Statements

3.1.1. Summarized Consolidated Statement of Operations (net of inter-company eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-19 ²	Jun-18	Y-on-Y Growth
Revenue ¹	37,119	36,735	1%
EBITDA ¹	19,528	15,205	28%
<i>EBITDA Margin</i>	52.6%	41.4%	
EBIT ¹	11,530	9,807	18%
Other Income	651	609	7%
Finance cost (Net)	1,125	(285)	495%
Profit before tax	11,056	10,701	3%
Income tax Expense ³	2,186	4,321	-49%
Profit after Tax	8,870	6,380	39%
Capex	4,196	5,163	-19%
Operating Free Cash Flow ¹	12,072	9,915	22%
Adjusted Fund From Operations(AFFO) ¹	14,915	13,593	10%
Cumulative Investments	312,295	305,433	2%

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.

2. With the adoption IND AS 116, effective April 1, 2019, the results for the quarter ended June 30, 2019 are not comparable with previous period. Refer Section-D for reconciliation between financial results with impact of IND AS 116 and proforma financial results excluding impact of IND AS 116.

3. In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to 1,776mn which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter is net of above amount. Further the group has not recognised any deferred tax charge during the current quarter on undistributed profits of its Joint Venture Company.

3.1.2. Summarized Statement of Consolidated Financial Position

Amount in Rs. mn

Particulars	As at	As at
	Jun 30, 2019	Mar 31, 2019
Shareholder's Fund		
Share capital	18,496	18,496
Other Equity	109,064	126,749
Total Equity	127,560	145,245
Liabilities		
Non-current liabilities	75,209	26,412
Current liabilities	71,342	50,839
Total liabilities	146,551	77,251
Total Equity and liabilities	274,111	222,496
Assets		
Non-current assets	206,680	158,307
Current assets	67,431	64,189
Total assets	274,111	222,496

1. With the adoption IND AS 116, effective April 1, 2019, the results for the quarter ended June 30, 2019 not comparable with previous period. Refer Section-D for reconciliation between financial results with impact of IND AS 116 and proforma financial results excluding impact of IND AS 116.

3.2 Summarised Statement of Proforma Group Consolidation- Statement of Operations

3.2.1 Bharti Infratel Consolidated (Quarter Ended June 30, 2019)

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended Jun 30, 2019			
	Infratel Standalone	Indus Consolidation ²	Eliminations/ Adjustments ³	Infratel Consol ⁴
Revenue ¹	17,243	19,874	(9)	37,119
EBITDA ¹	9,803	9,729	-	19,528
EBITDA Margin	56.9%	49.0%		52.6%
EBIT ¹	6,114	5,431	-	11,530
Other Income	528	123	-	651
Finance cost (Net)	(346)	1,467	(9)	1,125
Profit before tax	6,988	4,087	-	11,056
Income tax expense ⁵	2,507	1,445	(1,776)	2,186
Profit after Tax	4,481	2,642	1,776	8,870
Capex	2,056	2,141	-	4,196
Operating Free Cash Flow ¹	6,881	5,201	-	12,072
Adjusted Fund From Operations (AFFO) ¹	8,230	6,697	-	14,915
Cumulative Investments	150,259	162,001	-	312,295

1. Revenue, EBITDA, EBIT, Operating free cash flow and AFFO are excluding other income.

2. Refer glossary for Indus Consolidation.

3. Elimination/adjustments represents elimination of intersegment transactions and adjustment for dividend distribution tax on share of profits in JV.

4. Infratel consol includes results of wholly owned subsidiary Smartx Services Ltd and Bharti Infratel Employee Welfare Trust.

5. In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to 1,776mn which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter is net of above amount.

3.2.2 Bharti Infratel Standalone

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended		
	Jun-19 ²	Jun-18	Y-on-Y Growth
Revenue ¹	17,243	16,955	2%
EBITDA ¹	9,803	7,660	28%
EBITDA Margin	56.9%	45.2%	
EBIT ¹	6,114	4,885	25%
Other Income	528	11,625	-95%
Finance cost (Net)	(346)	(877)	-61%
Profit before Tax	6,988	17,387	-60%
Income tax expense	2,507	2,208	14%
Profit after Tax before dividend income	4,481	3,918	14%
Profit after Tax after dividend income	4,481	15,179	-70%
Capex	2,056	2,910	-29%
Operating Free Cash Flow ¹	6,881	4,693	47%
Adjusted Fund From Operations (AFFO) ¹	8,230	6,866	20%
Cumulative Investments	150,259	145,945	3%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.

2. With the adoption IND AS 116, effective April 1, 2019, the results for the quarter ended June 30, 2019 not comparable with previous period. Refer Section-D for reconciliation between financial results with impact of IND AS 116 and proforma financial results excluding impact of IND AS 116.

3.2.3 Indus Consolidation

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended		
	Jun-19 ²	Jun-18	Y-on-Y Growth
Revenue ¹	19,874	19,776	0%
EBITDA ¹	9,729	7,540	29%
<i>EBITDA Margin</i>	<i>49.0%</i>	<i>38.1%</i>	
EBIT ¹	5,431	4,919	10%
Other Income	123	245	-50%
Finance cost (Net)	1,467	592	148%
Profit before tax	4,087	4,572	-11%
Income tax expense	1,445	1,606	-10%
Profit after Tax	2,642	2,966	-11%
Capex	2,141	2,225	-4%
Operating Free Cash Flow ¹	5,201	5,244	-1%
Adjusted Fund From Operations (AFFO) ¹	6,697	6,723	0%
Cumulative Investments	162,001	159,653	1%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.

2. With the adoption IND AS 116, effective April 1, 2019, the results for the quarter ended June 30, 2019 not comparable with previous period. Refer Section-D for reconciliation between financial results with impact of IND AS 116 and proforma financial results excluding impact of IND AS 116

3.3 Summarised Statement of Group Consolidation- Statement of Balance Sheet

Amount in Rs mn

Particulars	As at Jun 30, 2019			
	Infratel Standalone	Indus Consolidation ¹	Eliminations/ Adjustments ²	Infratel Consol ³
Shareholder's Fund				
Share capital	18,496	1	(1)	18,496
Other Equity	122,071	47,728	(60,483)	109,064
Total Equity	140,567	47,729	(60,484)	127,560
Liabilities				
Non-current liabilities	25,742	50,629	(1,323)	75,209
Current liabilities	30,030	41,311	(41)	71,342
Total liabilities	55,772	91,940	(1,364)	146,551
Total Equity and liabilities	196,339	139,669	(61,848)	274,111
Assets				
Non-current assets	153,914	114,520	(61,807)	206,680
Current assets	42,425	25,149	(41)	67,431
Total assets	196,339	139,669	(61,848)	274,111

1. Refer glossary for Indus Consolidation.

2. Elimination/adjustments represent elimination of intersegment transactions and adjustment for deferred tax liability on share of profits in JV.

3. Infratel consol includes results of wholly owned subsidiary Smartx Services Ltd and Bharti Infratel Employee Welfare Trust.

Section 4
OPERATING HIGHLIGHTS

The financial figures used for computing sharing revenue per sharing operator, sharing revenue per tower, revenue per employee per month, personnel cost per employee per month are based on IND AS. The consolidated financial figures are based on proforma audited financial results prepared as per proportionate consolidation method based on segment information in the audited consolidated financial statements of IND AS and underlying information.

4.1 Tower and Related Infrastructure Services

4.1.1 Bharti Infratel Consolidated²

Parameters	Unit	Jun 30, 2019 ³	Mar 31, 2019	Q-on-Q Growth	Jun 30, 2018	Y-on-Y Growth
Total Towers ¹	Nos	92,632	92,277	354	91,759	873
Total Co-locations ¹	Nos	173,247	172,724	523	200,778	(27,531)
Key Indicators						
Average Sharing Factor	Times	1.87	1.88		2.22	
Closing Sharing Factor	Times	1.87	1.87		2.19	
Sharing Revenue per Tower p.m	Rs	81,503	76,159	7.0%	80,014	1.9%
Sharing Revenue per Sharing Operator p.m	Rs	42,591	39,685	7.3%	35,276	20.7%

1. Represents the sum of the numbers of towers (and the co-locations thereof) owned and operated by Bharti Infratel and 42% of the number of towers (and the co-locations thereof) owned & operated by Indus Towers.

2. The Company during the quarter has reported co-locations reduction of 956 basis exit notices received. However as at June 30, 2019, there are cumulative 3,566 co-locations for which though the exit notices have been received but actual exits have not happened.

3. Sharing Revenue per Tower / Sharing Operator for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for impact of IND AS 116 - Sharing Revenue per Tower p.m was Rs 78,539 and Sharing Revenue per Operator p.m was Rs 41,042.

4.1.2 Bharti Infratel Standalone

Parameters	Unit	Jun 30, 2019 ¹	Mar 31, 2019	Q-on-Q Growth	Jun 30, 2018	Y-on-Y Growth
Total Towers	Nos	40,636	40,388	248	39,719	917
Total Co-locations	Nos	76,119	76,341	(222)	86,053	(9,934)
Key Indicators						
Average Sharing Factor	Times	1.88	1.91		2.20	
Closing Sharing Factor	Times	1.87	1.89		2.17	
Sharing Revenue per Tower p.m	Rs	85,917	82,460	4.2%	84,316	1.9%
Sharing Revenue per Sharing Operator p.m	Rs	44,623	42,143	5.9%	37,281	19.7%

1. Sharing Revenue per Tower / Sharing Operator for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for impact of IND AS 116 - Sharing Revenue per Tower p.m was Rs 82,964 and Sharing Revenue per Operator p.m was Rs 43,089.

4.1.3 Indus Towers

Parameters	Unit	Jun 30, 2019 ¹	Mar 31, 2019	Q-on-Q Growth	Jun 30, 2018	Y-on-Y Growth
Total Towers	Nos	123,799	123,546	253	123,904	-105
Total Co-locations	Nos	231,256	229,483	1,773	273,154	(41,898)
Key Indicators						
Average Sharing Factor	Times	1.86	1.86		2.23	
Closing Sharing Factor	Times	1.87	1.86		2.20	
Sharing Revenue per Tower p.m	Rs	78,061	71,283	9.5%	76,729	1.7%
Sharing Revenue per Sharing Operator p.m	Rs	40,989	37,716	8.7%	33,753	21.4%

1. Sharing Revenue per Tower / Sharing Operator for the period ended June 30, 2019 are not comparable with adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 - Sharing Revenue per Tower p.m was Rs 75,090 and Sharing Revenue per Operator p.m was Rs 39,429.

4.2 Human Resource Analysis

4.2.1 Bharti Infratel Consolidated

Parameters	Unit	Jun 30, 2019 ²	Mar 31, 2019	Q-on-Q Growth	Jun 30, 2018	Y-on-Y Growth
Total On Roll Employees ¹	Nos	2,201	2,222	(22)	2,232	(31)
Number of Towers per Employee	Nos	42	42	1.4%	41	2.4%
Personnel Cost per Employee per month	Rs	178,456	183,673	-2.8%	181,891	-1.9%
Revenue per Employee per month	Rs	5,594,693	5,415,858	3.3%	5,436,761	2.9%

1. Total On Roll Employees include proportionate consolidation of 42% of Indus Towers Employees.

2. Revenue per Employee per month for the period ended June 30, 2019 is not comparable with adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 – Revenue per Employee p.m was Rs 5,470,773.

4.2.2 Bharti Infratel Standalone

Parameters	Unit	Jun 30, 2019 ¹	Mar 31, 2019	Q-on-Q Growth	Jun 30, 2018	Y-on-Y Growth
Total On Roll Employees	Nos	1,220	1,235	(15)	1,238	(18)
Number of Towers per Employee	Nos	33	33	1.9%	32	3.8%
Personnel Cost per Employee per month	Rs	186,830	197,942	-5.6%	198,981	-6.1%
Revenue per Employee per month	Rs	4,682,417	4,534,525	3.3%	4,546,795	3.0%

1. Revenue per Employee per month for the period ended June 30, 2019 is not comparable with adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 - Revenue per Employee p.m was Rs 4,584,969.

4.2.3 Indus Towers

Parameters	Unit	Jun 30, 2019 ¹	Mar 31, 2019	Q-on-Q Growth	Jun 30, 2018	Y-on-Y Growth
Total On Roll Employees	Nos	2,335	2,351	(16)	2,366	(31)
Number of Towers per Employee	Nos	53	53	0.9%	52	1.2%
Personnel Cost per Employee per month	Rs	168,011	165,837	1.3%	160,844	4.5%
Revenue per Employee per month	Rs	6,731,974	6,517,074	3.3%	6,531,518	3.1%

1. Revenue per Employee per month for the period ended June 30, 2019 is not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 - Revenue per Employee p.m was Rs 6,575,141.

Note: Indus operates an outsourced operations & maintenance model in certain geographical territories wherein the associated personnel cost is recorded as part of repair & maintenance and other expenses. Hence, the related human resources key performance indicators are not strictly comparable between Bharti Infratel Standalone and Indus.

4.3 Residual Lease Period and Future Minimum Lease Receivable

4.3.1 Bharti Infratel Consolidated

Parameters	Unit	Jun 30, 2019
Average Residual Service Contract Period	Yrs.	4.79
Minimum Lease Payment Receivable	Rs. Mn	397,833

Section 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Key Industry Developments

1. National Digital Communications Policy

In line with the National Digital Communications Policy 2018, Central Public Works Department (CPWD), Ministry of Housing & Urban Affairs have notified inclusion of Common Telecom Infrastructure (CTI) as a provision in building bye-laws. Vide this notification, it is mandated for all new upcoming Buildings constructed by CPWD to provide sufficient space for telecom services inside the buildings and provision of ducts for bringing telecom utilities from Service Providers shall be conceived at the design stage itself and shall be provided invariably. These provisions shall be necessarily kept in the scope of work.

For this purpose, various representations were submitted by the Industry as well as recommended by TRAI that IP-Is / TSPs should get access to in-building facilities and infrastructure at fair and reasonable terms. Further, TRAI has also recommended that IP-I should be permitted to install passive elements involved in 'In-building Solution' (IBS), it is under review with DoT. This policy change will open newer business / revenue opportunities and enable faster deployment of CTI.

2. Bharti Airtel update

Bharti Airtel Rights Issue

Bharti Airtel launched a rights issue of 1133.59 Mn fully paid up equity shares (face value Rs. 5 each) at a price of Rs. 220/- per share aggregating to Rs. 249,390.04 Mn vide Letter of Offer dated April 19, 2019. The rights issue closed with oversubscription. Bharti Airtel has allotted 1133.59 Mn fully paid up equity shares to the eligible shareholders and the rights issue proceeds have been received.

Schemes of Arrangement between Bharti Airtel and Tata Teleservices

Schemes of Arrangement for the merger of the Consumer Mobile Businesses of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited into Bharti Airtel Limited and Bharti Hexacom Limited has come into effect from 1st July, 2019

Bharti Airtel Fiber update

The shareholders and creditors of Bharti Airtel had earlier approved demerger proposal of Optical fiber cable business to subsidiary named Telesonic Networks Ltd. The scheme of demerger

has also received approval from Hon'ble National Company Appellate Tribunal (NCLT).

3. Vodafone – Idea update

Fund raising update

As per stock exchange filing Vodafone idea issued 20 billion fully paid up equity shares (face value Rs. 10 each) at a price of Rs. 12.50 per share aggregating up to Rs. 250 billion by way of rights issue to the eligible equity shareholders. The shares have been allotted on May 8, 2019.

Vodafone Idea Fiber update

The National Company Law Tribunal (NCLT) has granted approval to Vodafone Idea to hive off its fiber assets into a separate entity named Vodafone Towers. The move to hive off the fiber business was to achieve operational efficiency and also monetization of the assets.

4. RJio – Update

Investment by Brookfield in Tower Infrastructure Trust of Reliance

Reliance Industries has announced "Reliance Industrial Investments and Holdings Limited ("RIIHL"), a wholly-owned subsidiary of Reliance Industries Limited ("RIL"), has entered into an agreement with BIF IV Jarvis India Pte Limited, an affiliate of Brookfield Asset Management Inc. ("Brookfield") for an investment by Brookfield (along with co-investors) of Rs. 25,215 crore in the units proposed to be issued by the Tower Infrastructure Trust ("Trust") in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. Brookfield's investment is subject to conditions precedent, including receipt of requisite government and regulatory approvals. RIIHL is the Sponsor of the Trust and the Trust currently holds 51% of the issued and paid up equity share capital of Reliance Jio Infratel Private Limited ("RJIPL") to which the tower assets undertaking of Reliance Jio Infocomm Limited ("RJIL") was transferred as a going concern pursuant to a scheme of arrangement sanctioned by NCLT, Ahmedabad bench. Proceeds from the investment by Brookfield will be used to repay certain existing financial liabilities of RJIPL and acquiring the balance 49% of equity share capital of RJIPL, currently held by RIL."

5.2 Key Company updates

1. Infratel – Indus Merger update:

The Scheme of arrangement had already received approval from Competition Commission of India and No Objection from the SEBI through BSE Limited and National Stock Exchange of India Limited. Further, the meeting of shareholders and unsecured creditors of the Company was convened on February 2, 2019. The proposed resolution approving the Scheme of Arrangement was passed by the requisite majority, as required by the NCLT Order and SEBI Circular. During the quarter, the approval from National Company Law Tribunal (NCLT) has also been received. The approval from the Department of Telecommunications for FDI approval is awaited.

2. Awards and Recognition

Bharti Infratel Limited has been recognised as the winner under Telecom Equipment & Infra Services category at Dun & Bradstreet Corporate Awards 2019. Bharti Infratel was recognised for contribution in building an India of tomorrow.

5.3 Results of Operations

The proforma financial results presented in this section are prepared as per proportionate consolidation method based on segment information in the audited consolidated financial statement of IND AS and underlying information.

Effective April 1, 2019, the Company adopted IND AS116 "Leases" and applied the standard to all Lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. The company has created revenue equalization reserves prospectively due to straight lining of rental revenue. Refer Section-D for reconciliation between financial results with impact of IND AS 116 and proforma financial results excluding impact of IND AS 116.

Key Highlights – For the first quarter ended June 30, 2019

- **Consolidated Revenues at Rs. 37,119 Mn**
- **Consolidated EBITDA at Rs. 19,528 Mn**
- **Consolidated Profit before tax at Rs. 11,056 Mn**
- **Operating Free Cash Flow (OFCF) at Rs. 12,072 Mn**
- **Adjusted Fund from Operations (AFFO) at Rs. 14,915 Mn**

5.3.1 Financial & Operational Performance

Bharti Infratel Consolidated

Quarter Ended June 30, 2019

Tower and Co-Location base & additions

As of June 30, 2019, Bharti Infratel owned and operated 40,636 towers with 76,119 co-locations in 11 telecommunication Circles while Indus operated 123,799 towers with 231,256 co-locations in 15 telecommunication Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 92,632 towers and 173,247 co-locations in India as of June 30, 2019.

Co-locations churn during the quarter ended June 30, 2019 on consolidated and standalone basis are 956 and 596 respectively. There are 3,566 co-locations on consolidated basis as of June 30, 2019 which are billed during the quarter and actual exits have not happened. Net co-locations increased during the quarter on consolidated are 523 and decreased during the quarter on standalone basis by 222.

For the quarter ended June 30, 2019, Bharti Infratel and Indus had average sharing factors of 1.88 and 1.86 per tower respectively.

Revenues¹ from Operations

Our consolidated revenue comprises of primarily revenues from co-locations of Bharti Infratel and 42% economic interest in Indus and their energy billings.

Our consolidated revenue from operations for the quarter ended June 30, 2019 was Rs 37,119 million. Adjusted for without Ind AS 116, consolidated revenue from operations was Rs 36,297 million down by 1% on Y-o-Y basis.

Operating Expenses

Our consolidated total expenses for the quarter ended June 30, 2019 were Rs 17,591 million, or 47% of our consolidated revenues from operations. The largest component of our consolidated expenses during this period was power and fuel, amounting to Rs. 13,736 million. The other key expenses incurred by us during the quarter ended June 30, 2019 were repair & maintenance (operations and maintenance costs of the network) of Rs. 1,503 million and employee benefits expenses of Rs. 1,184 million.

Adjusted for without Ind AS 116, consolidated total expenses for the quarter were Rs. 20,725 million.

During the quarter, the Group has reassessed the estimate for provisions related to operating expenses and consequently amount aggregating to Rs 1,246 million have been credited to the respective line items of expenses. Also, an amount of Rs 154 million, representing provision in respect of rent expenses, has been considered as other Income.

EBITDA¹, EBIT¹ & Finance Cost

For the quarter ended June 30, 2019, the Group had an EBITDA of Rs 19,528 million and EBITDA margin of 52.6%. Adjusted for without Ind AS 116, EBITDA of Rs 15,572 million and EBITDA margin of 42.9% up by 2% on Y-o-Y basis.

During the quarter ended June 30, 2019, the Group had depreciation and amortization expenses of Rs 7,425 million or 20% of our consolidated revenues. Adjusted for without Ind AS 116, depreciation and amortization expenses of Rs. 5,390 million.

The resultant EBIT for the quarter ended June 30, 2019 was Rs. 11,530 million. Adjusted for without Ind AS 116, EBIT was Rs 9,609 million.

The net finance cost for the quarter ended June 30, 2019 was Rs. 1,125 million. Adjusted for without Ind AS 116, finance income was Rs 118 million.

Profit before Tax (PBT)

Our consolidated profit before tax for the quarter ended June 30, 2019 was Rs 11,056 million, or 29.8% of our consolidated revenues. Adjusted for without Ind AS 116, PBT was Rs 10,378 million down by 3% on Y-o-Y basis.

Profit after Tax (PAT)

The net income for the quarter ended June 30, 2019 was Rs. 8,870 million or 23.9% of our consolidated revenues. Adjusted for Ind AS 116, net income was Rs 8,432 million up by 32% on Y-o-Y basis.

Our consolidated total tax expense (net of tax effect on long term capital gains / loss) for the quarter ended June 30, 2019 was Rs. 2,186 million, or 6% of our consolidated revenues.

In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to 1,776 million which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter is net of above amount. Further the group has not recognised any deferred tax charge during the current quarter on undistributed profits of its Joint Venture Company.

Capital Expenditure, Operating Free Cash Flow¹ & Adjusted Fund from Operations (AFFO)¹

For the quarter ended June 30, 2019, the Group incurred capital expenditure of Rs 4,196 million. The Operating free cash flow during the quarter was Rs 12,072 million up by 22% on Y-o-Y basis. Adjusted for without Ind AS 116, Operating free cash flow was Rs. 11,377 million up by 15% on Y-o-Y basis.

The Adjusted Fund from Operations (AFFO) during the quarter was Rs. 14,915 million up by 10% on Y-o-Y basis. Adjusted for without Ind AS 116, AFFO was Rs. 14,220 million up by 5% on Y-o-Y basis.

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.

Return on Capital Employed (ROCE)

ROCE as at the period ended June 30, 2019 stands at 26.1%.

5.4 Bharti Infratel Consolidated Three Line Graph₁

The Group tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

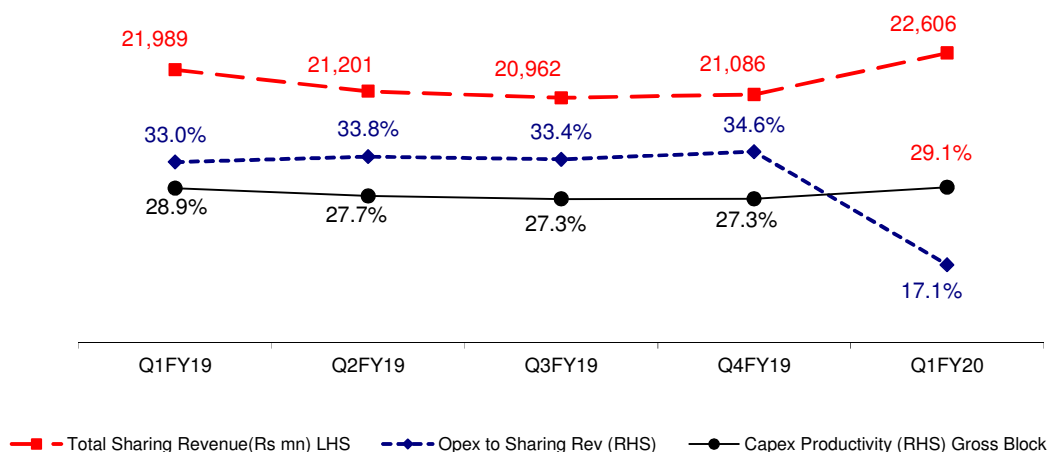
1. **Total Sharing revenue** - i.e. service revenue accrued during the respective period
2. **Opex Productivity** – is calculated as operating expenses other than power and fuel expense

divided by total sharing revenues for the respective period.

This ratio depicts the operational efficiencies in the Group.

3. **Capex Productivity** – this is computed by dividing sharing revenue accrued for the quarter (annualized) by average gross cumulative investments (gross fixed assets and capital work in progress) as at the end of respective period. This ratio depicts the asset productivity of the Group

Given below are the graphs for the last five quarters of the Group:



1. Three line figures for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 – Sharing Revenue was Rs 21,784 Mn, Opex to Sharing Rev (RHS) was 32.1 % and Capex Productivity (RHS) Gross Block was 28.01 %

Section 6

STOCK MARKET HIGHLIGHTS

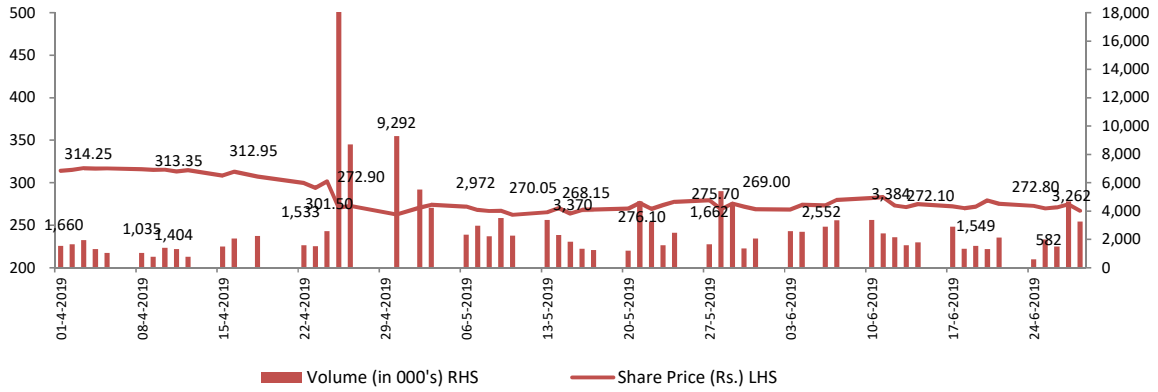
6.1 General Information

Shareholding and Financial Data	Unit	Quarter Ended Jun 30, 2019
Code/Exchange		INFRATEL/NSE
Bloomberg/Reuters		BHIN:IN/BHRI.NS
No. of Shares Outstanding (30/06/19)	Mn Nos	1,849.61
Closing Market Price - NSE (30/06/19)	Rs /Share	267.05
Combined Average Daily Volume (NSE & BSE)	Nos in Mn/day	2.95
Combined Average Daily Value (NSE & BSE)	Rs bn /day	0.82
Market Capitalization	Rs bn	494
Book Value Per Equity Share	Rs /share	68.97
Market Price/Book Value	Times	3.87
Enterprise Value	Rs bn	544
PE Ratio	Times	18.00
Enterprise Value/ EBITDA	Times	6.96

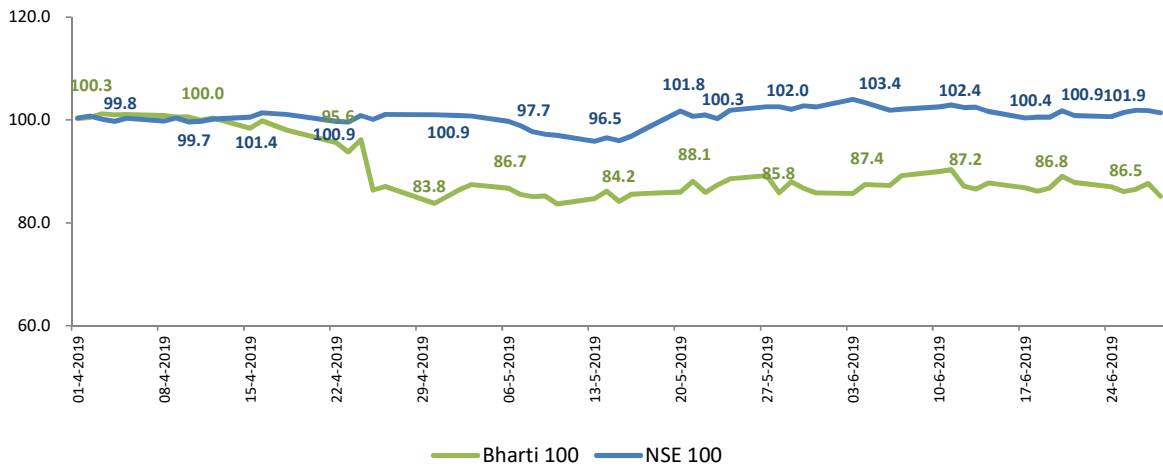
6.2 Summarized Shareholding pattern as of June 30, 2019

Category	Number of Shares	%
Promoter & Promoter Group		
Indian	989,780,979	53.51%
Foreign	-	-
Sub-Total	989,780,979	53.51%
Public Shareholding		
Institutions	840,522,931	45.44%
Non-Institutions	18,674,985	1.01%
Sub-Total	859,197,916	46.45%
Non-promoter Non-public shareholding		
Indian (Held by Bharti Infratel Employees' Welfare Trust)	629,351	0.03%
Foreign	-	-
Sub-Total	629,351	0.03%
Total	1,849,608,246	100%

6.3 Bharti Infratel daily stock price (NSE) and volume (BSE & NSE Combined) movement



6.4 Comparison of Bharti Infratel with Nifty



Nifty and Bharti Infratel Stock price rebased to 100.

Section 7

DETAILED PROFORMA FINANCIAL AND RELATED INFORMATION

The proforma financial results presented in this section are prepared as per proportionate consolidation method based on segment information in the audited consolidated financial statement of IND AS and underlying information.

7.1 Proforma Proportionate Consolidated Financial Statements

7.1.1 Consolidated Statement of Profit and Loss

Amount in Rs mn, except ratios

Particulars	Quarter Ended		
	Jun-19	Jun-18	Y-on-Y growth
Income			
Revenue from Operations	37,119	36,735	1%
Other income	651	609	7%
	37,770	37,344	1%
Expenses			
Power and fuel	13,736	14,279	-4%
Rent	-	3,206	-100%
Employee expenses	1,184	1,229	-4%
Repairs and maintenance	1,503	2,140	-30%
Other expenses	1,168	676	73%
	17,591	21,530	-18%
Profit before depreciation and amortization, finance cost, finance income, charity and donation, exceptional items and tax	20,179	15,814	28%
Finance Costs	2,065	743	178%
Finance Income	(940)	(1,028)	9%
Charity and Donation	573	9	6267%
Depreciation and Amortization Expense	7,826	5,712	37%
Less: adjusted with general reserve in accordance with the Scheme	(401)	(323)	-24%
Profit before exceptional items and tax	11,056	10,701	3%
Exceptional items	-	-	
Profit before tax	11,056	10,701	3%
Income Tax expense			
Current tax	4,091	6,166	-34%
Deferred tax ²	(1,905)	(1,845)	-3%
Total income tax expense	2,186	4,321	-49%
Profit for the period	8,870	6,380	39%
Other comprehensive income/(loss)	(2)	(12)	83%
Total comprehensive income for the year, net of tax	8,868	6,368	39%
Earnings per equity share (nominal value of share Rs 10 each)			
Basic (Rs.)	4.80	3.45	39%
Diluted (Rs.)	4.80	3.45	39%

1. Amounts for the period ended June 30, 2019 are not comparable with adoption of IND AS 116 effective April 1, 2019.

2. In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to 1,776mn which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter is net of above amount.

7.1.2 Consolidated Statement of Balance Sheet

Amount in Rs mn

Particulars	As at	
	June 30, 2019	March 31, 2019
Assets		
Non-current assets		
Property, plant and equipment	123,680	125,611
Right of Use Assets ¹	49,376	-
Capital work-in-progress	2,588	2,485
Intangible assets	246	260
Financial Assets		
Investments	18,126	18,424
Other Financial Assets	5,169	4,988
Income Tax Assets (net)	2,531	3,219
Deferred tax assets (net)	833	-
Other non - Current assets	4,131	3,320
	206,680	158,307
Current assets		
Financial assets		
Investments	28,355	29,549
Trade receivables	21,811	14,883
Cash and cash equivalents	820	1,357
Other Bank Balance	17	14
Other Financial assets	13,398	15,017
Other Current Assets	3,030	3,369
	67,431	64,189
Total assets	274,111	222,496
Equity and Liabilities		
Equity		
Equity Share capital	18,496	18,496
Other Equity	109,064	126,749
Equity attributable to equity holders of the parent	127,560	145,245
Non-current liabilities		
Financial Liabilities		
Lease Liabilities ¹	56,264	-
Other Financial Liabilities	5,885	5,750
Borrowings	3,312	4,714
Provisions	7,213	7,014
Deferred tax liability	-	6,153
Other non - Current liabilities	2,534	2,781
	75,209	26,412
Current liabilities		
Financial Liabilities		
Borrowings	29,510	18,778
Trade and Other payables	19,501	20,991
Lease Liabilities ¹	8,183	-
Other financial liabilities	5,199	5,117
Other Current Liabilities	6,480	5,501
Provisions	326	304
Current Tax Liabilities (Net)	2,143	148
	71,342	50,839
Total liabilities	146,551	77,251
Total equity and liabilities	274,111	222,496

1. These line items are introduced with the adoption of Ind AS 116 effective April 1, 2019.

2. Amounts for the period ended June 30, 2019 are not comparable with adoption of IND AS 116 effective April 1, 2019

7.2 Schedules to Financial Statements

7.2.1 Schedule of Revenue from Operations

Amount in Rs mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Rent ¹	22,606	21,989
Energy and other reimbursements	14,513	14,746
Revenue	37,119	36,735

1. Rent for the period ended June 30, 2019 includes Rs. 822mn towards Rent Equalization Reserve on adoption of IND AS 116 effective April 1, 2019. Adjusted for without Ind AS 116 rent for quarter ended June 30, 2019 was Rs 21,784mn.

7.2.2 Schedule of Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended	
	01-Jun-19	Jun-18
Power and fuel	13,736	14,279
Rent ¹	-	3,206
Employee expenses	1,184	1,229
Repairs and maintenance	1,503	2,140
Other expenses	1,168	676
-Other network expenses	(20)	130
-Others	1,188	546
Expenses	17,591	21,530

1. Rent for the period ended June 30, 2019 excludes charges of Rs. 3,155 mn on adoption of IND AS 116 effective April 1, 2019. Adjusted for without IND AS 116, rent for quarter ended June 30, 2019 was Rs 3,155mn.

7.2.3 Schedule of Depreciation & Amortization

Amount in Rs mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Depreciation of tangible assets	7,385	5,349
Amortization of intangible assets	40	40
Depreciation and Amortization	7,425	5,389

1. Depreciation and Amortisation for the period of June 30, 2019 includes Amortization of 'Right of Use Assets' of Rs 2,035mn on adoption of IND AS 116 effective April 1, 2019. Adjusted for without IND AS 116, Depreciation & Amortization for quarter ended June was Rs 5,390 mn.

7.2.4 Schedule of Finance Cost (Net)

Amount in Rs mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Finance Income	(940)	(1,028)
Finance Cost	2,065	743
Finance cost (Net)	1,125	(285)

1. Finance cost for the period ended June 30, 2019 includes interest charge on lease liabilities of Rs 1,243mn on adoption of IND As 116 effective April 1, 2019. Adjusted for without IND AS 116, Finance Cost (Net) for the quarter ended June 30, 2019 was Rs. (118)mn.

7.2.5 Schedule of Tax Expenses (Net)

Amount in Rs mn

Particulars	Quarter Ended	
	Jun-19	Jun-18
Current tax	4,091	6,166
Deferred tax	(3,681)	(1,339)
DDT Written Back ¹	1,776	(506)
Finance cost (Net)	2,186	4,321

1. In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to 1,776mn which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter is net of above amount. Further the group has not recognised any deferred tax charge during the current quarter on undistributed profits of its Joint Venture Company.

7.3 Use of Non - GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IND AS, but this information is a Non-GAAP measure. Such Non-GAAP measures should not be viewed in isolation as alternatives to the equivalent IND AS measures.

A summary of Non – GAAP measures included in this report are shown below

7.3.1 Reconciliation of Non- GAAP financial information to the information as per proforma proportionate consolidated financial statements in 7.1 & 7.2 above

a) Reconciliation of Total Income to Revenue

Particulars	Amount in Rs mn	
	Quarter Ended	
	Jun-19	
Total Income to Revenue		
Total Income as per IND AS	37,770	
Less: Other Income	651	
Revenue	37,119	

b) Reconciliation of EBITDA (Including Other Income) to EBITDA

Particulars	Amount in Rs mn	
	Quarter Ended	
	Jun-19	
EBITDA (Including Other Income) to EBITDA		
EBITDA (Incl. Other Income) as per IND AS	20,179	
Less: Other Income	651	
EBITDA	19,528	

c) Reconciliation of EBIT (Including Other Income) to EBIT

Particulars	Amount in Rs mn	
	Quarter Ended	
	Jun-19	
EBIT (Including Other Income) to EBIT		
EBIT (Incl. Other Income) as per IND AS	12,181	
Less: Other Income	651	
EBIT	11,530	

d) Derivation of Operating Free Cash Flow from EBITDA

Particulars	Amount in Rs mn	
	Quarter Ended	
	Jun-19	
EBITDA to Operating Free Cash Flow		
EBITDA	19,528	
Less: Repayment of Lease Liabilities	3,261	
Adjusted EBITDA	16,267	
Less: Capex	4,196	
Operating Free Cash Flow	12,072	

e) Derivation of Adjusted Fund From Operations (AFFO) from Adjusted EBITDA

Amount in Rs mn

Particulars	Quarter Ended
	Jun-19
Adjusted EBITDA to Adjusted Fund From Operations	
Adjusted EBITDA	16,267
Less: Maintenance & General Corporate Capex	1,352
Adjusted Fund From Operations(AFFO)	14,915

f) Calculation of Net Debt / (Net Cash) with and without Lease Liabilities

Amount in Rs mn

Particulars	As at Jun 30, 2019
Total Debt (Long Term and Short Term Borrowings)	97,270
Less: Cash and Cash Equivalents & Current and non-current Investments (including fixed deposits)	47,318
Net Debt / (Net Cash) with Lease Liabilities	49,952
Less: Lease Obligation	64,448
Net Debt / (Net Cash) without Lease Liabilities	(14,495)

g) Calculation of Capital Employed

Amount in Rs mn

Particulars	As at Jun 30, 2019
Shareholder's Equity	127,560
Add: Net Debt / (Net Cash) with Lease Liabilities	49,952
Capital Employed	177,512

Section 8

TRENDS AND RATIOS

The proforma financial results presented in this section are prepared as per proportionate consolidation method based on segment information in the audited consolidated financial statement of IND AS and underlying information

8.1 Based on Statement of Operations

Amount in Rs mn

Parameters	For the Quarter Ended ³				
	Jun-19 ⁴	Mar-19	Dec-18	Sep-18	Jun-18
Revenue ¹	37,119	36,003	36,402	36,683	36,735
Energy Cost	13,736	13,373	14,274	14,458	14,279
Other Operating Expenses	3,855	7,290	7,000	7,256	7,326
EBITDA ¹	19,528	15,340	15,128	15,060	15,205
<i>EBITDA / Total revenues²</i>	<i>52.6%</i>	<i>42.6%</i>	<i>41.6%</i>	<i>41.1%</i>	<i>41.4%</i>
EBIT ¹	11,530	9,413	9,314	9,239	9,807
Other Income	651	408	460	557	609
Finance cost (Net)	1,125	(243)	(601)	(442)	(285)
Profit before exceptional items and tax	11,056	10,064	10,375	10,238	10,701
Exceptional items	-	-	-	357	-
Profit before tax	11,056	10,064	10,375	9,881	10,701
Income Tax Expense	2,186	3,988	3,891	3,883	4,321
Profit after tax	8,870	6,076	6,484	5,998	6,380
Capex	4,196	3,748	4,078	4,972	5,163
Operating Free Cash Flow ¹	12,072	11,542	10,926	9,983	9,915
Adjusted Fund From Operations (AFFO) ¹	14,915	14,365	14,356	13,738	13,593
Cumulative Investments	312,295	309,890	308,504	306,517	305,433

	Jun-19 ⁴	Mar-19	Dec-18	Sep-18	Jun-18
As a % of Revenue²					
Energy Cost	37.0%	37.1%	39.2%	39.4%	38.9%
Other Operating Expenses	10.4%	20.2%	19.2%	19.8%	19.9%
EBITDA	52.6%	42.6%	41.6%	41.1%	41.4%
Profit before tax	29.8%	28.0%	28.5%	26.9%	29.1%
Profit after tax	23.9%	16.9%	17.8%	16.4%	17.4%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.

2. Energy cost, other operating exp., EBITDA, profit before tax and profit after tax margin have been computed on revenue excluding other income.

3. Previous periods' figures have been regrouped/ rearranged wherever necessary to confirm to current period classifications.

4. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019

8.2 Based on Statement of Financial Position

Amount in Rs mn

Parameters	As at				
	Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Shareholder's Equity	127,560	145,245	139,505	150,064	175,599
Net Debt / (Net Cash) with Lease Liabilities	49,952	(25,852)	(22,157)	(35,707)	(55,462)
Capital Employed = Shareholder's Equity + Net Debt / (Net Cash) with Lease Liabilities	177,512	119,393	117,348	114,357	120,137

Parameters	Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Return on Capital Employed Pre Tax ²	26.1%	31.8%	33.1%	34.1%	34.0%
Return on Shareholder's Equity Pre Tax ²	33.6%	26.1%	27.4%	26.7%	25.0%
Return on Shareholder's Equity Post tax ²	26.9%	15.8%	16.4%	15.8%	14.7%
Net Debt / (Net Cash) with Lease Liabilities to EBITDA ²	0.64	(0.43)	(0.36)	(0.57)	(0.87)
Asset Turnover ratio	79.31%	85.07%	84.36%	76.64%	73.48%
Interest Coverage ratio (times) ²	9.46	19.85	21.55	22.91	23.65
Net debt / (Net Cash) to Funded Equity (Times)	0.39	(0.18)	(0.16)	(0.24)	(0.32)
Per share data (for the period)					
Earnings Per Share - Basic (in Rs)	4.80	3.29	3.51	3.24	3.45
Earnings Per Share - Diluted (in Rs)	4.80	3.29	3.51	3.24	3.45
Book Value Per Equity Share (in Rs)	69.0	78.5	75.4	81.1	94.9
Market Capitalization (Rs. bn)	494	580	479	486	556
Enterprise Value (Rs. bn)	544	554	457	451	500

1. Figure and ratios for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019.

2. With the adoption of IND AS 116 effective from April 1, 2019 definition for key ratios – 'Net debt / (Net Cash) with Lease Liabilities to EBITDA', 'Interest coverage ratio', 'Return on Capital employed Pre Tax' and 'Return on Shareholder's Equity Pre Tax / Post Tax' have been revised. Ratios for current period June 30, 2019 are based on revised definition and are not comparable with previous period. Refer Section 13 - Glossary for previous and revised definitions.

8.3 Operational Performance

8.3.1 Bharti Infratel Consolidated²

Parameters	Unit	Jun-19 ³	Mar-19	Dec-18	Sep-18	Jun-18
Total Towers ¹	Nos	92,632	92,277	92,301	92,123	91,759
Total Co-locations ¹	Nos	173,247	172,724	174,449	174,512	200,778
Key Indicators						
Average Sharing Factor	Times	1.87	1.88	1.89	2.04	2.22
Closing Sharing Factor	Times	1.87	1.87	1.89	1.89	2.19
Sharing Revenue per Tower p.m.	Rs	81,503	76,159	75,775	76,865	80,014
Sharing Revenue per Sharing Operator p.m.	Rs	42,591	39,685	39,262	36,599	35,276

1. Represents the sum of the numbers of towers (and the co-locations thereof) owned and operated by Bharti Infratel and 42% of the number of towers (and the co-locations thereof) owned & operated by Indus Towers.

2. The Company during the quarter has reported co-locations reduction of 956 basis exit notices received. However as at June 30, 2019, there are cumulative 3,566 co-locations for which though the exit notices have been received but actual exits have not happened.

3. Sharing Revenue per Tower / Sharing Operator for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for impact of IND AS 116 - Sharing Revenue per Tower p.m was Rs 78,539 and Sharing Revenue per Operator p.m was Rs 41,042.

8.3.2 Bharti Infratel Standalone

Parameters	Unit	Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Total Towers	Nos	40,636	40,388	40,192	39,946	39,719
Total Co-locations	Nos	76,119	76,341	77,693	78,275	86,053
Key Indicators						
Average Sharing Factor	Times	1.88	1.91	1.95	2.06	2.20
Closing Sharing Factor	Times	1.87	1.89	1.93	1.96	2.17
Sharing Revenue per Tower p.m.	Rs	85,917	82,460	83,040	82,621	84,316
Sharing Revenue per Sharing Operator p.m.	Rs	44,623	42,143	41,632	38,687	37,281

1. Sharing Revenue per Tower / Sharing Operator for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for impact of IND AS 116 - Sharing Revenue per Tower p.m was Rs 82,964 and Sharing Revenue per Operator p.m was Rs 43,089.

8.3.3 Indus Towers

Parameters	Unit	Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Total Towers	Nos	123,799	123,546	124,069	124,230	123,904
Total Co-locations	Nos	231,256	229,483	230,372	229,136	273,154
Key Indicators						
Average Sharing Factor	Times	1.86	1.86	1.85	2.02	2.23
Closing Sharing Factor	Times	1.87	1.86	1.86	1.84	2.20
Sharing Revenue per Tower p.m.	Rs	78,061	71,283	70,237	72,477	76,729
Sharing Revenue per Sharing Operator p.m.	Rs	40,989	37,716	37,354	34,961	33,753

1. Sharing Revenue per Tower / Sharing Operator for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 - Sharing Revenue per Tower p.m was Rs 75,090 and Sharing Revenue per Operator p.m was Rs 39,429.

8.3.4 Human Resource Analysis

8.3.4.1 Bharti Infratel Consolidated

Parameters	Unit	Jun-19 ²	Mar-19	Dec-18	Sep-18	Jun-18
Total On roll Employees ¹	Nos	2,201	2,222	2,209	2,225	2,232
Number of Towers per employee	Nos	42	42	42	41	41
Personnel Cost per employee per month	Rs	178,456	183,673	186,738	182,810	181,891
Revenue per employee per month	Rs	5,594,693	5,415,858	5,473,137	5,487,737	5,436,761

1. Total On-Roll Employees include proportionate consolidation of 42% of Indus Towers Employees.

2. Revenue per Employee per month for the period ended June 30, 2019 is not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 – Revenue per Employee p.m was Rs 5,470,773.

8.3.4.2 Bharti Infratel Standalone

Parameters	Unit	Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Total On roll Employees	Nos	1,220	1,235	1,227	1,241	1,238
Number of Towers per employee	Nos	33	33	33	32	32
Personnel Cost per employee per month	Rs	186,830	197,942	193,139	195,509	198,981
Revenue per employee per month	Rs	4,682,417	4,534,525	4,679,903	4,623,101	4,546,795

1. Revenue per Employee per month for the period ended June 30, 2019 is not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 – Revenue per Employee p.m was Rs 4,584,969.

8.3.4.3 Indus Towers

Parameters	Unit	Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Total On roll Employees	Nos	2,335	2,351	2,339	2,342	2,366
Number of Towers per employee	Nos	53	53	53	53	52
Personnel Cost per employee per month	Rs	168,011	165,837	178,703	166,889	160,844
Revenue per employee per month	Rs	6,731,974	6,517,074	6,470,602	6,571,725	6,531,518

1. Revenue per Employee per month for the period ended June 30, 2019 is not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for the impact of IND AS 116 – Revenue per Employee p.m was Rs 6,575,141.

Note: Indus operates on outsourced operations & maintenance model in certain geographical territories wherein the associated personnel cost is recorded as part of repair & maintenance and other expenses. Hence, the related human resources key performance indicators are not strictly comparable between Bharti Infratel Standalone and Indus.

8.4 Energy Cost Analysis

Parameters	Unit	For the Quarter Ended				
		Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Energy Cost Indicators						
Energy Cost Per Tower per month	Rs	49,523	48,302	51,600	52,172	51,383
Energy Cost Per Colocation per month	Rs	25,880	25,169	26,736	26,151	25,173

8.5 Other Than Energy Cost Analysis

Parameters	Unit	For the Quarter Ended				
		Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Other Than Energy Cost						
Cost Per Tower per month	Rs	13,899	26,329	25,302	25,853	26,093
Cost per Colocation per month	Rs	7,263	13,720	13,110	12,959	12,783

1. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019. Adjusted for impact of IND AS 116 – Cost per Tower p.m was Rs 24,642 and Cost per Colocation per month was Rs 12,877.

8.6 Revenue and Cost Composition

Parameters	Unit	For the Quarter Ended				
		Jun-19 ¹	Mar-19	Dec-18	Sep-18	Jun-18
Revenue Composition						
Service Revenue	%	61%	59%	58%	58%	60%
Energy and other reimbursements	%	39%	41%	42%	42%	40%
Total		100%	100%	100%	100%	100%
Opex Composition						
Power and fuel	%	78%	65%	67%	67%	66%
Rent	%	0%	15%	14%	15%	15%
Employee benefits expenses	%	7%	6%	6%	6%	6%
Repair and maintenance expenses	%	9%	9%	9%	9%	10%
Other expenses	%	7%	5%	4%	3%	3%
-Other network expenses	%	0%	2%	0%	1%	1%
-Others	%	7%	3%	3%	3%	3%
Total		100%	100%	100%	100%	100%

1. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019

Section B

Consolidated IND AS Financial Statements

This section presents Consolidated financial statements prepared in accordance with Indian Accounting Standards (IND AS). Accordingly, the consolidation of Share in Joint Venture company has been accounted for by Equity method.

Section 9

FINANCIAL HIGHLIGHTS

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with Indian Accounting Standards (IND AS) and the underlying information. The consolidated financial results represent results of the Company, its subsidiaries, Employee Welfare Trust and its share in Joint Venture Company accounted for by Equity Method as prescribed in IND AS.

9.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with IND AS Accounting Principles (Equity Method)

9.1.1 Statement of Profit and Loss

Particulars	Amount in Rs mn, except ratios		
	Quarter Ended		
	Jun 30, 2019 ¹	Jun 30, 2018	Y-on-Y growth
Income			
Revenue from Operations	17,254	16,970	2%
Other income	528	364	45%
	17,782	17,334	3%
Expenses			
Power and fuel	5,771	6,511	-11%
Rent	-	877	-100%
Employee benefit expenses	688	742	-7%
Repairs and maintenance	353	899	-61%
Other expenses	643	276	133%
	7,455	9,305	-20%
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax	10,327	8,029	29%
Depreciation and Amortization Expense	3,228	2,870	12%
Less: adjusted with general reserve in accordance with the scheme of arrangement with bharti airtel limited	(101)	(102)	1%
	3,127	2,768	13%
Finance Costs	551	125	341%
Finance Income	(893)	(1,002)	11%
Charity and Donation	573	9	6267%
Profit before share of profit of joint venture and tax	6,969	6,129	14%
Share of profit of joint venture	2,642	2,966	-11%
Profit/(loss) before exceptional items and tax	9,611	9,095	6%
Profit before tax	9,611	9,095	6%
Income tax expense :			
Current tax	2,494	4,494	-45%
Deferred tax	(1,753)	(1,779)	1%
Total income tax expense	741	2,715	-73%
Profit for the period	8,870	6,380	39%
Other comprehensive income (OCI)			
Items that will not be re-classified to Profit and Loss			
(i) Remeasurement of the gain/ (loss) of defined benefit plans (net of tax)	(15)	3	
(ii) Share of Profit/(Loss) in OCI of a joint venture	(1)	-	
Items that will be re-classified to profit and Loss			
(iii) Fair Value changes on Financial Assets through OCI (Net of Tax)	14	(15)	
Other comprehensive income/(loss) for the period (net of tax)	(2)	(12)	
Total comprehensive income for the period (net of tax)	8,868	6,368	39%
Earnings per equity share (nominal value of share Rs 10 each)			
Basic (Rs.)	4.80	3.45	39%
Diluted (Rs.)	4.80	3.45	39%

1. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019

9.1.2 Statement of Balance Sheet

Amount in Rs mn

Particulars	As at	
	Jun 30, 2019 ¹	March 31, 2019
Assets		
Non-current assets		
Property, plant and equipment	52,220	53,251
Right of use asset ¹	15,584	0
Capital work-in-progress	1,336	1,180
Intangible assets	62	71
Investment in joint venture	47,728	51,085
Financial assets		
Investment	18,126	18,424
Other Financial Assets	1,378	1,361
Income tax assets (net)	491	1,137
Deferred tax assets (net)	2,156	159
Other non - Current assets	2,195	1,837
	141,276	128,505
Current assets		
Financial assets		
Investment	28,355	29,549
Trade receivables	8,341	5,509
Cash and cash equivalents	39	3
Other Bank Balance	17	14
Other Financial Assets	3,003	5,210
Other Current Assets	2,568	2,515
	42,323	42,800
Total assets	183,599	171,305
Equity and Liabilities		
Equity		
Equity Share capital	18,496	18,496
Other Equity	109,128	126,820
Equity attributable to equity holders of the parent	127,624	145,316
Non-current liabilities		
Financial Liabilities		
Lease Liabilities ¹	19,344	0
Other Financial Liabilities	2,488	2,430
Provisions	2,820	2,723
Deferred tax liabilities	0	1,776
Other non-current liabilities	1,251	1,308
	25,903	8,237
Current liabilities		
Financial Liabilities		
Borrowings	10,320	57
Trade and Other payables	9,780	10,833
Lease liabilities ¹	1,494	0
Other Financial Liabilities	2,298	2,177
Other Current Liabilities	4,811	4,397
Provisions	157	140
Current tax liability (net)	1,212	148
	30,072	17,752
Total liabilities	55,975	25,989
Total equity and liabilities	183,599	171,305

1. These line items are introduced with the adoption of Ind AS 116 effective April 1, 2019.

2. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019.

9.1.3 Cash Flow

Amount in Rs mn

Particulars	Quarter Ended
	Jun 30, 2019
Cash flows from operating activities	
Profit before taxation	9,611
Adjustments for -	
Depreciation and amortization expense	3,127
Finance income	(890)
Finance Costs	547
Dividend income	-
Share of profits in joint venture	(2,642)
Gain/loss on disposal of property, plant & equipment	(86)
Provision for doubtful trade receivables	313
Others	(46)
Operating profit before working capital changes	9,934
Changes in Trade Receivables	(3,145)
Changes in Trade Payables	(1,046)
Changes in other current liabilities	413
Changes in Other Non Current Assets	2
Changes in Other Long Term Financial Liabilities	3
Changes in Long Term Provisions	62
Changes in Short Term Provisions	17
Changes in Other Financial Assets	1,809
Changes in Other Long Term Financial Assets	(1)
Changes in Other Financial Liabilities	(1,024)
Changes in Other Non Current Liabilities	(8)
Changes in other current assets	(57)
Cash generated from operations	6,959
Income tax paid (net of refunds)	(786)
Net Cash flow from operating activities (A)	6,173
Cash flows from investing activities	
Purchase of property, plant & equipment	(1,668)
Proceeds from sale of property, plant & equipment	207
Investment in Mutual Funds	(22,805)
Proceeds from bank deposits (net)	3
Proceeds from sale of Mutual Funds	17,748
Proceeds from sale of bonds	1,116
Proceeds from sale of government securities	6,066
Interest received	656
Net Cash flow (used in) investing activities (B)	1,323
Cash flows from financing activities	
Interest - others	(417)
Proceeds from borrowings	10,198
Dividend paid	(13,867)
Repayment of Leasehold Obligations	(585)
Tax on dividend paid	(2,851)
Net Cash flow (used in) financing activities (C)	(7,522)
Net (decrease) / increase in cash and cash equivalents during the period (A+B+C)	(28)
Cash and cash equivalents at the beginning of the period	(54)
Cash and cash equivalents at the end of the period	(82)

Particulars	Quarter Ended
	Jun 30, 2019
Cash and cash equivalents	
Balances with banks	
- on current accounts	39
Bank Overdraft	(121)
Total cash and cash equivalents	(82)
Other bank balances	
Fixed deposits	
- Deposits with original maturity for more than 3 months but less than 12 months	17
Total cash and bank balances	(65)

Section C

Walk of IND AS Consolidated Results to Proforma Consolidated Results

This section details the walk of IND AS Consolidated Results (using Equity approach) to Proforma Consolidated Results (using proportionate consolidation approach on IND AS principles)

Section 10

Walk - IND AS Consolidated Results to Proforma Consolidated Results

The proforma financial results presented in this section are prepared as per proportionate consolidation method based on segment information in the audited consolidated financial statement of IND AS and underlying information

10.1 Statement of Profit and Loss

Particulars	<i>Amount in Rs mn</i>							
	IND AS Consolidated Statement of Profit and Loss (Equity Method) (A)		Proportionate share of JV (B)		Eliminations/ Adjustments* (C)		Proforma Consolidated Statement of Profit and Loss (Proportionate Consolidation Method) D = (A+B+C)	
	Jun-19 ¹	Jun-18	Jun-19 ¹	Jun-18	Jun-19 ¹	Jun-18	Jun-19 ¹	Jun-18
Income								
Revenue from operations	17,254	16,970	19,874	19,776	(9)	(11)	37,119	36,735
Other income	528	364	123	245	-	-	651	609
Total Income	17,782	17,334	19,997	20,021	(9)	(11)	37,770	37,344
Power and fuel	5,771	6,511	7,965	7,768	-	-	13,736	14,279
Rent	-	877	-	2,329	-	-	-	3,206
Employee expenses	688	742	496	487	-	-	1,184	1,229
Repairs and maintenance	353	899	1,150	1,241	-	-	1,503	2,140
Other expenses	643	276	525	400	-	-	1,168	676
Intersegmental expense	-	-	9	11	(9)	(11)	-	-
Total Expense	7,455	9,305	10,145	12,236	(9)	(11)	17,591	21,530
Profit/(Loss) before share of profit of a joint venture, Depreciation, Finance cost, Exceptional items and tax	10,327	8,029	9,852	7,785	-	-	20,179	15,814
Finance Costs	551	125	1,514	618	-	-	2,065	743
Finance Income	(893)	(1,002)	(47)	(26)	-	-	(940)	(1,028)
Depreciation and Amortization Expense	3,127	2,768	4,298	2,621	-	-	7,425	5,389
Charity & Donation	573	9	-	-	-	-	573	9
Profit/(Loss) before share of profit of a joint venture, Exceptional items and tax	6,969	6,129	4,087	4,572	-	-	11,056	10,701
Share of profits in Joint Venture	2,642	2,966	-	-	(2,642)	(2,966)	-	-
Profit/(loss) before exceptional items and tax	9,611	9,095	4,087	4,572	(2,642)	(2,966)	11,056	10,701
Exceptional items	-	-	-	-	-	-	-	-
Profit/(loss) before tax	9,611	9,095	4,087	4,572	(2,642)	(2,966)	11,056	10,701
Tax expense	741	2,715	1,445	1,606	0	-	2,186	4,321
Profit for the period	8,870	6,380	2,642	2,966	(2,642)	(2,966)	8,870	6,380
Other comprehensive income/ (loss)	(2)	(12)	(1)	-	1	-	(2)	(12)
Total comprehensive income for the period	8,868	6,368	2,641	2,966	(2,641)	(2,966)	8,868	6,368

* Eliminations/adjustments represent elimination of intersegment transactions and adjustment for share of profits in JV.

1. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019.

10.2 Statement of Balance Sheet

Amount in Rs mn

Particulars	IND AS Consolidated Statement of Balance Sheet (Equity Method) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment (C)		Proforma Consolidated Statement of Balance Sheet (Proportionate Consolidation Method) D = (A+B+C)	
	Jun 30, 2019	Mar 31, 2019	Jun 30, 2019	Mar 31, 2019	Jun 30, 2019	Mar 31, 2019	Jun 30, 2019	Mar 31, 2019
SEGMENT ASSETS								
Non-current assets								
Property, plant and equipment	52,220	53,251	71,525	72,432	(65)	(72)	123,680	125,611
Right of use asset	15,584	-	33,792	-	-	-	49,376	-
Capital work-in-progress	1,336	1,180	1,252	1,305	-	-	2,588	2,485
Intangible assets	62	71	184	189	-	-	246	260
Investment in joint ventures	47,728	51,085	-	-	(47,728)	(51,085)	-	-
Financial assets	-	-	-	-	-	-	-	-
Investment	18,126	18,424	-	-	-	-	18,126	18,424
Other Financial Assets	1,378	1,361	3,791	3,627	-	-	5,169	4,988
Income tax Assets (Net)	491	1,137	2,040	2,082	-	-	2,531	3,219
Deferred tax Assets (Net)	2,156	159	-	-	(1,323)	(159)	833	-
Other non - Current assets	2,195	1,837	1,936	1,483	-	-	4,131	3,320
Current assets								
Financial assets								
Investment	28,355	29,549	-	-	-	-	28,355	29,549
Trade receivables	8,341	5,509	13,511	9,405	(41)	(31)	21,811	14,883
Cash and cash equivalents	39	3	781	1,354	-	-	820	1,357
Other Bank Balances	17	14	-	-	-	-	17	14
Other Financial Assets	3,003	5,210	10,395	9,807	-	-	13,398	15,017
Income tax assets	-	-	-	-	-	-	-	-
Other Current Assets	2,568	2,515	462	854	-	-	3,030	3,369
Total Assets	183,599	171,305	139,669	102,538	(49,157)	(51,347)	274,111	222,496
SEGMENT LIABILITIES								
Equity								
Equity Share capital	18,496	18,496	1	1	(1)	(1)	18,496	18,496
Other Equity	109,128	126,820	47,728	51,085	(47,792)	(51,156)	109,064	126,749
Equity attributable to equity holders of the parent	127,624	145,316	47,729	51,086	(47,793)	(51,157)	127,560	145,245
Non-current liabilities								
Financial Liabilities								
Lease Liabilities	19,344	-	36,921	-	-	-	56,265	-
Other Financial Liabilities	2,488	2,430	3,397	3,320	-	-	5,885	5,750
Borrowings	-	-	3,312	4,714	-	-	3,312	4,714
Provisions	2,820	2,723	4,393	4,291	-	-	7,213	7,014
Deferred tax liabilities	-	1,776	1,323	4,536	(1,323)	(159)	-	6,153
Other non-Current liabilities	1,251	1,308	1,283	1,473	-	-	2,534	2,781
Current liabilities								
Financial Liabilities								
Short-term borrowings	10,320	57	19,190	18,721	-	-	29,510	18,778
Trade payables	9,780	10,833	9,762	10,189	(41)	(31)	19,501	20,991
Lease Liabilities	1,494	-	6,689	-	-	-	8,183	-
Other financial Liabilities	2,298	2,177	2,901	2,940	-	-	5,199	5,117
Other Current Liabilities	4,811	4,397	1,669	1,104	-	-	6,480	5,501
Provisions	157	140	169	164	-	-	326	304
Current tax liability (net)	1,212	148	931	-	-	-	2,143	148
Total liabilities	183,599	171,305	139,669	102,538	(49,157)	(51,347)	274,111	222,496

1. Amounts for the period ended June 30, 2019 are not comparable with the adoption of IND AS 116 effective April 1, 2019.

Section D

Reconciliation between Proforma Financials results with impact of IND AS 116 to financial results without impact of IND AS 116

Section 11

Note On Ind AS 116 adoption :

Effective April 1, 2019, the Company has adopted new accounting standard Ind AS 116 on Leases as notified by the Government. This standard is adopted in full from IFRS 16 without any carve out and will make the financials of Indian companies comparable with global peers.

Under the earlier standard Ind AS 17, operating leases were treated as revenue expenses whereas the finance leases were capitalized and amortized over the period of the lease with corresponding liabilities recorded as finance lease obligation. Key changes impacting the Company are:

1. **As Lessor:** All our contracts with customers have escalation clause over the lease term. Going forward, the rental escalations over the remaining period of the lease term are straight-lined in the form of Revenue Equalisation Reserve (RER). In the initial years of the customer leases, the revenue from RER will be higher and will be lower as it approaches the expiry term.

During the quarter ended June 30 2019, consolidated revenue includes Rs. 822 Mn towards on account of RER.

2. **As lessee:** The lease agreements with the landlords for sites etc. are covered under this. The Company has adopted modified retrospective approach as allowed by the standard. Accordingly,

a. The Company has recognized Rs. 50,204mn towards Right of Use Asset (ROU) as on April 1, 2019 on a consolidated basis. The ROU represents the present value of future lease payments over the lease term, from the commencement of the lease. The ROU Assets are amortized over the lease term on straight line basis and reflected in the financial under depreciation and amortization. During the quarter ended June 30 2019, Depreciation & Amortization includes Rs. 2,035 Mn as amortization of ROU Assets.

b. The company has recognized Rs.64,729 Mn as Lease Liabilities as on April 1, 2019 on a consolidated basis. The Lease Liabilities represents present value of the remaining lease payments as at April 1, 2019. Interest is charged on the outstanding Lease Liabilities at the end of each period. During the quarter ended June 30 2019, Finance Cost includes Rs.1,243 Mn as Interest on Lease Liabilities.

c. As on April 1, 2019, the Company has charged to the Retained Earnings Rs.9,452 Mn (net of tax) being the difference between Lease Liabilities and Right of Use Assets which represents depreciation on such ROU Assets till March 31, 2019.

d. Rental expenses paid to landlords will no longer be shown as operating expenses and accordingly EBITDA is higher by Rs 3,134 for this quarter on this account. The actual amount paid towards rentals was Rs 3,261mn during the quarter, to that extent Lease Liabilities have been reduced.

With the above changes the financial statements and the related ratios are not comparable with the previous periods. For better understanding and for the benefit of the reader, detailed information has been provided under this section.

Reconciliation of Financials results with impact of IND AS 116 to Proforma Financial results without impact of IND AS 116

11.1 Summary of Proforma Consolidated Financial Statements

11.1.1. Summarized Consolidated Statement of Operations (net of inter-company eliminations)

Amount in Rs mn, except ratios

Particulars	Quarter Ended Jun 30, 2019			Jun-18	Y-on-Y Growth
	With Impact of IND AS 116	Impact of IND AS 116	Without Impact of IND AS 116		
Revenue ¹	37,119	822	36,297	36,735	-1%
EBITDA ¹	19,528	3,956	15,572	15,205	2%
<i>EBITDA Margin</i>	52.6%		42.9%	41.4%	
EBIT ¹	11,530	1,921	9,609	9,807	-2%
Other Income	651	-	651	609	7%
Finance cost (Net)	1,125	1,243	(118)	-285	59%
Profit before tax	11,056	678	10,378	10,701	-3%
Income tax Expense ²	2,186	240	1,946	4,321	-55%
Profit after Tax ²	8,870	438	8,432	6,380	32%
Capex	4,196	-	4,196	5,163	-19%
Operating Free Cash Flow ¹	12,072	695	11,377	9,915	15%
Adjusted Fund From Operations (AFFO) ¹	14,915	695	14,220	13,593	5%
Cumulative Investments	312,295	-	312,295	305,433	2%

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.

2. In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to 1,776mn which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter is net of above amount. Further the group has not recognised any deferred tax charge during the current quarter on undistributed profits of its Joint Venture Company.

11.1.2. Summarized Statement of Consolidated Financial Position

Amount in Rs. Mn

Particulars	As at Jun 30, 2019			As at	
	With impact of IND AS 116	Impact of IND AS 116	Without impact of IND AS 116	Mar 31, 2019	Apr 1, 2019 ¹
Shareholder's Fund					
Share capital	18,496	-	18,496	18,496	18,496
Other Equity	109,064	(9,012)	118,076	126,749	117,297
Total Equity	127,560	(9,012)	136,572	145,245	135,793
Liabilities					
Non-current liabilities	75,209	52,133	23,076	26,412	84,972
Current liabilities	71,342	6,895	64,447	50,839	51,368
Total liabilities	146,551	59,028	87,523	77,251	136,340
Total Equity and liabilities	274,111	50,015	224,095	222,496	272,133
Assets					
Non-current assets	206,680	50,941	155,739	158,307	207,944
Current assets	67,431	(925)	68,356	64,189	64,189
Total assets	274,111	50,016	224,095	222,496	272,133

1. Balance sheet as at April 1, 2019 represents closing balance sheet as at March 31, 2019 adjusted for Ind AS 116 opening transition impact

11.2 Summarised Statement of Proforma Group Consolidation- Statement of Operations

11.2.1 Bharti Infratel Standalone (Quarter Ended June 30, 2019)

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended Jun 30, 2019			Jun-18	Y-on-Y Growth
	With impact of IND AS 116	Impact of IND AS 116	Without impact of IND AS 116		
Revenue ¹	17,243	359	16,884	16,955	0%
EBITDA ¹	9,803	1,226	8,577	7,660	12%
<i>EBITDA Margin</i>	56.9%	6.1%	50.8%	45.2%	
EBIT ¹	6,114	749	5,365	4,885	10%
Other Income	528	-	528	11,625	-95%
Finance cost (Net)	(346)	288	(634)	(877)	28%
Profit before tax	6,988	461	6,527	17,387	-62%
Income tax expense	2,507	162	2,345	2,208	6%
Profit after Tax before dividend income	4,481	299	4,182	3,918	7%
Profit after Tax after dividend income	4,481	299	4,182	15,179	-72%
Capex	2,056	-	2,056	2,910	-29%
Operating Free Cash Flow ¹	6,881	360	6,521	4,693	39%
Adjusted Fund From Operations(AFFO) ¹	8,230	360	7,870	6,866	15%
Cumulative Investments	150,259	-	150,259	145,945	3%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.

11.2.3 Indus Consolidation (Quarter Ended June 30, 2019)

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended Jun 30, 2019			Jun-18	Y-on-Y Growth
	With impact of IND AS 116	Impact of IND AS 116	Without impact of IND AS 116		
Revenue ¹	19,874	463	19,411	19,776	-2%
EBITDA ¹	9,729	2,722	7,007	7,540	-7%
<i>EBITDA Margin</i>	49.0%	12.9%	36.1%	38.1%	
EBIT ¹	5,431	1,172	4,259	4,919	-13%
Other Income	123	-	123	245	-50%
Finance cost (Net)	1,467	952	515	592	-13%
Profit before tax	4,087	220	3,867	4,572	-15%
Income tax expense	1,445	78	1,367	1,606	-15%
Profit after Tax	2,642	142	2,500	2,966	-16%
Capex	2,141	-	2,141	2,225	-4%
Operating Free Cash Flow ¹	5,201	335	4,866	5,244	-7%
Adjusted Fund From Operations(AFFO) ¹	6,697	335	6,362	6,723	-5%
Cumulative Investments	162,001	-	162,001	159,653	1%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.

Section E

Key Accounting Policies and Glossary

Section 12

Basis of Preparation and Key Accounting Policies as per IND AS

1. Corporate information

Bharti Infratel Limited ('the Company' or 'BIL') was incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at 901, Park Centra, Sector 30 NH-8, Gurugram Haryana – 122001.

Bharti Infratel Limited together with its wholly owned subsidiary, controlled trust and joint venture is hereinafter referred to as "the Group".

Bharti Infratel Limited is a subsidiary of Bharti Airtel Limited ('BAL'). BAL holds 33.57% shares in the Company and its wholly owned subsidiary Nettle Infrastructure Investments Limited holds 19.94% shares in the Company as on June 30, 2019.

The Company is publicly traded on National Stock Exchange of India (NSE) and BSE Limited.

The Company had entered into a joint venture agreement with Vodafone Group and Aditya Birla Telecom Limited (now merged with Vodafone Idea Limited (formerly known as Idea Cellular Limited)) to provide passive infrastructure services in 15 Telecom circles of India and formed Indus Towers Limited for such purpose which is a Company incorporated in India. The Company and Vodafone Group are holding 42% each in Indus Towers Limited, 11.15% is held by Vodafone Idea Limited and 4.85% is held by P5 Asia Holding Investments (Mauritius) Limited.

During the previous year, Bharti Infratel Limited and Indus Towers Limited and their respective shareholders and creditors have entered into a proposed scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Bharti Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The scheme will be accounted for on receipt of regulatory and other approvals. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India

Limited. The scheme has also been approved by the Hon'ble Chandigarh bench of the National Company

Law Tribunal (NCLT). Approval of Department of Telecommunications for FDI approval is awaited. The Scheme shall become effective on the date on which certified copy of the order of Hon'ble NCLT is filed with Registrar of Companies upon fulfilment/ waiver of other conditions prescribed in the Scheme.

A wholly owned subsidiary, Smartx Services Limited, was incorporated on September 21, 2015 with the object of transmission through Optic Fiber Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis.

The Company incorporated a Trust named Bharti Infratel Employees' Welfare Trust on January 07, 2015 with the object of acquiring shares through secondary acquisitions, hold them in trust for employees eligible to receive shares, and transfer such shares in accordance with ESOP Schemes.

The Interim condensed consolidated financial statements are approved for issuance by the Company's Board of Directors on July 24, 2019.

2. Basis of preparation

a) Statement of compliance

The interim condensed consolidated financial statements ("financial statements") have been prepared in accordance with Ind AS 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the other accounting principles generally accepted in India. They do not include all the information and disclosures that would otherwise be required in a full set of financial statements and should be read in conjunction with the Group's Financial Statements for the year ended March 31, 2019. However, selected explanatory notes are included to explain events and transactions that are significant for the understanding of the Group's financial position and performance.

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Group, its subsidiary, joint venture and its directly controlled entity which are as follows:-

Entity	Country of Incorporation	Principal Service	Relationsh	Shareholding as at June 30, 2019	Shareholding as at March 31, 2019
Indus Towers Limited*	India	Passive Infrastructure Services	Joint Ventu	42%	
Smarts Services Limited*	India	Optical Fibre Service	Subsidiary	100%	1

Details of Controlled Trust	
Name of Trust	Country of Incorporation
Bharti Infratel Employee Welfare Trust*	India

* Refer note 1

Accounting for Subsidiary:

A subsidiary is an entity controlled by the Group. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Subsidiary is fully consolidated from the date on which Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies and accounting period in line with those used by the Group. All intra-group transactions, balances, income and expenses and cash flows are eliminated on consolidation.

The Group consolidates its directly controlled trust on the line by line consolidation basis and according to principles of Ind AS 110, Consolidated Financial Statements.

Interest in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control

of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, investments in joint venture are carried in the consolidated Balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investments. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture.

The joint venture is accounted for from the date on which Group obtains joint control over joint venture for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. Significant accounting policies

a) Property, Plant and Equipment

Property, plant and equipment including Capital work in progress is stated at cost, except assets acquired under Schemes of Arrangement, which are stated at fair values as per the Schemes, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 4 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. Estimated useful lives of the assets are as follows:

	Useful lives	
Office Equipment	2 years / 5 years	
Computer	3 years	
Vehicles	5 years	
Furniture	5 years	
Plant & Machinery	3 to 20 Years	
Leasehold	Period of Lease or	
Improvement	useful	life

The existing useful lives of tangible assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of technical evaluation and actual usage period.

The existing realizable values of tangible assets are different from 5% as prescribed under Part C of Schedule II to the Companies Act, 2013 and the Group believes that this is the best estimate on the basis of actual realization.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment (including assets acquired under Schemes of Arrangement) except with an adjustment in decommissioning cost recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the cost of the property, plant and equipment.

b) Intangible Assets

Intangible assets are recognized when the entity controls the asset, it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Intangible assets with finite useful lives are carried at cost less

accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset

Software is capitalized at the amounts paid to acquire the respective license for use and is amortised over the period of license, generally not exceeding three years. Acquired telecom license is initially recognised at cost and subsequently measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised over the unexpired period of license.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss within other income when the asset is derecognised

c) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks

specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit and Loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group may adopt the incremental borrowing rate for the entire portfolio of leases as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any

reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The group has opted to recognize the asset retirement obligation liability as part of the cost of an item of property, plant and equipment in accordance with Ind AS 16.

Group as a Lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Groups net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

f) Share-based payments

The Group issues equity-settled and cash-settled share-based options to certain employees. These are measured at fair value on the date of grant.

The fair value determined at the grant date of the equity-settled share-based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest.

The fair value determined on the grant date of the cash settled share based options is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest. At the end of each reporting period, until the liability is settled, and at the

date of settlement, the fair value of the liability is recognized, with any changes in fair value pertaining to the vested period recognized immediately in Consolidated Statement of Profit and Loss.

At the vesting date, the Group's estimate of the shares expected to vest is revised to equal the number of equity shares that ultimately vest.

Fair value is measured using Black-Scholes framework and is recognized as an expense, together with a corresponding increase in equity/ liability as appropriate, over the period in which the options vest using the graded vesting method. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations. The expected volatility and forfeiture assumptions are based on historical information.

Where the terms of a share-based payments are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options if any is reflected as additional share dilution in the computation of diluted earnings per share.

g) Cash and Cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Groups cash management are included as a component of cash and cash equivalents for the purpose of the consolidated Statement of Cash Flows.

h) Treasury shares

The Group has formed Bharti Infratel Employee Welfare Trust, for administration of ESOP Schemes of the Group. The Trust bought shares of the Group from the market, for giving shares to employees. The Group treats Trust as its extension and shares held by Trust are treated as treasury shares.

Own equity instruments (“treasury shares”) which are reacquired through Bharti Infratel Employees Welfare Trust are recognized at cost and deducted from equity. No gain or loss is recognized in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share based payment reserves. Share options exercised during the reporting period are satisfied with treasury shares.

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortised Cost

The category applies to the Group’s trade receivables, unbilled revenue, security deposits.

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The accretion of EIR is recorded as a finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Debt instrument at fair value through other comprehensive income (FVTOCI)

A ‘debt instrument’ is classified at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent solely payment of principal and interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals in the Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income.

The Group has classified Investment in tax free bonds, commercial paper, certificate of deposits within this category.

Debt instrument at fair value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or at FVTOCI, is classified at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes

recognized in the Consolidated Statement of Profit and Loss. This category applies to the Group investment in government securities, mutual funds, taxable bonds and non-convertible debentures.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as FVTPL.

Equity investments

All equity investments in scope of Ind AS 109, Financial instruments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination, if any to which Ind AS 103, Business combinations applies are classified as at fair value through Profit or loss. Further, there are no such equity investments measured at Fair value through profit or loss or fair value through other comprehensive income in the Group.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, Financial instruments the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Financial assets that are debt instruments and are initially measured at fair value with subsequent measurement at amortised cost e.g Trade receivables, unbilled revenue etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, security deposits, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Profit and Loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109, Financial instruments are satisfied. For liabilities designated as FVTPL, fair

value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Consolidated Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

Financial Liabilities at Amortised Cost

This Category includes Security deposit received, trade payables etc. After initial recognition, such liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next

reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Revenue Recognition

The Group earns revenue primarily from rental services by leasing of passive infrastructure and energy revenue by the provision of energy for operation of sites.

Effective April 1, 2018, the Group has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework to depict timing and amount of revenue to be recognised. The Group has adopted Ind AS 115 using cumulative effect method, where any effect arising upon application of this standard is recognised as at the date of initial application (i.e April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the interim statement of profit and loss is not restated - i.e. the comparative information continues to be reported under previous standards on revenue i.e Ind AS 18 and Ind AS 11. There was no impact on adoption of Ind AS 115 to the financial statements of the Group.

Revenue is recognized when the Group satisfies the performance obligation by transferring the promised services to the customers. Services are considered performed when the customer obtains control, whereby the customer gets the ability to direct the use of such services and substantially obtains all benefits from the services. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be

provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. The Group has ascertained that the lease payment received are structured to increase in line with expected general inflationary increase in cost and therefore not straight lined.

Exit Charges is recognised when uncertainty relating to the amounts receivable on exit is resolved and it is probable that a significant reversal relating to the amounts receivable on exit will not occur.

Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the prices specified in the master service agreement with the customers, whereas invoicing in excess of revenues are classified as unearned revenues. The Group collects GST on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

Use of significant judgements in revenue recognition

The Group's contracts with customers include promises to transfer services to a customer which are energy and rentals. Rentals are not covered within the scope of Ind AS 115, hence identification of distinct performance obligation within Ind AS 115 do not involve significant judgement.

Judgement is required to determine the transaction price for the contract. The transaction price could be

either a fixed amount of customer consideration or variable consideration with elements such as discounts, service level credits, waivers etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

In evaluating whether a significant revenue reversal will not occur, the Group considers the likelihood and magnitude of the revenue reversal and evaluates factors which results in constraints such as historical experience of the Group with a particular type of contract, and the regulatory environment in which the customers operates which results in uncertainty which is less likely to be resolved in near future.

The Group provides volume discount to its customers based on slab defined in the revenue contracts. Contract also contains clause on Service Level Penalty/ rewards in case the Group is not able to maintain uptime level mentioned in the agreement. These discount/penalties are called variable consideration.

There is no additional impact of variable consideration as per Ind AS 115 since maximum discount is already being given to customer and the same is deducted from revenue.

There is no additional impact of SLA penalty as the Group already estimates SLA penalty amount and the same is provided for at each month end. The SLA penalty is presented as net off with revenue in the Statement of profit and loss.

Exit charges are recognised in the Consolidated Statement of Profit and loss when the amounts due are collected and there is no uncertainty relating to discounts and waivers.

Determination of standalone selling price do not involve significant judgement for the Group. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers the indicators on how customer consumes benefits as services are rendered in making the evaluation. Contract fulfillment costs are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

k) Finance income

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss, and that are recognised in Consolidated Statement of Profit and Loss. Interest income is recognised as it accrues in Consolidated Statement of Profit and Loss, using the effective interest rate (EIR) which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Finance income does not include dividend income, interest on income tax refund etc. which is included in other income.

l) Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Group's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities. Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of

the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Moreover, deferred tax is recognised on temporary differences arising on investments in subsidiary and joint venture unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relates to income tax levied by the same taxation authority.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Dividend Payments

Final dividend is recognized, when it is approved by the shareholders and the distribution is no longer at the discretion of the Group. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors

o) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects

p) Retirement and other employee benefits

Short term employee benefits are recognised in the period during which the services have been rendered. The Group post-employment benefits include defined benefit plan and defined contribution plans. The Group also provides other benefits in the form of deferred compensation and compensated absences.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. The Group contributions to defined contribution plans are recognized in Consolidated Statement of Profit and Loss when the services have been rendered. The Group has no further obligations under these plans beyond its periodic contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Group provides retirement obligation in the form of Gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Group.

The cost of providing benefits under this plan is determined on the basis of actuarial valuation carried out quarterly as at the reporting date by an independent qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income forming part of Consolidated Statement of Profit and Loss.

The obligation towards the said benefit is recognised in the consolidated balance sheet as the difference between the fair value of the plan assets and the present value of the plan liabilities. Scheme liabilities are calculated using the projected unit credit method and applying the principal actuarial assumptions as at the date of consolidated Balance Sheet. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies.

All expenses excluding remeasurements of the net defined benefit liability (asset), in respect of defined benefit plans are recognized in the profit or loss as

incurred. Remeasurements, comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)), are recognized immediately in the consolidated Balance Sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group provides other benefits in the form of compensated absences and long term service awards. The employees of the Group are entitled to compensated absences based on the unavailed leave balance. The Group records liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave encashment liability as a current liability in the balance sheet, since the Group does not have an unconditional right to defer its settlement for more than 12 months after the reporting date.

Under the long term service award plan, a lump sum payment is made to an employee on completion of specified years of service. The Group records the liability based on actuarial valuation computed under projected unit credit method. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

The amount charged to the Consolidated Statement of Profit and Loss in respect of these plans is included within operating costs.

q) Provision

i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e.,

unwinding of discount) is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

ii) Contingent Assets/ Liabilities

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Contingent liabilities are disclosed in notes to accounts when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

iii) Asset Retirement Obligations

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

r) Earnings per share (EPS)

The Group Basic Earnings per share is determined based on the net profit attributable to the shareholders of the parent. Basic Earnings Per Share is computed using the weighted average number of Equity shares outstanding during the period excluding

shares purchased by the Group and held as treasury shares.

Diluted EPS is computed using the weighted average common and dilutive common equivalents shares outstanding during the period including shares options except where the result would be anti-dilutive.

s) Fair Value Measurement

The Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurements. Other fair value related disclosures are given in the relevant notes.

t) Foreign Currency

Functional and presentation currency

The Group financial statements are presented in INR, which is also the Group's functional currency. Presentation currency is the currency in which the financial statement of the group is presented. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in Indian Rupees (INR) has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Consolidated Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Leases

Group as lessor

The Group has assessed that its master service agreement ("MSA") with operators contains lease of its tower sites and plant and equipment and has determined, based on evaluation of the terms and conditions of the arrangements such as various lessees sharing the same tower sites with specific area, the fair value of the asset and all the significant risks and rewards of ownership of these properties retained by the Company, that such contracts are in the nature of operating lease and has accounted for as such.

Lease rentals under operating leases are recognised as income on straight line basis over the lease term.

Group as lessee

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease,

or not to exercise the option to terminate the lease. The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(b) Impairment of non-financial assets

The carrying amounts of the Group non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets ('CGU').

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized, if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount and are recognised in Consolidated Statement of Profit and Loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal is recognized in the consolidated statement of profit and loss except when the asset is carried at revalued amount, the reversal is treated as a revaluation reserve.

(c) Property, plant and equipment

Refer Note 3(a) for the estimated useful life of Property, plant and equipment.

Property, plant and equipment also represent a significant proportion of the asset base of the Group. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Consolidated Statement of Profit and Loss.

The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life, such as changes in technology.

During the Financial Year 2014-15, the Group had re-assessed the useful life and residual value of all its assets, accordingly, effective April 1, 2014, it has revised the useful life of certain class of shelters from

15 years to 10 years and revised the residual value of certain plant and machineries (batteries and DG sets) from Nil and 5% to 25% and 10%, respectively.

Further, with effect from April 1, 2018, The Group has reassessed the residual value of batteries and Diesel generators from 25% to 35% and from 10% to 20% respectively. Further, with effect from April 1, 2019, the Group has reassessed the residual value of air conditioners from Nil to 5%.

Set out below is the impact of above change on future period depreciation:

Particulars	Year ending March 31, 2020	After March 31,2020
Decrease in Depreciation	995	1,690

(d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are provided if the payment are more than 90 days past due. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

a) Asset Retirement obligation

The Group uses various leased premises to install its tower assets. A provision is recognised for the cost to be incurred for the restoration of these premises at the end of the lease period, which is estimated based

on actual quotes, which are reasonable and appropriate under these circumstances. It is expected that these provisions will be utilised at the end of the lease period of the respective sites as per respective lease agreements

b) Share based payment

The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the Profit and Loss. This requires a reassessment of the estimates used at the end of each reporting period.

5. Previous period's figures

Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification. These are not material and do not affect the previously reported net profit or equity.

Section 13

GLOSSARY

12.1 Company Related Terms

4 Overlapping Circles	Represents the telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations. Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it continues to own and operate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers. New tower rollout in these telecommunication circles is done by Indus.
7 Circles	Represents the telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Orissa, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis.
11 circles	Represents the 7 telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Orissa, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis and the 4 common circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
15 circles	Represents the 11 telecommunication circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal wherein Indus operates on exclusive basis and the 4 common telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
Asset Turnover	Asset Turnover is defined as total revenues (revenues (annualized for 12 months), divided by average assets. Asset is defined as the sum of non-current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets are calculated by considering average of opening and closing assets of the relevant period.
Adjusted Fund from Operations (AFFO)	It is not an IND AS measure and is defined as EBITDA adjusted for Maintenance and General Corporate Capex and Non Cash IND AS measures, i.e., operating lease revenue/expense on security deposit received/paid till March 31, 2019. From the period ended June 30, 2019 onwards it is defined as Adjusted EBITDA less Maintenance and General Corporate Capex for the period.
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
BIVL	Bharti Infratel Ventures Limited
Bn	Billion
Book Value Per Equity Share	Total shareholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period.
Capex	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity shareholders and net debt / (net cash).
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Closing Sharing Factor	Closing Sharing factor is calculated as the closing number of co-locations divided by closing number of towers as at the end of relevant period.
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations (except such co-locations where exit notices have been received).
Consolidated Financial statements	The Consolidated financial statements of the company till FY 2012-13 represent the financials of Bharti Infratel Ltd Standalone taken together with its wholly owned subsidiary Bharti Infratel Ventures Ltd and Bharti Infratel's 42% equity interest in Indus Towers Ltd. accounted for by proportionate consolidation. Consequent to Indus Merger, the financial statements of Indus have been prepared after giving effect to the Merger Scheme. Accordingly the Consolidated Financial Results of the Company from quarter ended June 2013 and onwards represent the financials of Bharti Infratel Ltd Standalone taken together with its 42% equity interest in Indus Towers Ltd.

Accounted for by proportionate consolidation and consolidating the new subsidiary Bharti Infratel Services Ltd. With effect from January 2015, Bharti Infratel Employee Welfare Trust (incorporated for allotment of shares to employees as part of Employee Stock Option Plan) has been included as part of the group. With effect from September 2015, Smartx Services Ltd (incorporated on September 21, 2015 as a wholly owned subsidiary) has been included as a part of the group. Effective 29th March 2016, Bharti Infratel Services Limited has been closed pursuant to Board's decision to initiate the process of striking off the name of the company from the register of ROC.

CSR	Corporate Social Responsibility
Cumulative Investments	Cumulative Investments comprises of gross fixed assets (including Capital Work In Progress).
Earnings Per Share (EPS)-Basic	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings Per Share (EPS)- Diluted	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.
EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortization and charity and donation excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortization expense, finance cost (net) and tax expense.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortization and charity and donation including other income for the relevant period.
Adjusted EBITDA	It is defined as EBITDA as mentioned above, adjusted for Repayment of Lease liabilities.
Lease Liabilities	"Lease Liabilities" represents the present value of the future lease payments over the lease terms of lease agreements with the landlords.
Right of use Asset	An asset that represents a lessee's right to use an underlying asset for the lease term. This is calculated on the inception of the lease term basis the present value of lease payments over the lease term.
Enterprise Value (EV)	Calculated as sum of Market Capitalization plus Net Debt / (Net Cash) as at the end of the relevant period.
EV / EBITDA (times)	Till for the period ended March 31, 2019, it is computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period. From the period ended June 30, 2019, it is computed by dividing Enterprise Value as at the end of the relevant period (EV) by annualized EBITDA for the end of the relevant period.
Future Minimum Lease Payment Receivable	The Company has entered into long term non-cancellable agreements to provide infrastructure services to telecom operators. Future Minimum Lease Payment Receivable represents minimum amounts receivable in future under the above long term non-cancellable agreements.
Finance Cost (Net)	Calculated as Finance Cost less Finance Income
GAAP	Generally Accepted Accounting Principle
IGAAP	Indian Generally Accepted Accounting Principle
IND AS	Indian Accounting Standards
Indus Merger	During the quarter ended June 30, 2013, the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities as defined in the Scheme from Bharti Infratel Ventures Limited (BIVL), wholly owned subsidiary of the Company, Vodafone Infrastructure Limited (formerly known as Vodafone Essar Infrastructure Limited), and Idea Cellular Tower Infrastructure Limited (collectively referred to as 'The Transferor companies') to Indus Towers Limited (Indus) was sanctioned by the Hon'ble High Court of Delhi vide its order dated on April 18, 2013 subject to the final order in another appeal pending before the Division Bench of Delhi High Court and any other orders in any further proceedings thereafter.

The Scheme had become operative from June 11, 2013 upon filing of certified copy of the order with the Registrar of Companies with an appointed date of April 1, 2009 i.e. effective date of scheme and accordingly effective June 11, 2013 the transferor companies have ceased to exist and have become part of Indus Towers Ltd. Pursuant to the Indus Merger the IRU agreements between the Transferor Companies and Transferee Company Ceases to exist.

Indus Consolidation	Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd.
Intangibles NA	Comprises of acquisition cost of software. Not ascertainable
Interest Coverage Ratio(LTM)	Till for the period ended March 31, 2019, it is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by finance cost for the preceding (last) 12 months.
Interest Coverage Ratio	From the period ended June 30, 2019, it is computed by dividing annualized EBITDA for the relevant period by annualized finance cost for that relevant period.
IRU	Indefeasible right to use
Lease Rent Equalization	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognized on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
LTM	Last Twelve months
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Maintenance & General Corporate Capex	Represents the capital expenditure undertaken by the company for general maintenance, upkeep and replacement of equipments installed at the Towers which is undertaken on the end of their useful life as well as General Corporate related capital expenditure such as on office/ facilities and information technology.
Net Debt / (Net Cash) with Lease Liabilities	It is not an IND AS measure and is defined as the sum of long-term borrowings, short-term borrowings, lease liabilities minus cash and cash equivalents, current and non-current investments, and other bank balances adjusted for unpaid dividend declared including dividend distribution tax adjusted in equity as at the end of the relevant period.
Net Debt / (Net Cash) with Lease Liabilities	It is not an IND AS measure and is defined as the sum of long-term borrowings, short-term borrowings, minus cash and cash equivalents, current and non-current investments, and other bank balances adjusted for unpaid dividend declared including dividend distribution tax adjusted in equity as at the end of the relevant period.
Net Debt / (Net Cash) with Lease Liabilities to EBITDA	Till for the period ended March 31, 2019, it is computed by dividing net debt / (net cash) as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period. From the period ended June 30, 2019, it is computed by dividing net debt / (net cash) as at the end of the relevant period by annualized EBITDA for that relevant period.
Net Debt / (Net Cash) to Funded Equity Ratio	It is computed by dividing net debt / (net cash) as at the end of the relevant period by Equity attributable to equity shareholders as at the end of the relevant period.
Operating Free Cash flow	It is not an IND AS measure and is defined as EBITDA adjusted for Capex and Non Cash IND AS measures, i.e., operating lease revenue/expense on security deposit received/paid till March 31, 2019. From the period ended June 30, 2019 onwards it is defined as Adjusted EBITDA less Capex for the period.
PE Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies
Return On Capital Employed (ROCE) Pre Tax	Till for the period ended March 31, 2019, for the full year computations, ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed. For the quarterly computations, it is computed by dividing sum of EBIT for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) capital employed during the relevant periods. For the period ended June 30, 2019, ROCE is computed by dividing the annualized EBIT for the relevant period by average of opening capital employed as on April 1, 2019 including opening Ind AS 116 adjustments and closing that of as on June 30, 2019.
Return On Equity (ROE) Pre Tax	Till for the period ended March 31, 2019, for the full year computations, ROE (Pre Tax) is computed by dividing the sum of Profit before tax for the period by average (of opening and closing) equity shareholders' funds. For the quarterly computations, it is computed by dividing sum of Profit before tax for the preceding (last) 12 months from the end of the

relevant period by average (of opening and closing) equity shareholders' funds during the relevant periods. For the period ended June 30, 2019, it is computed by dividing annualized Profit before tax for the relevant period by average of opening equity shareholders' funds as on April 1, 2019 including opening Ind AS 116 adjustments and closing that of as on June 30, 2019.

Return On Equity (ROE) Post Tax- (LTM)	Till for the period ended March 31, 2019, for the full year computations, ROE (Post Tax) is computed by dividing the sum of Profit after tax for the period by average (of opening and closing) equity shareholders' funds. For the quarterly computations, it is computed by dividing sum of Profit after tax for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) equity shareholders' funds during the relevant periods. For the period ended June 30, 2019, it is computed by dividing annualized Profit after tax for the relevant period by average of opening equity shareholders' funds as on April 1, 2019 including opening Ind AS 116 adjustments and closing that of as on June 30, 2019.
Revenue per Employee per month	It is computed by dividing the Total Revenues (net of inter-segment eliminations) by the average number of on – roll employees in the business unit and number of months in the relevant period.
Revenue Equalization	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognized on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
SHA	Shareholders Agreement
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
Sharing Revenue	It represents service revenue accrued during the relevant period.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period (including such co-locations for which exit notices have been received, but actual exits have not yet happened as at period end), determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period.
Smartx	Smartx Services Ltd
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and Related Infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works

12.2 Regulatory Terms

DoT	Department of Telecommunications
IP-1	Infrastructure Provider Category 1
NSE	National Stock Exchange
SEBI	Securities and Exchange Board of India
CCI	Competition Commission of India
TRAI	Telecom Regulatory Authority of India

12.3 Others (Industry) Terms

BTS	Base Transceiver Station
CII	Confederation of Indian Industry
DG	Diesel Generator
EMF	Electro Magnetic Field

FCU	Free Cooling Units
GBT	Ground Based Towers
IBS	In-building Solutions
IPMS	Integrated Power Management Systems
PAN	Presence Across Nation
PPC	Plug and Play Cabinet
RET	Renewable Energy Technology
RTT	Roof Top Towers
TAIPA	Tower and Infrastructure Providers Association
Wi-Fi	Wireless Fidelity

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