January 17, 2018

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 400 051

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: Quarterly report for the third quarter (Q3) ended December 31, 2017

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 herewith the quarterly report being released by the Company w.r.t. the results of the third quarter (Q3) and nine months ended December 31, 2017.

Kindly take the same on record.

Thanking you,

Sincerely yours,
For Bharti Infratel Limited

Samridhi Rodhe
Company Secretary

BHARTI INFRATEL LIMITED
NEW DELHI

Encl: As above

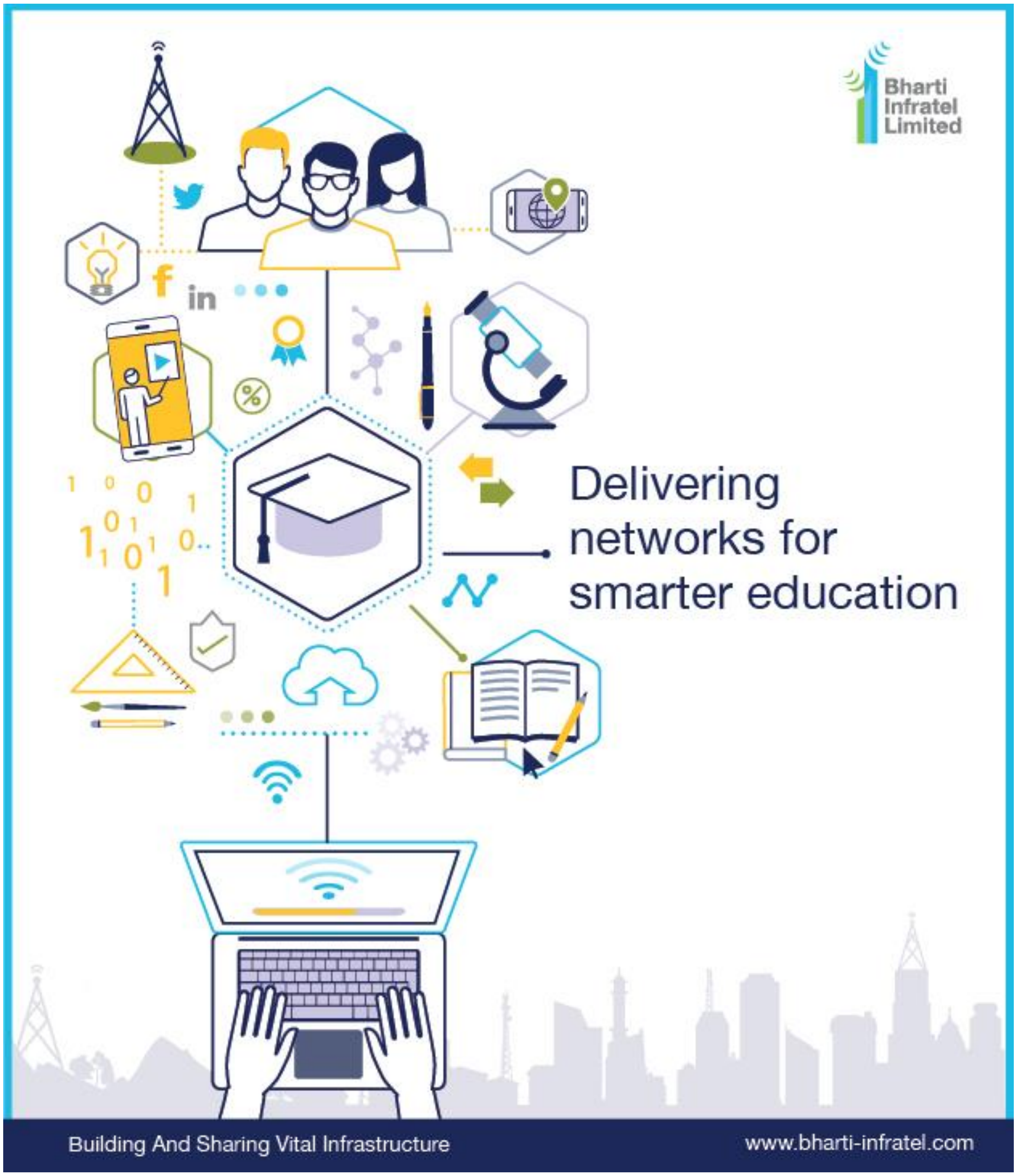
Bharti Infratel Limited
CIN L64201DL2006PLC156038
901, Park Centra, Sector 30
NH-8,Gurgaon, Haryana - 122001
Phone: +91 124 4132600 Fax: +91 124 4109580
Email: compliance.officer@bharti-infratel.in
www.bharti-infratel.com

Registered Office:
Bharti Crescent
1, Nelson Mandela Road, Vasant Kunj
Phase II, New Delhi, India – 110070
Phone: +91 11 46666100
Fax: +91 11 41666137

Quarterly report on the results for the third quarter and nine months ended December 31, 2017

Bharti Infratel Limited

(Incorporated as a public limited company on November 30, 2006 under the Companies Act, 1956)
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India



January 17, 2018

The financial statements included in this quarterly report fairly present in all material respects the financial position, results of operations, cash flow of the Company as of and for the periods presented in this report.

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 25

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 its wholly owned subsidiary, Bharti Infratel Ventures Limited and Bharti Infratel’s 42% equity interest in Indus Towers Limited till FY12-13.

Pursuant to filing the Order of Hon’ble High Court with Registrar of Companies (ROC) on June 11, 2013, Bharti Infratel Ventures Limited has been merged with Indus Towers Limited as of that date.

With effect from FY 13-14, 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 its wholly owned subsidiary, Bharti Infratel Services Limited (which was incorporated on June 4, 2013 and received Certificate for Commencement of Business on August 13, 2013) and 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. 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.

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.

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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.

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 INFRATEL – PERFORMANCE AT A GLANCE[4]

Particulars	UNITS	Full Year Ended[3]			Quarter Ended[3]				
		2015	2016	2017	Dec 2016	Mar 2017	June 2017	Sep 2017	Dec 2017
Consolidated Operating Highlights [5]									
Total Towers	Nos	85,892	88,808	90,646	90,255	90,646	90,837	90,955	91,007
Total Co-locations	Nos	182,294	195,035	210,606	204,934	210,606	218,401	220,088	213,476
Average Sharing factor	Times	2.06	2.16	2.26	2.24	2.30	2.36	2.41	2.38
Closing Sharing factor	Times	2.12	2.20	2.32	2.27	2.32	2.40	2.42	2.35
Sharing Revenue per Tower per month	Rs	69,148	74,513	78,318	78,407	80,464	83,001	83,040	82,794
Sharing Revenue per Sharing Operator per month	Rs	33,488	34,499	34,648	34,966	35,029	35,112	34,427	34,748
Financials									
Revenue[1]	Rs Mn	115,646	123,313	134,237	34,007	35,204	35,239	36,482	36,553
EBITDA[1]	Rs Mn	49,215	54,478	59,420	14,955	15,846	15,750	16,335	16,131
EBIT[1]	Rs Mn	27,572	31,871	36,343	9,137	10,039	9,845	10,205	10,087
Finance Cost (Net)	Rs Mn	(3,364)	(1,848)	(4,414)	(947)	287	(627)	(109)	510
Profit before Tax	Rs Mn	36,074	35,766	42,211	10,441	10,166	10,946	10,715	10,072
Profit after Tax	Rs Mn	22,027	22,474	27,470	6,204	5,966	6,639	6,384	5,854
Capex	Rs Mn	20,492	21,243	21,788	6,830	5,431	5,739	3,985	6,313
-of Which Maintenance & General Corporate Capex	Rs Mn	5,116	4,753	5,048	1,164	1,346	1,480	1,119	1,095
Operating Free Cash Flow[1]	Rs Mn	29,106	32,879	37,209	8,014	10,297	9,922	12,244	9,696
Adjusted Fund From Operations (AFFO)[1]	Rs Mn	44,482	49,369	53,949	13,680	14,382	14,181	15,110	14,914
Total Capital Employed	Rs Mn	112,320	121,848	119,738	116,752	119,738	116,800	116,290	115,508
Net Debt / (Net Cash)	Rs Mn	(63,981)	(60,414)	(35,127)	(59,181)	(35,127)	(44,336)	(42,013)	(48,308)
Shareholder's Equity	Rs Mn	176,301	182,262	154,865	175,933	154,865	161,136	158,303	163,816
Key Ratios									
EBITDA Margin[2]	%	42.6%	44.2%	44.3%	44.0%	45.0%	44.7%	44.8%	44.1%
EBIT Margin[2]	%	23.8%	25.8%	27.1%	26.9%	28.5%	27.9%	28.0%	27.6%
Net Profit Margin[2]	%	19.0%	18.2%	20.5%	18.2%	16.9%	18.8%	17.5%	16.0%
Net Debt / (Net Cash) to EBITDA (LTM)	Times	(1.30)	(1.11)	(0.59)	(1.02)	(0.59)	(0.73)	(0.67)	(0.75)
Interest Coverage ratio (LTM)	Times	13.65	18.50	22.17	21.66	22.17	23.23	23.92	24.29
Return on Capital Employed (LTM) Pre Tax	%	23.8%	27.2%	30.1%	29.5%	30.1%	31.8%	33.5%	34.6%
Return on Shareholder's Equity (LTM) Pre Tax	%	20.5%	19.9%	25.0%	24.1%	25.0%	24.7%	25.7%	24.7%
Return on Shareholder's Equity (LTM) Post tax	%	12.5%	12.5%	16.3%	16.3%	16.3%	15.1%	15.3%	14.6%
Valuation Indicators									
Market Capitalization	Rs Bn	729	724	603	635	603	693	737	701
Enterprise Value	Rs Bn	665	664	568	576	568	648	695	652
EV / EBITDA (LTM)	Times	13.51	12.19	9.55	9.89	9.55	10.61	11.05	10.18
EPS (Diluted)	Rs	11.63	11.86	14.73	3.36	3.23	3.59	3.45	3.17
PE Ratio	Times	33.10	32.22	22.13	22.47	22.13	26.15	29.22	28.18

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 other than for FY 2015 based on segment information in the audited consolidated financial statement of IND AS and underlying information. For FY2015, Proforma consolidated financials (using proportionate consolidation method) are based on agreed upon procedure report of the auditors on previous GAAP audited financial information adjusted with the impact of adjustments due to IND AS accounting policies for that year.
5. Consolidated Operating Highlights for Quarter ended Dec 2017- The Company during the quarter has reported co-locations reduction of 8,562 basis exit notices received. This includes 5,601 co-locations on which actual exits have not happened as at quarter end.

Section 2

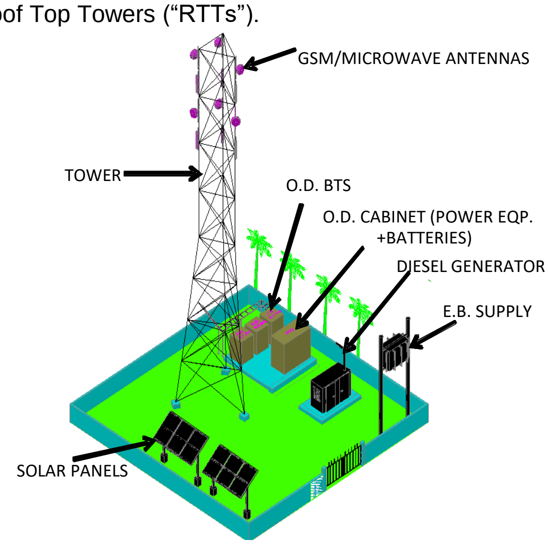
AN OVERVIEW

2.1 Industry Overview

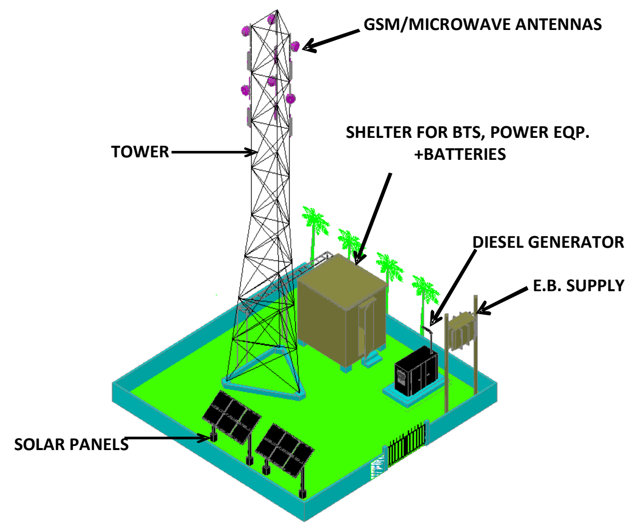
The Indian telecommunications industry is one of the most competitive globally. The focus of Indian operators in the last ten years or so has been to develop an affordable mass market telecommunications service model which allows for service availability across India's urban and rural areas at affordable 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 OUTDOOR BTS



GBT-WITH INDOOR BTS

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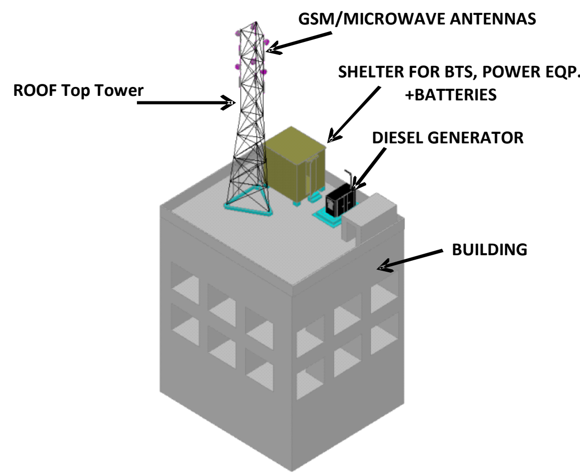


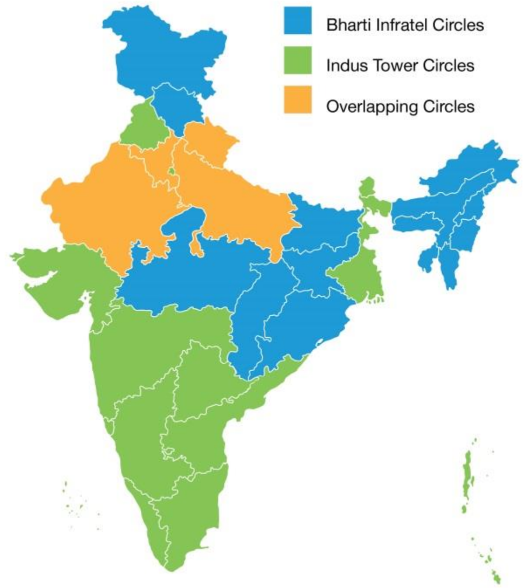
RTT-WITH INDOOR BTS

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, that 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 India and Idea Cellular, which are the three 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 December 31, 2017, Bharti Infratel owned and operated 39,363 towers with 92,211 co-locations in 11 telecommunications Circles while Indus operated 122,962 towers with 288,727 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 91,007 towers and 213,476 co-locations in India as of December 31, 2017.

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, Bharti Infratel, 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 Aditya Birla Telecom 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 31st Dec 2017, Bharti Infratel, Vodafone India and Aditya Birla Telecom 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.

Bharti Infratel entered into an indefeasible right to use agreement with Indus in December 2008. Pursuant to this agreement, Bharti Infratel granted Indus an IRU in relation to certain of its towers in the telecommunications Circles of Mumbai, Kolkata, Maharashtra, Tamil Nadu (including Chennai), Kerala, Gujarat, Delhi, Karnataka, Andhra Pradesh, Punjab and West Bengal, which it was to contribute to Indus in accordance with the terms of the Framework Agreement. Consequent to the transfer of towers by Bharti Infratel to Bharti Infratel Ventures Limited, the IRU with Bharti Infratel was transferred to Bharti Infratel Ventures Limited (the "BIVL IRU") in respect of these towers. Similarly, the other joint venture partners had entered into similar IRU arrangements with Indus, which have been transferred to their respective tower infrastructure entities, and on the basis of which Indus operates and derives revenues from the towers that are to be contributed to it.

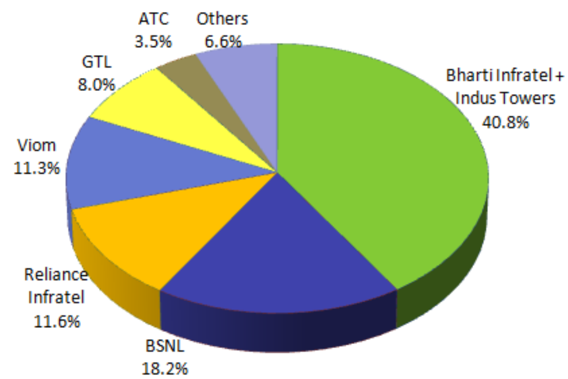
On the basis of the relationship as described above, Bharti Infratel and Indus do not compete with each other in any telecommunications Circle, they do not have any conflicts of interest in this regard and are able to work closely with each other and benefit from the synergies generated by the nationwide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

Pursuant to filing the Order of Hon'ble High Court of Delhi with Registrar of Companies (ROC) on June 11, 2013, Bharti Infratel Ventures Limited has been merged with Indus Towers Limited as of that date. Please refer to the section "Indus Merger" in the glossary for further details. Pursuant to the Indus Merger, the IRU arrangements between BIVL and Indus Towers Ltd. cease to exist.

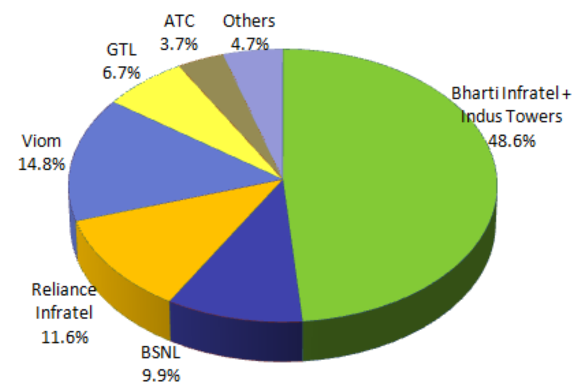
Market Share

As per a recent report 'Indian Tower Industry: The Future is Data – June 2015' by Deloitte, Bharti Infratel and Indus Towers together have a market share of 40.8% and 48.6% for towers and co-locations respectively.

Share of Towers



Share of Co-locations



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 December 31, 2017 is 5.42 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 December 31, 2017, we operate ~3,000 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 38,000 towers across our network are green.

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. 14

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 22). Also, kindly refer to section 7.3 – use of Non GAAP financial information (Page 25) and Glossary (Page 53) 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			Nine Months Ended		
	Dec-17	Dec-16	Y-on-Y Growth	Dec-17	Dec-16	Y-on-Y Growth
Revenue[1]	36,553	34,007	7%	108,274	99,033	9%
EBITDA[1]	16,131	14,955	8%	48,216	43,574	11%
EBITDA Margin [2]	*44.1%*	*44.0%*		*44.5%*	*44.0%*	
EBIT[1]	10,087	9,137	10%	30,137	26,304	15%
Other Income	495	357	39%	1,370	1,041	32%
Finance cost (Net)	510	(947)	154%	(226)	(4,701)	95%
Profit before Tax	10,072	10,441	-4%	31,733	32,046	-1%
Income tax Expense	4,218	4,237	0%	12,856	10,542	22%
Profit after Tax	5,854	6,204	-6%	18,877	21,504	-12%
Capex	6,313	6,830	-8%	16,037	16,357	-2%
Operating Free Cash Flow[1]	9,696	8,014	21%	31,862	26,912	18%
Adjusted Fund From Operations(AFFO)[1]	14,914	13,680	9%	44,205	39,567	12%
Cumulative Investments	302,456	290,934	4%	302,456	290,934	4%

1. Revenue, EBITDA, EBIT, Operating free cash flow and Adjusted Fund from Operations (AFFO) are excluding other income.
2. EBITDA margin has been computed on revenue excluding other income.

3.1.2. Summarized Statement of Consolidated Financial Position

Amount in Rs. mn

Particulars	As at Dec 31, 2017	As at March 31, 2017
Shareholder's Fund		
Share capital	18,496	18,496
Other Equity	145,320	136,369
	163,816	**154,865**
Non-current liabilities	27,842	25,855
Current liabilities	43,002	66,108
Total liabilities	**70,844**	**91,963**
Total Equity and liabilities	**234,660**	**246,828**
Assets		
Non-current assets	178,837	191,962
Current assets	55,823	54,866
Total assets	**234,660**	**246,828**

3.2 Summarized Statement of Proforma Group Consolidation- Statement of Operations

3.2.1 Bharti Infratel Consolidated (Quarter Ended December 31, 2017)

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended Dec 31, 2017			
	Infratel Standalone	Indus Consolidation[3]	Eliminations/ Adjustments[4]	Infratel Consol[5]
Revenue[1]	16,952	19,601	(11)	36,553
EBITDA[1]	8,115	8,012	-	16,131
EBITDA Margin [2]	*47.9%*	*40.9%*		*44.1%*
EBIT[1]	5,046	5,038	-	10,087
Other Income	199	295	-	495
Finance cost (Net)	123	387	-	510
Profit before Tax	5,122	4,946	-	10,072
Income tax expense	1,952	1,720	545	4,218
Profit after Tax	3,170	3,226	(545)	5,854
Capex	2,358	3,884	-	6,313
Operating Free Cash Flow[1]	5,694	4,069	-	9,696
Adjusted Fund From Operations(AFFO)[1]	7,383	7,528	-	14,914
Cumulative Investments	142,174	160,509	-	302,456

1. Revenue, EBITDA, EBIT, Operating free cash flow and AFFO are excluding other income.
2. EBITDA margin has been computed on revenue excluding other income.
3. Refer glossary for Indus Consolidation.
4. Elimination/adjustments represents elimination of intersegment transactions and adjustment for dividend distribution tax on share of profits in JV.
5. Infratel consol includes results of wholly owned subsidiary Smartx Services Ltd and Bharti Infratel Employee Welfare Trust.

3.2.2 Bharti Infratel Consolidated (Nine Months Ended Dec 31, 2017)

Amount in Rs mn, Except Ratios

Particulars	Nine Months Ended Dec 31, 2017			
	Infratel Standalone	Indus Consolidation[3]	Eliminations/ Adjustments[4]	Infratel Consol[5]
Revenue[1]	49,463	58,822	(32)	108,274
EBITDA[1]	23,905	24,303	-	48,216
EBITDA Margin [2]	*48.3%*	*41.3%*		*44.5%*
EBIT[1]	14,809	15,323	-	30,137
Other Income	10,499	880	(10,010)	1,370
Finance cost	(1,510)	1,284	-	(226)
Profit before Tax	26,818	14,919	(10,010)	31,733
Income tax expense	6,027	5,181	1,647	12,856
Profit after Tax[3]	20,791	9,738	(11,657)	18,877
Capex	8,583	7,349	-	16,037
Operating Free Cash Flow[1]	15,140	16,818	-	31,862
Adjusted Fund From Operations(AFFO)[1]	21,275	22,922	-	44,205
Cumulative Investments	142,174	160,509	-	302,456

1. Revenue, EBITDA, EBIT, Operating free cash flow and AFFO are excluding other income.
2. EBITDA margin has been computed on revenue excluding other income.
3. Refer glossary for Indus Consolidation.
4. Elimination/adjustments represents elimination of intersegment transactions and adjustment for dividend distribution tax on share of profits in JV.
5. Infratel consol includes results of wholly owned subsidiary Smartx Services Ltd and Bharti Infratel Employee Welfare Trust.

3.2.3 Bharti Infratel Standalone

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-17	Dec-16	Y-on-Y Growth	Dec-17	Dec-16	Y-on-Y Growth
Revenue[1]	16,952	15,300	11%	49,463	44,794	10%
EBITDA[1]	8,115	7,112	14%	23,905	20,776	15%
EBITDA Margin [2]	*47.9%*	*46.5%*		*48.3%*	*46.4%*	
EBIT[1]	5,046	4,122	22%	14,809	11,866	25%
Other Income	199	178	12%	10,499	10,031	5%
Finance cost (Net)	123	(1,483)	-108%	(1,510)	(6,310)	-76%
Profit before Tax	5,122	5,783	-11%	26,818	28,207	-5%
Income tax expense	1,952	2,104	-7%	6,027	4,406	37%
Profit after Tax	3,170	3,679	-14%	20,791	23,801	-13%
Capex	2,358	3,410	-31%	8,583	7,590	13%
Operating Free Cash Flow[1]	5,694	3,646	56%	15,140	13,021	16%
Adjusted Fund From Operations (AFFO)[1]	7,383	6,366	16%	21,275	18,523	15%
Cumulative Investments	142,174	135,293	5%	142,174	135,293	5%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.
2. EBITDA margin has been computed on revenue excluding other income.

3.2.4 Indus Consolidation

Amount in Rs mn, Except Ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-17	Dec-16	Y-on-Y Growth	Dec-17	Dec-16	Y-on-Y Growth
Revenue[1]	19,601	18,718	5%	58,822	54,262	8%
EBITDA[1]	8,012	7,844	2%	24,303	22,798	7%
EBITDA Margin [2]	*40.9%*	*41.9%*		*41.3%*	*42.0%*	
EBIT[1]	5,038	5,016	0%	15,323	14,438	6%
Other Income	295	179	65%	880	520	69%
Finance cost (Net)	387	536	-28%	1,284	1,610	-20%
Profit before Tax	4,946	4,659	6%	14,919	13,348	12%
Income tax expense	1,720	1,617	6%	5,181	4,670	11%
Profit after Tax	3,226	3,042	6%	9,738	8,678	12%
Capex	3,884	3,391	15%	7,349	8,739	-16%
Operating Free Cash Flow[1]	4,069	4,397	-7%	16,818	13,919	21%
Adjusted Fund From Operations (AFFO)[1]	7,528	7,314	3%	22,922	21,044	9%
Cumulative Investments	160,509	155,613	3%	160,509	155,613	3%

1. Revenue, EBITDA, EBIT, Operating free cash flow & AFFO are excluding other income.
2. EBITDA margin has been computed on revenue excluding other income.

3.3 Summarized Statement of Group Consolidation- Statement of Balance Sheet

Amount in Rs mn

Particulars	As at Dec 31, 2017			
	Infratel Standalone	Indus Consolidation[1]	Eliminations/ Adjustments[2]	Infratel Consol[3]
Shareholder's Fund				
Share capital	18,496	1	(1)	18,496
Other Equity	155,514	52,379	(62,307)	145,320
	174,010	**52,380**	**(62,308)**	**163,816**
Non-current liabilities	6,766	19,773	1,303	27,842
Current liabilities	17,239	26,534	(820)	43,002
Total liabilities	**24,005**	**46,307**	**483**	**70,844**
Total Equity and liabilities	**198,015**	**98,687**	**(61,825)**	**234,660**
Assets				
Non-current assets	155,905	84,604	(61,732)	178,837
Current assets	42,110	14,083	(93)	55,823
Total assets	**198,015**	**98,687**	**(61,825)**	**234,660**

1. Refer glossary for Indus Consolidation.
2. Elimination/adjustments represents 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 Consolidated[2]

Parameters	Unit	Dec 31, 2017	Sep 30, 2017	Q-on-Q Growth	Dec 31, 2016	Y-on-Y Growth
Total Towers[1]	Nos	91,007	90,955	52	90,255	752
Total Co-locations[1]	Nos	213,476	220,088	(6,612)	204,934	8,542
Key Indicators						
Average Sharing Factor	Times	2.38	2.41		2.24	
Closing Sharing Factor	Times	2.35	2.42		2.27	
Sharing Revenue per Tower p.m	Rs	82,794	83,040	-0.3%	78,407	5.6%
Sharing Revenue per Sharing Operator p.m	Rs	34,748	34,427	0.9%	34,966	-0.6%

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. Quarter ended Dec 2017- The Company during the quarter has reported co-locations reduction of 8,562 basis exit notices received. This includes 5,601 co-locations on which actual exits have not happened as at quarter end.

4.1.2 Bharti Infratel Standalone

Parameters	Unit	Dec 31, 2017	Sep 30, 2017	Q-on-Q Growth	Dec 31, 2016	Y-on-Y Growth
Total Towers	Nos	39,363	39,264	99	38,997	366
Total Co-locations	Nos	92,211	94,538	(2,327)	86,112	6,099
Key Indicators						
Average Sharing Factor	Times	2.38	2.39		2.17	
Closing Sharing Factor	Times	2.34	2.41		2.21	
Sharing Revenue per Tower p.m	Rs	87,739	87,111	0.7%	81,366	7.8%
Sharing Revenue per Sharing Operator p.m	Rs	36,941	36,394	1.5%	37,428	-1.3%

4.1.3 Indus Towers

Parameters	Unit	Dec 31, 2017	Sep 30, 2017	Q-on-Q Growth	Dec 31, 2016	Y-on-Y Growth
Total Towers	Nos	122,962	123,073	(111)	122,044	918
Total Co-locations	Nos	288,727	298,929	(10,202)	282,909	5,818
Key Indicators						
Average Sharing Factor	Times	2.39	2.43		2.29	
Closing Sharing Factor	Times	2.35	2.43		2.32	
Sharing Revenue per Tower p.m	Rs	79,044	79,955	-1.1%	76,223	3.7%
Sharing Revenue per Sharing Operator p.m	Rs	33,094	32,956	0.4%	33,221	-0.4%

4.2 Human Resource Analysis

4.2.1 Bharti Infratel Consolidated

Parameters	Unit	Dec 31, 2017	Sep 30, 2017	Q-on-Q Growth	Dec 31, 2016	Y-on-Y Growth
Total On Roll Employees[1]	Nos	2,279	2,287	(8)	2,375	(96)
Number of Towers per Employee	Nos	40	40	0.4%	38	5.1%
Personnel Cost per Employee per month	Rs	183,083	182,541	0.3%	168,345	8.8%
Revenue per Employee per month	Rs	5,336,703	5,272,735	1.2%	4,754,914	12.2%

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

4.2.2 Bharti Infratel Standalone

Parameters	Unit	Dec 31, 2017	Sep 30, 2017	Q-on-Q Growth	Dec 31, 2016	Y-on-Y Growth
Total On Roll Employees	Nos	1,235	1,243	(8)	1,246	(11)
Number of Towers per Employee	Nos	32	32	0.9%	31	1.8%
Personnel Cost per Employee per month	Rs	194,512	198,496	-2.0%	186,731	4.2%
Revenue per Employee per month	Rs	4,560,667	4,452,592	2.4%	4,093,098	11.4%

4.2.3 Indus Towers

Parameters	Unit	Dec 31, 2017	Sep 30, 2017	Q-on-Q Growth	Dec 31, 2016	Y-on-Y Growth
Total On Roll Employees	Nos	2,486	2,486	-	2,689	(203)
Number of Towers per Employee	Nos	49	50	-0.1%	45	9.0%
Personnel Cost per Employee per month	Rs	169,521	163,955	3.4%	148,246	14.4%
Revenue per Employee per month	Rs	6,257,582	6,228,117	0.5%	5,482,907	14.1%

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.

4.3 Residual Lease Period and Future Minimum Lease Receivable

4.3.1 Bharti Infratel Consolidated

Parameters	Unit	Dec 31, 2017
Average Residual Service Contract Period	Yrs.	5.42
Minimum Lease Payment Receivable	Rs. Mn	502,970

Section 5

MANAGEMENT DISCUSSION AND ANALYSIS

5.1 Key Industry Developments

1. Bharti Airtel M&A update

The boards of Bharti Airtel and Tata Teleservices have approved an arrangement for takeover of consumer mobile business of Tata Teleservices, in a deal involving issue of equity and preference shares.

Board of Bharti Airtel has approved the scheme of merger between Bharti Airtel and Tikona Digital Networks, a wholly owned subsidiary.

The Board of Directors of Bharti Airtel has approved the scheme of arrangement for the transfer of the optical fiber cable business of Bharti Airtel to the Telesonic Networks, a wholly owned subsidiary of Bharti Airtel, by way of a slump sale against a cash consideration of Rs. 4,565 Crores.

2. NTT DOCOMO exit from Tata Teleservices Limited (TTSL)

As per company filing with Stock Exchange, DOCOMO has tendered its entire 21.63% shareholding in TTSL to Tata Sons and its designated nominees on 31st October 2017 against a consideration of $1.27 Billion.

3. Reliance Communications (RCom)update

As per media release and stock filings, RCom has withdrawn its scheme of arrangement for merger with Aircel and called off the deal with Brookfield for its tower assets.

RCom presented a comprehensive debt resolution plan to its lenders, envisaging no loan write-off by the lenders. Later it announced that it has signed definitive binding agreements with Reliance Jio for sale of Wireless Spectrum (122.4 Mhz of 4G), Tower (>43k nos), Fiber (178k route km) and Media Convergence Node (MCN) assets. It is expected to close in a phased manner in Quarter 4 FY18, subject to approvals. The deal consideration comprises primarily of cash payment and deferred spectrum instalments payable to the DoT. The proceeds of this cash deal will be used solely for pre-payment of debt to its lenders as reported by the company.

Further debt of Rs. 7,000 Crores is proposed to be converted into 51% of the Company’s equity, as per the SDR guidelines of RBI.

4. Vodafone Idea merger update

Competition Commission of India (CCI) approval has been granted for the merger and the scheme has been approved by the shareholders and creditors of both Idea and Vodafone India. The National Company Law Tribunal (NCLT) also has approved the proposed merger between Vodafone India and Idea. With DOT approval still pending, Vodafone and Idea now expect the merger to be completed during the first half of calendar 2018.

ATC has entered into separate definitive agreements with Vodafone India and Idea for their tower portfolio through which ATC will add an aggregate of approximately 20,000 communications sites to its existing Indian portfolio for ~Rs. 7,850 Crores.

Idea announced that they intend to raise up to Rs. 6,750 Crores of equity through Rs. 3,250 Crores worth preferential allotments to the Aditya Birla Group (ABG) entities and an additional Rs. 3,500 Crores equity through a method to be determined later. The proceeds, in addition to the Rs. 7,850 Crores from the announced disposals of Vodafone India’s and Idea’s standalone tower businesses, will be used to strengthen the balance sheet of the merged entity (Vodafone India and Idea).

With this transaction, ABG will increase its ownership in Idea from ~42% to ~47%. ABG and Vodafone have also agreed to ensure ABG to own at least 26% and Vodafone to own ~47.5% through ABG buying part of Vodafone’s stake in the merged entity.

5. Aircel to shut operations in 6 circles

Aircel has informed telecom regulator TRAI that it’s shutting down operations in six circles – MP, Gujarat, Maharashtra, HP, Haryana and UPW. Aircel would be shutting operations in the said circles by January 30, 2018.

6. National Telecom Policy 2018

Department of Telecommunications has released consultative paper seeking inputs from all stakeholders and industry bodies on the draft National Telecom Policy 2018. TRAI has set objectives which will align with the government's agenda of rising up the ranks in ease of doing business in the telecom sector. The paper stated that these goals can be achieved by various initiatives like review of license fee, USOF levy, and spectrum usage charge, by declaring roadmap for availability and auction of spectrum in different bands.

7. Right of Way Rules

Department of Telecommunications (DoT) Right of Way Rules, 2016 - Telecom Regulatory Authority of India (TRAI) has now formally recommended to DoT Secretary to revisit the Right of Way Rules released in November 2016 and include Infrastructure Providers-I in the same.

5.2 Key Company Developments

1. Acquisition of stake in Indus Towers

The board of directors of Bharti Infratel in their meeting held on October 30, 2017 has decided to explore and evaluate acquisition of stake in one or more tranches in Indus Towers, with the aim of making it a subsidiary or wholly owned subsidiary of Bharti Infratel.

2. Airtel stake sale

Bharti Airtel Limited via its wholly owned subsidiary, Nettle Infrastructure Investments announced the successful divestment of its stake in Bharti Infratel to 53.51% through a secondary share sale in the stock market. The sale was for a total consideration of over Rs. 3,325 Crores. Bharti Airtel will primarily use the proceeds from this sale to reduce its debt.
Board of Bharti Airtel has authorized the company to continue evaluating selling stake of Bharti Infratel in one or more tranches.

3. Vodafone selling stake in Indus

Vodafone Group Chief Executive Vittorio Colao released a statement that they will explore selling full or partial stake in Indus Towers.

4. Indus Towers' smart city update

Indus Towers has signed the concession agreements with both Vadodara Municipal Corporation and New Delhi Municipal Corporation for their Smart City projects. It is now working towards successful project delivery.

5. Dun & Bradstreet Infra Award

Bharti Infratel was announced as the winner under the category Telecom Infrastructure Development by Dun & Bradstreet Infra Awards 2017. It facilitates exemplary performances, under various verticals of infrastructure.

6. Golden Peacock Award for Risk Management

Bharti Infratel was felicitated with Golden Peacock Award for Risk Management at The Singapore Global Convention. It stimulates and helps organizations to rapidly accelerate the pace of improving Risk Assessment and Management System (RAM) in the organization.

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.

Key Highlights – For the quarter ended December 31, 2017

- **Closing sharing factor at the end of the quarter at 2.35 (L.Y. 2.27)**
- **Consolidated Revenues at Rs. 36,553 Mn (up 7% Y-o-Y)**
- **Consolidated EBITDA at Rs. 16,131 Mn (up 8% Y-o-Y)**
- **Consolidated EBIT at Rs. 10,087 Mn (up 10% Y-o-Y)**
- **Operating Free Cash Flow (OFCF) at Rs. 9,696 Mn (up 21% Y-o-Y)**
- **Adjusted Fund from Operations (AFFO) at Rs. 14,914 Mn (up 9% Y-o-Y)**

5.3.1 Financial & Operational Performance

Bharti Infratel Consolidated

Quarter Ended Dec 31, 2017

Tower and Co-Location base & additions

As of Dec 31, 2017, Bharti Infratel owned and operated 39,363 towers with 92,211 co-locations in 11 telecommunication Circles while Indus operated 122,962 towers with 288,727 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 91,007 towers and 213,476 co-locations in India as of Dec 31, 2017.

Net co-locations reduced during the quarter by 6,612 on consolidated basis and 2,327 on standalone basis. Net co-locations reduced during the quarter has impact of exits of 8,562 on consolidated basis and 2,942 on standalone basis. This includes 5,601 co-locations on consolidated basis for which actual exits have not happened as at quarter end.

For the quarter ended Dec 31, 2017, Bharti Infratel and Indus had average sharing factors of 2.38 and 2.39 per tower respectively.

Revenues[1] 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 Dec 31, 2017 was Rs 36,553 million, a growth of 7% compared to the quarter ended Dec 31, 2016.

Operating Expenses

Our consolidated total expenses for the quarter ended Dec 31, 2017 were Rs 20,422 million, or 55.9% of our consolidated revenues from operations. The largest component of our consolidated expenses during this period was power and fuel, amounting to Rs 12,987 million. The other key expenses incurred by us during the quarter ended Dec 31, 2017 were rent of Rs 3,172 million, repair & maintenance (operations and maintenance costs of the network) of Rs 2,266 million and employee benefits expenses of Rs. 1,254 million.

EBITDA[1], EBIT[1] & Finance Cost

For the quarter ended Dec 31, 2017, the Group had an EBITDA of Rs 16,131 million, a growth of 8% compared to the quarter ended Dec 31 2016. EBITDA margin for the quarter was 44.1%.

During the quarter ended Dec 31, 2017, the Group had depreciation and amortization expenses of Rs 5,895 million or 16.1% of our consolidated revenues. The resultant EBIT for the quarter ended Dec 31, 2017 was Rs 10,087 million, a growth of 10% compared to the quarter ended Dec 31, 2016. The net finance cost for the quarter ended Dec 31, 2017 was Rs 510 million.

Profit before Tax (PBT)

Our consolidated profit before tax for the quarter ended Dec 31, 2017 was Rs 10,072 million, or 27.6% of our consolidated revenues.

Profit after Tax (PAT)

The net income for the quarter ended Dec 31, 2017 was Rs 5,854 million or 16.0% of our consolidated revenues. Our consolidated total tax expense (net of tax effect of long term capital gains / loss) for the quarter ended Dec 31, 2017 was Rs 4,218 million, or 11.5% of our consolidated revenues.

Capital Expenditure, Operating Free Cash Flow[1] & Adjusted Fund from Operations (AFFO) [1]

For the quarter ended Dec 31, 2017, the Group incurred capital expenditure of Rs 6,313 million. The Operating free cash flow during the quarter was Rs 9,696 million, an increase of 21% compared to the quarter ended Dec 31, 2016.
The Adjusted Fund from Operations (AFFO) during the quarter was Rs 14,914 million, an increase of 9% compared to the quarter ended Dec 31, 2016.

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

Return on Capital Employed (ROCE)

ROCE as at the period ended Dec 31, 2017 stands at 34.6%.

5.4 Bharti Infratel Consolidated Three Line Graph

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

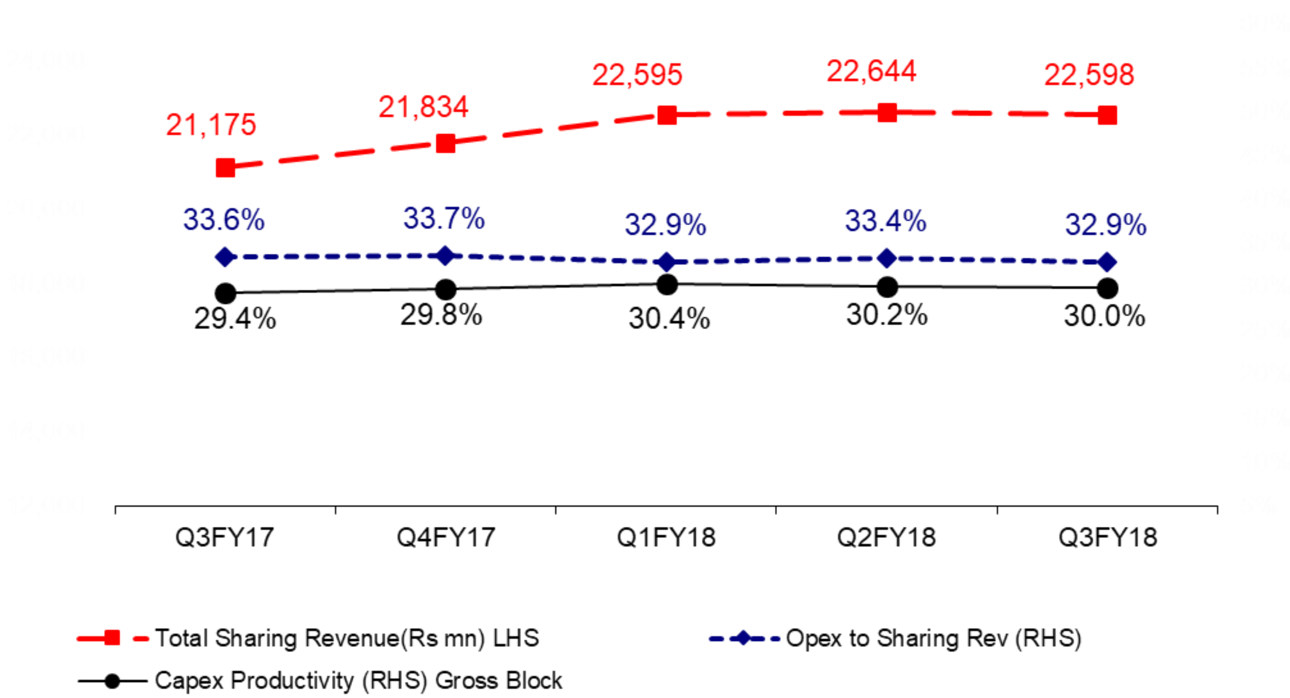
The parameters considered for the three-line graph are:

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:

5.4.1 Bharti Infratel Consolidated



Section 6

STOCK MARKET HIGHLIGHTS

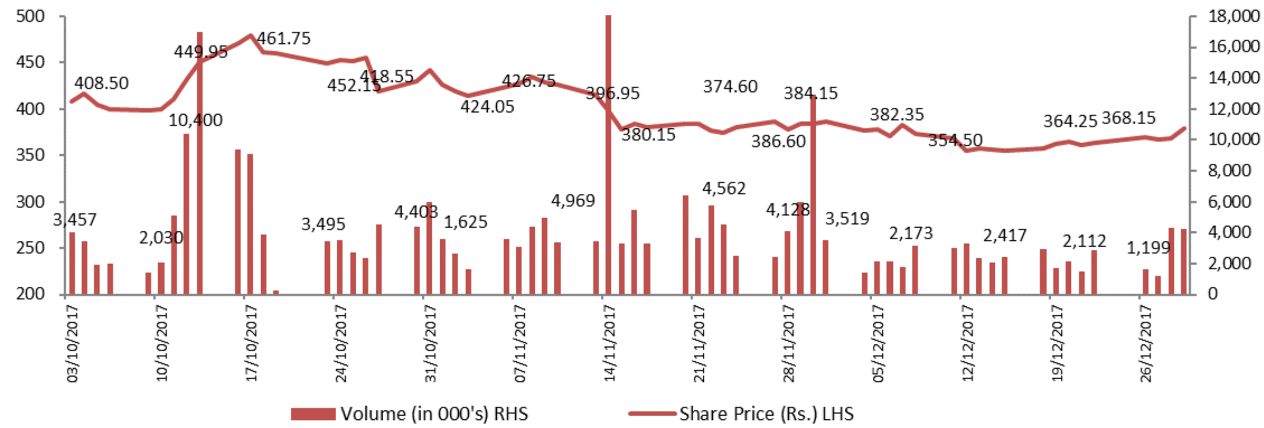
6.1 General Information

Shareholding and Financial Data	Unit	Quarter Ended Dec 31, 2017
Code/Exchange		INFRATEL/NSE
Bloomberg/Reuters		BHIN:IN/BHRI.NS
No. of Shares Outstanding (31/12/17)	Mn Nos	1,849.61
Closing Market Price - NSE (31/12/17)	Rs /Share	378.75
Combined Average Daily Volume (NSE & BSE)	Nos in Mn/day	6.57
Combined Average Daily Value (NSE & BSE)	Rs bn /day	2.67
Market Capitalization	Rs bn	701
Book Value Per Equity Share	Rs /share	88.57
Market Price/Book Value	Times	4.28
Enterprise Value	Rs bn	652
PE Ratio	Times	28.18
Enterprise Value/ EBITDA (LTM)	Times	10.18

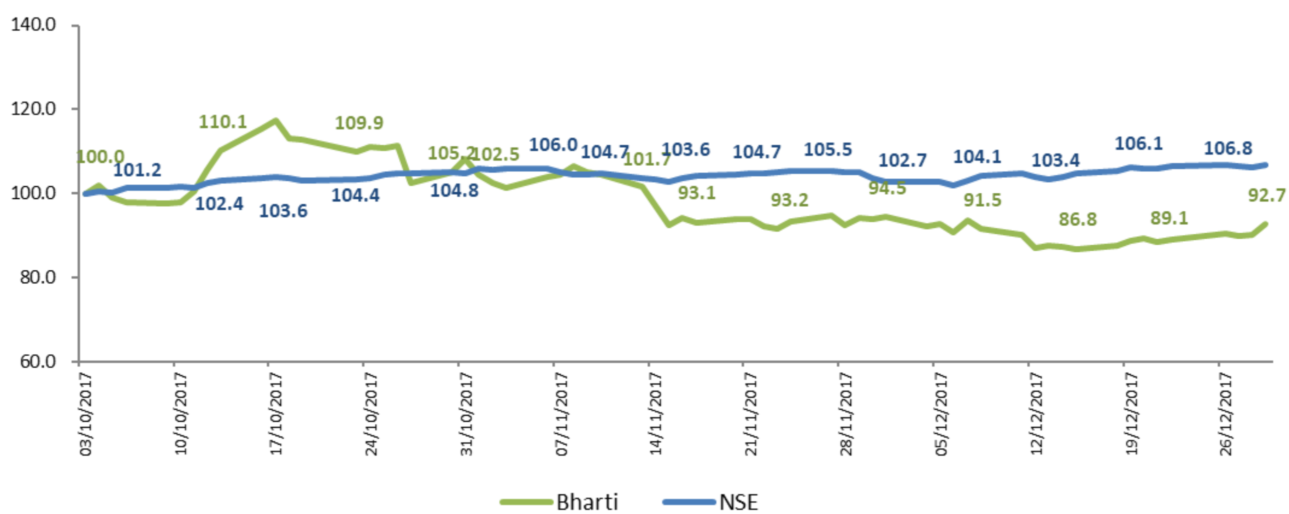
6.2 Summarized Shareholding pattern as of Dec 31, 2017

Category	Number of Shares	%
Promoter & Promoter Group		
Indian	989,780,979	53.51%
Foreign	-	-
Sub-Total	**989,780,979**	**53.51%**
Public Shareholding		
Institutions	820,884,024	44.38%
Non-Institutions	38,150,175	2.07%
Sub-Total	**859,034,199**	**46.45%**
Non-promoter Non-public shareholding		
Indian (Held by Bharti Infratel Employees' Welfare Trust)	793,068	0.04%
Foreign	-	-
Sub-Total	**793,068**	**0.04%**
Total	**1,849,608,246**	**100.00%**

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			Nine Months Ended		
	Dec 2017	Dec 2016	Y-on-Y growth	Dec 2017	Dec 2016	Y-on-Y growth
Income						
Revenue from Operations	36,553	34,007	7%	108,274	99,033	9%
Other income	495	357	39%	1,370	1,041	32%
	37,048	**34,364**	**8%**	**109,644**	**100,074**	**10%**
Expenses						
Power and fuel	12,987	11,938	9%	37,624	34,529	9%
Rent	3,172	2,932	8%	9,385	8,599	9%
Employee expenses	1,254	1,204	4%	3,733	3,522	6%
Repairs and maintenance	2,266	2,258	0%	6,859	6,868	0%
Other expenses	743	720	3%	2,457	1,941	27%
	20,422	**19,052**	**7%**	**60,058**	**55,459**	**8%**
Profit/ (loss) before finance costs, depreciation and amortisation and tax	**16,626**	**15,312**	**9%**	**49,586**	**44,615**	**11%**
Finance Costs (Net)	510	(947)	154%	(226)	(4,701)	95%
Charity and Donation	149	154	-3%	338	328	3%
Depreciation and Amortization Expense	6,239	6,062	3%	18,843	18,229	3%
Less: adjusted with general reserve in accordance with the Scheme	(344)	(398)	14%	(1,102)	(1,287)	14%
Profit/(loss) before exceptional items and tax	**10,072**	**10,441**	**-4%**	**31,733**	**32,046**	**-1%**
Exceptional items	-	-		-	-	
Profit/(loss) before tax	**10,072**	**10,441**	**-4%**	**31,733**	**32,046**	**-1%**
Tax expenses						
Current tax	4,107	3,597	14%	12,333	10,172	21%
Deferred tax	111	640	-83%	523	370	41%
Total tax expense	**4,218**	**4,237**	**0%**	**12,856**	**10,542**	**22%**
Profit (Loss) for the period	**5,854**	**6,204**	**-6%**	**18,877**	**21,504**	**-12%**
Other comprehensive income	(8)	9	-189%	19	45	-58%
Total comprehensive income for the year, net of tax	**5,846**	**6,213**	**-6%**	**18,896**	**21,549**	**-12%**
Earnings per equity share (nominal value of share Rs 10 each)						
Basic (Rs.)	3.17	3.36	-6%	10.21	11.50	-11%
Diluted (Rs.)	3.17	3.36	-6%	10.21	11.49	-11%

Note: Tax for the quarter ended Dec 31, 2016 and for the nine months ended Dec 31, 2016 is net of deferred tax liability reversed of Rs. NIL and Rs 1,347 Mn respectively on mark to market gain on investment accounted under Ind AS on account of underlying investments moving to long term capital asset category

7.1.2 Consolidated Statement of Balance Sheet

Amount in Rs mn

Particulars	As at	
	Dec 31, 2017	March 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	129,305	135,934
Capital work-in-progress	5,699	2,568
Intangible assets	357	392
Financial Assets		
Investments	32,904	41,221
Other Financial Assets	4,706	4,205
Income tax recoverable	1,361	4,098
Other non - Current assets	4,505	3,544
	178,837	**191,962**
Current assets		
Financial assets		
Investments	33,383	14,990
Trade receivables	4,735	2,179
Cash and cash equivalents	413	22,970
Other Bank Balance	5	-
Other Financial assets	10,739	9,523
Other Current Assets	6,548	5,204
	55,823	**54,866**
Total assets	**234,660**	**246,828**
Equity and Liabilities		
Equity		
Equity Share capital	18,496	18,496
Other Equity	145,320	136,369
Equity attributable to equity holders of the parent	**163,816**	**154,865**
Non-current liabilities		
Financial Liabilities		
Other Financial Liabilities	5,828	4,899
Long Term Borrowings	6,352	4,447
Long Term Provisions	6,246	5,829
Deferred tax liability	5,633	7,150
Other non - Current liabilities	3,783	3,530
	27,842	**25,855**
Current liabilities		
Financial Liabilities		
Borrowings	12,045	12,903
Trade and Other payables	19,109	17,387
Other financial liabilities	6,256	29,144
Other Current Liabilities	5,273	6,398
Provisions	319	276
	43,002	**66,108**
Total liabilities	**70,844**	**91,963**
Total equity and liabilities	**234,660**	**246,828**

7.2 Schedules to Financial Statements

7.2.1 Schedule of Revenue from Operations

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Rent	22,598	21,175	67,837	62,493
Energy and other reimbursements	13,955	12,832	40,437	36,540
Revenue	**36,553**	**34,007**	**108,274**	**99,033**

7.2.2 Schedule of Operating Expenses

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Power and fuel	12,987	11,938	37,624	34,529
Rent	3,172	2,932	9,385	8,599
Employee expenses	1,254	1,204	3,733	3,522
Repairs and maintenance	2,266	2,258	6,859	6,868
Other expenses	**743**	**720**	**2,457**	**1,941**
-Other network expenses	81	180	669	275
-Others	662	540	1,788	1,666
Expenses	**20,422**	**19,052**	**60,058**	**55,459**

7.2.3 Schedule of Depreciation & Amortization

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Depreciation of tangible assets	5,819	5,627	17,619	16,839
Amortization of intangible assets	76	37	122	103
Depreciation and Amortization	**5,895**	**5,664**	**17,741**	**16,942**

7.2.4 Schedule of Finance Cost (Net)

Amount in Rs mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Finance Income	(137)	(1,586)	(2,223)	(6,741)
Finance Cost	647	639	1,997	2,040
Finance cost (Net)	**510**	**(947)**	**(226)**	**(4,701)**

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

Amount in Rs mn

Particulars	Quarter Ended	Nine Months Ended
	Dec 31, 2017	Dec 31, 2017
Total Income to Revenue		
Total Income as per IND AS	**37,048**	**109,644**
Less: Other Income	495	1,370
Revenue	**36,553**	**108,274**

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

Amount in Rs mn

Particulars	Quarter Ended	Nine Months Ended
	Dec 31, 2017	Dec 31, 2017
EBITDA (Including Other Income) to EBITDA		
EBITDA (Incl. Other Income) as per IND AS	**16,626**	**49,586**
Less: Other Income	495	1,370
EBITDA	**16,131**	**48,216**

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

Amount in Rs mn

Particulars	Quarter Ended	Nine Months Ended
	Dec 31, 2017	Dec 31, 2017
EBIT (Including Other Income) to EBIT		
EBIT (Incl. Other Income) as per IND AS	**10,582**	**31,507**
Less: Other Income	495	1,370
EBIT	**10,087**	**30,137**

d) Derivation of Operating Free Cash Flow from EBITDA

Amount in Rs mn

Particulars	Quarter Ended	Nine Months Ended
	Dec 31, 2017	Dec 31, 2017
EBITDA to Operating Free Cash Flow		
EBITDA	**16,131**	**48,216**
Less: Capex	6,313	16,037
Add:Operating Lease expense - Security Deposit	5	38
Less:Operating Lease revenue - Security Deposit	127	355
Operating Free Cash Flow	**9,696**	**31,862**

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

Amount in Rs mn

Particulars	Quarter Ended	Nine Months Ended
	Dec 31, 2017	Dec 31, 2017
EBITDA to Adjusted Fund From Operations		
EBITDA	**16,131**	**48,216**
Less: Maintenance & General Corporate Capex	1,095	3,694
Add:Operating Lease expense - Security Deposit	5	38
Less:Operating Lease revenue - Security Deposit	127	355
Adjusted Fund From Operations(AFFO)	**14,914**	**44,205**

f) Calculation of Net Debt / (Net Cash)

Amount in Rs mn

Particulars	As at Dec 31, 2017	As at March 31, 2017
Total Debt (Long Term and Short Term Borrowings)	18,397	17,350
Less: Cash and Cash Equivalents & Current and non-current Investments (including fixed deposits)	66,705	79,181
Add: Unpaid dividend declared (including dividend distribution tax) adjusted in equity	-	26,704
Net Debt / (Net Cash)	**(48,308)**	**(35,127)**

g) Calculation of Capital Employed

Amount in Rs mn

Particulars	As at Dec 31, 2017	As at March 31, 2017
Shareholder's Equity	163,816	154,865
Add:Net Debt / (Net Cash)	(48,308)	(35,127)
Capital Employed	**115,508**	**119,738**

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]				
	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Revenue[1]	36,553	36,482	35,239	35,204	34,007
Energy Cost	12,987	12,593	12,044	12,004	11,938
Other Operating Expenses	7,435	7,554	7,445	7,354	7,114
EBITDA[1]	16,131	16,335	15,750	15,846	14,955
EBITDA / Total revenues[2]	*44.1%*	*44.8%*	*44.7%*	*45.0%*	*44.0%*
EBIT[1]	10,087	10,205	9,845	10,039	9,137
Other Income	495	401	474	414	357
Finance cost (Net)	510	(109)	(627)	287	(947)
Profit before Tax	10,072	10,715	10,946	10,166	10,441
Income Tax Expense	4,218	4,331	4,307	4,200	4,237
Profit after tax	5,854	6,384	6,639	5,966	6,204
Capex	6,313	3,985	5,739	5,431	6,830
Operating Free Cash Flow[1]	9,696	12,244	9,922	10,297	8,014
Adjusted Fund From Operations (AFFO)[1]	14,914	15,110	14,181	14,382	13,680
Cumulative Investments	302,456	299,537	300,505	294,566	290,934

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
As a % of Revenue[2]					
Energy Cost	35.5%	34.5%	34.2%	34.1%	35.1%
Other Operating Expenses	20.3%	20.7%	21.1%	20.9%	20.9%
EBITDA	44.1%	44.8%	44.7%	45.0%	44.0%
Profit before tax	27.6%	29.4%	31.1%	28.9%	30.7%
Profit after tax	16.0%	17.5%	18.8%	16.9%	18.2%

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.

8.2 Based on Statement of Financial Position

Amount in Rs mn

Parameters	As at				
	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Shareholder's Equity	163,816	158,303	161,136	154,865	175,933
Net Debt / (Net Cash)	(48,308)	(42,013)	(44,336)	(35,127)	(59,181)
Capital Employed = Shareholder's Equity + Net Debt / (Net Cash)	115,508	116,290	116,800	119,738	116,752

Parameters	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Return on Capital Employed (LTM) Pre Tax	34.6%	33.5%	31.8%	30.1%	29.5%
Return on Shareholder's Equity (LTM) Pre Tax	24.7%	25.7%	24.7%	25.0%	24.1%
Return on Shareholder's Equity (LTM) Post tax	14.6%	15.3%	15.1%	16.3%	16.3%
Net Debt / (Net Cash) to EBITDA (LTM)	(0.75)	(0.67)	(0.73)	(0.59)	(1.02)
Asset Turnover ratio	76.72%	76.32%	75.45%	73.13%	67.42%
Interest Coverage ratio (times)	24.29	23.92	23.23	22.17	21.66
Net debt / (Net Cash) to Funded Equity (Times)	(0.29)	(0.27)	(0.28)	(0.23)	(0.34)
Per share data (for the period)					
Earnings Per Share - Basic (in Rs)	3.17	3.45	3.59	3.23	3.36
Earnings Per Share - Diluted (in Rs)	3.17	3.45	3.59	3.23	3.36
Book Value Per Equity Share (in Rs)	88.6	85.6	87.1	83.7	95.1
Market Capitalization (Rs. bn)	701	737	693	603	635
Enterprise Value (Rs. bn)	652	695	648	568	576

8.3 Operational Performance

8.3.1 Bharti Infratel Consolidated[2]

Parameters	Unit	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Total Towers[1]	Nos	91,007	90,955	90,837	90,646	90,255
Total Co-locations[1]	Nos	213,476	220,088	218,401	210,606	204,934
Key Indicators						
Average Sharing Factor	Times	2.38	2.41	2.36	2.30	2.24
Closing Sharing Factor	Times	2.35	2.42	2.40	2.32	2.27
Sharing Revenue per Tower p.m.	Rs	82,794	83,040	83,001	80,464	78,407
Sharing Revenue per Sharing Operator p.m.	Rs	34,748	34,427	35,112	35,029	34,966

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. Quarter ended Dec 2017- The Company during the quarter has reported co-locations reduction of 8,562 basis exit notices received. This includes 5,601 co-locations on which actual exits have not happened as at quarter end.

8.3.2 Bharti Infratel Standalone

Parameters	Unit	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Total Towers	Nos	39,363	39,264	39,211	39,099	38,997
Total Co-locations	Nos	92,211	94,538	93,297	89,263	86,112
Key Indicators						
Average Sharing Factor	Times	2.38	2.39	2.33	2.25	2.17
Closing Sharing Factor	Times	2.34	2.41	2.38	2.28	2.21
Sharing Revenue per Tower p.m.	Rs	87,739	87,111	86,937	84,238	81,366
Sharing Revenue per Sharing Operator p.m.	Rs	36,941	36,394	37,292	37,512	37,428

8.3.3 Indus Towers

Parameters	Unit	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Total Towers	Nos	122,962	123,073	122,920	122,730	122,044
Total Co-locations	Nos	288,727	298,929	297,867	288,913	282,909
Key Indicators						
Average Sharing Factor	Times	2.39	2.43	2.39	2.34	2.29
Closing Sharing Factor	Times	2.35	2.43	2.42	2.35	2.32
Sharing Revenue per Tower p.m.	Rs	79,044	79,955	80,085	77,661	76,223
Sharing Revenue per Sharing Operator p.m.	Rs	33,094	32,956	33,527	33,244	33,221

8.3.4 Human Resource Analysis

8.3.4.1 Bharti Infratel Consolidated

Parameters	Unit	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Total On roll Employees[1]	Nos	2,279	2,287	2,326	2,374	2,375
Number of Towers per employee	Nos	40	40	39	38	38
Personnel Cost per employee per month	Rs	183,083	182,541	172,515	162,422	168,345
Revenue per employee per month	Rs	5,336,703	5,272,735	4,999,376	4,941,994	4,754,914

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

8.3.4.2 Bharti Infratel Standalone

Parameters	Unit	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Total On roll Employees	Nos	1,235	1,243	1,239	1,261	1,246
Number of Towers per employee	Nos	32	32	32	31	31
Personnel Cost per employee per month	Rs	194,512	198,496	198,133	179,497	186,731
Revenue per employee per month	Rs	4,560,667	4,452,592	4,249,067	4,268,847	4,093,098

8.3.4.3 Indus Towers

Parameters	Unit	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Total On roll Employees	Nos	2,486	2,486	2,587	2,649	2,689
Number of Towers per employee	Nos	49	50	48	46	45
Personnel Cost per employee per month	Rs	169,521	163,955	143,391	143,506	148,246
Revenue per employee per month	Rs	6,257,582	6,228,117	5,855,676	5,697,712	5,482,907

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				
		Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Energy Cost Indicators						
Energy Cost Per Tower per month	Rs	47,581	46,181	44,243	44,239	44,203
Energy Cost Per Colocation per month	Rs	19,969	19,146	18,716	19,259	19,713

8.5 Other Than Energy Cost Analysis

Parameters	Unit	For the Quarter Ended				
		Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Other Than Energy Cost						
Cost Per Tower per month	Rs	27,240	27,702	27,349	27,102	26,341
Cost per Colocation per month	Rs	11,432	11,485	11,569	11,799	11,747

8.6 Revenue and Cost Composition

Parameters	Unit	For the Quarter Ended				
		Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Revenue Composition						
Service Revenue	%	62%	62%	64%	62%	62%
Energy and other reimbursements	%	38%	38%	36%	38%	38%
Total		**100%**	**100%**	**100%**	**100%**	**100%**
Opex Composition						
Power and fuel	%	64%	63%	62%	62%	63%
Rent	%	16%	15%	16%	16%	15%
Employee benefits expenses	%	6%	6%	6%	6%	6%
Repair and maintenance expenses	%	11%	11%	12%	12%	12%
Other expenses	%	**4%**	**5%**	**4%**	**5%**	**4%**
-Other network expenses	%	0%	2%	1%	2%	1%
-Others	%	3%	3%	3%	3%	3%
Total		**100%**	**100%**	**100%**	**100%**	**100%**

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

Amount in Rs mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec 31, 2017	Dec 31, 2016	Y-on-Y growth	Dec 31, 2017	Dec 31, 2016	Y-on-Y growth
Income						
Revenue from Operations	16,963	15,300	11%	49,484	44,794	10%
Other income	200	178	12%	490	521	-6%
	17,163	**15,478**	**11%**	**49,974**	**45,315**	**10%**
Expenses						
Power and fuel	5,927	5,374	10%	16,895	15,678	8%
Rent	883	799	11%	2,622	2,342	12%
Employee benefit expenses	723	698	4%	2,205	2,071	6%
Repairs and maintenance	1,010	998	1%	3,083	3,039	1%
Other expenses	301	319	-6%	766	888	-14%
	8,844	**8,188**	**8%**	**25,571**	**24,018**	**6%**
Profit before depreciation and amortisation, finance costs(net), charity and donation,share of profit of joint venture and tax	**8,319**	**7,290**	**14%**	**24,403**	**21,297**	**15%**
Depreciation and Amortization Expense	3,020	3,059	-1%	9,164	9,080	1%
Less: adjusted with general reserve in accordance with the scheme of arrangement with bharti airtel limited	(92)	(125)	26%	(287)	(390)	26%
	2,928	2,934	0%	8,877	8,690	2%
Finance Costs (Net)	123	(1,483)	108%	(1,510)	(6,311)	76%
Charity and Donation	142	56	154%	222	220	1%
Profit before share of profit of joint venture and tax	**5,126**	**5,783**	**-11%**	**16,814**	**18,698**	**-10%**
Share of profit of joint venture	3,226	3,041	6%	9,738	8,678	12%
Profit/(loss) before tax	**8,352**	**8,824**	**-5%**	**26,552**	**27,376**	**-3%**
Income tax expense :						
Current tax	2,228	2,086	7%	6,770	5,506	23%
Deferred tax	270	534	-49%	905	366	148%
Total tax expense	**2,498**	**2,620**	**-5%**	**7,675**	**5,872**	**31%**
Profit (Loss) for the period	**5,854**	**6,204**	**-6%**	**18,877**	**21,504**	**-12%**
Other comprehensive income						
Items that will not be re-classified to Profit and Loss						
(i) Remeasurement of the gain/ (loss) of defined benefit plans(net of tax)	4	1		(2)	(2)	
(ii) Share of Profit/(Loss) in OCI of a joint venture	(2)	5		(5)	(15)	
Items that will be re-classified to profit and Loss						
(iii) Fair Value changes on Financial Assets through OCI (Net of Tax)	(10)	3		26	62	
Other comprehensive income for the period (net of tax)	**(8)**	**9**		**19**	**45**	
Total comprehensive income for the period (net of tax)	**5,846**	**6,213**	**-6%**	**18,896**	**21,549**	**-12%**
Earnings per equity share (nominal value of share Rs 10 each)						
Basic (Rs.)	3.17	3.36	-6%	10.21	11.50	-11%
Diluted (Rs.)	3.17	3.36	-6%	10.21	11.49	-11%

Note: Tax for the quarter ended Dec 31, 2016 and for the nine months ended Dec 31, 2016 is net of deferred tax liability reversed of Rs. NIL and Rs 1,347 Mn respectively on mark to market gain on investment accounted under Ind AS on account of underlying investments moving to long term capital asset category

9.1.2 Statement of Balance Sheet

Amount in Rs mn

Particulars	As at	
	Dec 31, 2017	March 31, 2017
Assets		
Non-current assets		
Property, plant and equipment	56,568	57,811
Capital work-in-progress	853	585
Intangible assets	104	131
Investment in joint venture	52,380	55,509
Financial assets		
Investment	32,904	41,221
Other Financial Assets	1,216	1,163
Income tax assets	-	1,634
Deferred tax assets	478	-
Other non - Current assets	3,423	2,456
	147,926	**160,510**
Current assets		
Financial assets		
Investment	29,954	14,990
Trade and other receivables	2,378	1,515
Cash and cash equivalents	196	22,498
Other Bank Balance	5	-
Other Financial Assets	6,093	4,740
Other Current Assets	3,207	3,531
	41,833	**47,274**
Total assets	**189,759**	**207,784**
Equity and Liabilities		
Equity		
Equity Share capital	18,496	18,496
Other Equity	145,428	136,497
Equity attributable to equity holders of the parent	**163,924**	**154,993**
Non-current liabilities		
Financial Liabilities		
Other Financial Liabilities	2,658	2,373
Long Term Provisions	2,428	2,243
Deferred tax liabilities	1,781	2,434
Other non-current liabilities	1,680	1,633
	8,547	**8,683**
Current liabilities		
Financial Liabilities		
Borrowings	-	2,785
Trade and Other payables	11,267	11,214
Other Financial Liabilities	2,686	24,129
Other Current Liabilities	2,458	5,846
Provisions	150	134
Current tax liability (net)	727	-
	17,288	**44,108**
Total liabilities	**25,835**	**52,791**
Total equity and liabilities	**189,759**	**207,784**

9.1.3 Cash Flow

Amount in Rs mn

Particulars	Nine Months Ended Dec 31, 2017	Nine Months Ended Dec 31, 2016
Cash flows from operating activities		
Profit before taxation	26,552	27,376
Adjustments for -		
Depreciation and amortization expense	8,877	8,690
Finance income	(1,850)	(6,587)
Finance Costs	327	276
Dividend income	10,010	9,510
Share of profits in joint venture	(9,738)	(8,678)
Gain/loss on disposal of property,plant & equipment	(445)	(410)
Provision for doubtful trade receivables	(46)	80
Others	(185)	(213)
Operating profit before working capital changes	**33,502**	**30,044**
Changes in Trade Receivables	(817)	(173)
Changes in Trade Payables	94	160
Changes in other Current Liabilities	1,131	840
Changes in Other Non Current Assets	7	(64)
Changes in Other Long Term Financial Liabilities	99	233
Changes in Long Term Provisions	17	33
Changes in Short Term Provisions	16	22
Changes in Other Financial Assets	(1,061)	(819)
Changes in Other Long Term Financial Assets	(52)	(86)
Changes in Other Financial Liabilities	(24)	-
Changes in Other Non Current Liabilities	232	36
Changes in other current assets	333	(165)
Cash generated from operations	**33,477**	**30,061**
Income tax paid (net of refunds)	(5,407)	(4,665)
Net Cash flow from operating activities (A)	**28,070**	**25,396**
Cash flows from investing activities		
Purchase of property,plant & equipment	(7,828)	(6,895)
Proceeds from sale of property,plant & equipment	936	719
Investment in Bonds	(1,012)	-
Investment in Commercial paper	(234)	-
Proceeds from bank deposits	(3)	-
Investment in Non convertible debenture	(1,000)	-
Investment in Mutual Funds	(28,727)	(92,890)
Proceeds from Fixed Deposit	-	11,462
Proceeds from sale of Mutual Funds	13,025	65,076
Proceeds from government securities	8,150	-
Proceeds from sale of Certificate of deposits	1,482	2,846
Proceeds from sale of Commercial paper	498	-
Interest received	2,671	1,309
Net Cash flow (used in) investing activities (B)	**(12,042)**	**(18,372)**
Cash flows from financing activities		
Proceeds from exercise of stock options	3	53
Proceeds from borrowings	3,250	-
Repayment of borrowings	(3,250)	-
Loan given to group companies	(6,100)	-
Loan repaid to group companies	6,100	-
Buyback of shares	-	(20,032)
Interest income on Loan	73	-
Interest paid on loan	(16)	-
Dividend paid	(29,580)	(5,549)
Tax on dividend paid	(6,025)	(1,130)
Net Cash flow (used in) financing activities (C)	**(35,545)**	**(26,657)**
Net (decrease) / increase in cash and cash equivalents during the period (A+B+C)	**(19,517)**	**(19,633)**
Cash and cash equivalents at the beginning of the period	19,713	20,133
Cash and cash equivalents at the end of the period	**196**	**500**

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

Amount in Rs mn

Particulars	IND AS Consolidated Statement of Profit and Loss (Equity Method) (A)		Proportionate share of JV (B)		Eliminations/ Adjustment* (C)		Proforma Consolidated Statement of Profit and Loss (Proportionate Consolidation Method) D = (A+B+C)	
	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16	Dec-17	Dec-16
Income								
Revenue from operations	16,963	15,300	19,601	18,718	(11)	(11)	36,553	34,007
Other income	200	178	295	179	-	-	495	357
Total Income	**17,163**	**15,478**	**19,896**	**18,897**	**(11)**	**(11)**	**37,048**	**34,364**
Power and fuel	5,927	5,374	7,060	6,564	-	-	12,987	11,938
Rent	883	799	2,289	2,133	-	-	3,172	2,932
Employee expenses	723	698	531	506	-	-	1,254	1,204
Repairs and maintenance	1,010	998	1,256	1,260	-	-	2,266	2,258
Other expenses	301	319	442	401	-	-	743	720
Intersegmental expense	-	-	11	10	(11)	(10)	-	-
Total Expense	**8,844**	**8,188**	**11,589**	**10,874**	**(11)**	**(10)**	**20,422**	**19,052**
Profit/(Loss) before share of profit of a joint venture, Depreciation, Finance cost and tax	**8,319**	**7,290**	**8,307**	**8,023**	-	(1)	**16,626**	**15,312**
Finance Costs (Net)	123	(1,483)	387	536	-	-	510	(947)
Depreciation and Amortization Expense	2,928	2,934	2,967	2,730	-	-	5,895	5,664
Charity & Donation	142	56	7	98	-	-	149	154
Profit/(Loss) before share of profit of a joint venture and tax	**5,126**	**5,783**	**4,946**	**4,659**	**-**	**(1)**	**10,072**	**10,441**
Share of profits in Joint Venture	3,226	3,041	-	-	(3,226)	(3,041)	-	-
Profit before tax	**8,352**	**8,824**	**4,946**	**4,659**	**(3,226)**	**(3,042)**	**10,072**	**10,441**
Tax expense	2,498	2,620	1,720	1,617	-	-	4,218	4,237
Profit for the period	**5,854**	**6,204**	**3,226**	**3,042**	**(3,226)**	**(3,042)**	**5,854**	**6,204**
Other comprehensive income	(8)	9	(1)	5	1	(5)	(8)	9
Total comprehensive income for the period	**5,846**	**6,213**	**3,225**	**3,047**	**(3,225)**	**(3,047)**	**5,846**	**6,213**

* Elimination/adjustments represents elimination of intersegment transactions and adjustment for share of profits in JV

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)	
	Dec 31, 2017	March 31, 2017	Dec 31, 2017	March 31, 2017	Dec 31, 2017	March 31, 2017	Dec 31, 2017	March 31, 2017
SEGMENT ASSETS								
Non-current assets								
Property, plant and equipment	56,568	57,811	72,845	78,253	(108)	(130)	129,305	135,934
Capital work-in-progress	853	585	4,846	1,983	-	-	5,699	2,568
Intangible assets	104	131	253	261	-	-	357	392
Investment in joint ventures	52,380	55,509	-	-	(52,380)	(55,509)	-	-
Financial assets								
Investment	32,904	41,221	-	-	-	-	32,904	41,221
Other Financial Assets	1,216	1,163	3,490	3,042	-	-	4,706	4,205
Income tax recoverable	-	1,634	2,088	2,464	(727)	-	1,361	4,098
Deferred tax Assets	478	-	-	-	(478)	-	-	-
Other non - Current assets	3,423	2,456	1,082	1,088	-	-	4,505	3,544
Current assets								
Financial assets								
Investment	29,954	14,990	3,429	-	-	-	33,383	14,990
Trade receivables	2,378	1,515	2,450	762	(93)	(98)	4,735	2,179
Cash and cash equivalents	196	22,498	217	472	-	-	413	22,970
Other Bank Balances	5	-	-	-	-	-	5	-
Other Financial Assets	6,093	4,740	4,646	4,783	-	-	10,739	9,523
Other Current Assets	3,207	3,531	3,341	1,673	-	-	6,548	5,204
Total Assets	**189,759**	**207,784**	**98,687**	**94,781**	**(53,786)**	**(55,737)**	**234,660**	**246,828**
SEGMENT LIABILTIES								
Equity								
Equity Share capital	18,496	18,496	1	1	(1)	(1)	18,496	18,496
Other Equity	145,428	136,497	52,379	55,511	(52,487)	(55,639)	145,320	136,369
Equity attributable to equity holders of the parent	**163,924**	**154,993**	**52,380**	**55,512**	**(52,488)**	**(55,640)**	**163,816**	**154,865**
Non-current liabilities								
Financial Liabilities								
Other Financial Liabilities	2,658	2,373	3,170	2,526	-	-	5,828	4,899
Long-term borrowings	-	-	6,352	4,447	-	-	6,352	4,447
Long Term Provisions	2,428	2,243	3,818	3,586	-	-	6,246	5,829
Deferred tax liabilities	1,781	2,434	4,330	4,715	(478)	-	5,633	7,150
Other non-Current liabilities	1,680	1,633	2,103	1,897	-	-	3,783	3,530
Current liabilities								
Financial Liabilities								
Short-term borrowings	-	2,785	12,045	10,118	-	-	12,045	12,903
Trade payables	11,267	11,214	7,935	6,271	(93)	(98)	19,109	17,387
Other financial Liabilities	2,686	24,129	3,570	5,015	-	-	6,256	29,144
Other Current Liabilities	2,458	5,846	2,815	552	-	-	5,273	6,398
Provisions	150	134	169	142	-	-	319	276
Current tax liability (net)	727	-	-	-	(727)	-	-	-
Total liabilities	**189,759**	**207,784**	**98,687**	**94,781**	**(53,786)**	**(55,737)**	**234,660**	**246,828**

Section D

Key Accounting Policies and Glossary

Section 11

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 Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

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') and BAL holds 50.33% shares in the Company. Nettle Infrastructure Investments Limited, wholly owned Subsidiary of BAL is also holding 3.18% shares in the Company as on December 31, 2017.

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 India Limited and Aditya Birla Telecom 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 India Limited are holding approximately 42% each in Indus Towers Limited, 11.15% is held by Aditya Birla Telecom Limited.

A wholly owned subsidiary, Smartx Services Limited, has been incorporated on September 21, 2015 with the object of transmission through Optic Fibre Cables and setting up Wi-Fi hotspots for providing services to telecom operators and others on sharing basis. During the financial year 2016-17, Smartx Services Limited was selected as a successful bidder along with Bharti Infratel Limited and others by Bhopal Smart City Development Corporation Limited for implementing Smart city projects in Bhopal, Madhya Pradesh.

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 issue by the Company's Board of Directors on January 17, 2018.

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, 2017. 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.

Effective April 1, 2016, the Group has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian GAAP as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The Quarterly reports for FY 16-17 detail the key accounting changes on first time adoption of IND AS and impact of transition on the company's financials

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 comprises the financial statements of the Group, its subsidiaries, joint venture and its directly controlled entity which are as follows:-

Entity	Coutry of Incorporation	Principal Service	Relationship	Shareholding as at December 31, 2017	Shareholding as at March 31, 2017
Indus Towers Limited	India	Passive Infrastructure Services	Joint Venture	42%	42%
Smartx Services Limited*	India	Optical Fibre Service	Subsidiary	100%	100%

Details of Controlled Trust

Name of Trust	Country of Incorporation
Bharti Infratel Employee's Welfare Trust	India

* Refer note 1

Accounting for Subsidiaries:

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.

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 are 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.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or '`') and are rounded to the nearest million (Mn) except per share data and unless stated otherwise.

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 and Fixtures	5 years
Plant & Machinery	3 to 20 Years
Leasehold Improvement	Period of Lease or useful life whichever is less

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.

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 reporting period. 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of an arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group policy on the borrowing costs.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. Contingent rents are recognized as expense in the period in Consolidated Statement of Profit and Loss in which they are incurred.

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. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term and escalation in the contract, which are structured to compensate expected general inflationary increase are not straight lined. 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 the 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 recognised 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 and 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, etc.

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

This category is most relevant to the Group.

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 non taxable bonds, commercial paper, certificate of deposits etc within this category.

Debt instrument at fair value through Profit and 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 company.

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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/ receivable, excluding discounts, rebates, and VAT, service tax or duty. The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as principal or as an agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Service revenue

Service revenue includes rental revenue for use of sites and energy revenue for the provision of energy for operation sites. Rental revenue and energy revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms under agreements entered with customer.

The Group has ascertained that the lease payment received are structured to increase in line with expected inflationary increase in cost and therefore not straight-lined.

Unbilled revenue represents revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the rates specified in the master service agreement with the operators. The Group collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Group, hence it is excluded from revenue.

Dividend income

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date that the Group's right to receive payment is established.

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.

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 are 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 subsidiaries, joint venture and associates - 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

Provision for 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 company 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.

u) Corporate social responsibility expenditure

Pursuant to the requirements of section 135 of the Companies Act, 2013 and rules thereon and guidance note on “Accounting for expenditure on Corporate Social Responsibility activities” issued by ICAI, with effect from April 1, 2015, CSR expenditure is recognized as an expense in the Consolidated Statement of Profit and Loss in the period in which it is incurred.

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) Operating lease commitments – 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 Group, that such contracts are in the nature of operating lease and has accounted for as such.

The Group has ascertained that the annual escalations in the lease payment received under the MSA are structured to compensate the expected inflationary increase in cost and therefore has not been straight-lined.

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.

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.

d) Allowance of doubtful trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. 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.

e) 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.

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.

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 12

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.
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.
BISL	Bharti Infratel Services Limited
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.
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.
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)(LTM)	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.
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 and 100% of BIVL till FY end 31st Mar 2013 net of IRU eliminations. W.e.f quarter ending June'13 and onwards Indus Consolidation represents consolidation of Bharti Infratel's 42% proportionate shareholding in Indus Towers Ltd.
Intangibles	Comprises of acquisition cost of software.
NA	Not ascertainable

Interest Coverage Ratio(LTM)	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.
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)	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) to EBITDA (LTM)	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.
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
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 – (LTM)	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.
Return On Equity (ROE) Pre Tax-(LTM)	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.
Return On Equity (ROE) Post Tax-(LTM)	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.
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, 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

BSE	The Bombay Stock Exchange Limited
DoT	Department of Telecommunications
IP-1	Infrastructure Provider Category 1
NSE	National Stock Exchange
SEBI	Securities and Exchange Board of India
TEC	Telecom Engineering Center
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

Written correspondence to be sent to:

ir@bharti-infratel.in
www.bharti-infratel.com