

January 30, 2020

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

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

Ref: Bharti Infratel Limited (534816 / INFRATEL)

Sub: Financial results for the third quarter (Q3) and nine months ended December 31, 2019

Dear Sir/ Madam,

In compliance with Regulation 30 and 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the following for the third quarter (Q3) and nine months ended December 31, 2019.

- Audited consolidated financial results as per Ind-AS;
- Audited standalone financial results as per Ind-AS;
- Auditor's reports on the aforesaid financial results.

The above financial results have been reviewed by the Audit & Risk Management Committee in its meeting held on Thursday, January 30, 2020 and based on its recommendation, approved by the Board of Directors in its meeting held on Thursday, January 30, 2020. The Board Meeting commenced at 02:30 p.m. and concluded at 07 : 00 p.m.

Kindly take the same on record.

Thanking you,

Sincerely Yours,

For Bharti Infratel Limited


Samridhi Rodhe
Company Secretary



Encl: As above

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BHARTI INFRATEL LIMITED

Opinion

We have audited the accompanying Statement of Interim Consolidated Financial Results of **BHARTI INFRATEL LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its joint venture for the quarter and nine months ended December 31, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit report of the other auditor on separate financial statements of joint venture referred to in Other Matter Section below the Interim Consolidated Financial Results:

- (i) includes the results of the following entities:
 - a. Bharti Infratel Limited (BIL) (Parent)
 - b. Smartx Services Limited (100% subsidiary of BIL)
 - c. Indus Towers Limited (Joint venture of BIL)
 - d. Bharti Infratel Employee Welfare Trust
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and nine months ended December 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Interim Consolidated Financial Results section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matter section below is sufficient and appropriate to provide a basis for our audit opinion.



Emphasis of Matter – Given by auditors of Indus Towers Limited, a Joint Venture Company

As stated in Note 9(b), the auditors of Indus Towers Limited ("Indus"), a Joint Venture Company, have included an 'Emphasis of Matter' paragraph in their audit report on the financial statements of that company for the nine months period ended December 31, 2019 with respect to accounting treatment of adjustments of Rs.2,039 million in carrying value of deferred tax assets, by setting off the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judicature. However, this is not in compliance with Ind AS 12, Income taxes. The Group's share out of above adjustment is Rs.856 million (i.e. 42%)

Our opinion is not modified in respect of above matter.

Material uncertainty arising out of certain developments and its consequential impact on business operations - Given by auditors of Indus Towers Limited, a Joint Venture Company

As stated in Note 10, the auditors of Indus Towers Limited ("Indus"), a Joint Venture Company, in their audit report on the financial statements of that company for the nine months period ended December 31, 2019, have reported under the above heading a matter which describes the effect on business, results of operations, financial position of the Joint venture Company on account of uncertainty regarding continuance of operations of their top customers caused by financial stress post the AGR judgement of Honourable Supreme Court dated October 24, 2019, subsequently upheld on January 16, 2020.

Our opinion is not modified in respect of above matter.

Management's Responsibilities for the Interim Consolidated Financial Results

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related audited interim consolidated financial statements. The Parent's Board of Directors are responsible for the preparation and presentation of the Interim Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its joint venture in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Interim Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Interim Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group and joint venture are responsible for overseeing the financial reporting process of the Group and joint venture.

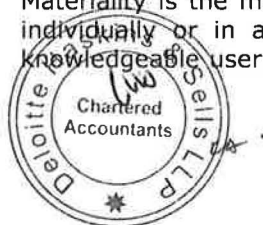
Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Interim Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Interim Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Interim Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Interim Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Consolidated Financial Results, including the disclosures, and whether the Interim Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group and its joint venture to express an opinion on the Interim Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Interim Consolidated Financial Results of which we are the independent auditors. For the other entity included in the Interim Consolidated Financial Results, which has been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Interim Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Consolidated Financial Results may be influenced. We consider



quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Interim Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Interim Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The interim consolidated financial results includes the Group's share of profit after tax of Rs.3,852 million and Rs.11,360 million for the quarter and nine months ended December 31, 2019 respectively and total comprehensive income of Rs.3,847 million and Rs.11,346 million for the quarter and nine months ended December 31, 2019 respectively, as considered in the Statement, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on the reports of the other auditor and the procedures performed by us as stated under Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Results section above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018



A handwritten signature in blue ink, appearing to read "Vijay Agarwal".

Vijay Agarwal
Partner

Membership No.094468
UDIN: 20094468AAAAAR8561

Place: New Delhi
Date: January 30, 2020

BHARTI INFRATEL LIMITED
(CIN : L64201HR2006PLC073821)

Regd. Office: 901, Park Centra, Sector 30, NH-8, Gurugram, Haryana – 122001

Telephone no. +91 124 4132600 Fax no. +91 124 4109580, Email id: compliance.officer@bharti-infratel.in

Statement of Audited Consolidated Ind AS financial results for the quarter and nine months ended December 31, 2019

Particulars	Quarter ended			Nine Months Ended		Year Ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	16,672	16,683	17,332	50,609	51,504	68,262
Other income	173	200	263	901	829	1,015
Total income	16,845	16,883	17,595	51,510	52,333	69,277
Expenses						
Power and fuel	6,016	6,019	6,369	17,806	19,515	25,607
Rent	-	-	835	-	2,571	3,446
Employee benefit expenses	737	714	715	2,139	2,184	2,915
Repairs and maintenance	729	714	742	1,796	2,490	3,286
Other expenses	528	167	422	1,338	1,058	1,342
Total expenses	8,010	7,614	9,083	23,079	27,818	36,596
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax	8,835	9,269	8,512	28,431	24,515	32,681
Depreciation and amortization expense	3,198	3,229	2,748	9,655	8,417	11,064
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited	(101)	(101)	(102)	(303)	(306)	(406)
Finance costs	3,097	3,128	2,646	9,352	8,111	10,658
Finance income	884	895	161	2,330	397	529
Charity and donation	(681)	(933)	(1,349)	(2,507)	(3,457)	(4,406)
Profit before share of profit of joint venture and tax	5,535	6,166	7,020	18,670	19,346	25,355
Share of profit of joint venture	3,852	4,866	2,177	11,360	7,533	10,172
Profit before tax	9,387	11,032	9,197	30,030	26,879	35,527
Income tax expense :	1,400	1,397	2,713	3,538	8,017	10,589
Current tax	1,322	626	2,198	4,442	9,132	10,786
Deferred tax	78	771	515	(904)	(1,115)	(197)
Profit after tax	7,987	9,635	6,484	26,492	18,862	24,938
Other comprehensive income ('OCI')						
Items that will not be re-classified to profit and loss						
Remeasurement of the gain/ (loss) of defined benefit plans (net of tax)	4	4	(3)	(7)	2	5
Share of profit/(loss) in OCI of joint venture	(5)	(8)	(1)	(14)	(3)	(2)
Items that will be re-classified to profit and loss						
Fair value changes on financial assets through OCI (net of tax)	-	(112)	11	(98)	(21)	(27)
Other comprehensive income for the period/year (net of tax)	(1)	(116)	7	(119)	(22)	(24)
Total comprehensive income for the period/year (net of tax)	7,986	9,519	6,491	26,373	18,840	24,914
Paid-up equity share capital (Face value ₹ 10 each)	18,496	18,496	18,496	18,496	18,496	18,496
Other equity	110,757	109,239	121,088	110,757	121,088	126,820
Earnings per share (nominal value of share ₹ 10 each)						
Basic	4.319	5.211	3.507	14.327	10.201	13.488
Diluted	4.319	5.211	3.507	14.327	10.201	13.487

Notes to accounts

- The above financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee in its meeting held on January 30, 2020 and approved by the Board of Directors in its meeting held on January 30, 2020.
- The above financial results are extracted from the audited interim condensed consolidated financial statements of the Company, which are prepared in accordance with Indian Accounting Standard ('Ind AS') 34, "Interim Financial Reporting" as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other accounting principles generally accepted in India. The interim consolidated financial results represent results of the Company, its subsidiary (Smartx Services Limited), its controlled trust (Bharti Infratel Employee Welfare Trust) and its share in Joint Venture Company (Indus Towers Limited) prepared as per Ind AS 110 on consolidated financial statements, Ind AS 111 on joint arrangements and Ind AS 28 on Investment in associates and joint venture.
- Bharti Infratel Employee Welfare Trust [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] had acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. During the quarter ended December 31, 2019, Nil equity shares of ₹ 10 each and 2,121 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2019, Bharti Infratel Employee Welfare Trust ('the Trust') holds 536,307 shares (of Face Value of ₹ 10 each) (March 31, 2019- 636,660 shares) of the Company.



4. The Company has also opted to publish the consolidated financial results. Standalone results are available on the Company's website www.bharti-infratel.com. Key numbers of Standalone Financial Results of the Company are as under:

(In ₹ Million)

S.No	Particulars	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
1	Revenue from operations	16,659	16,670	17,325	50,572	51,471	68,217
2	Profit before tax	5,542	6,177	7,033	18,707	30,639	36,651
3	Profit after tax	4,141	4,780	4,689	13,402	23,900	27,790

5. The Consolidated segment information has been prepared in line with the review of operating results by the chief operating decision maker (CODM) which includes review of the results of the joint venture on proportionate consolidation basis. The results of the joint venture which were hitherto consolidated and/or accounted under proportionate consolidation method under the previous GAAP but have now been accounted for under equity method of accounting under Ind AS. The Company, however, considers joint venture as "Operating Segment" as defined under Ind AS 108 based on review by CODM and accordingly presented segment information for two segments i.e. Infratel (including subsidiaries) and Indus (proportionate share). The total segment revenue and segment results have also been reconciled with the amount reported in the financial results.

(In ₹ Million)

S.No.	Particulars	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		Audited	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue						
	a) Infratel (including subsidiaries)	16,672	16,683	17,332	50,609	51,504	68,262
	b) Indus (Proportionate Share)	20,068	19,705	19,082	59,647	58,350	77,606
	Total	36,740	36,388	36,414	110,256	109,854	145,868
	Less: Inter segment Revenue	7	12	12	28	34	45
	Net Income from Operations	36,733	36,376	36,402	110,228	109,820	145,823
	Less: Revenue related to Joint venture (Indus)	20,061	19,693	19,070	59,619	58,316	77,561
	Net Income from Operations	16,672	16,683	17,332	50,609	51,504	68,262
2	Segment Results						
	Profit before finance cost/ (income) and tax						
	a) Infratel (including subsidiaries)	5,738	6,128	5,832	18,493	27,547	32,739
	b) Indus (Proportionate Share)	6,334	5,551	3,942	17,439	13,700	18,329
	Total	12,072	11,679	9,774	35,932	41,247	51,068
	Less: Inter segment Profit	-	-	-	-	11,261	11,261
	Net Profit before finance cost/ (income) and tax	12,072	11,679	9,774	35,932	29,986	39,807
	Less: Share of profit of joint venture	6,334	5,551	3,942	17,439	13,700	18,329
	Net Profit before finance cost/ (income) and tax	5,738	6,128	5,832	18,493	16,286	21,478
	Less: Finance Cost	884	895	161	2,330	397	529
	Less: Finance income	(681)	(933)	(1,349)	(2,507)	(3,457)	(4,406)
	Net Profit before tax	5,535	6,166	7,020	18,670	19,346	25,355
	Share of profit/ (loss) of joint venture	3,852	4,866	2,177	11,360	7,533	10,172
	Net Profit from ordinary activities before tax	9,387	11,032	9,197	30,030	26,879	35,527
3	Segment Assets						
	a) Infratel (including subsidiaries)	203,092	199,343	179,650	203,092	179,650	180,639
	b) Indus (Proportionate Share)	139,446	137,853	101,275	139,446	101,275	102,538
	Total	342,538	337,196	280,925	342,538	280,925	283,177
	Less: Intersegment Assets	61,693	61,606	61,164	61,693	61,164	60,681
	Net assets	280,845	275,590	219,761	280,845	219,761	222,496
	Less: Share of assets of joint venture	83,122	85,249	51,829	83,122	51,829	51,191
	Net segment assets	197,723	190,341	167,932	197,723	167,932	171,305
4	Segment Liabilities						
	a) Infratel (including subsidiaries)	68,470	62,606	27,022	68,470	27,022	24,213
	b) Indus (Proportionate Share)	84,396	86,435	52,574	84,396	52,574	51,452
	Total	152,866	149,041	79,596	152,866	79,596	75,665
	Less: Intersegment Liabilities	1,224	1,128	(660)	1,224	(660)	(1,586)
	Net assets	151,642	147,913	80,256	151,642	80,256	77,251
	Less: Share of liabilities of joint venture	83,172	85,307	51,908	83,172	51,908	51,262
	Net segment liabilities	68,470	62,606	28,348	68,470	28,348	25,989

6. On April 25, 2018, Bharti Infratel Limited ('Infratel') and Indus Towers Limited ('Indus') and their respective shareholders and creditors entered into a proposed scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The Combined Company, which will fully own the respective businesses of Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The scheme will be accounted for on receipt of regulatory and other approvals. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited. The Scheme has also been approved by the Hon'ble Chandigarh Bench of the National Company Law Tribunal (NCLT). Approval of Department of Telecommunications for FDI is awaited. The Scheme shall become effective on the date on which certified copy of the order of Hon'ble NCLT is filed with Registrar of Companies upon fulfilment/ waiver of other conditions prescribed in the Scheme.

The long stop date for the Scheme was October 24, 2019. Since, the requisite Government approvals were not received and conditions precedent could not be completed, the Board of Directors had extended the long stop date till December 24, 2019 and further extended



till February 24, 2020, subject to agreement on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme.

7. Effective April 1, 2019 being the transition date, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right of use asset (ROU) of ₹ 15,872 Mn and a lease liability of ₹ 21,547 Mn. The effect of applying the standard resulted in ₹ 9,452 Mn being debited to retained earnings (including share of joint venture), net of taxes. In the profit and loss account for the current period, the nature of expense in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability.
8. The Board of Directors has declared an interim dividend of ₹ 7.50 per equity share for the financial year 2018-19 in its meeting held on April 24, 2019 and ₹ 3.65 and ₹ 2.75 per equity share for the financial year 2019-20 in its meetings held on August 12, 2019 and December 10, 2019 respectively which has been paid subsequently.
9. (a) The Group has elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Parent and its subsidiary Company has recognised provision for income tax and re-measured its deferred tax assets basis the rate prescribed in the said section and has taken the full effect to Statement of profit and loss in the quarter ended September 30, 2019.

(b) The Joint Venture Company ("Indus") has recognised current tax and re-measured its deferred tax liabilities as per the prescribed rate in section 115BAA of the Income Tax Act, 1961. Further, the rate change impact of ₹ 2,039 Mn on account of deferred tax created on transition to Ind AS 116 has been utilized from general reserves created out of scheme of merger as approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 effective from June 11, 2013. The Group's share out of above adjustment is ₹ 856 Mn (i.e. 42%). The scheme inter alia permits such reserve to be treated as free reserves for all intents and purposes as may be decided by the board of directors of Indus, including for amortisation of any merger related expenses or losses, issuance of bonus shares, off-setting any additional or accelerated depreciation related to the fixed assets transferred to the transferee Company pursuant to the Scheme, lease equalization reserve, site restoration obligations, deferred tax assets or liabilities, other expenses, impairment, losses or write-offs and any other permitted purpose and shall form part of the net worth of the transferee Company.
10. (a) As reported by the Joint Venture Company, "For the three months and nine months period ended December 31, 2019, the Company's two major customers in the telecom services industry contributed substantial and material portion of the net sales of the company for those periods which also resulted in significant and material part of the trade receivables due from these two customers.

The Hon'ble Supreme Court in its judgment dated October 24, 2019 ('SC AGR Judgement') held that the definition of Gross Revenue under Clause 19 of the Unified Access Services Licence (UASL) is all encompassing and comprehensive and accordingly directed the telecom operators to pay the dues on this basis within 90 days from the date of the SC AGR Judgement. The review petition filed by the telecom operators against the above SC AGR Judgement was unsuccessful. However telecom operators have filed an application for modification of the supplemental order to the Judgement dated October 24, 2019 before the Hon'ble Supreme Court of India and Hon'ble Court vide its order dated January 21, 2020 has directed that the said applications be listed for hearing in the week commencing January 27, 2020, the exact date of listing is still awaited. In the meantime, the Company's two major customers in their declared financial results for the quarter and half year ended September 30, 2019 had expressed that their ability to continue as going concern would depend on obtaining the reliefs from the Government as well as positive outcome of the ongoing legal remedy and significant additional financing to discharge its liabilities under the said AGR Judgment. Subsequent to the reporting period ended December 31, 2019, one of its major customers, as per their official announcements has raised US\$ 3 billion to finance its liabilities arising out of the SC AGR Judgement.

The loss of a significant customer/s or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition for the Company."

(b) In the management's opinion, on the basis of confirmation received from the parent company ('Bharti Airtel Limited'), the execution of the above fund raising activities along with available resources has eliminated the uncertainty about the ability of the Company's parent company to comply with the judgment.

However, the loss of a significant customer/s or the failure to attract new business could have an adverse effect on the business and results of operations of the Company. The Company has also concluded that there is no impairment with respect to its property, plant and equipment and its investment in the Joint Venture Company.



11. In view of the impending merger, deferred tax liability as on March 31, 2019 amounting to ₹ 1,776 Mn which was hitherto being recognised has been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and the tax charge for the quarter ended June 30, 2019 and nine months ended December 31, 2019 is net of above amount. Further the Group has not recognized any deferred tax charge during the nine months ended December 31, 2019 on undistributed profits of its Joint Venture Company.

For Bharti Infratel Limited



Akhil Gupta
Chairman

New Delhi
January 30, 2020



For Bharti Infratel Limited



D S Rawat
Managing Director & CEO

“Bharti Infratel”, or “the Company”, wherever stated stands for Bharti Infratel Limited.
For more details on the financial results, please visit our website www.bharti-infratel.com

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BHARTI INFRATEL LIMITED

Opinion

We have audited the accompanying Statement of Interim Standalone Financial Results of **BHARTI INFRATEL LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

In our opinion and to the best of our information and according to the explanations given to us, these Standalone Financial Results:

- a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and nine months ended December 31, 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Interim Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Interim Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited interim standalone condensed financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Interim Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the Interim Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Interim Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Interim Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Interim Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Interim Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Standalone Financial Results, including the disclosures, and whether the Interim Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Interim Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Interim Standalone Financial Results.



Deloitte Haskins & Sells LLP

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Place: New Delhi
Date: January 30, 2020

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Vijay Agarwal
Partner

Membership No.094468
UDIN: 20094468AAAAAQ2907

BHARTI INFRATEL LIMITED
(CIN : L64201HR2006PLC073821)

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Statement of Audited Standalone Ind AS financial results for the quarter and nine months ended December 31, 2019

(In ₹ Million except per share data)

Particulars	Quarter ended			Nine Months ended		Year ended
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	16,659	16,670	17,325	50,572	51,471	68,217
Other income	173	200	263	901	12,090	12,276
Total income	16,832	16,870	17,588	51,473	63,561	80,493
Expenses						
Power and fuel	6,013	6,017	6,366	17,799	19,508	25,598
Rent	-	-	826	-	2,552	3,421
Employee benefit expenses	737	714	715	2,139	2,184	2,915
Repairs and maintenance	729	714	742	1,796	2,490	3,286
Other expenses	517	161	415	1,308	1,024	1,317
Total expenses	7,996	7,606	9,064	23,042	27,758	36,537
Profit before depreciation and amortization, finance cost, finance income, charity and donation	8,836	9,264	8,524	28,431	35,803	43,956
Depreciation and amortization expense	3,196	3,217	2,747	9,630	8,412	11,043
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited	(101)	(101)	(102)	(303)	(306)	(406)
Finance costs	3,095	3,116	2,645	9,327	8,106	10,637
Finance income	880	891	161	2,318	397	529
Charity and donation	(681)	(933)	(1,349)	(2,507)	(3,457)	(4,406)
	-	13	34	586	118	545
Profit before tax	5,542	6,177	7,033	18,707	30,639	36,651
Income tax expense:	1,401	1,397	2,344	5,305	6,739	8,861
Current tax	1,322	626	2,197	4,441	6,815	8,469
Deferred tax	79	771	147	864	(76)	392
Profit after tax	4,141	4,780	4,689	13,402	23,900	27,790
Other comprehensive income ('OCI')						
Items that will not be re-classified to profit and loss						
Remeasurements gains/(loss) of defined benefit plans (net of tax)	4	4	(3)	(7)	2	5
Items that will be re-classified to profit and loss						
Fair value changes on financial assets through OCI (net of tax)	-	(111)	11	(98)	(21)	(27)
Other comprehensive income for the period/year, net of tax	4	(107)	8	(105)	(19)	(22)
Total comprehensive income for the period/year, net of tax	4,145	4,673	4,697	13,297	23,881	27,768
Paid-up equity share capital (Face value ₹ 10 each)	18,496	18,496	18,496	18,496	18,496	18,496
Other equity	116,358	118,469	134,359	116,358	134,359	138,147
Earnings per share (nominal value of share ₹ 10 each)						
Basic	2.239	2.584	2.535	7.246	12.922	15.025
Diluted	2.239	2.584	2.535	7.246	12.922	15.025

Notes to accounts

- The above financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee in its meeting held on January 30, 2020 and approved by the Board of Directors in its meeting held on January 30, 2020.



The above financial results are extracted from the audited standalone financial statements of the Company which have been prepared in accordance with Indian Accounting Standard ('Ind AS') 34 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

3. Bharti Infratel Employee's Welfare Trust [a trust set up for administration of Employee Stock Option Plan ('ESOP') of the Company] had acquired 1,652,000 equity shares of the Company from the open market at an average price of ₹ 377.72 per share. During the quarter ended December 31, 2019, Nil equity shares of ₹ 10 each and 2121 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options. As of December 31, 2019, Bharti Infratel Employee's Welfare Trust ('the Trust') holds 5,36,307 shares (of Face Value of ₹ 10 each) (March 31, 2019- 636,660 shares) of the Company.
 4. The Company was set-up with the object of, inter alia, establishing, operating and maintaining wireless communication towers. This is the only activity performed and is thus also the main source of risks and returns. The Company's segments as reviewed by the Chief Operating Decision Maker (CODM) does not result in to identification of different ways / sources into which they see the performance of the Company. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence, the relevant disclosures as per Ind AS 108 – 'Operating Segments' are not applicable to the Company on a standalone basis.
 5. The company has elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised Provision of Income tax and remeasured its deferred tax assets basis the rate prescribed in the said section and has taken the full effect to Statement of profit and loss in the quarter ended September 30, 2019.
 6. Effective April 1, 2019 being the transition date, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right of use asset (ROU) of ₹ 15,699 Mn, reversal of carrying value of Property Plant & Equipment (capitalized lease rental cost incurred prior to the date of Installation) of ₹ 86 Mn and recognition of a lease liability of ₹ 21,360 Mn. The cumulative effect of applying the standard resulted in ₹ 3,739 Mn being debited to retained earnings, net of taxes. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
 7. On April 25, 2018, Bharti Infratel Limited ('Infratel') and Indus Towers Limited ('Indus') and their respective shareholders and creditors entered into a proposed scheme of amalgamation and arrangement (under section 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The scheme will be accounted for on receipt of regulatory and other approvals. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited. The Scheme has also been approved by the Hon'ble Chandigarh Bench of the National Company Law Tribunal (NCLT). Approval of Department of Telecommunications for FDI is awaited. The Scheme shall become effective on the date on which certified copy of the order of Hon'ble NCLT is filed with Registrar of Companies upon fulfilment/ waiver of other conditions prescribed in the Scheme.
- The long stop date for the Scheme was October 24, 2019. Since, the requisite Government approvals were not received and conditions precedent could not be completed, the Board of Directors had extended the long stop date till December 24, 2019 and further extended till February 24, 2020, subject to agreement on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the scheme.
8. Revenue from operations includes exit charges amounting to ₹ 1,575 Mn (previous year ended March 31, 2019 ₹ 1,010 Mn) was recognised during the nine months period ended December 31, 2019.
 9. During the quarter ended June 30, 2019, the Company has reassessed the estimate for provisions related to operating expenses and consequently amount aggregating to ₹ 1,246 Mn have been credited to the respective line items of expenses in the Statement of Profit and Loss. Also, an amount of ₹ 154 Mn, representing provision in respect of rent expenses, has been considered as other Income.
 10. Two of the Company's significant customers in their financial statement for the three and six months ended September 30, 2019 had expressed material uncertainty on their ability to continue as a going concern on account of Hon'ble Supreme Court Judgement passed on October 24, 2019 wherein the telecom operators had to pay the dues within 90 days from the date of such judgement.

The Company's parent ('Bharti Airtel Limited') has successfully raised US\$ 3 billion of additional capital through a combination of qualified institutional equity placement and convertible bond offerings. In the management's opinion, on the basis of confirmation received from the Company's parent, the execution of these fund raising activities along with available resources has eliminated the uncertainty about the ability of the Company's parent company to comply with the AGR judgement announced by the Hon'ble Supreme Court on October 24, 2019.

However, the loss of a significant customer or the failure to attract new business could have an adverse effect on the business and results of operations of the Company. The Company has also concluded that there is no impairment with respect to its property, plant and equipment and its investment in the Joint Venture Company.



11. The Board of Directors has declared an interim dividend of ₹ 7.50 per equity share for the financial year 2018-19 in its meeting held on April 24, 2019 and ₹ 3.65 and ₹ 2.75 per equity share for the financial year 2019-20 in its meetings held on August 12, 2019 and December 10, 2019 respectively which has been paid subsequently.

For Bharti Infratel Limited



Akhil Gupta
Chairman

New Delhi
January 30, 2020



For Bharti Infratel Limited



D S Rawat
Managing Director & CEO

“Bharti Infratel”, or “the Company”, wherever stated stands for Bharti Infratel Limited.
For more details on the financial results, please visit our website www.bharti-infratel.com