

October 22, 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 second quarter (Q2) and half year ended September 30, 2020

Dear Sir/ Madam,

In compliance with Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the following for the second quarter (Q2) and half year ended September 30, 2020:

- 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 today i.e. October 22, 2020 and based on its recommendation, approved by the Board of Directors in its meeting held today i.e. October 22, 2020. The Board Meeting commenced at 11:45 a.m. and concluded at 03 : 30 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 six months ended September 30, 2020 ("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 and its joint venture for the quarter and six months ended September 30, 2020.

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

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 13(a), the auditors of Indus Towers Limited ("Indus"), a Joint Venture Company, in their audit report on the financial statements of that company for the quarter and six months ended September 30, 2020, have reported under the above heading a matter which describes the effect on business, results of operations, financial position of the Joint Venture Company's top customer caused by financial stress post the AGR judgement of Honourable Supreme Court dated October 24, 2019, which required payment of AGR dues to be made in 90 days post which some payments were made by the customer. Subsequently on September 1, 2020 the Supreme Court granted relief and directed that 10% of the total dues as demanded by DoT, to be paid by March 31, 2021; and thereafter to make balance payment in yearly instalments commencing from April 1, 2021 upto March 31, 2031 payable by March 31 of every succeeding financial year. The Joint Venture Company's top customer has also announced that its Board in the meeting held on September 4, 2020 has approved the fund-raising plan up to Rs.250,000 million.

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 for the quarter and six months ended September 30, 2020. 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

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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 information 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.

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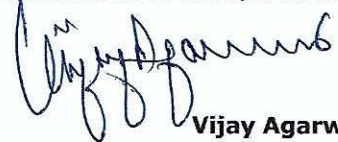
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matter

The interim consolidated financial results includes the Group's share of profit after tax of Rs.3,196 million and Rs.6,530 million and total comprehensive income of Rs.3,193 million and Rs.6,525 million for the quarter and six months ended September 30, 2020 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



Vijay Agarwal
Partner
Membership No.094468
UDIN: 20094468AAAAIC6016

Place: Gurugram
Date: October 22, 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 half year ended September 30, 2020

(In ₹ Million except per share data)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	17,664	16,354	16,683	34,018	33,937	67,430
Other income	222	165	200	387	728	1,287
Total income	17,886	16,519	16,883	34,405	34,665	68,717
Expenses						
Power and fuel	6,629	5,809	6,019	12,438	11,790	23,672
Employee benefit expenses	838	840	714	1,678	1,402	2,935
Repairs and maintenance	709	608	714	1,317	1,067	2,503
Other expenses	417	520	167	937	810	2,144
Total expenses	8,593	7,777	7,614	16,370	15,069	31,254
Profit before depreciation and amortisation, finance costs, finance income, charity and donation, share of profit of joint venture and tax	9,293	8,742	9,269	18,035	19,596	37,463
Depreciation and amortisation expense	3,146	3,082	3,229	6,228	6,457	13,217
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited	(100)	(98)	(101)	(198)	(202)	(402)
Finance costs	3,046	2,984	3,128	6,030	6,255	12,815
Finance income	581	827	895	1,408	1,446	3,350
Charity and donation	(293)	(690)	(933)	(983)	(1,826)	(3,370)
Profit before share of profit of joint venture and tax	5,958	5,370	6,166	11,328	13,135	24,070
Share of profit of joint venture	2,882	3,020	4,866	5,902	7,508	13,805
Profit before tax	8,840	8,390	11,032	17,230	20,643	37,875
Income tax expense :	1,514	1,354	1,397	2,868	2,138	4,888
Current tax	1,545	1,503	626	3,048	3,120	5,806
Deferred tax	(31)	(149)	771	(180)	(982)	(918)
Profit after tax	7,326	7,036	9,635	14,362	18,505	32,987
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)	5	(6)	4	(1)	(11)	(12)
Share of profit/(loss) in OCI of joint venture	(3)	(2)	(8)	(5)	(9)	(9)
Items that will be re-classified to profit and loss						
Fair value changes on financial assets through OCI (net of tax)	-	-	(112)	-	(98)	(98)
Other comprehensive income for the period/year (net of tax)	2	(8)	(116)	(6)	(118)	(119)
Total comprehensive income for the period/year (net of tax)	7,328	7,028	9,519	14,356	18,387	32,868
Paid-up equity share capital (Face value ₹ 10 each)	18,496	18,496	18,496	18,496	18,496	18,496
Other equity	119,020	116,218	109,239	119,020	109,239	116,927
Earnings per share (nominal value of share ₹ 10 each)						
Basic	3.961	3.805	5.211	7.766	10.008	17.840
Diluted	3.961	3.804	5.211	7.765	10.008	17.839

Notes to accounts

- The above financial results for the quarter and half year ended September 30, 2020 have been reviewed by the Audit & Risk Management Committee in its meeting held on October 22, 2020 and approved by the Board of Directors in its meeting held on October 22, 2020.
- The above financial results are extracted from the audited consolidated financial statements of the Company, which has 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 there under and the other accounting principles generally accepted in India. The consolidated financial results represent results of the Company, its subsidiary (Smartx Services Limited), its controlled trust (Bharti Infratel Employee's 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.

3. Statement of Assets and Liabilities are as follows :-

(In ₹ Million)

Particulars	As at	
	September 30, 2020	March 31, 2020
	Audited	Audited
A Assets		
Non-current assets		
Property, plant and equipment	48,273	50,702
Right of use asset	17,059	16,319
Capital work-in-progress	789	545
Intangible assets	96	120
Investment in joint venture	58,668	57,318
Financial assets		
Investment	17,330	17,002
Other financial assets	1,490	1,450
Income tax assets (net)	1,285	757
Deferred tax assets (net)	1,511	1,331
Other non - current assets	3,104	2,549
	149,605	148,093
Current assets		
Financial assets		
Investment	14,936	37,381
Trade receivables	15,719	7,721
Cash and cash equivalents	10	1,452
Other bank balance	16	18
Other financial assets	760	4,466
Other current assets	2,226	2,457
	33,667	53,495
Total assets	183,272	201,588
B Equity and liabilities		
Equity		
Equity share capital	18,496	18,496
Other equity	119,020	116,927
	137,516	135,423
Non-current liabilities		
Financial liabilities		
Lease liabilities	20,173	19,674
Other financial liabilities	672	635
Provisions	3,158	3,023
Other non - current liabilities	654	731
	24,657	24,063
Current liabilities		
Financial liabilities		
Borrowings	1,611	24,184
Trade payable		
-Total outstanding dues of micro enterprises and small enterprises	239	189
-Total outstanding dues of creditors other than micro enterprises and small enterprises	7,686	7,902
Lease liabilities	2,554	2,414
Other financial liabilities	2,155	2,251
Other current liabilities	6,256	4,853
Provisions	239	200
Current tax liabilities (net)	359	109
	21,099	42,102
Total Liabilities	45,756	66,165
Total equity and liabilities	183,272	201,588

4. Statement of Cash flows:-

Particulars	(In ₹ Million)	
	Half year ended	
	September 30, 2020	September 30, 2019
Cash flow from/(used in) operating activities		
- Profit before taxation	17,230	20,643
- Operating profit/(loss) before changes in assets and liabilities	17,344	19,752
Cash flow from/(used in) operating activities	10,919	10,052
Cash flow from/(used in) investing activities	24,430	(656)
Cash flow from/(used in) financing activities	(36,571)	(9,002)
Net increase/(decrease) in Cash and cash equivalents	(1,222)	394
Cash and cash equivalents at the beginning of the period	1,121	(54)
Cash and cash equivalents at the end of the period	(101)	340
Components of Cash and cash equivalents		
Balances with banks		
- Current accounts	6	340
- Deposits with original maturity of less than three months	4	-
Bank Overdraft	(111)	-
Total Cash and cash equivalents	(101)	340

5. 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 financial year 2019-20, the Trust has further acquired 237,000 shares of the Company from the open market at a price of ₹ 194.93 per share and sold 35,330 shares at a price of ₹ 193.74 per share. During the half year ended September 30, 2020, 149,387 equity shares of ₹ 10 each and 20,684 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options and 497,532 shares have been sold at a price of ₹ 207.25 per share. As of September 30, 2020, the Trust holds 70,374 shares (of Face Value of ₹10 each) (March 31, 2020 - 737,977 shares) of the Company.
6. 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:

S.No	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
1	Revenue from operations	17,659	16,343	16,670	34,002	33,913	67,383
2	Profit before tax	5,974	9,585	6,177	15,559	13,165	24,122
3	Profit after tax	4,459	8,232	4,780	12,691	9,261	17,466

7. The Board of Directors had declared 3rd interim dividend of ₹ 4.10 per equity share for the financial year 2019-20 in its meeting held on April 23, 2020 which was paid subsequently. Further, the Board of Directors in its meeting held on July 27, 2020 has declared interim dividend of ₹ 2.30 per equity share for financial year 2020-21 which has also been paid subsequently.

8. 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			Half year ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Audited	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue						
	a) Infratel (including subsidiaries)	17,664	16,354	16,683	34,018	33,937	67,430
	b) Indus (Proportionate Share)*	19,298	18,702	19,705	38,000	39,579	79,078
	Total	36,962	35,056	36,388	72,018	73,516	146,508
	Less: Inter segment Revenue	10	9	12	19	21	36
	Net Income from Operations	36,952	35,047	36,376	71,999	73,495	146,472
	Less: Revenue related to Joint venture (Indus)	19,288	18,693	19,693	37,981	39,558	79,042
	Net Income from Operations	17,664	16,354	16,683	34,018	33,937	67,430
2	Segment Results						
	Profit before finance cost/ (income) and tax						
	a) Infratel (including subsidiaries)	6,246	9,707	6,128	15,953	12,755	24,050
	b) Indus (Proportionate Share)*	5,131	5,347	5,551	10,478	11,105	21,791
	Total	11,377	15,054	11,679	26,431	23,860	45,841
	Less: Inter segment Profit	-	4,200	-	4,200	-	-
	Net Profit before finance cost/ (income) and tax	11,377	10,854	11,679	22,231	23,860	45,841
	Less: Share of profit of joint venture	5,131	5,347	5,551	10,478	11,105	21,791
	Net Profit before finance cost/ (income) and tax	6,246	5,507	6,128	11,753	12,755	24,050
	Less: Finance Cost	581	827	895	1,408	1,446	3,350
	Less: Finance income	(293)	(690)	(933)	(983)	(1,826)	(3,370)
	Net Profit before tax	5,958	5,370	6,166	11,328	13,135	24,070
	Share of profit/ (loss) of joint venture	2,882	3,020	4,866	5,902	7,508	13,805
	Net Profit from ordinary activities before tax	8,840	8,390	11,032	17,230	20,643	37,875
3	Segment Assets						
	a) Infratel (including subsidiaries)	185,023	192,361	199,343	185,023	199,343	204,689
	b) Indus (Proportionate Share)*	144,684	141,577	137,853	144,684	137,853	142,482
	Total	329,707	333,938	337,196	329,707	337,196	347,171
	Less: Intersegment Assets	61,090	61,167	61,606	61,090	61,606	61,417
	Net assets	268,617	272,771	275,590	268,617	275,590	285,754
	Less: Share of assets of joint venture	85,345	84,865	85,249	85,345	85,249	84,166
	Net segment assets	183,272	187,906	190,341	183,272	190,341	201,588
4	Segment Liabilities						
	a) Infratel (including subsidiaries)	45,756	53,192	62,606	45,756	62,606	66,165
	b) Indus (Proportionate Share)*	86,016	85,613	86,435	86,016	86,435	85,164
	Total	131,772	138,805	149,041	131,772	149,041	151,329
	Less: Intersegment Liabilities	642	712	1,128	642	1,128	955
	Net assets	131,130	138,093	147,913	131,130	147,913	150,374
	Less: Share of liabilities of joint venture	85,374	84,901	85,307	85,374	85,307	84,209
	Net segment liabilities	45,756	53,192	62,606	45,756	62,606	66,165

* Includes impact of accounting policy alignment in Joint Venture for period ended September 30, 2020.

9. The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

10. 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 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). Further, approval of Department of Telecommunications for FDI has been received on February 21, 2020.

On August 31, 2020, the Board of Directors authorized the Chairman to proceed with the Scheme and to comply with procedural requirements for completion of merger including approaching NCLT to make the Scheme effective subject to certain procedural condition precedents. Consequently, an application was filed with NCLT, Chandigarh on October 3, 2020 for seeking extension of time for filing of the certified copy of NCLT order approving the scheme, with the Registrar of Companies. This application was heard today (October 22, 2020) and has been allowed. The formal order of the NCLT is awaited. The Scheme shall become effective on the date on which certified copy of the final order of Hon'ble NCLT is filed with Registrar of Companies upon fulfilment/ waiver of other conditions precedent in the Scheme.

11. Mr. D S Rawat, MD & CEO of the Company has tendered his resignation and has been relieved of his duties with effect from the close of business hours on August 3, 2020.

To facilitate integration of Indus Towers Limited and Bharti Infratel Limited and to ensure continuity, the Board of Directors of Infratel today appointed Mr. Bimal Dayal, the current MD & CEO of Indus Towers and the proposed CEO of the merged entity by the Shareholder Groups (Bharti Airtel and Vodafone Plc), as the Managing Director of Bharti Infratel Limited with immediate effect up till the effective date of the merger.

12. In view of the impending merger, during the half year ended September 30, 2019, deferred tax liability as on March 31, 2019 amounting to ₹ 1,776 Mn which was hitherto being recognised had been reversed in respect of dividend distribution tax on undistributed profits of its Joint Venture Company and accordingly, the tax charge for the half year ended September 30, 2019 and year ended March 31, 2020 is net of above amount. Further, the Group has not recognized any deferred tax charge during the quarter and half year ended September 30, 2020 on undistributed profits of its Joint Venture Company owing to its dividend distribution policy and Section 80M of the Income Tax Act, 1961 (as introduced by Finance Act, 2020).

13. (a) As reported by the Joint Venture Company, "The Company's top two customer's account for substantial part of net sales for the six months period ended September 30, 2020 and also constitutes a significant part of trade receivables outstanding as at September 30, 2020.

The Hon'ble Supreme Court on October 24, 2019 passed the judgment ('SC AGR Judgement') wherein it has held that the definition of Adjusted Gross Revenue under (AGR) is all encompassing and comprehensive and directed the Telecom operators to pay the full dues within 90 days from the date of the order post which some payments were made by the customer. However vide its subsequent order dated September 1, 2020 the Supreme Court has, inter-alia, granted relief and directed that the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021. The Telecom Operators then have to make payment in yearly installments commencing from April 1, 2021 up to March 31, 2031 payable by 31st March of every succeeding financial year i.e. 10 yearly installments. The Joint Venture Company's largest customer in its declared results for the quarter ended June 30, 2020 had expressed its ability to continue as going concern to be dependent on positive outcome with regard to the timeframe for the payment of AGR dues to be made in installments. The said customer has paid part of the amount as determined by its self-assessment filed with DoT and in addition has officially announced that its Board in the meeting held on September 4, 2020 has approved the fund-raising plan up to ₹ 250,000 Mn.

These developments appear positive vis-à-vis the previous quarter. However, the loss of the significant customer or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the Joint Venture Company."

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

14. The Ministry of Home Affairs vide order No.40-3/2020 dated 24.03.2020 notified telecommunication services among the essential services which continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organisation. The passive infrastructure as well as active telecom operations of the Group's customers are covered under essential services which are actively engaged in fulfilling the surge in demand arising out of the choice exercised by almost all industries to conduct their operations remotely. Hence, the telecom industry is among the businesses that are least impacted due to COVID-19. The Group believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Group. Further, the Group is not expecting any significant changes in estimates as of now as the Group is running its business and operations as usual without any major disruptions.

For Bharti Infratel Limited



**Akhil Gupta
Chairman**

**New Delhi
October 22, 2020**

“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 six months ended September 30, 2020 ("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 six months ended September 30, 2020.

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 for the quarter and six months ended September 30, 2020. 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.

Deloitte Haskins & Sells LLP

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.

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.

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**Deloitte
Haskins & Sells LLP**

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.

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



Vijay Agarwal
Partner
Membership No.094468
UDIN: 20094468AAAAIB4368

Place: Gurugram
Date: October 22, 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 Standalone Ind AS financial results for the quarter and half year ended September 30, 2020

(In ₹ Million except per share data)

Particulars	Quarter ended			Half Year Ended		Year ended
	September 30, 2020	Jun 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	17,659	16,343	16,670	34,002	33,913	67,383
Other income	222	4,365	200	4,587	728	1,287
Total income	17,881	20,708	16,870	38,589	34,641	68,670
Expenses						
Power and fuel	6,627	5,807	6,017	12,434	11,786	23,664
Employee benefit expenses	838	840	714	1,678	1,402	2,935
Repairs and maintenance	709	608	714	1,317	1,067	2,503
Other expenses	415	514	161	929	791	2,111
Total expenses	8,589	7,769	7,606	16,358	15,046	31,213
Profit before depreciation and amortization, finance cost, finance income, charity and donation	9,292	12,939	9,264	22,231	19,595	37,457
Depreciation and amortization expense	3,132	3,068	3,217	6,200	6,434	13,176
Less: adjusted with general reserve in accordance with the scheme of arrangement with Bharti Airtel Limited	(100)	(98)	(101)	(198)	(202)	(402)
Finance costs	3,032	2,970	3,116	6,002	6,232	12,774
Finance income	578	823	891	1,401	1,438	3,333
Charity and donation	(293)	(690)	(933)	(983)	(1,826)	(3,370)
Profit before tax	5,974	9,585	6,177	15,559	13,165	24,122
Income tax expense:	1,515	1,353	1,397	2,868	3,904	6,656
Current tax	1,545	1,502	626	3,047	3,119	5,805
Deferred tax	(30)	(149)	771	(179)	785	851
Profit after tax	4,459	8,232	4,780	12,691	9,261	17,466
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)	5	(6)	4	(1)	(11)	(12)
Items that will be re-classified to profit and loss						
Fair value changes on financial assets through OCI (net of tax)	-	-	(111)	-	(98)	(98)
Other comprehensive income for the period/year, net of tax	5	(6)	(107)	(1)	(109)	(110)
Total comprehensive income for the period/year, net of tax	4,464	8,226	4,673	12,690	9,152	17,356
Paid-up equity share capital (Face value ₹ 10 each)	18,496	18,496	18,496	18,496	18,496	18,496
Other equity	120,934	120,837	118,469	120,934	118,469	120,313
Earnings per share (nominal value of share ₹ 10 each)						
Basic	2.411	4.451	2.584	6.862	5.007	9.443
Diluted	2.411	4.451	2.584	6.862	5.007	9.443

Notes to accounts

- The above financial results for the quarter and half year ended September 30, 2020 have been reviewed by the Audit & Risk Management Committee in its meeting held on October 22, 2020 and approved by the Board of Directors in its meeting held on October 22, 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 Standards (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. Statement of Assets and Liabilities is as follows:

(In '₹' Million)		
Particulars	As at	
	September 30, 2020	March 31, 2020
	Audited	Audited
A Assets		
Non-current assets		
Property, plant and equipment	48,117	50,535
Right of use assets	16,916	16,161
Capital work-in-progress	772	533
Intangible assets	73	97
Investment in joint venture	60,419	60,419
Financial assets		
Investment	17,480	17,122
Other financial assets	1,653	1,632
Income tax assets (net)	1,272	745
Deferred tax assets (net)	1,503	1,324
Other non - current assets	3,102	2,547
	151,307	151,115
Current assets		
Financial assets		
Investment	14,936	37,381
Trade receivables	15,717	7,715
Cash and cash equivalents	5	1,450
Other bank balance	16	18
Other financial assets	785	4,483
Other current assets	2,217	2,607
	33,676	53,654
Total assets	184,983	204,769
B Equity and liabilities		
Equity		
Equity share capital	18,496	18,496
Other equity	120,934	120,313
	139,430	138,809
Non-current liabilities		
Financial liabilities		
Lease liabilities	20,027	19,516
Other financial liabilities	672	635
Long term provisions	3,158	3,023
Other non - current liabilities	654	731
	24,511	23,905
Current liabilities		
Financial liabilities		
Borrowings	1,611	24,184
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises	237	189
-Total outstanding dues to creditors other than micro enterprises and small enterprises	7,671	7,887
Lease liabilities	2,533	2,385
Other financial liabilities	2,148	2,251
Other current liabilities	6,245	4,850
Provisions	239	200
Current Tax liabilities (net)	358	109
	21,042	42,055
Total liabilities	45,553	65,960
Total equity and liabilities	184,983	204,769

4. Statement of Cash flows is as follows:

Particulars	Six months period ended	
	September 30, 2020	September 30, 2019
Cash flow from/(used in) operating activities		
- Profit before taxation	15,559	13,165
- Operating profit before changes in assets and liabilities	17,342	19,752
Cash flow from/(used in) operating activities (A)	10,899	10,029
Cash flow from/(used in) investing activities (B)	24,525	(652)
Cash flow from/(used in) financing activities (C)	(36,649)	(8,993)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(1,225)	384
Cash and cash equivalents at the beginning of the period	1,119	(55)
Cash and cash equivalents as at the end of the period	(106)	329
Components of Cash and cash equivalents		
Balances with banks		
- Current accounts	1	329
- Deposits with original maturity of less than three months	4	-
- Bank overdraft	(111)	-
Total cash and cash equivalents	(106)	329

5. 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 financial year 2019-20, the Trust has further acquired 237,000 shares of the Company from the open market at a price of ₹ 194.93 per share and sold 35,330 at a price of ₹ 193.74 per share. During the half year ended September 30, 2020, 149,387 equity shares of ₹ 10 each and 20,684 equity shares of ₹ 109.67 each have been transferred to employees upon exercise of stock options and 497,532 shares have been sold at a price of ₹ 207.25 per share. As of September 30, 2020, the Trust holds 70,374 shares (of Face Value of ₹10 each) (March 31, 2020 - 737,977 shares) of the Company.
6. 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.
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 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). Further, approval of Department of Telecommunications for FDI has been received on February 21, 2020.

On August 31, 2020, the Board of Directors authorized the Chairman to proceed with the Scheme and to comply with procedural requirements for completion of merger including approaching NCLT to make the Scheme effective subject to certain procedural condition precedents. Consequently, an application was filed with NCLT, Chandigarh on October 3, 2020 for seeking extension of time for filing of the certified copy of NCLT order approving the scheme, with the Registrar of Companies. This application was heard today (October 22, 2020) and has been allowed. The formal order of the NCLT is awaited. The Scheme shall become effective on the date on which certified copy of the final order of Hon'ble NCLT is filed with Registrar of Companies upon fulfilment/ waiver of other conditions precedent in the Scheme.

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8. The Board of Directors had declared 3rd interim dividend of ₹ 4.10 per equity share for the financial year 2019-20 in its meeting held on April 23, 2020 which was paid subsequently. Further, the Board of Directors in its meeting held on July 27, 2020 has declared interim dividend of ₹ 2.30 per equity share for financial year 2020-21 which has also been paid subsequently.
9. Mr. D S Rawat, MD & CEO of the Company has tendered his resignation and has been relieved of his duties with effect from the close of business hours on August 3, 2020.

To facilitate integration of Indus Towers Limited and Bharti Infratel Limited and to ensure continuity, the Board of Directors of Infratel today appointed Mr. Bimal Dayal, the current MD & CEO of Indus Towers and the proposed CEO of the merged entity by the Shareholder Groups (Bharti Airtel and Vodafone Plc), as the Managing Director of Bharti Infratel Limited with immediate effect up till the effective date of the merger.

10. The Code on Social Security, 2020 ('code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
11. One of the Company's significant customer in its financial statement for the quarter ended June 30, 2020 had expressed its ability to continue as a going concern to be dependent on positive outcome with regard to the timeframe for the payment of AGR dues to be made in installments. The said customer has paid part of the amount as determined by its self-assessment filed with DoT and in addition has officially announced that its Board in the meeting held on September 4, 2020 has approved the fund-raising plan up to ₹ 250,000 Mn.

The Company's parent ('Bharti Airtel Limited') has successfully raised US\$ 3.25 billion of additional long term financing through a combination of qualified institutional placement of equity shares, foreign currency convertible bonds and subordinated perpetual securities to finance its liabilities arising out of the SC AGR judgement. Further, it has paid to the DoT an amount on the basis of self-assessment of the due amount including ad-hoc advance payment (subject to subsequent refund/ adjustment) to cover differences resulting from re-verification/reconciliation, if any.

The Hon'ble Supreme Court on September 1, 2020 has inter-alia, directed that the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021. Further, the Hon'ble Supreme Court has also directed that the Telecom Operators are to make remaining payments in yearly installments commencing from April 1, 2021 up to March 31, 2031 payable by 31st March of every succeeding financial year i.e. 10 yearly installments.

These developments appear positive vis-à-vis the previous quarter. 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. However, considering the above sensitivity the Company has concluded that there is no impairment with respect to its property, plant and equipment and its investment in the Joint Venture Company.

12. The Ministry of home affairs vide order No.40-3/2020 dated 24.03.2020 notified telecommunication services among the essential services which continued to operate during lock down in the crisis situation of COVID-19, which has been declared as pandemic by World Health Organization. The passive infrastructure as well as active telecom operations of the Company's customers are covered under essential services which are actively engaged in fulfilling the surge in demand arising out of the choice exercised by almost all industries to conduct their operations remotely. Hence, the telecom industry is among the businesses that are least impacted due to COVID-19. The Company believes that thus far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the company is not expecting any significant change in estimates as of now as the company is running its business and operations as usual without any major disruptions.

For Bharti Infratel Limited



Akhil Gupta
Chairman

New Delhi
October 22, 2020

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