Bharti Infratel Limited

Building and Sharing Vital Infrastructure

Annual Report 2012-13

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Corporate Information

Board of Directors
Mr. Rakesh Bharti Mittal – Chairman
Mr. Akhil Gupta – Managing Director
Mr. Bharat Sumant Raut
Mr. Jitender Balakrishnan
Ms. Leena Srivastava
Mr. Murray Philip King
Mr. N Kumar
Mr. Sanjay Nayar
Mr. Sarvjit Singh Dhillon
Mr. Vinod Dhall

Chief Executive Officer
Mr. D S Rawat

Company Secretary and Compliance Officer
Mr. Anupam Garg

Statutory Auditors
M/s S.R. Batliboi & Associates LLP, Chartered Accountants

Internal Auditors
M/s Protiviti Consulting Private Limited

Registered Office
Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase – II, New Delhi 110 070

Head Office
901, Park Centra, Sector 30, NH-8, Gurgaon, Haryana - 122 001

Website
www.bharti-infratel.com

Board of Directors

Rakesh Bharti Mittal is the Chairman of the Company and a non-independent and non-executive Director. He holds a diploma in electronics and controls from the Y.M.C.A. Institute of Engineering, Faridabad. He is currently the vice chairman and managing director of Bharti Enterprises, the co-chairman of Bharti Foundation and is on the board of various companies. He has, in the past, served as a member of Agricultural and Processed Food Products Export Development Authority and as the chairman of the various national committees of the Confederation of Indian Industry. He has received various awards in the past including 'Entrepreneur of the Year Award' from Ludhiana Management Association.

Akhil Gupta is the Vice Chairman and Managing Director of the Company. He is a certified chartered accountant and a fellow member of ICAI. He has also completed an advanced management program with Harvard Business School, Harvard University, United States. He is presently the chairman of Tower And Infrastructure Providers Association, TAIPA and the president of the Telecom Sector Skill Council. He has received various awards including the 'CEO of the Year' award at the National Telecom Awards 2012, and the 'CA Business Achiever Award' at the ICAI Awards 2008. He was also honoured by the telecom magazine 'Tele.net' in 2012 for 'Outstanding Contribution to the Telecom Sector'.

Bharat Sumant Raut is an independent and non-executive Director of the Company. He holds a bachelors' degree in law and a bachelors' degree in commerce from University of Bombay. He is also a chartered accountant and a fellow member of ICAI. He was, in the past, associated with Sharp and Tannan, Chartered Accountants, as a partner, with Price Waterhouse, Chartered Accountants, as a partner and with B S R & Co., Chartered Accountants and B S R & Associates, Chartered Accountants, as their founding partner. Since 2006 he practices as an advocate.

Jitender Balakrishnan is an independent and non-executive Director of the Company. He holds a bachelors' degree in mechanical engineering from University of Madras and a post-graduate diploma in industrial management from University of Bombay. He has experience in the financial sector with IDBI Bank Limited where he was the Deputy Managing Director and thereafter an advisor to IDBI Bank Limited. He is currently an advisor to various corporates besides serving as an independent director on the board of various companies.

Leena Srivastava is an independent and non-executive Director of the Company. She holds a degree of Doctor of Philosophy from Indian Institute of Science, Bangalore. She is the vice chancellor of TERI University and an executive director at TERI, New Delhi. She has worked on a range of policy issues related to energy for economic growth, climate and the environment.

Murray Philip King is a non-independent and non-executive Director of the Company. He holds a bachelors' degree in commerce from University of Queensland and is a member of the Institute of Chartered Accountants in Australia. Murray King is Chief Financial Officer Group Consumer. He joined Optus in 2003 and has held the key positions of Chief Financial Officer (2009 - present), Deputy Chief Financial Officer (2007 – 2009), Commercial Director Consumer (2005 – 2007) and Commercial Director Mobile (2003 – 2005). Before joining Optus, Murray worked at Virgin Mobile as a Finance Director and Acting Joint Managing Director, Mincom Limited and Voxson Limited as Chief Financial Officer. Murray's extensive accounting, finance and audit experience was founded in global firms Price Waterhouse and Coopers & Lybrand.

N Kumar is an independent and non-executive Director of the Company. He is an electronics engineer and a fellow member of the Indian National Academy of Engineering. He is the vice chairman of The Sanmar Group, Chennai and is the Honorary Consul General of Greece in Chennai. He is on the Board of various public companies and carries with him over four decades of experience in the spheres of Technology, Management and Finance. He is the Chairman of National Accreditation Board for Certification Bodies, which is a constituent of Quality Council of India. He is also a member of the Board of Governors of the Institute for Financial Management & Research (IFMR) and several other educational institutions. He has also been associated with the Confederation of Indian Industry as its President in the past and chairs the CII Institute of Quality now.

Sanjay Nayar is a non-independent and non-executive Director of the Company. He holds a bachelors' degree in science (mechanical engineering) from University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is currently the chief executive officer of KKR India Advisors Private Limited. Prior to joining KKR India Advisors Private Limited in 2009, he was at Citigroup for 25 years with the last 7 years from 2002 to 2009 as CEO for India and South Asia operations.

Sarvjit Singh Dhillon is a non-independent and non-executive Director of the Company. He holds a bachelors' degree in arts having followed an approved programme in accounting and finance, from Middlesex University, United Kingdom and a masters' degree in business administration from the University of Birmingham, United Kingdom. He is also a fellow member of the Chartered Institute of Management Accountants, United Kingdom and has completed the Stanford executive program from the Stanford University, United States. Presently, he is the group chief financial officer of Bharti enterprises and has in the past served as the chief financial officer and director of strategy at the group level.

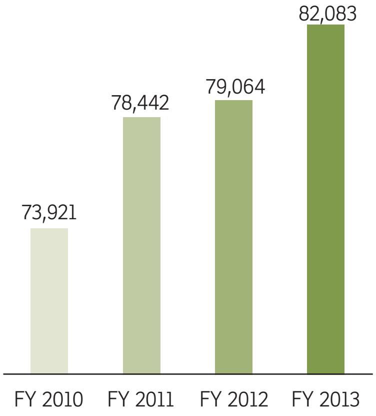
Vinod Dhall is an independent and non-executive Director of the Company. He holds a bachelors' degree in law from University of Delhi and a masters' degree in mathematics from University of Allahabad. He entered the Indian Administrative Service in 1966 and was the secretary - Ministry of Corporate Affairs, Government of India before his retirement. He was also a member of the Competition Commission of India until 2008. He has held various other positions with the Government of India. He has also been an ex-officio member of SEBI, Life Insurance Corporation, General Insurance Corporation and has been associated with the United Nations Industrial Development Organisation. He is presently a practising lawyer.

Performance at a Glance

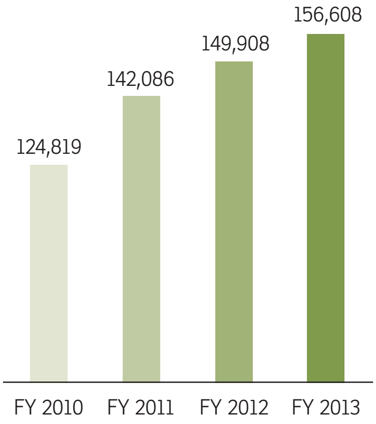
Particulars	UNITS	Financial Year Ended March 31			
		2010	2011	2012	2013
Consolidated Operating Highlights					
Total Towers	Nos	73,921	78,442	79,064	82,083
Total Co-locations	Nos	124,819	142,086	149,908	156,608
Average Sharing factor	Times	1.57	1.75	1.85	1.90
Sharing Revenue per Tower per month	₹	53,452	60,724	64,931	66,034
Sharing Revenue per Sharing Operator per month	₹	33,968	34,665	35,025	34,717
Consolidated Financials					
Revenue[1]	₹ Mn	70,074	84,988	94,521	102,720
EBITDA[1]	₹ Mn	23,905	31,085	35,344	38,354
EBIT[1]	₹ Mn	6,331	10,914	13,905	16,103
Cash profit from operations[1]	₹ Mn	18,193	24,425	29,144	32,287
Profit before Tax	₹ Mn	3,691	7,769	11,282	15,307
Profit after Tax	₹ Mn	2,373	5,394	7,491	10,025
Capex	₹ Mn	32,587	24,098	14,103	21,470
Operating Free Cash Flow[1 #]	₹ Mn	(10,853)	4,652	19,113	18,084
Total Capital Employed	₹ Mn	166,570	166,806	157,652	144,735
Net Debt	₹ Mn	30,226	26,823	12,411	(27,190)
Shareholder's Equity	₹ Mn	136,344	139,983	145,241	171,925
Key Ratios					
EBITDA Margin[2]	%	34.1%	36.6%	37.4%	37.3%
EBIT Margin[2]	%	9.0%	12.8%	14.7%	15.7%
Net Profit Margin[2]	%	3.4%	6.3%	7.9%	9.8%
Net Debt to EBITDA (LTM)	Times	1.26	0.86	0.35	(0.71)
Interest Coverage ratio (LTM)	Times	6.75	7.19	8.68	9.72
Return on Capital Employed (LTM)	%	4.0%	6.5%	8.6%	10.7%
Incremental Return on Capital Employed (LTM)[3]	%	9.5%	47.8%	∞[4]	∞[4]
Return on Shareholder's Equity (LTM)	%	2.0%	3.9%	5.3%	6.3%
Incremental Return on Shareholder's Equity (LTM)[3]	%	0.8%	16.7%	47.1%	15.9%
Valuation Indicators					
Market Capitalization	₹ Bn	N.A	N.A	N.A	338
Enterprise Value	₹ Bn	N.A	N.A	N.A	311
EV / EBITDA (LTM)	Times	N.A	N.A	N.A	8.10
EPS (Diluted)	₹	1.42	3.09	4.29	5.61
PE Ratio	Times	N.A	N.A	N.A	31.89

1. Revenue, EBITDA, EBIT, Cash profit from operations and Operating free cash flow are excluding other income.
2. EBITDA, EBIT and Net profit margin have been computed on revenue excluding other income.
3. Incremental Return on Capital employed and Shareholder's equity is computed on an annual basis.
4. Incremental Return on Capital employed is not ascertainable as capital employed as at the yearend was lower than capital employed as at the end of the corresponding previous period.
Operating free cash flow has been adjusted for change in estimate for site restoration obligation.
Note: Previous years' figures have been regrouped/ rearranged wherever necessary to conform to current year's classifications.

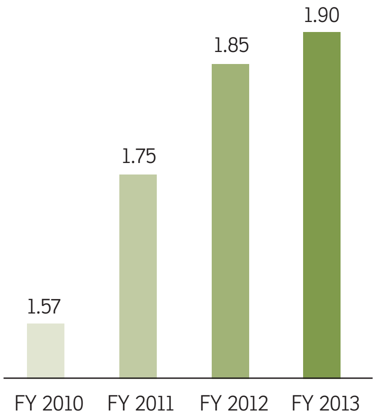
Total Towers
(Nos.)



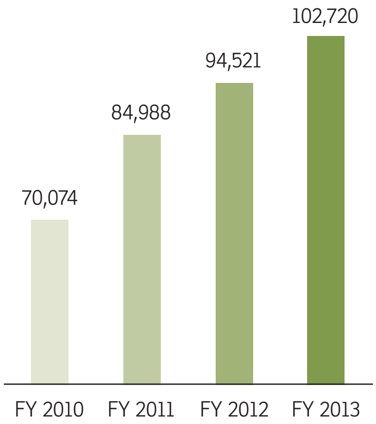
Total Co-locations
(Nos.)



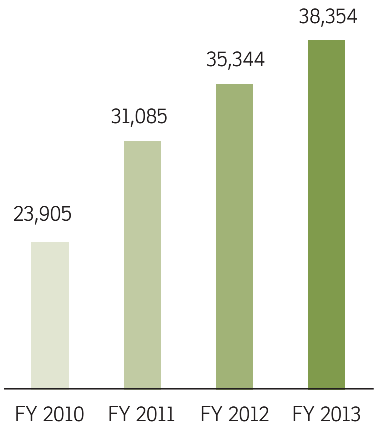
Average Sharing Factor
(Times)



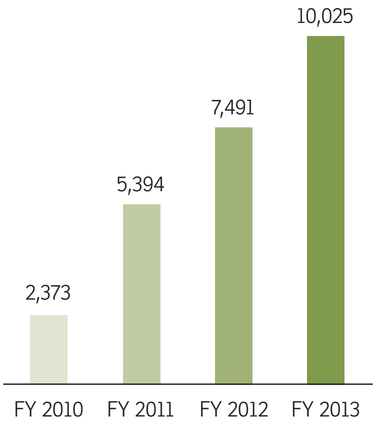
Revenue[1]
(₹ Mn)



EBITDA[1]
(₹ Mn)



Profit after Tax
(₹ Mn)



1. Revenue and EBITDA are excluding other income.

Joint Message from the Chairman and Managing Director

Today, every operator in the country is our customer and practically all operators prefer to lease towers from tower companies rather than build them for captive use.

Dear Shareholders,

2012-13 turned out to be a year where multiple issues across the globe continued to weigh down the global economic growth. While there were pockets of exuberance, as displayed by some recoveries in the US and certain Asian economies, the Euro Zone continued to be saddled with an unprecedented debt crisis. Though performing relatively better than many global economies, the Indian economy too toiled this year, and its economic growth remained less than satisfactory.

In the midst of overall weakness in the economy, telecom industry in India had a particularly daunting year with significant regulatory and policy uncertainties ranging from cancellation of large number of licenses issued in 2008 by the Hon'ble Supreme Court of India to the prospects of large payouts by existing operators towards spectrum. This caused several operators to exit operations in the country while many scaled back further investments. Many operators continue to remain somewhat tentative in their capital deployment plans and rollouts.

As you would recall, when we created this Company, we gave ourselves the dual objectives of ensuring that vital infrastructure in the form of towers was shared amongst operators in a non-discriminatory manner, and that no operator should find it feasible to build towers anymore because of tower companies offering significant savings in OpEx and CapEx besides reducing time to market.

We are pleased to state that your Company has ably achieved both these objectives. Today, every operator in the country is our customer and practically all operators prefer to lease towers from tower companies rather than build them for captive use.

The highlight of the business model of a tower company is its long term contracts resulting in an annuity model vis-à-vis revenues. As a result, while this year, the roll-outs by operators were subdued, your company nevertheless had a robust year with strong financial performance. With a year on year revenue and EBITDA growth of 8.7% and 8.5% respectively, the profit after tax exceeded ₹ 1,000 crore mark for the year with an increase of over 33% over last year.

We are now seeing many of our customers rolling out 3G network on the back of strong data growth last year. We believe that with likely resolution of regulatory issues soon, these roll-outs shall accelerate in the coming years. We are very well positioned to cater to their demand and garner a major share thereof, given our extensive network and sound financial position.

Another major highlight for the year was Bharti Infratel successfully completing its Initial Public Offer (IPO) in December 2012 to raise ₹ 41,728 Mn, including ₹ 9,425 Mn from the offer for sale by some of our existing PE investors. Enthusiastic participation by institutional investors resulted in the overall issue being oversubscribed. The overall issue was subscribed 1.26 times. The stock is today listed on the two Indian bourses, NSE and BSE. We moved past another key milestone when Bharti Infratel was included in the FTSE global equity indices and recently in the Category A stocks of BSE.

Recognizing the importance of this sector, the government also fulfilled a long standing demand from the industry when it bestowed 'infrastructure status' on the telecom tower infrastructure services. We believe this step will entitle the sector to some fiscal and other benefits and will also encourage shaping up of Public Private Partnerships (PPPs) in the sector.

People and Partners have been at the heart of our success as a business enterprise. Your Company has diligently built a cohesive and employee friendly work culture that emphasizes customer centricity, teamwork and continuous improvement. With regard to our Partners, we managed to strengthen existing relationships and carve out new ones to secure better costs and quality for the business. Our partnership with IBM to manage IT systems has helped us successfully manage our large and distributed tower infrastructure using the state of the art Tower Operations Centre (TOC) along with process integration and automation.

As a socially responsible business group, we have always stayed focused on running our business in an environmentally sustainable manner. Your Company continued to deploy innovative ideas and capital to help find effective solutions to mitigate environmental challenges. We are pleased to state that today your Company has over 1,200 solar installations across its network. Major initiatives are underway to augment solar installations across the network in the coming year as part of our green initiatives to reduce carbon footprint.

As a responsible corporate entity, we have undertaken several programs to sensitize people towards HIV/AIDS, in the North Eastern regions of the country. At the same time, our association with Bharti Foundation, the philanthropic arm of Bharti Group, to help promote the cause of education among underprivileged rural children, continue to positively impact village community through the year.

Overall, the year gone by can best be described as a constructive year and a year of consolidation. We were suitably able to demonstrate our operational excellence, our financial strength, the sustainability and resilience of our business model as well as the fundamental role that your Company plays in providing vital telecom services to the country. We are pleased that we are partnering with our customers to continuously improve their costs and efficiencies.

We would like to express our sincere gratitude to all our customers, shareholders, partners, bankers and employees for their unwavering support during the year. As the telecom industry's regulatory landscape becomes clearer, and voice and data services continue to witness strong growth, we see an exciting journey ahead for us and we do believe that your Company is well prepared to seize these growth opportunities.

We continue to look forward to your invaluable suggestions in the year ahead.

Rakesh Bharti Mittal
Chairman

Akhil Gupta
Managing Director

CEO's Message

Industry is realigning from Voice only to the reality of Voice and Data.

Dear Shareholders,

Telecom sector continues to be in the midst of a challenging regulatory environment. Lot of work is being done on various policy matters like unified license, spectrum pricing, auction of licenses, implementation of EMF radiation norms etc. which will have a far reaching impact on the industry and our customers. Post the uncertainty created by the cancellation of 122 telecom operator licenses by the Hon'ble Supreme Court in February 2012; we now see clarity emerging within the operators on their future course of action in the selected few markets. We are confident that the government will come up with an early resolution of these issues, keeping the larger aim of telecom affordability and rural penetration as per government's key mandates.

The good news is the inclusion of telecom tower infrastructure services in "Infrastructure sub sector list" by the government in March 2012. We believe this step demonstrates the government's focus on this vital infrastructure. We look forward to some of the benefits which have been passed to other Infrastructure companies in the past.

From a consumer perspective, a big opportunity lies ahead of us. Despite phenomenal growth in the telecom sector during the last decade, mobile penetration in rural India stands at around 40%. With a young and growing population of India, data is clearly the future of mobile telecom. Industry is realigning from Voice only to the reality of Voice and Data. Still at an early stage of this shift, as voice continues to be the mainstay of the telecom industry, all our customers have undertaken deployment of 3G installations to cater to the needs of emerging data centric environment, much the same way as 'voice revolution' happened in India. We are seeing a data revolution with 25% Q-o-Q growth in data traffic reported by operators in the last one year. We are geared up to garner a lion's share of market presented by these opportunities.

The most awaited and important milestone that the Company achieved during the year was being listed on the 2 Indian bourses, NSE and BSE. With a successful listing, we believe we are well positioned to embark upon the next steps in customer service excellence journey and create value for our customers and shareholders.

Our Operational Excellence journey, which was initiated some time back, was augmented with service excellence journey last year with the core objective of excelling on all customer satisfaction aspects. Customer Satisfaction Scores, based on an independent survey, has shown consistent improvement in quality scores across all aspects of customer service delivery. Not only has this cemented our relationships with the customer but has also translated into better financial performance for us and our customers.

Despite several regulatory and business developments impacting the telecom industry, the Company has achieved considerable success in gaining its share of market from all leading telecom operators in its circles. On a consolidated basis, the sharing factor grew to reach a healthy ratio of 1.91 times as on March 31, 2013 as we added 6,700 co-locations (net) during the year.

People continue to be the most important driver of our strategic intent and initiatives, and we continue to invest on people excellence with host of initiatives. We consistently strive to build a high performance organization and are committed to adopt the best HR practices.

As a responsible corporate, we continue to stay focused on building businesses which positively impact the society we live in. In line with the vision of being known for environment friendliness, the Company continues to deploy people, ideas and capital to help find effective solutions to environmental challenges. The Company has over 1,200 solar installations across the network and has taken major steps to augment these in the coming year towards the above objective. During the year, the Company also implemented green networks adopting the RESCO model as a step towards partnering for power outsourcing.

During the year, the Company was recognized at various platforms and was conferred with CNBC Essar Steel Infrastructure Excellence Award 2012, Dun & Bradstreet – Axis Bank Infra Awards 2012, iCMG IT Architecture Award 2012, CIO-APC Green IT Award 2012 amongst many others.

Overall, 2012-13 turned out to be a year of growth and excellence, with a reassertion of our long standing relationships with our customers and leadership through technology and energy initiatives.

I take this opportunity to express my sincere gratitude to all our shareholders, customers, partners and employees for their continued enthusiasm, unflinching trust and support towards Bharti Infratel. We are confident that the strong foundation we have set for Bharti Infratel will truly help in constantly improving our leadership position and service delivery over the years.

DSRawat

D S Rawat
Chief Executive Officer

Corporate Social Responsibility

Background

At Bharti Infratel, Corporate Social Responsibility is a way of life and is well-integrated with our Business Strategy. Keeping this in mind, we have coined our Vision on Corporate Social Responsibility as:

"To be an ethical corporate citizen committed to adopting business practices that are environment friendly and integrated with our Company vision of being the best and most innovative passive communications infrastructure provider globally".

To achieve our Corporate Social Responsibility Vision, we focus on:

1. Being a 'Green' Company
2. Help 'Underprivileged Children' through Education sponsorship, financial support and employee volunteering activities
3. Community Welfare initiatives in our area of operations.

Being a 'Green' Company

'Go Green' is inherent to our business model of tower sharing as every co-location we add to the network helps in bringing down the energy consumption on a per co-location basis.

We have institutionalized a GreenTowers P7 program which is aimed at minimizing dependency on diesel consumption and thereby reducing carbon footprint. The GreenTowers P7 program is based on seven innovative ideas deploying cleaner energy technologies. As part of the program, we focus on:

A. Use of renewable energy resources,
B. Improving energy efficiency of tower infrastructure equipment, and
C. Reduction of equipment load on tower infrastructure equipment.

A. Use of Renewable Energy Resources

Solar Installations

We operate over 1,200 solar powered towers with installed capacity of approx. 6 MW as at March 2013. This generates approx. 8 Mn units of energy on an annualised basis and helps us save over 21,000 Metric tonnes of CO_2 emissions.

Solar via RESCO – Community Power Concept for Unconnected

We are encouraging energy companies to adopt the RESCO (Renewable Energy Services Company) model to provide power for our towers through a distributed generation approach using clean and renewable energy sources like solar, wind, biomass, etc. The business model enables RESCOs generate enough power, which can be shared with the local communities. This creates a sustainable business model for the RESCOs and at the same time provides the local community with clean and green electricity. In this regard, we have partnered with OMC Power to set up micro power plants next to our towers. These power plants provide clean energy through solar panels. This innovative green model helps in reducing dependence on diesel powered gensets in off-grid/poor grid locations and also supplies green power to rural households.

Biomass Power

Bharti Infratel has established the use of biomass waste to produce power at its towers. Successful trials have been concluded to reduce diesel consumption on poor grid towers. To take forward this green initiative, we are working with TAIPA to scale up biomass installations across our network using RESCO approach.

B. Improving Energy Efficiency of Tower Infrastructure Equipment

Battery Bank Hybrid Solutions

The solution helps to ensure DG sets are running in optimum load range, resulting in enhanced battery backup which helps in reduction of DG run hours to minimize diesel consumption. The solution has been implemented on over 5,000 towers.

Variable speed DG sets

This solution ensures DG set runs at lower speed at low loads in contrast to the conventional approach wherein DG set runs at a constant speed. Successful pilots have been done and we plan to augment the installations across the network in the coming year.

Adoption of New Technologies

We have adopted new technologies such as Integrated Power Management Solutions (IPMS) and Plug & Play Cabinet (PPC) as part of standard configuration for new tower deployment.

This helps achieve maximum use of grid power supply and thus, helps in minimizing diesel consumption at towers. Over 7,000 IPMS and over 1,600 PPC are installed in our network.

C. Reduction of Equipment Load on Tower Infrastructure Equipment

Free Cooling Units (FCU)

FCU unit utilizes the outside ambient cold air for cooling the shelter without using air conditioners. Our network has more than 6,300 FCU installations.

Initiative - Diesel-free Towers

Bharti Infratel has initiated a comprehensive program to ensure zero diesel consumption at our tower sites. Almost 2,000 towers across our network are Diesel-free towers.

Helping Underprivileged Children Through 'Education' Sponsorship

We focus on 'Education' as we strongly believe that good quality education can help shape the future of our nation and instil the right human values paving way for a bright and secure world.

During the year, we contributed an amount of ₹ 50 Mn towards sponsoring the Satya Bharti Schools - the flagship program of Bharti Foundation that is geared towards bringing sustainable changes through education and use of technology. These schools have been envisioned to be "temples of learning, radiating knowledge and excellence for underprivileged children" and provide free education to them, with a special focus on girl child.

The focus of Bharti Foundation is to implement and support programs across primary, secondary and higher education levels with an aim to transform the children of rural India into educated, employable and responsible citizens of tomorrow, with a sense of commitment to the communities in which they live.

The curriculum of Satya Bharti School Programs is designed to focus on holistic development of children which adds to its uniqueness. Besides elementary education, Bharti Foundation has also partnered with premier institutes like the Indian Institute of Technology, Delhi to set-up the Bharti School of Telecommunication Technology and Management. 200 students are supported every year to pursue courses in the field of telecommunications.

Bharti Infratel, in its own way, has been supporting Bharti Foundation through financial support as well as employee volunteering at Satya Bharti Schools.

- Financial contributions towards 'Save the Girl Child' campaign.
- ACT (A Caring Touch) donations for supporting the rural education initiatives at Satya Bharti Schools – a matching contribution plan wherein the Company matches the contribution made by the employees.
- Electrification of 2 Satya Bharti Schools by way of installation of solar panels, in partnership with our vendor partner, Applied Solar Techniques. This effort has not only helped the school to run computers, but also goes a long way in creating sensitisation among the young minds about the need for environmental conservation.
- Donation of computers, books and other stationery items.

With our commitment towards the social and development initiatives undertaken by Bharti Foundation, we are hopeful that we will be able to lend a higher sustainability to our Corporate Social Responsibility agenda and help 'make a difference'.

The Satya Bharti Difference

- Free Quality Education
- Focus on Girl Child
- Trained Teachers & Volunteers
- Focus on English & Computers
- Pedagogic Supervision & Support to Teachers
- Stringent Ongoing Quality Checks & Audit Processes
- Activity-based Learning
- Healthy & Nutritious Mid-Day Meals
- Large Spacious Classrooms
- Separate Toilets for Boys & Girls
- Running Water Facilities

Satya Bharti Schools – Key Statistics
(as on March 31, 2013)

- Number of Schools Operational: 254
- 187 Primary Schools
- 62 Elementary Schools
- 5 Senior Secondary Schools
- Number of States: 6
- Number of Students Enrolled 37,286
- % of Girl Students: 49%
- % of Students from SC/ST/OBC Categories: 75%

Community Welfare Initiatives

A. Mokokchung CSR Program

As an organization, we firmly believe in building businesses which positively impact the society we live in. With the responsibility of helping improve the quality of life of people on a sustainable basis, we embarked on a social transformation journey in the Mokokchung district of Nagaland, North East (NE) telecom circle in 2010.

Bharti Infratel has joined hands with a local NGO NMP+ (Network of Mokokchung District People Living with HIV/AIDS) to run a social welfare program to sensitize people on HIV / AIDS through awareness campaigns. The objective of Bharti Infratel's volunteering program is to serve communities and improve their quality of life through HIV / AIDS sensitisation programs to dispel myths about people living with HIV and help promote and protect the human rights of people living with HIV/AIDS.

The district of Mokokchung has the highest population of HIV / AIDS affected people in Nagaland (3.5% vis-à-vis national average of 1.5%). This is also one of India's most difficult and remote places - perched at an altitude of over 5,500 feet with no train or air connectivity and roads which are also extremely tedious to traverse. The main cause for the widespread prevalence of the disease is the lack of information and resistance to use available medical facilities due to the societal stigma attached.

Key activities of the Program:

Till date, we have successfully conducted 45 camps and touched lives of 8000+ local people through direct coverage. This cause has received wide coverage in prominent dailies including 'The Telegraph', thus creating an impact on a large part of society.

Typically, every month three Camps are organized, these are mostly held in a cathedral after the Sunday mass. Each camp is a half day program with interactive sessions with speakers talking about HIV & AIDS scenario of Mokokchung, sharing medical facts about HIV / AIDS & ART (Anti Retroviral therapy / Treatment) and related chronic care. As a part of these sessions, emphasis is laid on promoting social acceptance of people living with HIV/AIDS and train people on critical health care issues and aspects of self management.

Various Government departments including Health, Public Relations, and Civil Administration have also come forward to join us in these campaigns. Health department regularly sends their AIDS testing support mobile unit & vehicle along with personnel in all our camps wherein medical tests are conducted.

These camps have helped facilitate establishment of adequate linkages between local people and the available health services in the region.

The Changemaker Awards

The Mokokchung program has been felicitated as the 'Best Volunteering Program' award at The Changemaker's Awards 2012-13, constituted by the CSR Council of Bharti Enterprises in association with Bharti Foundation that felicitates and acknowledges the efforts made towards corporate social responsibility by the Bharti Group Companies and their employees.

B. Disaster Relief and Support

During the months of August-September 2012, many parts of lower Assam were reeling under ethnic violence. 2,084 villages and 22 districts were badly affected as hundreds of people died in the clash and were displaced from their home. 65,000 hectares of cropland were impacted, leading to a human tragedy which called for immediate support and relief.

Bharti Infratel team came forward to provide humanitarian assistance to the victims of the region and supported the cause of providing relief to the victims by donating generously. Volunteers packaged the relief materials bought with the collected money and prepared them for distribution. Packs comprising of essentials like cooking utensils, rice, oil, sugar, mosquito net, washing soap etc. were distributed at the relief camps.

Operationally, special permissions and police protection during curfew was taken and diesel filling during floods on the affected towers was done with use of rowing boats thereby providing all important connectivity to villagers and relief workers during the calamity.

C. Airtel Delhi Half Marathon

Bharti Infratel has been a part of the noble cause by participating in the Airtel Delhi Half Marathon as Corporate Challenge Team and supporting the cause of Girl's Education. In the year 2012, 80 of our employees participated in the event while a contribution of ₹ 0.65 Mn was made.

D. Employee Philanthropy Program

ACT – 'A Caring Touch' is a Bharti Group Employee Philanthropy Program where employees are encouraged to donate their time, skills, knowledge, materials and money, to either Bharti Foundation or any other charity empanelled in ACT. All monetary donations made to ACT are matched by the Bharti Infratel, as per policy.

A large number of employees show their support by voluntarily contributing as a recurring amount every month. Donations given to Bharti Foundation are sent to various programs in the area of education; namely Satya Bharti Schools (Primary) Program, Schools Improvement Program, Bharti Computer Centres and Bharti Library Program, initiated for underprivileged children and Bharti Scholarship Scheme for the youth.

Bharti Foundation shares regular communication of its various projects for these donors. The donors are also encouraged to visit the programs first-hand and conduct regular status and performance audits of how these donations are being spent.

In the FY 2012-13, Bharti Infratel made a donation of ₹ 0.65 Mn under the matching contribution scheme to Bharti Foundation and ₹ 1.09 Mn to other NGOs.

E. Joy of Giving Week

Once every year, we celebrate the 'Joy of Giving' week. As a part of this initiative, each day is dedicated to making a social contribution in the form of a Blood donation camp, material donation, visit to a Satya Bharti School or other NGO run institutions, tree plantation and ACT donation. All the material collected is donated at 'Goonj' centres across various locations.

F. Employment in rural pockets and upskilling of technicians

In our endeavour to enhance direct and indirect employability among the rural populace, we ensure that the technicians for tower maintenance are indirectly hired from the local community. We have our presence in some of the remotest locations, where alternative employment opportunities virtually do not exist. Indirect hiring of the locals has helped several families improve their standards of living.

Besides, we invest extensively in training the technicians to improve their technical skills. We have partnered with Nettur Technical Training Foundation (NTTF), a pioneer in Technical Training in India, to develop comprehensive training program.

As we stand committed to giving back to the society, we also have institutionalized the concept of running development centres for selecting high performing and high potential technicians who have the capability to take up higher level roles and responsibilities in the organization. The selected technicians go through an exhaustive development journey that includes class room trainings to improve their supervisory skills, English language, basic computer knowledge and are given real-time business projects and coaching and mentoring sessions with the circle operations team members.

Directors' Report

Dear Shareholders,

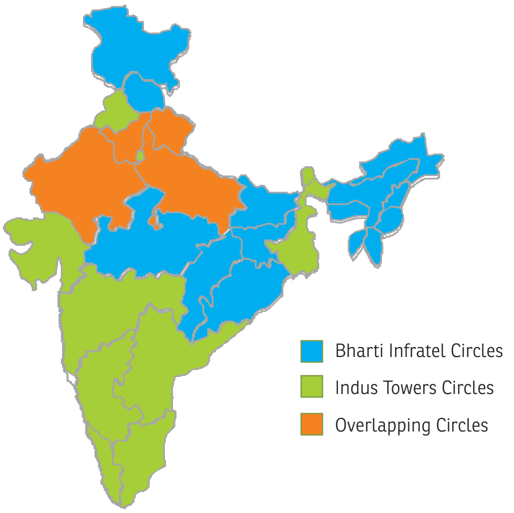
Your Directors are delighted to present the Seventh Annual Report on the business and operations of the Company together with audited financial statement and accounts for the financial year ending March 31, 2013.

OVERVIEW

The business of Bharti Infratel Limited and Indus Towers Limited (Indus) is to acquire, build, own and operate tower and related infrastructure. We have a nationwide presence with operations in all 22 telecommunication circles in India, with Bharti Infratel and Indus having operations in 4 overlapping circles.

In order to capitalize on the opportunities for tower sharing in the Indian telecommunications market, Bharti Airtel, Bharti Infratel, Vodafone India and Idea Cellular agreed to establish Indus as an independently managed joint venture that provides non-discriminatory shared tower services to all wireless telecommunication service providers. Bharti Infratel, Vodafone India and Aditya Birla Telecom hold 42%, 42% and 16% shareholding interest in Indus, respectively. Subject to certain exceptions, Bharti Infratel and Indus do not compete with each other in any telecommunication circle, they do not have any conflicts of interest in this regard and are able to work closely with each other and benefit from the synergies generated by the nationwide coverage and large scale of their operations.

Bharti Infratel Overview: Pan India Footprint



Bharti Infratel and Indus provide access to their towers primarily to wireless telecommunication service providers on a shared basis, under long-term contracts. Bharti Infratel's and Indus' three largest customers are Bharti Airtel (together with Bharti Hexacom), Vodafone India and Idea Cellular, which are the three leading wireless telecommunication service providers in India by wireless revenue.

On a consolidated basis, we are one of the largest tower infrastructure providers in India, based on the number of towers that Bharti Infratel owns and operates and the number of towers owned or operated by Indus, that are represented by Bharti Infratel's 42% equity interest in Indus.

As of March 31, 2013, Bharti Infratel owned and operated 35,119 towers with 63,573 co-locations in 11 telecommunication circles while Indus operated 111,819 towers with 221,511 co-locations in 15 telecommunication Circles. With Bharti Infratel's towers and Bharti Infratel's 42% interest in Indus, we have an economic interest in the equivalent of 82,083 towers and 156,608 co-locations in India as of March 31, 2013.

Your Company achieved success during the year in gaining its share of the market from all leading telecom operators in its circles of operations, despite several regulatory and business developments, which impacted the telecom industry. The Company observed significant improvement in network uptime delivery during the year, recording the highest ever uptime.

The directors are pleased to inform that the Customer Satisfaction Scores, based on an independent survey, reflect that the Company has excelled on all customer satisfaction aspects as is evident from the higher customer satisfaction scores. Our Network Health Report, a monthly update on overall health of the network, is well received and appreciated by most customers.

On May 31, 2011, the Subsidiary Company "Bharti Infratel Ventures Limited" filed a 'Scheme of Arrangement' before Hon'ble High Court of Delhi whereby the Subsidiary Company will merge with Indus, with appointed date as April 1, 2009. The Hon'ble High Court of Delhi vide its order dated April 18, 2013 has sanctioned the said Scheme of Arrangement. The Scheme will be effective on filing the Hon'ble High Court's order with Registrar of Companies (RoC).

FINANCIAL RESULTS AND RESULTS OF OPERATION

Financial highlights of operations of the Company as on March 31, 2013 are as follows:

A. Consolidated financial results as per Indian Generally Accepted Accounting Principles

(Figures in ₹ Mn)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Revenue[1]	102,720	94,521
EBITDA[1]	38,354	35,344
Profit before Tax	15,307	11,282
Profit after Tax	10,025	7,491

[1] Revenue and EBITDA are excluding other income.

B. Standalone financial results as per Indian Generally Accepted Accounting Principles

(Figures in ₹ Mn)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Revenue[1]	44,601	41,582
EBITDA[1]	17,772	16,356
Profit before Tax	13,216	6,867
Profit after Tax	10,098	4,492

[1] Revenue and EBITDA are excluding other income.

GENERAL RESERVE

Out of the total profit of ₹ 10,098 Mn on a standalone basis of Bharti Infratel Limited for the financial year ended March 31, 2013, an amount of ₹ 2,426 Mn has been transferred to the General Reserve.

DIVIDEND

The Board has recommended a final Dividend of ₹ 3.00 per equity share of the face value of ₹ 10 each fully paid up (i.e. 30%) for the financial year 2012-13, amounting to ₹ 6,629 Mn (inclusive of ₹ 963 Mn as tax on Dividend). The payment of dividend is subject to the approval of the shareholders at the ensuing annual general meeting of the Company. The Company has paid interim dividend(s) on September 7, 2012 @ ₹ 2.50 per equity share of ₹ 10 each fully paid up comprising of:

a. dividend of ₹ 1.50 per equity share of ₹ 10 each fully paid up (i.e. 15%), amounting to ₹ 3,038 Mn (inclusive of ₹ 424 Mn as tax on Dividend) out of the accumulated profits earned up to March 31, 2012 and
b. dividend of ₹ 1.00 per equity share of ₹ 10 each fully paid up (i.e. 10%), amounting to ₹ 2,025 Mn (inclusive of ₹ 283 Mn as tax on Dividend) out of profits of the Company for the current year i.e. FY 2012-13.

SHARE CAPITAL

During the year, the share capital of your Company was altered as follows:

a. The authorised share capital was increased from ₹ 6 Bn to ₹ 35 Bn by creation of 2.90 Bn equity shares of ₹ 10 each.
b. 1,161,605,820 equity shares of ₹ 10 each were allotted on August 23, 2012 as Bonus shares in the ratio of 2:1.
c. 146,234,112 equity shares of ₹ 10 each were allotted on December 22, 2012 under the initial public offering at a premium of ₹ 210.90.
d. 100,212 equity shares of ₹ 10 each were allotted on March 19, 2013 under the ESOP scheme at a premium of ₹ 99.67.

e. Consequent to above, the paid up share capital of the Company has increased from ₹ 5,808,029,100 to ₹ 18,887,430,540 represented by 1,888,743,054 equity shares of ₹ 10 each.

INITIAL PUBLIC OFFER

Bharti Infratel has listed its equity shares on the NSE and BSE in India on Friday, December 28, 2012. The issue, comprising of 146.23 Mn fresh equity shares and 42.67 Mn equity shares on offer for sale (OFS) by the selling shareholders, opened for subscription during December 11-14, 2012 was oversubscribed 1.26 times. The reserved portion of Qualified Institutional Buyers (QIBs) was oversubscribed 2.84 times.

The Company raised ₹ 32,303 Mn from the public issue excluding ₹ 9,425 Mn pertaining to the OFS by the selling shareholders, namely Compassvale Investments Pte. Ltd., GS Strategic Investments Limited, Anadale Limited and Nomura Asia Investment (IB) Pte. Ltd.

The Company intends to use issue proceeds from the IPO for the installation of new towers, upgradation and replacement on existing towers, green initiatives at tower sites and general corporate purposes.

Bharti Infratel has been included in the FTSE Global Equity Indices starting January 7, 2013. Bharti Infratel was added to FTSE All-World Index (Large Cap) with an investability weighting of 9% and also to FTSE All-Emerging Index.

FTSE's flagship global benchmark, the FTSE All-World, is used by investors worldwide to structure and benchmark their international equity portfolios. The FTSE global equity universe covers over 7,400 securities in 47 different countries and captures 98% of the world's investable market capitalization.

The stock has also been shifted from category B to category A Stock of BSE.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the date of Balance Sheet.

SUBSIDIARY COMPANY

As on March 31, 2013, the Company has one wholly owned subsidiary (100%), viz, Bharti Infratel Ventures Limited. The statement of Company's interest in its wholly owned subsidiary, Bharti Infratel Ventures Limited under Section 212(1)(e) of the Companies Act, 1956 is annexed herewith and forms part of the Directors' Report.

Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet, statement of profit & loss and other documents as set out in section 212(1) of the Companies Act, 1956 in respect of its subsidiary company for the year ended March 31, 2013. The statement pursuant to the circular is annexed as part of the notes to the consolidated accounts of the Company on page 121 of the Annual Report.

Annual accounts of the subsidiary, along with related information are available for inspection at the Company's registered office. Copies of the annual accounts of the subsidiary company will also be made available to the Company's investors upon request.

AUDITORS

The Statutory Auditors of the Company M/s. S.R. Batliboi & Associates LLP (formerly known as M/s. S.R. Batliboi & Associates), Chartered Accountants shall retire at the conclusion of forthcoming annual general meeting. They have given the Company a notice regarding their unwillingness to be reappointed.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, have given their consent to act as statutory auditors of the Company and a certificate confirming therein that their appointment, if made, will be within the limits prescribed u/s 224(1B) of the Companies Act, 1956 has been received from them.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, is an independent audit firm and none of your directors are related or interested in it, whether directly or indirectly.

AUDITORS' REPORT

The Board has duly examined the statutory auditors' report on accounts and clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report.

As regards the comment under para xxi of the annexure to the independent auditors' report to address the issues of fraud pertaining to electricity payments and asset pilferage, the company has taken appropriate steps including legal action against the external parties involved etc. The Company is further strengthening its internal control systems to reduce the probability of occurrence of such events in future.

SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with the provisions of various corporate laws, the regulations and guidelines issued by the Securities and Exchange Board of India and the listing agreement, the Company has voluntarily started Secretarial Audit from a practicing company secretary firm.

M/s. Chandrasekaran Associates have been conducting the Secretarial Audit of the Company on continuous basis. They have submitted their report confirming the compliances with all the applicable provisions of various corporate laws. The Secretarial Audit Report is provided separately in the Annual Report.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956, Mr. Akhil Gupta, Director of the Company, is liable to retire by rotation at the forthcoming annual general meeting and being eligible, offers himself for re-appointment. Further, the term of Mr. Akhil Gupta as Managing Director will expire on July 31, 2013. Your Board, based on the recommendations of the HR & ESOP Compensation Committee, proposes the re-appointment of Mr. Akhil Gupta for a further period of 5 years as per the terms and conditions mentioned in the Notice of ensuing annual general meeting and in terms of the articles of association of the Company. Mr. Akhil Gupta would not be liable to retire by rotation.

Since the date of last Directors' Report Mr. Rakesh Bharti Mittal, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Mr. Vinod Dhall and Mr. Sanjay Nayar were appointed w.e.f. September 3, 2012 and Mr. Murray Philip King and Ms. Leena Srivastava were appointed w.e.f. November 5, 2012 as additional director(s) of the Company to hold office up to the date of forthcoming annual general meeting.

The Company has received notices under section 257 of the Companies Act, 1956 proposing the appointment of Mr. Rakesh Bharti Mittal, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Mr. Vinod Dhall, Mr. Sanjay Nayar, Mr. Murray Philip King and Ms. Leena Srivastava as Director(s) liable to retire by rotation.

Your Board recommends their appointment/ re-appointment at the ensuing annual general meeting.

A brief resume, nature of expertise, details of directorships held in other public limited companies and other information of the directors proposing appointment/re-appointment pursuant to clause 49 of the Listing Agreement with the Stock Exchanges is appended as an annexure to the notice of ensuing annual general meeting.

Mr. Sunil Bharti Mittal, Mr. Rohit Sipahimalani and Mr. Inder Walia resigned from the Board on September 3, 2012. The Board places on record its sincere appreciation for the guidance rendered by Mr. Mittal, Mr. Sipahimalani and Mr. Walia.

CORPORATE GOVERNANCE

Your Company is committed to benchmarking itself with global standards for providing good corporate governance. The Chairman and Directors constantly endeavour to take the business forward in such a way that it maximizes long term value for the stakeholders. The Company has put in place an effective corporate governance system which ensures that the provisions of Clause 49 of the listing agreement are duly complied with.

A detailed report on the corporate governance pursuant to the requirements of clause 49 of the listing agreement forms part of the Annual Report. A certificate from the auditors of the Company, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated in Clause 49 is annexed to the report as Annexure A.

BOARD COMMITTEES AND ITS COMPOSITION

In accordance with the listing agreement requirements, the details of the Board committees are presented as part of the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Bharti Infratel, CSR is a way of life and is well integrated with our business strategy. Detailed information on the initiatives of the Company towards CSR activities is provided in the Corporate Social Responsibility section of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the listing agreement requirements, the Management Discussion and Analysis report is presented in a separate section forming part of the Annual Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The statement as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 as amended is given in Annexure B to this report.

HUMAN RESOURCES

At Bharti Infratel, we strongly believe that employee engagement is a key pillar towards building organisational effectiveness. The primary objective of achieving a high employee engagement is to create passion in all that we do and enable the workforce towards meeting and surpassing the performance expectations, leading to long-term success. We strongly believe that our people are our competitive advantage and the key to shaping our future.

Our people embody our core values and define who we are. We have 1,256 on roll employees on a standalone basis.

The Company believes in the values of pioneering, service orientation & continuous improvement, positive, passionate & involved and respect & fairness for all stakeholders aligned to the vision. To facilitate leadership development and groom individuals for larger leadership roles, the Company has developed a robust Leadership Competency Framework which defines the essential competencies and behavioural manifestations that are required for future development planning.

EMPLOYEES STOCK OPTION PLAN

Employees continue to be the key driving force of the organization and remain a strong source of our competitive advantage. Therefore, to develop a sense of ownership among the employees within the organization, the Company instituted an employee stock option scheme namely Employee Stock Option Scheme 2008 ("ESOP Scheme 2008"). The objective of ESOP Scheme 2008 is employee engagement and long term retention by providing employees of the Company an opportunity to participate in the Company's anticipated valuation enhancement by contributing to superior performance and shareholder returns. The Company undertook a bonus issue of equity shares in the ratio of two equity shares for every one equity share held on August 23, 2012. Pursuant to the adjustment made as a result of this bonus issue, the total number of options that can be granted under ESOP Scheme 2008 is 16,215,000.

During the year under review, 100,212 equity shares were allotted to the employees upon exercise of stock options.

Disclosure in compliance with clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, is provided in Annexure C to this report.

A certificate from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Statutory Auditors, with respect to the ESOP Scheme 2008 would be placed before the shareholders at the ensuing annual general meeting and a copy of the same will also be available for inspection at the registered office of the Company.

PARTICULARS OF EMPLOYEES

The information as required to be provided in terms of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 have been set out in Annexure D to this report.

QUALITY CONTROL

Your Company has established well structured quality processes and systems at every stage of its work, from designs, materials, workmanship at site, operations and maintenance through the entire lifecycle of the towers and related services. The Company has adopted the following stage-wise quality assurance practices:

- pre-dispatch inspection of all major material such as tower components, DG sets, shelters and battery banks;
- on-site inspection during works in progress such as civil, electrical and tower installation works;
- quality audits post completion of works to ensure process completion; and
- preventive maintenance audits during operation and maintenance of sites to ensure timely maintenance of equipment and basic site hygiene.

Your Company has a Standard Quality Process and Guidelines for civil, tower and electrical works and a Quality Assurance Plan ("QAP") for pre-dispatch inspection for effective material verification at vendor premises. Regular project reviews, governance meetings and third party audits are conducted on a regular basis in order to encourage maintenance of quality and ensure that towers are strictly in accordance with Company's approved specifications.

These quality assurance practices enable us to maintain high performance standards across the network, resulting in key long-term advantages:

- good asset life as per specifications and designs;
- high network uptime for customers, with fewer network outages; and
- high levels of customer satisfaction due to hassle-free active infrastructure installation.

AWARDS & RECOGNITION

Recognising our strong business leadership within the telecom tower infrastructure space and our world-class service delivery, your Company was awarded the *Top Infrastructure Company Award* in the Telecom Infrastructure category at *Dun & Bradstreet – Axis Bank Infra Awards 2012*, for the second year in a row.

The Company was conferred the *CIO 100 Efficient Enterprise Special Awards 2012* for using information technology in innovative ways to deliver business value, create competitive advantage, optimize business processes and enable overall growth.

Your Company won the *PCQUEST Best IT Implementation of The Year Award 2012* for implementing Infratel Enterprise Suite (IES) that was designed to automate and align business processes within six value streams in the organization.

For enabling rural telecom penetration in the toughest terrains and remotest locations, your Company was awarded the *2012 – CNBC Essar Steel, Infrastructure Excellence Award* as the *"Telecom Infrastructure Company of the Year"*.

The Company was awarded the coveted *CIO-APC Green IT Award 2012*, for successfully consolidating and virtualising our data center and making significant reduction in carbon emissions.

Your Company won the globally acclaimed *iCMG IT Architecture Award 2012* for its landmark end-to-end enterprise tool – Infratel Enterprise Suite. This first of its kinds IT platform within the telecom infrastructure industry, was awarded the *Best Enterprise & IT Architecture Award in Telecom* category, and was recognised for its intricate stack of technology platforms, integration with multiple applications and the significant cross-functional benefits which it has delivered. The category saw participation across 25 countries and over 100 global organisations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

I. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
II. we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2013 and of the profit of the Company for that period;
III. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
IV. we have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the assistance and co-operation extended by customers, strategic investors, bankers, vendors, business partners, various agencies and departments of Government of India and State Governments where Company's operations are existing, supporting the Company's various projects.

The Directors would also like to place on record their sincere appreciation for the valuable contribution, unstinted efforts and the spirit of dedication shown by the employees of the Company at all levels in ensuring an excellent all round operational performance.

For and on behalf of the Board

Place: New Delhi
Date: April 30, 2013

Rakesh Bharti Mittal
Chairman

Annexure A

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Bharti Infratel Limited

We have examined the compliance of conditions of corporate governance by Bharti Infratel Limited ("the Company"), for the period December 28, 2012 (i.e. the date from which the Company is required to comply with the terms of the Listing Agreement) to March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

For S.R. BATLIBOI & ASSOCIATES LLP
Firm registration number: 101049W
Chartered Accountants

per Nilangshu Katriar
Partner
Membership No.: 58814
Place: Gurgaon
Date: April 30, 2013

Annexure B

INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988.

Conservation of Energy

As part of the normal course of the business, the Company operates and maintains telecom tower infrastructure which requires energy consumption. Every endeavour has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

The Company continuously evaluates global innovation and technology as a benchmark and as required, enters into arrangements to avail of the latest technology trends and practices.

Technology Absorption

'Go Green' is inherent to our Business Model of tower sharing as every co-location we add to the network helps in bringing down the energy consumption on a per co-location basis.

We have institutionalized a GreenTowers P7 program which is aimed at minimizing dependency on diesel consumption and thereby reducing carbon footprint and has already implemented solar power network across 1200+ towers. Our technical team continues to explore and pilot new technical initiatives in the process of 'putting ideas to work' to promote the 'Go Green' agenda at the Company.

Form B

1) Research and Development (R & D) - Not Applicable

2) Technology absorption, adaptation and innovation – Detailed update on the technology advancements made by the Company is covered as part of the Corporate Social Responsibility section on page 10.

Foreign Exchange Earning and Outgo

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

Bharti Infratel Limited being a telecom tower Infrastructure service provider has not undertaken any activity relating to exports or development of export markets for services.

(ii) Total foreign exchange used and earned

(a) Total Foreign Exchange Earning	:	Nil
(b) Total Foreign Exchange Outgo	:	₹ 184 Mn (Including payment of interim dividend of ₹ 124 Mn)

Annexure C

DISCLOSURE AS REQUIRED UNDER SEBI (EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME) GUIDELINES, 1999 AS ON MARCH 31, 2013

S.No.	Particulars	ESOP Scheme 2008	
(i)	Total Options granted under the Scheme	9,946,524	
(ii)	Options Granted during the year	33,570	
(iii)	Pricing Formula	• 9,255,690 Options under Plan I and 657,264 Options under Plan II were granted at a discount of 50% of the fair market value of the Equity Shares. • The exercise price of the 33,570 Options granted under Plan III is ₹ 10 per option.	
(iv)	Options vested as of 31st March 2013	6,505,888	
(v)	Options exercised during the year	137,421	
(vi)	The total number of shares arising as a result of exercise of Options	137,421	
(vii)	Options lapsed/cancelled during the year	212,647	
(viii)	Variation of terms of Options during the year	Variation in terms of repurchase of Options.	
(ix)	Money realised by exercise of Options during the year	₹ 15,070,962	
(x)	Total Number of Options in force	9,034,013	
(xi)	Employee-wise details of Options granted to:		
	(a) Options granted to Senior managerial personnel during the year	**Name** Rajiv Arora Prashant Jagdish Keole	**Grant Size** 4,230 3,850
	(b) Options granted to employees exceeding 5% of the total grants during the year	**Name** Vijay Kumar Jain Rajiv Arora Prashant Jagdish Keole Harvinder Pal Singh Jaspal Singh Tandon	**Grant Size** 4,640 4,230 3,850 3,190 2,810
	(c) Options granted to employees exceeding 1% of the issued capital during the year	Nil	Nil
(xii)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard AS 20	₹ 5.7	
(xiii)	Difference between the employees compensation cost based on intrinsic value of the Stock and the fair value for the year and its impact on profits and on EPS of the Company	N.A.	
(xiv)	a) Weighted-average exercise price b) Weighted-average fair prices	₹ 110 ₹ 220	
(xv)	Method and significant assumptions used to estimate the fair values of Options.	Black Scholes valuation model	
	(a) Risk free interest rate	8.37% to 8.62%	
	(b) Expected Life	36 - 60 months	
	(c) Expected Volatility	52.42% to 52.43%	
	(d) Expected Dividends	Nil	
	(e) Market Price of the underlying share on grant date	N.A.	

Annexure D

STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FOR THE YEAR ENDED MARCH 31, 2013 AND FORMING PART OF THE DIRECTORS' REPORT

Sl. No.	Name	Designation	Nature of duties of the employee	Qualification(s)	Age (in years)	Date of Commencement of Employment	Total experience (in years)	Gross Remuneration (in ₹)	Previous Employment / Designation
(A) EMPLOYED THROUGHOUT THE FINANCIAL YEAR									
1	Akhil Gupta	Managing Director	General Management	CA	57	1-Aug-08	28	63,653,073	Bharti Airtel Limited / Jt. Managing Director
2	Anil Kumar Sharma	Circle Business Head	Operations	B.E./ MBA	51	6-Jul-09	30	7,061,825	Reliance Communications/ Executive Vice President - CSC Business
3	D S Rawat	Chief Executive Officer	Business Head	B.E.	45	28-Jul-10	24	19,390,531	Huawei Telecommunications (I) Co. P Ltd / Executive Director
4	P Sairam Prasad	Chief Technical and O&M Officer	Operations & Maintenance, Technical Services	B. Tech	43	23-Sep-09	19	8,124,324	WTTIL (VIOM)/Chief Projects Head
5	Pankaj Miglani	Chief Financial Officer	Finance	CA/ CS/ ICWA	43	8-Aug-11	18	11,136,920	Bharti Airtel Limited / Head - Global Voice
6	Prashant Veer Singh	Chief Information Officer	Technology Services	B.E./ MBA	43	1-Apr-10	20	7,005,166	Bharti Airtel Limited/ Vice President - IT & Innovation
7	Vikas Joshi	Chief Human Resource Officer	HR	Bsc / MPM / LLB	53	1-Apr-10	30	12,790,051	HUL / GM - HR - Supply Chain South Asia & Head Employee Relations
(B) EMPLOYED FOR PART OF THE FINANCIAL YEAR									
1	Sunil Razdan	Chief Operating Officer	Operations	B.E.	50	19-Aug-09	28	15,163,230	Reliance Communication/Sr. VP - Network Operations
2	Sunil Khurana	Chief Operating Officer	Operations	B.E.	52	2-Jan-13	30	4,772,860	GE/ VP - Services, South Asia

Notes:
1. Gross Remuneration comprises of Salary, Taxable Allowances & Perquisities and Company's contribution to Provident Fund.
2. The employee would qualify for being included in Category (A) or (B) on the following basis:
   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹ 60,00,000 p.a.
   For (B) if the aggregate remuneration drawn by him during the part of year was not less than ₹ 5,00,000 p.m.
3. None of the employees mentioned above is a relative of any Director of the Company.
4. None of the employees mentioned above holds 2% or more share capital of the Company.
5. The employees are governed by the general terms and conditions of employment and the policies of the Company.
6. Nature of employment for all the employees is permanent except for Mr. Akhil Gupta which is contractual.

STATEMENT RELATING TO SUBSIDIARY COMPANY PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary Company	BHARTI INFRATEL VENTURES LIMITED
2	Financial Year of the Subsidiary Ended on	March 31, 2013
3	Holding Company's Interest in the subsidiary company at the end of the Financial Year of Subsidiary.	100%
4	Net Aggregate amount of Profit / (Loss) of the Subsidiary for the above financial year, so far as it concerns members of the Company (In Million ₹)	
(a)	Dealt with in the accounts of the Holding Company	180.2
(b)	Not dealt within the accounts of the Holding Company	NIL
5	Net aggregate amount of Profit/(Losses) for the Previous Financial Years of the Subsidiary, so far as it concerns members of the Holding Company (In Million ₹)	
(a)	Dealt with in the accounts of the Holding Company	(646.8)
(b)	Not dealt within the accounts of the Holding Company	NIL
6	Changes in the Interest of Holding Company in the Subsidiary Company between the end of the Financial year of the Subsidiary and the end of Financial year of the Company.	NIL
7	Material Changes between the end of the Financial year of the Subsidiary and the end of Financial year of the Company in respect of	
(a)	Subsidiary's Fixed assets	NIL
(b)	Subsidiary's Investments	NIL
(c)	Money lent by the Subsidiary	NIL
(d)	Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	NIL

For and on behalf of the board

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Place : New Delhi
Date : April 30, 2013

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Management Discussion and Analysis

ECONOMIC OVERVIEW

As per the World Economic Outlook published by the International Monetary Fund (IMF) in October 2012, a gradual recovery of growth is foreseen for this year. Global growth is projected at 3.6% in 2013, slightly above the levels of 3.3% in 2012.

Growth is however forecast to remain slow in the major advanced economies, with emerging markets contributing to a bulk of the global growth.

As per the Economic Survey released by the Government of India in March 2013, following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6% and 9.3% respectively in 2009-10 and 2010-11.

The economic survey projects the economy to grow in the range of 6.1% to 6.7% in 2013-14, on the back of structural reforms, job creation, combating inflation both through monetary and supply-side measures, reducing the costs for borrowers of raising financing and reducing the impediments to investment. The economic growth prospects in these clearly compliment the Company's strategy of offering telecom infrastructure in India.

TELECOM TOWER INFRASTRUCTURE SECTOR DEVELOPMENTS

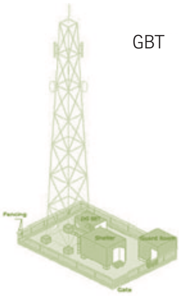
Indian Telecom Tower Infrastructure Sector

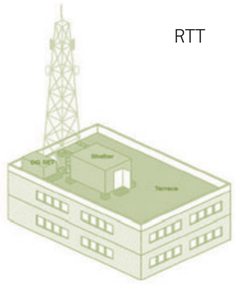
Over the five-year period 2005-2010, the wireless telecommunications services sector has grown rapidly. The mobile subscriber base rose to around 868 Mn at the end of March 2013 (source – TRAI) from 99 Mn at the end of 2005- 2006. This growth of mobile subscribers in India in recent years provides a huge opportunity for telecom tower industry, especially given the low penetration of voice telephony in rural India, as well as the offtake of data services in urban India.

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

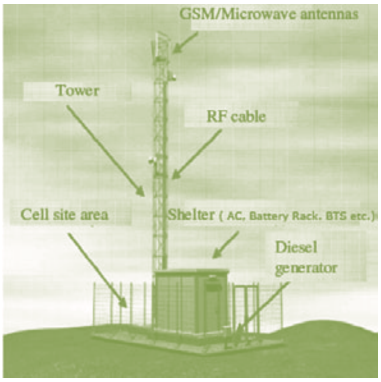
Infrastructure sharing is effective in optimizing the utilization of available resources and helps to bring down the cost of providing telecommunications services. With the reduction in overall tariffs and restrictions placed by various local regulatory bodies on the installation of telecom towers, infrastructure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

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


GBT


RTT

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



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

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

DEVELOPMENT IN REGULATIONS

Key regulatory developments in the recent past were as follows:

Grant of Infrastructure status to Telecommunication Towers sector

In March 2012, the Cabinet Committee on Infrastructure approved the framework for using the harmonized master list of infrastructure subsectors, which was notified in the Official Gazette of India on March 28, 2012. The harmonized master list of infrastructure subsectors is meant to guide all the agencies responsible for supporting infrastructure in various ways. The harmonized list of infrastructure subsectors includes 'telecommunication towers' under the 'Communication' category.

We believe that as a result of this development, the telecom towers industry will be entitled to certain benefits inter-alia in the form of:

- higher ECB limits,
- lower lending rates,
- certain excise exemptions,
- accelerated depreciation benefits.
- eligibility for viability gap funding,
- lower import duties,
- tax holidays, and

Recommendation on Telecommunications Infrastructure Policy

The TRAI has issued several papers, including a paper titled "Recommendations on Telecommunications Infrastructure Policy" dated April 12, 2011 and a paper titled "Recommendations on Guidelines for Unified License/Class License and Migration of Existing Licenses" dated May 12, 2012, in which it has recommended, among other things, that:

- Standard designs be developed for all types of telecommunications towers;
- IP-1 licensees and wireless telecommunications service providers be mandated to share in-building solutions and distributed antenna systems;
- An IP-1 license revenue-based fee be introduced;
- Infrastructure providers be permitted to install and share certain active infrastructure;
- Universal Service Obligation funds be restricted to specific areas;
- Camouflaging to be made mandatory in areas of heritage, environmental or architectural importance; and
- Infrastructure sharing to be mandated in locations of heritage, security and environmental importance.

Recommendations on Guidelines for Unified License

In addition to the "Recommendations on Telecommunications Infrastructure Policy", TRAI has also issued a paper titled "Recommendations on Guidelines for Unified License/Class License and Migration of Existing Licenses" dated May 12, 2012, wherein TRAI has recommended that the limit of foreign direct investment in such infrastructure providers should be brought down to 74% within a period of three years of a unified licensing regime coming into force. However, the limit of FDI in IP-1's as per the FDI policy of the Government of India is 100%. However, such companies are required to divest 26% in favour of Indian public in 5 years, if these companies are listed in other parts of the world.

Recommendations on Approach towards Green Telecommunications

Further, TRAI has released its "Recommendations on Approach towards Green Telecommunications" dated April 12, 2011 pursuant to which TRAI has highlighted the challenges posed by telecommunications, to the environment and ways to address the same.

The TRAI recommendations also provide for:

- Single window clearance for all tower-related approvals;
- Uniform charges for these approvals;

- Priority electricity board connections for towers; and
- Potential tax benefits.

License Regime for IP-1 Service Providers

The Department of Telecommunications has clarified, vide its press release dated February 15, 2012, that the decision on TRAI's recommendation to bring IP-1 service providers under licensing regime who are currently unlicensed passive infrastructure providers, has been deferred for further examination.

Telecom Operator License Cancellations by Supreme Court

In relation to the cancellation of 122 2G licenses pursuant to the judgment of the Supreme Court of India in February 2012, the DoT conducted auctions of the 2G spectrum in November 2012 in which certain operators who had lost license won back licenses. Since the participation in the auction was limited, the government conducted another auction in March 2013 for 2G spectrum as well as CDMA spectrum which also evoked only lukewarm participation.

While the Supreme Court had earlier allowed the operators whose licenses were cancelled to continue operations pending the outcome of the auction process, vide its order dated February 15, 2013 the Supreme Court held that the licensees who continued operation after February 2, 2012 and who did not bid in November 2012 auctions or who remained unsuccessful are required to discontinue their operations in the concerned circles/areas and only the successful applicants are to be allowed to operate in such circles.

Telecom Tower Design Specifications

The Department of Telecommunication has vide its letter dated December 11, 2012 recommended all telecom service providers to establish/use telecom towers that conform to applicable Generic Requirements (GR's) issued by Telecom Engineering Center (TEC), Department of Telecommunications and that telecom towers erected/used by the telecom service providers with effect from April 1, 2014 shall conform to the GR's of Towers issued by TEC. The letter also provided that telecom service providers may suggest new designs, if any, along with specifications to TEC by January 31, 2013 so that such designs can be shortlisted and vetted for structural safety, etc and corresponding GR's can be issued to ensure that the specifications are ready well in advance for usage before the due date i.e. April 1, 2014. The industry association/s is in the process of submitting their observations and comments to these directions on behalf of the infrastructure service providers/operators.

Judgments and Policies related to EMF Radiation

In relation to EMF radiation, the Inter Ministerial Committee ("IMC") had examined and issued recommendations in relation to the effect of EMF radiation from the base stations and mobile phone. The recommendations made by IMC were accepted by the Government and consequently directions in this regard were issued by DoT to the mobile operators on April 10, 2012 making the new norms applicable from September 1, 2012.

In one of the petitions filed by Justice I.S. Israni (retd.), the Rajasthan High Court passed a judgment dated November 27, 2012 wherein inter-alia the Court directed removal of existing towers from schools, hospitals, play grounds etc. installed across the State on account of radiation, within specified months from the date of the judgment. The impact of the said judgment on Bharti Infratel (standalone) is only on seven towers in Rajasthan. Moreover, a Special Leave Petition has been filed against the said judgment by various industry associations wherein notice has been issued by the apex court to all the parties while granting stay against High Court Order till further orders.

OPPORTUNITIES & THREATS

Opportunities

Low rural penetration levels

Indian telecom market holds large untapped potential in the rural areas. With rural tele-density still at 40.23% (as at March 2013, Source – TRAI), there is headroom for growth for the sector for voice services currently and over time for data services as well.

The high cost of providing services, together with the ability to quickly deploy state of the art networks would translate into growth opportunities for the Company. Already, Bharti Infratel has a wide footprint in the B and C category circles of India which would see a substantial portion of the expansion of networks to meet the untapped rural markets.

Roll out of New Technologies

The Indian wireless telecommunications market is experiencing an increase in demand for data services, the key catalysts of which are India's growing young, urban population, the availability of affordable handsets and the production and proliferation of relevant content. Operators, having spent close to ₹ 1,063 Bn on the 3G and 4G licenses, are also focused towards growing the data story.

The resulting expansion of 3G and 4G network services will require wireless telecommunications service providers to install additional active telecommunications transmission equipment at the towers where they currently operate. In addition, while telecommunications service providers may initially seek to add active telecommunications infrastructure at their existing sites to meet the demand for 3G and 4G services, we expect that the increasing proliferation in India of such services and the higher tower density required will lead to demand for new towers from their customers.

New Revenue Streams

Considering the proliferation of data services, expansion of 3G/4G network, infrastructure expansion across B & C class cities, there is likely to be a surge in demand for In-building solutions.

Also, TRAI recommendations on Telecom Infrastructure Policy dated April 2011 promote IBS sharing as it provides for:

- All buildings including hospitals having more than 100 beds and shopping malls of more than 25,000 square feet super built area to be IBS enabled within one year;
- IBS/DAS solutions to be put in all Central Government buildings including central PSU buildings, Airports and buildings falling under their jurisdiction & control;
- IP-1 and telecom service providers may be mandated to share IBS/DAS system deployed in the buildings, complexes or streets.

We have already completed a pilot implementation of IBS and are geared up to meet the customer's needs to deploy additional IBS across the network.

In addition, there exists the possibility of offering transmission backhaul through optical fibre connectivity and microwave connectivity at towers in the future, subject to favourable regulatory changes, as well as providing first level maintenance services in relation to customers' active infrastructure installed at towers.

Threats

General economic conditions in India

Indian economy has shown signs of slowdown in growth over the last several years, with real GDP growth rate decreasing to 6.5% in the year ended March 31, 2012 from 6.7% in the year ended March 31, 2011, 7.4% in the year ended March 31, 2010 and 9.3% in the year ended March 31, 2009.

As Bharti Infratel's business and growth prospects mainly depend on demand from wireless telecommunications service providers in India, any adverse impact of recent economic conditions on the customers and the broader operating environment could have a negative effect on the Company.

Regulatory Environment in India

Financial year 2012-13 experienced uncertain regulatory environment with 2G license allotment taking center stage as a political agenda in India. Following the 122 license cancellations and having to rebid spectrum at higher prices in the recent rounds of auction, operators may look towards greater cost rationalizations, including optimizing the existing networks. Further, the wireless telecommunications industry may face policy changes in relation to spectrum pricing, auction of licenses, implementation of EMF radiation norms, etc.

Such regulatory developments may have a significant bearing on the long term growth prospects of the industry along with a setback to government's agenda as laid out in the National Telecom policy. The implementation of the regulatory recommendations could result in increased costs for telecommunications service providers, and as a result, reduced demand for new towers or collocations from our customers, which could in turn adversely affect our business.

The industry looks forward to reasonable clarity on these regulatory aspects from the authorities in light of the government's own articulated policy directions on affordability and rural penetration.

Financial Results and Results of Operations

Bharti Infratel put up a healthy performance in the financial year 2012-13. On a consolidated basis, the Company added 9,934 (gross) co-locations during the year, while net co-locations added were 6,700. As on March 31, 2013, average sharing factor stood at 1.91 times, on a consolidated basis.

Our consolidated revenue from operations for the year ended March 31, 2013 was ₹ 102,720 Mn, a growth of 8.7% compared to year ended March 31, 2012. Our consolidated revenue comprises of primarily revenues from co-locations of Bharti Infratel and 42% economic Interest in Indus and their energy billings, and revenues from Bharti Infratel Ventures Ltd (BIVL). For the year ended Mar 31, 2013, Bharti Infratel and Indus had average sharing factors of 1.81 and 1.99 per tower, respectively.

The Company on a consolidated basis had an EBITDA of ₹ 38,354 Mn witnessing a growth of 8.5% year on year. The EBITDA margin for the financial year ended March 31, 2013 was 37.3%. The Company on a consolidated basis reported a net income of ₹ 10,025 Mn for the full year ended March 31, 2013 i.e. 9.8% of our consolidated revenues, registering Y-o-Y growth of 33.8%.*

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which fair valuation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Risks & Concerns

The following section discusses the various aspects of enterprise-wide risk management. Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only.

Bharti Infratel believes that risk management and internal control are fundamental to effective corporate governance and the development of a sustainable business. Bharti Infratel has a robust process to identify key risks across its operations and prioritize relevant action plans that can mitigate these risks. Key risks that may impact the Company's business include:

Changes in regulatory environment

The regulatory environment in India continues to be challenging. Recent regulatory developments will have significant implications on the future of telephony as well as India's global competitiveness. The entire industry looks to the Government for a fair, transparent and sustainable telecom regime. Amidst this uncertain regulatory environment, the positive feature is that larger players continue to enjoy majority of market share. Considering we derive a substantial portion of our revenues from the three largest telecom players in India, the risk is mitigated to a large extent.

Natural disasters damaging telecom networks

The Company's telecom networks are subject to risks of natural disasters or other external factors. The Company maintains insurance for its assets, equal to the replacement value of its existing telecommunications network, which provides cover for damage caused by fire, special perils and terrorist attacks. Such failures and natural disasters even when covered by insurance may cause disruption, though temporary, to the Company's operations. The Company has been investing significantly in business continuity plans and disaster recovery initiatives which will enable it to continue with normal operations and offer seamless service to our customers under most circumstances.

INTERNAL CONTROL SYSTEMS

The Chief Executive Officer and Chief Financial Officer are accountable for financial controls, measured by objective metrics on accounting hygiene and audit scores. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance and periodic communication with investors.

The Audit Committee reviews the effectiveness of the internal control system in the Company and also invites the senior management/functional directors to provide an update on their functions from time to time. A Certificate forming part of the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company.

** Revenue and EBIDTA are excluding other Income*

The Company's Internal Assurance Group also conducts periodic assurance reviews to assess the adequacy of internal control systems and reports to the Audit Committee of the Board.

M/s. Protiviti Consulting Private Limited are the internal auditors of the Company and they submit quarterly audit report to the audit committee. The Company has taken several steps to enhance the internal control systems across all its circle operations such as: significantly improving the quality and frequency of various reconciliations, enhancing the scope and coverage of revenue assurance checks, segregation of duties, rolling out self-validation checks, regular physical verification, systems audits, desktop reviews as well as continuous training and education.

In summary, the healthy balance between empowerment and accountability at every operating level fosters a culture of responsible growth and well-judged risk taking.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Integrating the best global practices with business operations is at the heart of our Human Resource strategy. This revolves around the pillars of productivity, culture and capability building. Human Capital development has facets of generating focus on Hi-Potential initiatives (HIPO), Technical, Functional, Behavioral and Leadership skills.

Technical & Functional Learning

Your company has developed customized interventions for certifying technicians on the tower equipment. We have also deployed process simulations and functional skill building on the e-Learning format.

Hi-Pot (HIPO) Initiatives

We have developed a job skill mapping for the critical roles in the organization, which help us in identifying employees for leadership pipeline at various levels. We have also created pipelines for leadership across various roles. The Company also tied-up with leading global business schools/ institutions for various skill building initiatives for this segment.

Leadership & Behavioral Learning

Our leadership competency framework is well integrated with our Talent Management practices. This helps in selecting the right talent, development of leadership behaviors and in building a performance oriented culture. We have also written and deployed a Competency Development Resource Guide which is a repository of resources for development planning on our leadership competency behaviors.

OUTLOOK

As one of the leading providers of tower infrastructure services, the Company is well poised to benefit from the demand for towers as India is at a critical inflection point of data growth and the incremental voice growth. The operator landscape is also rationalizing as some of the evils of hyper-competition are going away and operators focus with a renewed rigor on rollouts, seamless coverage and new technologies in order to effectively compete in the marketplace and recover economic returns on the enormous investments made on spectrum and license.

Bharti Infratel's outlook is in line with future growth potential of the sector. With a global scale of operations, pan India geographic spread, significant deployment expertise and healthy relationships with the customers who are India's leading telecom operators, the Company is poised to benefit from all growth opportunities in the Indian market. Also our continued unwavering focus on cost and synergies across the organization will keep us in a healthy financial position and this very business model augurs well for its expansion and success in new geographies.

SUMMARY

Despite some degree of recent slowdown, India continues to be one of the fastest growing economies in the world with a significant demand for telecom services on the back of low rural penetration levels, poor broadband access and a large and growing youth population with demand for high speed data and allied telecom services.

As a leading provider of telecom tower Infrastructure services, the Company is well positioned to benefit from the secular growth of this sector, while further aiding the vision and goal of providing affordable telephone and broadband access to all parts of the country.

Report on Corporate Governance

GOVERNANCE PHILOSOPHY

The aim of Corporate Governance is to ensure commitment of the Board in managing the Company in a transparent manner for maximizing long-term value of the Company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social.

At Bharti Infratel, corporate governance practices are based on the following broad principles with the objective of adhering to the highest standard of governance through continuous evaluation & benchmarking:

- Well-experienced and diverse Board of Directors;
- Adoption of transparent procedures and practices and arriving at decisions on the strength of adequate information;
- Ensuring compliance with regulatory and fiduciary requirements in letter and spirit;
- High levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of policy on tenure of independent directors, rotation of auditors and a code of conduct for directors and senior management;
- Creation of committees for audit, HR & ESOP and investor grievance;
- Ensuring complete and timely disclosure of relevant operational information to enable the Board to play an effective role in guiding strategy;
- Informal meeting of independent directors without the presence of any non independent/executive directors to identify areas where they need more clarity or information and then put them before the Board;
- Reviewing regularly and establishing effective meeting practices that encourage active participation and contribution from all members;
- Independence of directors in reviewing and approving corporate strategy, major business plans and activities; and
- Well defined corporate structure that establish checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of the affairs of the Company at all times.

Governance Structure

The corporate governance structure of our Company is multi-tiered, comprising governing/functional business management boards at various levels, each of which is interlinked in the following manner:

a) Strategic Supervision and Direction – by the Board of Directors, who exercise independent judgment in overseeing management performance on behalf of the shareowners and other stakeholders and hence plays a vital role in the oversight and management of the Company;
b) Control and implementation – by the Infratel Executive Committee. This team owns and drives company-wide processes, systems and policies and meets on a monthly basis to review execution of business strategy and ensuring operational synergies are achieved. This team also functions as a role model for leadership development and as a catalyst for imbibing customer centricity and meritocracy in the culture of the Company;
c) Operations management – by the Circle Executive Committee for day-to-day management and decision making, focused on enhancing the efficiency and effectiveness of the circle business indicators; and
d) Risk Committee which monitors the effectiveness of the risk management process and reviews & approves the risk mitigation strategies of the Company.

Our governance structure helps in clearly determining the responsibilities and entrusted powers of each of the business entities, thus enabling them to perform those responsibilities in the most effective manner. It also allows us to maintain our focus on the organizational DNA and current and future business strategy, besides enabling effective delegation of authority and empowerment at all levels.

Office of the Ombudsperson

The Office of the Ombudsperson is an independent forum for employees and external stakeholders of the Company to raise concerns and complaints about improper practices which are in breach of the Code of Conduct.

The Office aims to provide a fair and equitable redressal mechanism. The process is designed to offer protection to the complainant provided the disclosure is made in good faith and the alleged action constitutes a genuine and serious breach of Code of Conduct. The Ombudsperson treats all disclosures in a confidential and sensitive manner.

Prevention of Sexual Harassment

Bharti is committed to being an equal opportunity employer, and in order to support this, we are strongly committed to creating a harassment and discrimination free workplace. The Company has a 'zero-tolerance' approach towards any act of sexual harassment.

Information Security

Information assets of the Company are provided comprehensive protection against the consequences of breaches of confidentiality, failures of integrity, interruptions to their availability, loss of authenticity and/ or repudiation of a transaction.

The Bharti Infratel Information Security Policy provides management direction and support to ensure protection of Company's information assets, and to allow access, use and disclosure of such information in accordance with appropriate standards, laws and regulations.

Information Security and Business Continuity Certification:

ISO 27001:

Taking forward the Information Security framework, the process of setting up Information Security Management System (ISMS) was initiated last year. This covered our Head Office, Tower Operations Center, Data Center and the circle offices of Madhya Pradesh & Chhattisgarh, Bihar, Assam and North-East.

Training on implementation of information security management systems was imparted to 33 employees who have been certified as "ISO 27001 Implementer". Regular training sessions and awareness campaigns were conducted to ensure understanding and awareness of the Information Security policy across the organization.

Assessment on documentation and information security controls implementation was conducted by the British Standard of Institution (BSI) as part of the certification audit process. We have been awarded the coveted ISO 27001 certificate without a single non-conformity. Successful ISO 27001 certification reiterates our commitment towards providing our customers with a secure and trustworthy service.

BS 25999:

We have invested substantially in the implementation of business continuity management systems and disaster recovery plans. Last year, we embarked upon a BS 25999 audit and certification program. This covered our Head Office, Tower Operations Center, Data Center and the circle offices of Madhya Pradesh & Chhattisgarh, Bihar, Assam and North-East.

Over 30 employees have been trained and certified as "ISO 22301 Implementer" to put into place the Business Continuity Management system across the organization.

The certification audit process was done by the British Standards of Institution (BSI) in March-April 2013. We have been recommended for certification without a single non-conformity. Recommendation for award of BS 25999 certification has helped benchmark our business continuity and disaster recovery plans with global standards.

BOARD OF DIRECTORS

The Board of Directors along with its committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

Meeting, Attendance and Composition

During the financial year 2012-13, the Board of Directors met 6 (six) times on April 30, 2012; August 3, 2012; August 8, 2012; November 5, 2012; December 22, 2012 and January 31, 2013. The period between any two consecutive meetings of the Board of Directors of the Company was not more that 4 (four) months.

The Board of Directors approved 26 (twenty six) matters by passing resolution(s) by circulation during the financial year 2012-13.

The Board of Directors presently consists of 10 (ten) directors comprising of one managing director and nine non-executive directors (NED) of which 5 are Independent. The Chairman is a Non-executive director.

Detailed profile of each of the directors is available on the website of the Company at www.bharti-infratel.com in the Investor Relations section.

Composition of the Board of Directors of the Company and other directorship(s)/ committee membership(s)/ Chairmanship(s) as on March 31, 2013, number of meetings held during their tenure and attended by them etc. are given in Table – 1.

Table – 1 Details about Company's Board of Directors

ATTENDANCE RECORD DURING FINANCIAL YEAR 2012-13				DIRECTORSHIP/ MEMBERSHIP ON MARCH 31, 2013		
Name of Director	No. of Board Meetings held during his/ her tenure and attended		Attendance at last AGM	Number of outside Directorship(s)*	Committee membership(s)/ chairmanship(s)^	
	Held	Attended			Membership(s) (including chairmanship)	Chairmanship(s)
Executive Director						
Mr. Akhil Gupta (MD)	6	6	Yes	7	6	3
Non-executive Directors						
Mr. Inder Walia[1]	3	2	No	NA	NA	NA
Mr. Murray Philip King[3]	3	2[5]	NA	Nil	Nil	Nil
Mr. Rakesh Bharti Mittal (Chairman)[2]	3	2	NA	8	3	1
Mr. Rohit Sipahimalani[1]	3	3[6]	No	NA	NA	NA
Mr. Sanjay Nayar[4]	6	3	No	6	4	1
Mr. Sarvjit Singh Dhillon	6	4	No	3	2	Nil
Mr. Sunil Bharti Mittal[1]	3	2	No	NA	NA	NA
Non-executive Independent Directors						
Mr. Bharat Sumant Raut[2]	3	3	NA	4	3	3
Mr. Jitender Balakrishnan[2]	3	3	NA	12	6	1
Ms. Leena Srivastava[3]	3	2	NA	3	1	Nil
Mr. N Kumar	6	6	Yes	6	4	3
Mr. Vinod Dhall[2]	3	3	NA	5	7	3

* Excluding Private Companies, Foreign Companies, Section 25 Companies, Trusts and Alternate Directorship
^ Committees for this purpose mean Audit Committee and Shareholders'/Investors' Grievance Committee of Indian public companies, including committees of Bharti Infratel Limited
[1] Ceased to be a director w.e.f. September 3, 2012
[2] Appointed as additional director w.e.f. September 3, 2012
[3] Appointed as additional director w.e.f. November 5, 2012
[4] Mr. Sanjay Nayar ceased to be a nominee director w.e.f. September 3, 2012 and appointed as an additional director w.e.f. September 3, 2012
[5] Board meeting dated November 5, 2012 attended by alternate director Mr. Hui Weng Cheong
[6] Board meeting dated August 3, 2012 attended by alternate director Mr. Ravi Lambha

Independent Directors

Clause 49 of the Listing Agreement with the stock exchanges requires every listed company to have the requisite number of independent directors on the board and also sets out various criteria for a person to be eligible for appointment as an Independent Director.

The Company has formulated a comprehensive policy for independent directors in line with the requirements under clause 49 of the listing agreement. The policy provides that at the time of appointment and thereafter every year in April, the independent directors submit a self declaration confirming their independence and compliance with the eligibility criteria as laid above among other things. All such declarations are placed before the Board for information.

All independent directors meet separately prior to the commencement of every board meeting without the presence of any non independent director or representatives of management to discuss and form an independent opinion on the agenda items and other board related matters. Mr. N Kumar is the Lead Independent Director.

Information supplied to the Board

Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committee(s). However, in case of business exigencies or urgencies, the resolution(s) are passed by way of circulation.

Code of Conduct

The Company has laid down a Code of Conduct (Code) for all Board members and senior management of the Company. The Code is available on the website of the Company www.bharti-infratel.com. The Code has been circulated to all members of the Board and senior management and they have affirmed compliance with the Code. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached as Annexure - I to this report.

Certification

The certificate required under clause 49(V) of the listing agreement duly signed by the Managing Director, Chief Executive Officer and Chief Financial Officer was placed before the Board and the same is attached as Annexure - II to this report.

Risk Mitigation Plan

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of properly defined framework.

COMMITTEES OF THE BOARD

The Board of Directors has constituted committee(s) of directors, with adequate delegation of powers. The Company Secretary of the Company acts as the secretary to the meetings of the committees. Each committee has its own charter which sets forth the purposes, goals and responsibilities of the committees. As at the year end, there are 4 (four) committees of the Board as per following details:

1. Audit Committee

As on March 31, 2013, the Audit Committee of the Board comprises of 4 (four) non executive directors of which 3 (three) are independent. The Chairman of the Audit Committee is a Non-executive Independent director.

The role and terms of the Audit Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors of the Company. The charter covering the role and power of the Committee is available on the website of the Company www.bharti-infratel.com which broadly include approval of annual internal audit plan; review of financial reporting systems; ensuring compliance with regulatory guidelines; discussions on quarterly, half yearly and annual financial results; interaction with statutory, internal and cost auditors; recommendation for appointment and remuneration of auditors.

In addition, the Committee also reviews, as applicable:

a. Management's discussion and analysis of Company's operations;
b. Periodical internal audit reports;
c. Letters of statutory auditors to management on internal control weakness, if any;
d. Statement of significant related party transactions;
e. Financial statements, in particular, investment made by subsidiary company; and
f. Risk framework.

Meeting, Attendance and Composition

During the financial year 2012-13, the Audit Committee met 4 (four) times i.e. on April 30, 2012; August 3, 2012; November 5, 2012 and January 31, 2013. The time gap between two meetings was less than four months. The Audit Committee members approved 1 (one) matter by passing resolution by circulation during the financial year 2012-13.

Further the Committee held a video conference call on January 24, 2013 before the regular meeting to discuss internal assurance report and internal control issue. This provides an opportunity to the Audit Committee to devote more time on other significant matters in regular meeting.

The composition and attendance of members at the meetings held during the financial year 2012-13, are given in Table – 2.

Table - 2 Details of Audit Committee

Name of Director	No. of Meetings held during his tenure and attended		No. of Conference call held during his tenure and attended	
	Held	Attended	Held	Attended
Non-executive Independent Directors				
Mr. Bharat Sumant Raut – Chairman[1]	2	2	1	1
Mr. Jitender Balakrishnan[1]	2	2	1	1
Mr. Vinod Dhall[1]	2	2	1	1
Mr. N Kumar[2]	2	2	NA	NA
Non-executive Directors				
Mr. Rohit Sipahimalani[2]	2	2[5]	NA	NA
Mr. Sanjay Nayar[3]	3	2	1	1
Mr. Sarvjit Singh Dhillon[4]	1	1	NA	NA
Executive Director				
Mr. Akhil Gupta[2]	2	2	NA	NA

[1] Appointed as member w.e.f. September 3, 2012
[2] Ceased to be member w.e.f. September 3, 2012
[3] Mr. Sanjay Nayar ceased to be a member w.e.f September 3, 2012 and again appointed as member w.e.f. December 22, 2012
[4] Mr. Sarvjit Singh Dhillon was appointed as member w.e.f. September 3, 2012 and ceased to be a member w.e.f. December 22, 2012
[5] Audit Committee meeting dated August 3, 2012 attended by alternate director Mr. Ravi Lambha

2. HR & ESOP Compensation Committee

The Board of Directors has constituted the HR & ESOP Compensation Committee which also serves as a remuneration Committee as per schedule XIII of the Companies Act, 1956 and the non-mandatory requirements prescribed in clause 49 of the listing agreement. As on March 31, 2013 the HR & ESOP Compensation Committee comprises of 3 (three) non executive directors of which 2 (two) are Independent. The Chairman of the Committee is a Non-executive Independent director.

The constitution, role and terms of the HR & ESOP Compensation Committee covers the area of compliance with the provisions of the Companies Act, 1956, the Securities Exchange Board of India Act, 1992, and the applicable rules and guidelines promulgated there under and the listing agreement with stock exchanges. The key responsibilities of the HR & ESOP Compensation Committee include the following:

(i) recommending senior managers and such other key management personnel for the Company, as the Board may determine, and to determine the compensation payable to the management personnel and staff, which shall be market-related, consisting of a fixed and a variable part;
(ii) review the performance of the management personnel and review and approve compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws. However, the Committee shall in no event consider any compensation payable by the Company to its Directors and/or employees, which are contractual arrangements between the Company and the directors and/or employees of the Company, as the case may be;
(iii) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  (a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;
(iv) analysing, monitoring and reviewing various human resource and compensation matters;
(v) perform such functions as are required to be performed by the compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
(vi) perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such Committee.

Meeting, Attendance and Composition

During the financial year 2012-13, the HR & ESOP Compensation Committee met 4 (four) times i.e. on April 30, 2012; August 3, 2012; November 5, 2012 and January 31, 2013. The time gap between two meetings was less than four months. The HR & ESOP Compensation Committee members approved 1 (one) matter by passing resolution by circulation during the financial year 2012-13.

The composition and attendance of members at the meetings held during the financial year 2012-13, are given in Table – 3.

Table – 3 Details of HR & ESOP Compensation Committee

Name of Director	Category	No. of Meetings held during his/ her tenure and attended	
		Held	Attended
Mr. N Kumar – Chairman[1]	Non executive Independent director	2	2
Ms. Leena Srivastava[2]	Non executive Independent director	1	0
Mr. Inder Walia[3]	Non-executive director	2	2
Mr. Murray Philip King[2]	Non-executive director	1	1
Mr. Rakesh Bharti Mittal[4]	Non-executive director	1	1
Mr. Rohit Sipahimalani[3]	Non-executive director	2	2[6]
Mr. Sanjay Nayar[5]	Non-executive director	3	1

[1] Appointed as member w.e.f. September 3, 2012
[2] Appointed as member w.e.f. November 5, 2012
[3] Ceased to be members w.e.f. September 3, 2012
[4] Mr. Rakesh Bharti Mittal was appointed as member w.e.f. September 3, 2012 and ceased to be a member w.e.f. December 22, 2012
[5] Ceased to be a member w.e.f. December 22, 2012
[6] HR & ESOP Compensation Committee meeting dated August 3, 2012 attended by alternate director Mr. Ravi Lambha

Remuneration Policy for Directors

Remuneration paid to executive director

The remuneration of executive director i.e. Mr. Akhil Gupta - Managing Director is approved by the Board of Directors within the limits approved by the shareholders on the basis of the recommendation of the HR & ESOP Compensation Committee.

The executive directors' remuneration has two components: fixed pay and variable pay (performance linked incentive). The fixed pay is paid to the director on monthly basis, the performance linked incentive is paid on the basis of individual performance after the end of financial year. In addition to the fixed and variable pay, Mr. Akhil Gupta is also entitled to ESOPs as applicable from time to time and other perquisites and retirement benefits as per the policy of the Company.

Remuneration paid to Non-executive Independent director

As per the Independent Director Policy adopted by the Board, the independent directors are eligible for sitting fees and commission. Details as per the policy are as follows:

- Commission up to a maximum amount of ₹ 1,000,000/- per annum (for meetings where financial results are considered);
- Chairman of the audit committee is entitled to an additional commission of ₹ 500,000/- per annum (for meetings where financial results are considered);
- The commission is payable annually after approval of financial results for the year;
- The payment of commission is prorated to the number of meetings attended by the director;
- The payment of commission is subject to availability of sufficient profits within an overall ceiling of 1% or 3% of net profits and is within the limits approved by the shareholders in general meeting held on July 22, 2008;
- Sitting fees of ₹ 10,000/- for attending meeting of the Board;
- Sitting fees of ₹ 10,000/- for attending all the meetings of Committee of Board at one occasion;
- Reimbursement/ arrangement for payment of out of pocket expenses incurred by the directors for attending the meeting.

There are no pecuniary relationships or transactions between the Independent directors and the Company, except for sitting fees and commission drawn by them for attending the Board and Committee(s) thereof.

Remuneration to directors

Table - 4 gives details of remuneration paid to directors. During 2012-13, the Company did not advance any loan to any of its directors.

Table – 4 Remuneration to directors

(figures in ₹)

Name of the Director	Sitting Fees	Salary and Allowances[1]	Performance Linked Incentive	Perquisites[2]	Commission[3]	Total
Mr. Akhil Gupta	Nil	36,243,473	27,370,000	39,600	Nil	63,653,073
Mr. Bharat Sumant Raut	50,000	Nil	Nil	Nil	750,000	800,000
Mr. Jitender Balakrishnan	50,000	Nil	Nil	Nil	500,000	550,000
Ms. Leena Srivastava	20,000	Nil	Nil	Nil	250,000	270,000
Mr. N Kumar	70,000	Nil	Nil	Nil	Nil	70,000
Mr. Vinod Dhall	50,000	Nil	Nil	Nil	500,000	550,000
Total	**240,000**	**36,243,473**	**27,370,000**	**39,600**	**2,000,000**	**65,893,073**

Note: No director has been granted any stock options during the year.
[1] The salary and allowance includes the Company's contribution to the Provident Fund.
[2] The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
[3] Commission provision for financial year 2012-13.

3. Shareholders'/ Investors' Grievance Committee

The shareholders'/Investor' Grievance Committee has been constituted on September 3, 2012 in accordance with Clause 49 of the listing agreement. The Committee comprise of 3 (three) members. Mr. Rakesh Bharti Mittal, Non-executive director is the Chairman of the Committee.

The main function of the investors' grievance Committee of the Board is to strengthen the investor relations. The Committee looks into redressal of shareholders' complaints and is responsible for supervising and ensuring efficient and judicious transfer of shares and proper and timely attendance on the investors grievances. The key responsibilities of the Committee are as under:

(i) Redressal of Shareholders'/Investors' complaints;
(ii) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
(iii) Issue of duplicate certificates and new certificates on split/ consolidation/renewal;
(iv) Non-receipt of declared dividends, balance sheets of the Company; and
(v) Carrying out any other function as prescribed under in the Listing Agreement.

Meeting, Attendance and Composition

Meeting of the shareholders'/investors' grievance Committee was held on March 28, 2013. The attendance records of members of the shareholders' grievance Committee is given in Table - 5

Table – 5 Details of Shareholders' Grievance Committee

Name of Director	Category	Number of meetings during the year 2012-13	
		Held	Attended
Mr. Rakesh Bharti Mittal – Chairman	Non- executive director	1	1
Mr. Sarvjit Singh Dhillon	Non- executive director	1	1
Mr. Akhil Gupta	Executive director	1	1

Compliance Officer

Mr. Anupam Garg, Company Secretary acts as compliance officer of the Company for complying with the requirements of the listing agreement with the stock exchanges and requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992.

During the financial year 2012-13, the complaints received by the Company were general in nature, which were resolved to the satisfaction of the shareholders. The status of complaints is reported to the Board on quarterly basis. Details of investors' complaints as on March 31, 2013 are given in Table – 6.

Table – 6 Details of shareholders' complaints during 2012-13

Complaints pending at the beginning	Number of complaints received during 2012-13	Complaints redressed during the year 2012-13	Complaints pending at the end of the year (March 31, 2013)
Nil	42	42	Nil

To redress investor grievances, the Company has a dedicated e-mail address, compliance.officer@bharti-infratel.in to which investors may send their grievances.

4. Committee of Directors

In addition to the above committees, the Board has also constituted a functional committee known as the 'Committee of Directors' to cater various day-to-day requirements and to facilitate seamless operations of the Company.

SUBSIDIARY COMPANIES

Clause 49 defines a 'material non-listed Indian Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Bharti Infratel Ventures Limited is a material non-listed Indian subsidiary as defined under clause 49 of the listing agreement. Mr. N Kumar, Non-executive Independent director of the Company has been nominated and appointed by the Company as a director on the Board of Bharti Infratel Ventures Limited w.e.f. December 27, 2012, in compliance with the clause 49(III)(i) of the listing agreement with the stock exchanges.

GENERAL BODY MEETINGS

Location, date and time of annual general meetings held during the last three years and special resolutions passed thereat are given in Table - 7

Table – 7 Details of Annual General Meeting

Year	Time, Day, Date & Location	Summary of Special Resolutions
2011-2012	5:00 p.m. IST Friday August 3, 2012 Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070	None
2010-2011	3:30 p.m. IST Friday July 22, 2011 Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070	None
2009-2010	4:30 p.m. IST Monday August 9, 2010 Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070	None

There was no matter required or proposed to be dealt by the Company through postal ballot as required pursuant to section 192A of the Companies Act, 1956.

DISCLOSURES

Related Party Transactions

A statement in the summary form of transactions with related parties in ordinary course of business is placed periodically before the Audit Committee as well as to the Board on quarterly basis.

There are no material individual transactions with related parties which are not in the normal course of business and material individual transactions with related parties or others which are not on an arm's length basis.

The Company's major related party transactions are generally with its holding company, subsidiary and joint venture.

Details of related party transactions have been disclosed in the Notes forming part of financial statements.

Accounting Treatment in Preparation of Financial Statements

The guidelines/ accounting standards as defined by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company.

Compliances by the Company

There has neither been any non-compliance nor any penalty, stricture imposed by the stock exchanges or SEBI or any other authority, on any matters related to capital market during the last three years.

Insider Trading

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted an insider trading policy for its directors, management and other officers, who may reasonably have access to the Company's price sensitive information. The Policy lays down procedures to be followed and disclosures to be made, while dealing with the shares of the Company and cautioning them on the consequences of non-compliances.

Whistle Blower Policy

Consistent with the Company's commitment to maintain the highest standards of integrity, compliance with the law and its Code of Conduct, the Company has institutionalized a whistle blower policy. The policy has been designed to allow and encourage employees to bring to management's notice anything that is unethical or unprofessional in the Company.

This policy establishes guidelines and procedures for handling whistle blower claims. By appropriately responding to allegations by employees, suppliers, customers or contractors that the Company or its officials are not meeting the legal obligations, the Company can better support an environment where compliance is the norm and thereby, avoid a diminution in shareholder value.

This policy helps the management to ensure timely and appropriate action thereby ensuring higher levels of transparency in the organization.

Disclosure pursuant to Clause 5A of Listing Agreement

As required under clause 5A of Listing Agreement, the details in respect of the shares lying in the demat account "Bharti Infratel Limited – Unclaimed Suspense Account" till March 31, 2013 is as under:

S. No.	Description	No. of Cases	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares in the initiation of suspense account	03	1000
(ii)	Number of shareholders who approached for transfer of shares from suspense account during the year 2012-13	02	950
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year 2012-13	02	950
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2013	01	50

Voting rights in respect of the aforesaid shares will remain frozen till the time such shares are claimed by the concerned Shareholders.

DETAILS OF COMPLIANCES WITH MANDATORY REQUIREMENTS OF LISTING AGREEMENT

Particulars		Clause of Listing Agreement	Compliance Status
I.	**Board of Directors**	**49(I)**	
(A)	Composition of Board	49 (IA)	Complied
(B)	Non-executive Directors' compensation & disclosures	49 (IB)	Complied
(C)	Other provisions as to Board and Committees	49 (IC)	Complied
(D)	Code of Conduct	49 (ID)	Complied
II.	**Audit Committee**	**49 (II)**	
(A)	Qualified & Independent Audit Committee	49 (IIA)	Complied
(B)	Meeting of Audit Committee	49 (IIB)	Complied
(C)	Powers of Audit Committee	49 (IIC)	Complied
(D)	Role of Audit Committee	49 (IID)	Complied
(E)	Review of Information by Audit Committee	49 (IIE)	Complied
III.	**Subsidiary Companies**	**49 (III)**	**Complied**
IV.	**Disclosures**	**49 (IV)**	
(A)	Basis of related party transactions	49 (IVA)	Complied
(B)	Disclosure of Accounting Treatment	49 (IVB)	No different treatment is followed
(C)	Board Disclosures	49 (IVC)	Complied
(D)	Proceeds from public issues, rights issues, Preferential issues, etc.	49 (IVD)	Complied
(E)	Remuneration of Directors	49 (IVE)	Complied
(F)	Management	49 (IVF)	Complied
(G)	Shareholders	49 (IVG)	Complied
V.	**CEO/CFO Certification**	**49 (V)**	**Complied**
VI.	**Report on Corporate Governance**	**49 (VI)**	**Complied**
VII.	**Compliance**	**49 (VII)**	**Complied**

DETAILS OF COMPLIANCES WITH NON - MANDATORY REQUIREMENTS OF LISTING AGREEMENT

1. The Board

- **Non-executive Chairman's Office**
  The Chairman of the Company is a non–executive director. Chairman is not entitled to any compensation for holding office.
- **Tenure of Independent director not to exceed 9 years**
  As per the policy, tenure for the independent director is three terms of three years each.
- **Qualification of the Independent directors**
  All the Independent directors of the Company have the requisite qualifications and experience which enable them to contribute effectively to the Company.

2. Remuneration Committee

The Company has a HR & ESOP Compensation Committee which also undertakes the functions of remuneration Committee. The composition and other details of the same have been given in the preceding pages of this report under the Board Committee section.

3. Shareholders' Rights

The Company has a policy of announcement of the audited quarterly results. The results as approved by the Board of Directors (or committees thereof) are first submitted to the stock exchanges within 15 minutes of the approval of the results. Once taken on record by the stock exchanges, the same is communicated to the media by way of press release. The quarterly financial statements are published in newspapers and uploaded on Company's website www.bharti-infratel.com.

4. Audit Qualifications

During the previous financial year, none of the auditors' reports on quarterly results were qualified.

5. Training of Board members

In the course of Board/ Audit Committee meetings, the directors are provided information on business model etc.

6. Mechanism for evaluating non-executive Board members

The Company has not adopted any mechanism for evaluation of individual performance of non-executive directors.

7. Whistle Blower Policy

The Company has a whistle blower policy. A note has been given in the preceding pages of this report.

MEANS OF COMMUNICATION

The quarterly audited results are published in the leading dailies like 'Mint' (English Daily all editions) and 'Hindustan' (vernacular newspaper) and are also posted on our website for the information of shareholders/Investors. We organize an earnings call with analysts and investors on the day of announcement of results and the transcript is posted on the website soon after.

Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports and other general information about the Company are available on the Company's website www.bharti-infratel.com.

Since the time of listing of shares, we have adopted a practice of releasing a quarterly report, which contains financial and operating highlights, key industry and Company developments, results of operations, stock market highlights etc. The quarterly reports are posted on our website and are also submitted to the stock exchanges where the shares of the Company are listed.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The Seventh (7th) annual general meeting of the Company is scheduled to be held as under:

Date :	July 3, 2013
Day :	Wednesday
Time:	11:30 a.m. IST
Venue:	**Sri Sathya Sai International Centre,** Pragati Vihar, Lodhi Road, New Delhi-110 003

Financial Year

April 1 – March 31

Financials announced during this financial year*:

Period to which results pertains	Financial Result announced on
Quarter ended on December 31, 2012	January 31, 2013
Quarter ended on March 31, 2013	April 30, 2013

*Company got listed on December 28, 2012. Hence, results for Q1 & Q2 although duly adopted were not announced during respective period.

Date of Book Closure

Saturday, June 22, 2013 to Wednesday, July 3, 2013 (both days inclusive).

Dividend Payment Date

The Board has recommended a dividend @ ₹ 3.00 per Equity Share of ₹ 10 each fully paid up (i.e. 30%) for the financial year 2012-13, which shall be paid on or after July 3, 2013 (within the statutory time limit of 30 days i.e. up to August 1, 2013), subject to approval by shareholders.

The Company has paid interim dividend(s) for the financial year 2012-13 @ ₹ 2.50 per equity share of ₹ 10 each fully paid up (comprising of ₹ 1.50 per equity share paid out of accumulated profits up to March 31, 2012 and @ ₹ 1.00 per equity share paid out of current year profits) on September 7, 2012.

Listing on Stock Exchanges

As on March 31, 2013, the equity shares of the Company are listed on following stock exchanges:

Name of the Stock Exchange	Address	Scrip Code
BSE Ltd. (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	534816
National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051	INFRATEL

Listing fee for the Financial Year 2013-14 has been duly paid to the respective stock exchanges.

Stock Market Data

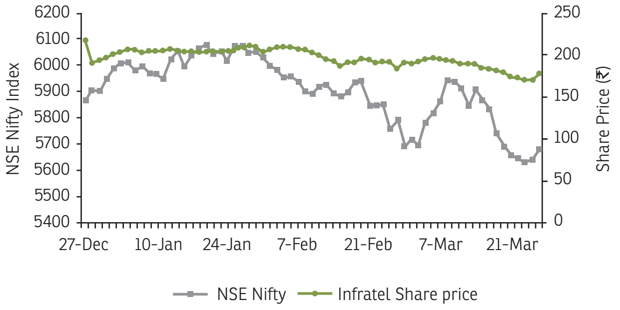
The Company's Equity shares are listed and traded on BSE and NSE w.e.f. December 28, 2012. The price movement is provided December 2012 onwards for this financial year.

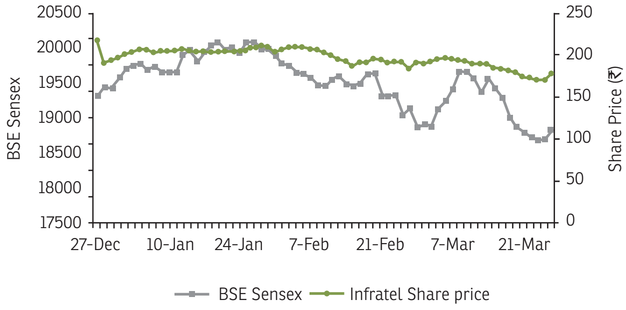
The monthly high & low during each month, in last financial year, is as below:

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December 2012	200.85	188.25	200.00	184.90
January 2013	216.00	194.00	215.50	192.85
February 2013	211.90	175.55	211.50	175.50
March 2013	197.95	136.60	197.55	163.00

Source: www.nseindia.com Source: www.bseindia.com

Performance in comparison to broad based indices such as BSE Sensex and NSE Nifty is as under





Registrar and Transfer Agents (RTA)

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar & Transfer Agent at the following address:

Karvy Computershare Private Limited
(Unit: Bharti Infratel Limited)
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081
Ph No.: 040 23420815-821
Fax No.: 040 23420814
einward.ris@karvy.com
Website: www.karvy.com
Toll Free No. 1-800-3454001

Share Transfer System

Approximately 100% of the equity shares of the Company are held in electronic format. These shares can be transferred through the depositories without any involvement of the Company.

Transfer of shares in physical form is normally processed within 15 days from the date of receipt, provided the documents are complete in all respect.

Pursuant to Clause 47(C) of the listing agreement, we obtain certificate from a practicing company secretary on half-yearly basis to the effect that all the transfers are completed in the statutory stipulated period. A copy of the certificate so received is submitted to both stock exchanges, where the shares of the Company are listed.

Distribution of Shareholding

By number of shares held as on March 31, 2013

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1-5000	42,068	99.56 %	6,642,336	0.35 %
2	5001-10000	16	0.04 %	109,537	0.01 %
3	10001-20000	25	0.06 %	348,300	0.02 %
4	20001-30000	9	0.02 %	209,650	0.01 %
5	30001-40000	5	0.01 %	181,485	0.01 %
6	40001-50000	12	0.03 %	541,002	0.03 %
7	50001-100000	13	0.03 %	847,567	0.04 %
8	100001 and above	106	0.25 %	1,879,863,177	99.53 %
	Total	**42,254**	**100.00 %**	**1,888,743,054**	**100.00 %**

By Category of holders as on March 31, 2013

S. No.		Category	No. of shares	%age of holding
I		Promoter and Promoter Group		
	(i)	Indian Promoters	1,500,000,000	79.42 %
	(ii)	Foreign Promoters	Nil	Nil
		Total Promoters shareholding	**1,500,000,000**	**79.42 %**
II		Public Shareholding		
	(A)	Institutions		
	(i)	Mutual Funds	851,737	0.05 %
	(ii)	Financial Institution/ Banks	6,959,946	0.37 %
	(iii)	Foreign Institutional Investors	176,795,564	9.36 %
	(iv)	Investment Fund	14,422,272	0.76 %
	(v)	Private Equity	18,027,840	0.95 %
	(B)	Non-Institutions		
	(i)	Bodies Corporate	161,825,269	8.57 %
	(ii)	Individuals	6,609,088	0.35 %
	(iii)	Non Resident Indians	151,915	0.01 %
	(iv)	Clearing Members	3,099,423	0.16 %
		Total Public shareholding	**388,743,054**	**20.58 %**
		Total Shareholding	**1,888,743,054**	**100.00 %**

Dematerlisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold shares with any of the depository participants registered with these depositories. As on March 31, 2013, 1,888,743,052 equity shares are in demat form with the Depositories. ISIN for the Company's shares is INE121J01017.

Communication Address

For Corporate Governance and Other Secretarial Related Matters
Anupam Garg
Company Secretary and Compliance Officer
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070
Telephone No: 011-46666100
Fax No.: 011-41666137
Email: compliance.officer@bharti-infratel.in
Website: www.bharti-infratel.com

For Investor Relations Matters
Harjeet Kohli
Head – Group Investor Relations
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070
Telephone No: 011-46666100
Fax No.: 011-41666137
Email: ir@bharti.in

For Corporate Communications and Related Matters
Raza Khan
Head – Group Corporate Communications
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi 110 070
Telephone No: 011-46666100
Fax No.: 011-41666137
Email: corporate.communication@bharti.in

Annexure I

DECLARATION

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, affirmation of compliance with the Code of Conduct for Directors and Senior Management in respect of financial year ended March 31, 2013.

For Bharti Infratel Limited

D S Rawat
Chief Executive Officer

Place: New Delhi
Date: April 30, 2013

Annexure II

CERTIFICATION

We, Akhil Gupta - Managing Director, D S Rawat - Chief Executive Officer and Pankaj Miglani - Chief Financial Officer of Bharti Infratel Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 and:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee

- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Akhil Gupta	**D S Rawat**	**Pankaj Miglani**
Managing Director	**Chief Executive Officer**	**Chief Financial Officer**

Place: New Delhi
Date: April 30, 2013

Secretarial Audit Report

To,

The Board of Directors
Bharti Infratel Limited
Bharti Crescent,
1, Nelson Mandela Road
Vasant Kunj, Phase II,
New Delhi – 110070

We have examined the registers, records and documents of Bharti Infratel Limited (the Company) for the financial year ended 31st March 2013 in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulation made thereunder;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992; and
- The listing agreement with the National Stock Exchange of India Limited and BSE Ltd.

A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines made thereunder, listing agreement as mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
2. Filing with the Registrar of Companies the Forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of directors.
5. Remuneration of executive and non executive directors.
6. Service of notice and agenda of Board Meetings and Meetings of the committee of directors.
7. Meeting of the Board and its Committees.
8. Holding Annual General Meeting and production of the various registers thereat.
9. Recording the minutes of proceedings of board meetings, committee meetings and general meetings.
10. Appointment and remuneration of Auditors.
11. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
12. Registration of transfer of shares held in physical mode.
13. Dematerialisation and Rematerialisation of shares.
14. Execution of contracts, affixation of common seal, registered office and the name of the Company.
15. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations, 2011.
16. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations), 1992.
17. Requirements set out in the listing agreement with the aforementioned stock exchanges.

B. We further report that-
the Company has complied with various requirements relating to disclosures, declarations made by the Directors with respect to directorships, memberships of committees of the Board of Companies of which they are directors, their shareholding and interest of concern in the contracts entered into by the Company in the pursuing its normal business.

For Chandrasekaran Associates
Company Secretaries

Dr. S Chandrasekaran
Senior Partner
FCS: 1644
CP : 715

Place: New Delhi
Date: April 25, 2013

Standalone Financial Statements with Auditors' Report

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors of Bharti Infratel Limited

We have audited the accompanying financial statements of Bharti Infratel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
(e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm's Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place of Signature: Gurgaon
Date: April 30, 2013

Annexure referred to in our report of even date

Re: [Bharti Infratel Limited] ('the Company')

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation with respect to most of its fixed assets, however is in the process of updating the location of certain category of assets.
(b) The Company has a physical verification program of covering all fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year, a substantial portion of planned physical verification of fixed assets and capital work in progress has been conducted by the management. As informed, no material discrepancies were noticed on such verification.
(c) Fixed assets disposed-off during the year were not substantial and, therefore, do not affect the going concern assumption.

ii. Considering the nature of business of the Company, provisions of Clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (as amended) pertaining to physical verification of inventory and records maintained for inventory are not applicable to the Company.

iii. As informed, the Company has neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clauses (iii) (b), (iii) (c), (iii) (d),(iii) (e), (iii) (f) and (iii) (g) of the Companies (Auditor's Report) Order, 2003, as amended by (the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.

Considering the nature of business of the Company, provision of Clause 4 (iv) of the Companies (Auditor's Report) Order, 2003 (as amended) to the extent pertaining to internal control system for purchase of inventory is not applicable to the Company.

v. As informed, there are no parties that require to be listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v) of the Order are not applicable to the Company and hence not commented upon.

vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.

vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the provision of telecommunication services, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted and accrued in respect of undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it are regularly deposited with appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ '000)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,053,884	FY 2008-09 to 2012-13	ITAT, CIT Appeals, Assessing Authority.
Assam, Bihar, Orissa, Rajasthan, U.P., Himachal Pradesh, M.P., Chattisgarh, JK Entry Tax Act	Entry Tax	1,257,211	FY 2007-08 Onwards	Supreme Court, High Court Appellate Authority.
Karnataka VAT Act	Sales Tax	227,606	FY 2009-10 to FY 2010-11	JCCT Appeals
MP VAT Act	Sales Tax	83,316	FY 2009-10	M.P. High Court
UP Trade Act	Sales Tax	21,154	FY 2007-08, 2008-09	Additional Commissioner Appeals
Andhra Pradesh CST Rules	Sales Tax	3,153	FY 2008-09	D.C. Appeals
UP VAT Act	Sales Tax	2,346	FY 2008-09 Onwards	D.C. Appeals
Building & Labor Welfare Cess	Building & Labour Welfare Cess	14,995	FY 2007-08	Building & Labor Welfare Cess Tribunal

The above mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above mentioned cases, total amount deposited in respect of Entry Tax, Income Tax, Karnataka VAT, UP Trade Act, UP VAT and Building & Labor Welfare Cess is ₹ 833 Mn, ₹ 13 Mn, ₹ 114 Mn, ₹ 4 Mn, ₹ 1 Mn and 15 Mn respectively.,

x. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi. The Company did not have any term loans outstanding during the year.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix. The Company did not have any outstanding debentures during the year.

xx. We have verified that the end use of money raised by public issue is as disclosed in the notes to the financial statements.

xxi. According to information and explanations furnished by management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit except as identified by the management pertaining to *few cases of fraud on Company amounting to ₹ 10.6 million pertaining to electricity payments and asset pilferage* for which appropriate provision for loss was recognized. The Company has initiated recovery proceedings and taken steps to strengthen controls.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm's Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place of Signature: Gurgaon
Date: April 30, 2013

Balance Sheet as at March 31, 2013

(₹ Millions)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	18,887	5,808
Reserves and surplus	4	157,837	141,537
		176,724	147,345
Non-current liabilities			
Long-term borrowings	5	-	1
Deferred tax liabilities (net)	6	4,087	4,205
Other long-term liabilities	7	4,777	5,354
Long-term provisions	8	3,275	1,884
		12,139	11,444
Current liabilities			
Trade payables	9	1,687	1,443
Other current liabilities	10	21,679	19,548
Short-term provisions	11	6,708	71
		30,074	21,062
Total equity and liabilities		218,937	179,851
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		71,097	72,798
Intangible assets		19	65
Capital work-in-progress		771	659
Non-current investments	13	59,922	59,922
Long-term loans and advances	14	5,268	4,404
Other non-current assets	15	12,320	9,990
		149,397	147,838
Current assets			
Current investments	16	37,021	801
Trade receivables	17	2,045	2,415
Cash and bank balances	18	772	178
Short-term loans and advances	19	28,220	27,873
Other current assets	20	1,482	746
		69,540	32,013
Total assets		218,937	179,851

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the board

per Nilangshu Katriar
Partner
Membership No: 58814

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Place : New Delhi
Date : April 30, 2013

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2013

(₹ Millions, except per share data)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenues	21	44,601	41,582
Other income	22	6,558	1,110
		51,159	42,692
Expenses			
Power and fuel	23	16,942	15,647
Rent	24	2,382	2,184
Employee benefits expenses	25	2,087	2,003
Other expenses	26	5,418	5,392
		26,829	25,226
Earnings before interest, tax, depreciation and amortization (EBITDA)		24,330	17,466
Depreciation and amortization expense	27	11,888	11,510
Less: adjusted with general reserve in accordance with the Scheme of arrangement with Bharti Airtel Limited (note 44)		(802)	(922)
		11,086	10,588
Finance costs	28	7	10
Charity and donation		52	1
		11,145	10,599
Profit before exceptional items and tax		13,185	6,867
Exceptional items (note 46)		(31)	-
Profit before tax		13,216	6,867
Tax expenses			
Current tax		2,993	2,105
Deferred tax		125	270
Total tax expense		3,118	2,375
Profit for the year		10,098	4,492
Earnings per equity share (nominal value of share ₹ 10 each, March 31, 2012 - ₹ 10 each)	29		
Basic		5.666	2.578
Diluted		5.653	2.572
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the board

per Nilangshu Katriar
Partner
Membership No: 58814

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Place : New Delhi
Date : April 30, 2013

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2013

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flows from operating activities		
Profit before taxation	13,216	6,867
Adjustments for -		
Depreciation and amortization expense	11,086	10,588
Interest income	(1,861)	(1,078)
Dividend income	(4,160)	-
Interest expense	1	-
Net gain on sale of current investments	(532)	(26)
Employee stock compensation expense	106	249
Revenue equalization	(2,126)	(2,161)
Rent equalization	199	200
Provision for doubtful debts and advances	251	399
Provision for capital work in progress	(54)	35
Loss / (profit) on sale of fixed assets (net)	(205)	(51)
Operating profit before working capital changes	15,921	15,022
Increase / (Decrease) in trade payables	244	63
Increase / (Decrease) in other current liabilities	2,062	(577)
Increase / (Decrease) in short-term provisions	8	(9)
Increase / (Decrease) in other long-term liabilities	(776)	252
Increase / (Decrease) in long-term provisions	10	24
(Increase) / Decrease in trade receivables	293	581
(Increase) / Decrease in short-term loans and advances	9,278	314
(Increase) / Decrease in other current assets	(1,332)	(508)
(Increase) / Decrease in long-term loans and advances	(119)	(52)
(Increase) / Decrease in other non-current assets	(204)	(125)
Cash generated from operations	25,385	14,985
Income tax paid (net of refunds)	(2,957)	(1,762)
Net cash flow from operating activities (A)	22,428	13,223
Cash flows from investing activities		
Purchase of fixed assets	(9,030)	(7,890)
Proceeds from sale of fixed assets	369	146
Loan given to parent company	(13,500)	(11,460)
Loan repaid by parent company	3,670	6,100
Loan given to subsidiary company	(1,150)	(610)
Loan repaid by subsidiary company	400	-
Purchase of current investments	(109,723)	(17,205)
Proceeds from sale of current investments	74,035	16,680
Interest received	1,724	1,151
Dividend received	4,160	-
Net cash flow (used in) investing activities (B)	(49,045)	(13,088)
Cash flows from financing activities		
Repayment of borrowings	(1)	-
Proceeds from issue of share capital	32,303	-
Share issue expenses	(771)	-
Proceeds from exercise of stock options	11	-
Interest paid	(1)	-
Interim dividend paid	(4,356)	-
Tax on Interim dividend paid	(707)	-
Net cash flow from financing activities (C)	26,478	-

	Year ended March 31, 2013	Year ended March 31, 2012
		(₹ Millions)
Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	(139)	135
Cash and cash equivalents at the beginning of the year	178	43
Cash and cash equivalents at the end of the year (refer note 18)	39	178
Components of cash and bank balances		
Cash and cash equivalents		
Balance with scheduled banks:		
Current account	39	78
Fixed deposits with maturity less than three months	-	100
Total cash and cash equivalents	39	178
Other bank balances		
Earmarked balances with banks	733	-
Total Cash and bank balances	772	178
Summary of significant accounting policies **2.1**		

The accompanying notes are an integral part of the financial statements

Notes :

1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

2. Figures in brackets indicate cash outflow.

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the board

per Nilangshu Katriar
Partner
Membership No: 58814

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Place : New Delhi
Date : April 30, 2013

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Notes to the Financial Statements

1. CORPORATE INFORMATION

Bharti Infratel Limited ('the Company' or 'BIL') incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company has entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 16 Telecom circles of India and formed Indus Towers Limited for such purpose. The Company and Vodafone India Limited are holding approximately 42% each in Indus Towers Limited and the balance 16% is held by Aditya Birla Telecom Limited. Indus Towers Limited is incorporated in India.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which fair valuation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles (Indian GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Tangible fixed assets

Fixed assets are stated at cost of acquisition, except for assets acquired under the Scheme of Arrangement from Bharti Airtel Limited (refer note 44), which are stated at fair values as per the Scheme, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses related to acquisition and installation.

Site restoration cost obligations are capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets:

	Useful lives
Plant and machinery	3 to 20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipments	2 years/ 5 years
Computers	3 years
Leasehold improvements	Period of lease or useful life, whichever is less

The site restoration cost obligation capitalized as part of plant and machinery is depreciated over the period of the useful life of the related asset.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of licence, generally not exceeding three years.

Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The amortization period and the amortization method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

e. Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the inception of the lease term at the lower of the fair value of the leased asset and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the non-cancellable lease term.

Where the Company is lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the non-cancellable lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

f. Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use. Impairment losses are recognized in the statement of profit and loss under the caption depreciation and amortization expense.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost, except for investment in Bharti Infratel Ventures Limited (BIVL), which is stated at fair value as per the BIVL Scheme of Arrangement (refer note 42). However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Revenue recognition and receivables

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenues
Revenues include revenue from the use of sites and energy charges received from customers. Revenue is recognized as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognized on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the terms of agreement with the customers. The Company collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends
Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

Provision for doubtful debts
The Company provides for amounts outstanding for more than 105 days from the invoice date in case of site sharing debtors other than from the parent company or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

j. Foreign currency transactions and balances

Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non- monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences
Exchange differences arising on settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are taken to the statement of profit and loss.

k. Retirement and other employee benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

All employees of the Company are entitled to receive benefits under the provident fund, which is a defined contribution plan. Contribution to provident fund is recognized as and when the services are rendered. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the statement of profit and loss. The Company has no further obligations under these plans beyond its monthly contributions.

The Company provides for Gratuity obligations through a defined benefit retirement plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

l. Income taxes

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to statement of the profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, ie. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement”. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m. Employee stock compensation cost

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for options to buy equity instruments (equity-settled transactions).

In accordance with the *SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments*, the cost of equity-settled transactions is measured using the Black Scholes / Lattice Valuation option pricing model and the fair value is recognized as an expense over the period in which the options vest, on a straight line basis, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of options to buy equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

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

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

p. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

3. SHARE CAPITAL

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Authorised shares		
3,500,000,000 (March 31, 2012 - 600,000,000) equity shares of ₹ 10 each	35,000	6,000
Issued, subscribed and fully paid-up shares		
1,888,743,054 equity shares of ₹ 10 each fully paid up (March 31, 2012 - 580,802,910 equity shares of ₹ 10 each)	18,887	5,808
	18,887	5,808

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2013		As of March 31, 2012	
	No.	₹ Mn	No.	₹ Mn
At the beginning of the year	580,802,910	5,808	580,802,910	5,808
Issued during the year - Bonus issue	1,161,605,820	11,616	-	-
Issued during the year - Initial public offer	146,234,112	1,462	-	-
Issued during the year - ESOP	100,212	1	-	-
Outstanding at the end of the year	1,888,743,054	18,887	580,802,910	5,808

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

During the quarter ended September 30, 2012, the Company has declared and paid Interim dividend for the financial year 2012-2013 @ ₹ 2.50 per equity share to all the existing shareholders as on September 6, 2012, comprising of ₹ 1.50 per share paid out of accumulated profits up to Mar 31, 2012 and ₹ 1.00 per share paid out of current year profits.

The Board of Directors have proposed a final dividend of ₹ 3.00 per equity share to all the existing shareholders for the year ended March 31, 2013. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

c. Shares held by holding Company

	As at March 31, 2013		As at March 31, 2012	
	No.	₹ Mn	No.	₹ Mn
Bharti Airtel Limited	1,500,000,000	15,000	500,000,000	5,000

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2009, the Company allotted 540,445,950 equity shares as fully paid bonus shares by capitalization of securities premium account.

On August 23, 2012, the Company further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2013, the Company made an Initial Public Offering (IPO) through book building process of 188,900,000 equity shares of ₹ 10 each in December 2012. The issue comprised of fresh issue of 146,234,112 equity shares and offer for sale of 42,665,888 equity shares by the existing shareholders. The Company has raised ₹ 32,303 Mn from fresh issue of shares and incurred share issue expenses of ₹ 771 Mn (net of tax ₹ 527 Mn, which have been adjusted with Securities premium account in line with requirements of Sec 78 of Companies Act, 1956). The Company's equity shares got listed on Dec 28, 2012 on both the Stock Exchanges (BSE & NSE).

On March 19, 2013, the Company allotted 100,212 equity shares of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received in form of employee services.

e. Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2013		As at March 31, 2012	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	1,500,000,000	79.42%	500,000,000	86.09%

f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, please refer note 31.

4. RESERVES AND SURPLUS

(₹ Millions)

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Surplus/ (deficit) in the statement of profit and loss	Total
As at April 1, 2011	**47,585**	**1,534**	**74,957**	**8,919**	**132,995**
Profit for the year	-	-	-	4,492	4,492
Add: amount arising under the Scheme of arrangement (note 42)	-	-	4,439	747	5,186
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited (note 44)	-	-	(922)	-	(922)
Add: gross compensation for options granted during the year	-	18	-	-	18
	47,585	**1,552**	**78,474**	**14,158**	**141,769**
Less: deferred employee stock compensation	-	(232)	-	-	(232)
As at March 31, 2012	**47,585**	**1,320**	**78,474**	**14,158**	**141,537**
Profit for the year	-	-	-	10,098	10,098
Add: addition during the year [note 3(d)]	30,865	-	-	-	30,865
Less: utilization towards share issue expenses (net of tax of ₹ 242 Mn) [note 3(d)]	(527)	-	-	-	(527)
Less: utilization during the year for bonus issue [note 3(d)]	(11,616)	-	-	-	(11,616)
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme of arrangement with Bharti Airtel Limited (note 44)	-	-	(919)	-	(919)
Less: Appropriations					
Interim dividend on equity shares (amount ₹ 2.5 per share)	-	-	-	(4,356)	(4,356)
Tax on Interim dividend on equity shares	-	-	-	(707)	(707)
Proposed final dividend on equity shares (amount ₹ 3 per share)				(5,666)	(5,666)
Tax on Proposed final dividend on equity shares				(963)	(963)
Transfer to General reserve*	-	-	2,426	(2,426)	-
Add: amount transferred from stock options outstanding	-	-	71	-	71
Add: gross compensation for options granted during the year	-	9	-	-	9
Less: gross compensation for options forfeited/ exercised during the year	-	(135)	-	-	(135)
	66,307	**1,426**	**80,052**	**10,138**	**157,923**
Less: deferred employee stock compensation	-	(86)	-	-	(86)
As at March 31, 2013	**66,307**	**1,340**	**80,052**	**10,138**	**157,837**

* During the year ended March 31, 2013 the Company has transferred 10% of accumulated profits up to March 31, 2013 to General Reserve in accordance with Companies (Transfer of Profits to Reserves) Rules, 1975.

5. LONG-TERM BORROWINGS

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Vehicle loan		
from banks	-	1
	-	1

"Vehicle loan" as at March 31, 2012 represent loan from banks which are secured by hypothecation of vehicles of the Company at a fixed rate of interest of 10.1% per annum. The loan has been repaid during the year ended March 31, 2013.

6. DEFERRED TAX LIABILITIES (NET)

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Deferred tax liability		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statements in future years	2,069	2,544
Revenue equalization (net) charged in financial statements but allowed as deduction under the Income Tax Act in future years on actual payment basis	3,374	2,596
Gross deferred tax liability	5,443	5,140
Deferred tax asset		
Provision for doubtful debts/ advances charged in financial statements but allowed as deduction under the Income Tax Act in future years (to the extend considered realisable)	521	416
Expenses allowed as deduction under Sec 35D of Income Tax Act in future years	242	-
Other expenses claimed as deduction in the financial statements but allowed as deduction under Income Tax Act in future year on actual payment (net)	593	519
Gross deferred tax asset	1,356	935
Net deferred tax liability	4,087	4,205

As of March 31, 2013 the above deferred tax assets and liabilities have been calculated using substantively enacted rates of 33.99% as per Finance Bill 2013.

7. OTHER LONG TERM LIABILITIES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Security deposits received	3,296	4,050
Lease equalization	1,384	1,186
Unearned revenue	97	118
	4,777	5,354

"Security deposits received" include ₹ 2,208 Mn (March 31, 2012 - ₹ 3,004 Mn) received from related parties. For details, refer note 35.

8. LONG TERM PROVISIONS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits (note 30)		
Gratuity	52	44
Long-term service award	10	8
	62	52
Asset retirement obligation (note 33)	3,213	1,832
	3,275	1,884

9. TRADE PAYABLES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Trade creditors (refer note 40 for details of dues to micro and small enterprises)	1,687	1,443
	1,687	1,443

10. OTHER CURRENT LIABILITIES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Equipment supply payables	2,745	2,676
Dues to employees	189	162
Accrued expenses	8,900	6,979
Other taxes payable	92	50
Contribution to employee funds	9	9
Unearned revenue	22	22
Security deposit	72	-
Payable to subsidiary company	9,650	9,650
	21,679	19,548

11. SHORT-TERM PROVISIONS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits (note 30)		
Gratuity	23	9
Leave encashment	56	44
Deferred bonus	-	18
Proposed dividend (note 3(b))	5,666	-
Tax on proposed dividend	963	-
	6,708	71

12. FIXED ASSETS

(₹ Millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible assets Total
Cost									
As at April 1, 2011	5	176,598	52	4	572	212	177,443	217	217
Additions	-	7,049	16	2	51	24	7,142	3	3
Disposals	-	(5,105)	-	-	-	-	(5,105)	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	(69,238)	-	-	-	-	(69,238)	-	-
As at March 31, 2012	**5**	**109,304**	**68**	**6**	**623**	**236**	**110,242**	**220**	**220**
Additions	-	10,557	32	-	34	40	10,663	3	3
Disposals	-	(1,817)	-	-	-	-	(1,817)	-	-
As at March 31, 2013	**5**	**118,044**	**100**	**6**	**657**	**276**	**119,088**	**223**	**223**
Depreciation									
As at April 1, 2011	-	47,242	21	2	336	35	47,636	84	84
Charge for the year	-	11,210	13	1	183	32	11,439	71	71
Disposals	-	(1,771)	-	-	-	-	(1,771)	-	-
Transfer/ Adjustment under the Scheme of arrangement	-	(19,860)	-	-	-	-	(19,860)	-	-
As at March 31, 2012	**-**	**36,821**	**34**	**3**	**519**	**67**	**37,444**	**155**	**155**
Charge for the year*	-	11,923	21	1	99	39	12,083	49	49
Disposals	-	(1,536)	-	-	-	-	(1,536)	-	-
As at March 31, 2013	**-**	**47,208**	**55**	**4**	**618**	**106**	**47,991**	**204**	**204**
Net block									
As at March 31, 2013	**5**	**70,836**	**45**	**2**	**39**	**170**	**71,097**	**19**	**19**
As at March 31, 2012	**5**	**72,483**	**34**	**3**	**104**	**169**	**72,798**	**65**	**65**

*"Charge for the year" includes depreciation of ₹ 244 Mn considered under exceptional items in the Statement of Profit and Loss (refer note 46).

"Plant and equipment" comprise of assets given on operating lease. For details, refer note 32(b)(i).

"Disposals" under "Plant and equipment" for the year ended March 31, 2012 includes assets transferred to the subsidiary company, Bharti Infratel Ventures Limited, the gross block of which is ₹ 4,635 Mn and accumulated depreciation is ₹ 1,408 Mn. For details, refer note 43.

"Transfer/ Adjustment under the Scheme of arrangement" under "Plant and equipment" represents assets transferred to Bharti Infratel Ventures Limited pursuant to the Scheme of arrangement approved by the Hon'ble High Court of Delhi. For details, refer note 42.

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited under Sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company at Nil value. Pursuant to the Scheme, the Company recorded the assets under "Plant and Equipment" at fair values of ₹ 89,601 Mn determined on the basis of then active market prices adjusted for any difference in nature, location or condition of specific asset. Accordingly the assets were recorded at increased value of ₹ 89,601 Mn with a corresponding impact on General Reserve. As per the Scheme depreciation on excess of fair value over the original historical cost in the books of Bharti Airtel Limited is being set off with the reserves created from the Scheme. Accordingly ₹ 6,053 Mn has been adjusted till March 31, 2013 with the General Reserve (₹ 802 Mn for the year ended March 31, 2013).

During the year ended March 31, 2013, the Company has revised its estimate for site restoration obligation of sites which has resulted in increase in the estimated obligation by ₹ 1,263 Mn. Had the Company not changed its estimate regarding the cost to be incurred for restoration of sites, depreciation for the year ended March 31, 2013 would have been lower by ₹ 54 Mn and profit after tax for year ended March 31, 2013 would have been higher by ₹ 36 Mn (net of tax) respectively (refer note 33).

13. NON-CURRENT INVESTMENTS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Trade investments		
Investment in equity, Unquoted		
Subsidiary - Bharti Infratel Ventures Limited: 50,000 (March 31, 2012 - 50,000) equity shares of ₹ 10 each fully paid up (note 41)	59,921	59,921
Joint venture - Indus Towers Limited: 500,000 (March 31, 2012 - 500,000) equity shares of ₹ 1 each fully paid up	0.5	0.5
	59,922	59,922
Aggregate Amount of unquoted investments	59,922	59,922

14. LONG-TERM LOANS AND ADVANCES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Capital advances		
Unsecured, considered good	30	72
Unsecured, considered doubtful	29	14
Less: Provision	(29)	(14)
	30	72
Security deposits		
Unsecured, considered good	991	850
Unsecured, considered doubtful	5	-
Less: Provision	(5)	-
	991	850
Other loans and advances		
MAT credit receivable	-	356
Advance income-tax (net of provision for taxation)	4,245	3,124
Advance fringe benefit tax (net of provision)	2	2
	5,268	4,404

"Security deposits" include Nil and ₹ 27 Mn as at March 31, 2013 and March 31, 2012 respectively, given to the joint venture company. For details, refer note 35.

15. OTHER NON-CURRENT ASSETS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Revenue equalization	11,360	9,234
Others, considered good	960	756
Others, considered doubtful	9	9
Less: Provision	(9)	(9)
	960	756
	12,320	9,990

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 37(ii).

16. CURRENT INVESTMENTS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Current investments (at lower of cost and market value)		
Investments in mutual funds	37,021	801
	37,021	801
Aggregate amount of unquoted investments	37,021	801

Details of investments are provided below:

(₹ Millions)

	As at March 31, 2013		As at March 31, 2012	
	No.	Amount	No.	Amount
Axis Liquid Fund - Daily Dividend	357,263	357	-	-
Baroda Pioneer Liquid Fund Plan A- Daily Dividend	1,252,646	1,253	-	-
BSL Cash Plus - Daily Dividend - Reinvestment	3,763,287	377	-	-
BSL Income Plus - Growth	66,774,310	3,539	-	-
DSP Black Rock Liquidity Fund - Institutional Plan-Daily Dividend	355,711	356	-	-
DWS Insta Cash Plus Fund Super Institutional Plan - Daily Dividend	2,562,251	257	-	-
HDFC Income Fund Growth	167,496,335	4,513	-	-
HDFC Short Term Plan-Dividend	227,007,058	2,344	-	-
ICICI Prudential Income Plan-Regular - Growth	122,528,068	4,540	-	-
ICICI Prudential Liquid Plan - Regular Daily Dividend	2,249,915	225	-	-
ICICI Prudential Liquid super Institutional Plan - Growth	-	-	1,893,593	300
ICICI Prudential Short Term Plan- Regular Monthly Dividend	251,659,171	3,010	-	-
IDFC Dynamic Bond Fund-Quarterly Dividend-(regular plan)	97,998,515	998	-	-
IDFC Super Saver Income Fund-Short Term Plan-Monthly Dividend-(regular plan)	206,301,679	2,079	-	-
JPMorgan India Liquid Fund Super Inst.Daily Dividend	22,326,393	223	-	-
Kotak Bond (short term)-Monthly Dividend	99,351,304	1,004	-	-
Kotak Bond Scheme Plan A-Growth	118,736,484	4,020	-	-
Kotak Liquid Scheme Plan A-Daily Dividend	397,972	487	-	-
L074G SBI Dynamic Bond Fund-Regular Plan-Growth	137,780,607	2,021	-	-
Reliance Income Fund-Growth Plan-Growth Option	51,792,003	1,999	-	-
Reliance Liquidity Fund-Daily Dividend Reinvetsment Option	401,157	401	-	-
Religare Liquid Fund - Daily Dividend	353,661	354	-	-
Religare Liquid Fund - Super Institutional Growth	-	-	237,674	350
Tata Liquid Fund Plan A-Daily Dividend	535,988	597	-	-
TATA Liquid Super High Inv.Fund - Appreciation	-	-	76,587	151
Templeton India Income Opportunities Fund- Growth	156,594,311	2,067	-	-
Total	1,738,576,089	37,021	2,207,854	801

17. TRADE RECEIVABLES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**118**	80
Unsecured, considered doubtful	**1,064**	849
Less: Provision for doubtful receivables	**(1,064)**	(849)
	118	80
Other receivables		
Unsecured, considered good	**1,927**	2,335
Unsecured, considered doubtful	**211**	349
Less: Provision for doubtful receivables	**(211)**	(349)
	1,927	2,335
	2,045	2,415

"Trade receivables" include receivables from related parties amounting to ₹ 1,573 Mn (March 31, 2012 - ₹ 1,753 Mn) respectively. For details, refer note 35.

18. CASH AND BANK BALANCES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Balances with banks on current accounts	**39**	78
Fixed deposits less than three months	**-**	100
Other bank balances		
Earmarked balances with banks	**733**	-
	772	178

"Earmarked balances with banks" comprise of amounts held in Escrow account payable towards share issue expenses.

19. SHORT-TERM LOANS AND ADVANCES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Loans and advances to related parties		
Unsecured, considered good	**25,468**	24,496
Advances recoverable in cash or kind		
Secured, considered good	**272**	288
Unsecured, considered good	**2,305**	2,113
Unsecured, considered doubtful	**267**	105
Less: Provision for doubtful advances	**(267)**	(105)
	2,577	2,401
MAT credit receivable	**175**	976
	28,220	27,873

"Loans and advances to related parties" includes interest bearing loan to parent company and subsidiary company amounting to ₹ 22,990 Mn as at March 31, 2013 (March 31, 2012 - ₹ 13,160 Mn) and ₹ 1,363 Mn as at March 31, 2013 (March 31, 2012 - ₹ 611 Mn) respectively. It further includes non interest bearing loans and advances to joint venture company amounting to ₹ 1,108 Mn as at March 31, 2013 (March 31, 2012 - ₹ 10,719 Mn). Refer note 35 for details.

"Advances recoverable in cash or kind" are secured to the extent they are backed by bank guarantees.

20. OTHER CURRENT ASSETS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Unbilled revenue (net)	1,267	668
Interest accrued	215	78
	1,482	746

"Unbilled revenue (net)" is net of provisions amounting to ₹ 1,162 Mn as at March 31, 2013 (March 31, 2012 - ₹ 1,425 Mn) considered for penalties, deductions etc. and includes revenues from related parties amounting to ₹ 1,418 Mn as at March 31, 2013 (March 31, 2012 - ₹ 157 Mn). Refer note 35 for details.

"Interest accrued" comprise of interest accrued on loan to parent company and subsidiary company amounting to ₹ 101 Mn and ₹ 114 Mn as at March 31, 2013 (March 31, 2012 - ₹ 61 Mn and ₹ 17 Mn) respectively. Refer note 35 for details.

21. REVENUES

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Rent	27,441	26,083
Energy and other reimbursements	17,160	15,499
	44,601	41,582

22. OTHER INCOME

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest income on:		
- Bank deposits	3	1
- Loans to group companies	1,850	1,074
- Others	8	3
Dividend income:		
- Investment in joint venture	4,050	-
- Current investments	110	-
Net gain on sale of current investments	532	26
Miscellaneous income	5	6
	6,558	1,110

23. POWER & FUEL

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Network	16,920	15,630
Others	22	17
	16,942	15,647

24. RENT

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Network	2,263	2,072
Others	119	112
	2,382	2,184

25. EMPLOYEE BENEFIT EXPENSES

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	1,764	1,550
Contribution to provident and other funds	59	53
Employee stock option scheme	106	249
Staff welfare expenses	84	74
Others	74	77
	2,087	2,003

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 30. Further, for details of employee stock option scheme, refer note 31.

26. OTHER EXPENSES

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Insurance	46	29
Repair and maintenance		
- Plant and Machinery	3,135	2,664
- Building	5	3
- Others	938	951
Traveling and conveyance	130	84
Communication costs	126	108
Legal and professional	192	187
IT expenses	186	176
Provision for doubtful debts and advances	251	399
Provision for fixed assets/ capital work in progress	(54)	35
Fixed assets written off#	-	-
Loss on sale of fixed assets (net)	(205)	(51)
Miscellaneous expenses		
- Network	549	712
- Others	119	95
	5,418	5,392

Payment to auditor

	Year ended March 31, 2013	Year ended March 31, 2012
Audit fee*^	14	5
Other services*	-	1
Reimbursement of expenses*^	1	1
	15	7

"Fixed assets written off" for the year ended March 31, 2013 and March 31, 2012 is net of ₹ 117 Mn and Nil respectively adjusted with General Reserve in accordance with the Scheme of arrangement. For details, refer note 44.
* Excluding service tax
^ Includes payment with respect to audit services in connection with the Company's Initial Public Offering amounting to ₹ 8 Mn for the year ended March 31, 2013 adjusted against securities premium.

27. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation of tangible assets	11,839	11,439
Amortization of intangible assets	49	71
	11,888	11,510
Less: adjusted with general reserve in accordance with the Scheme of Arrangement with Bharti Airtel Limited (note 44)	(802)	(922)
	11,086	10,588

28. FINANCE COSTS

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest	1	-
Bank charges	6	10
	7	10

29. EARNINGS PER SHARE (EPS)

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Nominal value of equity shares (₹)	10	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Million)	10,098	4,492
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	1,782,075,524	1,742,408,730
Dilutive effect on weighted average number of equity shares outstanding during the year*	4,246,946	3,941,928
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	1,786,322,470	1,746,350,658
Basic earnings per share (A/B) (₹)	5.666	2.578
Diluted earnings per share (A/C) (₹)	5.653	2.572

* Diluted effect on weighted average number of equity shares and profit attributable is on account of Employee Stock Option Plan (ESOP).

Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares, the number of equity shares/ potential equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company, on August 23, 2012, issued bonus shares in the ratio of two shares for every one share held to the existing shareholders by way of capitalization of securities premium account. Weighted average number of equity shares outstanding during current period and previous period reported have been considered accordingly.

30. EMPLOYEE BENEFITS

During the period, the Company has recognized the following amounts in the statement of profit and loss:

Defined contribution plans

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Employer's contribution to provident fund	59	53
Employer's contribution to ESI	-	-
Total	59	53

Defined benefit obligations

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Company.

i. Amount charged to the statement of profit and loss:

(₹ Millions)

Particulars	Gratuity#	
	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	21	18
Interest cost	6	3
Actuarial (gain)/ loss	2	5
Net gratuity cost	29	26

included in Salaries, wages and bonus (refer note 25).

ii. The assumptions used to determine the benefit obligations are as follows:

Particulars	Gratuity#	
	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate	8.50%	8.00%
Expected rate of increase in compensation levels	10.00%	9.00%
Expected average remaining working lives of employees (years)	24.95	25.07

iii. Reconciliation of opening and closing balances of benefit obligations:

(₹ Millions)

Particulars	Gratuity#	
	As at March 31, 2013	As at March 31, 2012
Projected benefit obligation at beginning of year	53	35
Current service cost	21	18
Interest cost	6	3
Benefits paid	(7)	(8)
Actuarial (gain)/ loss	2	5
Projected benefit obligation at end of year	75	53
Net amount recognized	(75)	(53)

iv. The discount rate is based on the average yield on government bonds at the accounting date with a term that matches that of the liabilities.
v. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
vi. Estimated amounts of benefits payable within next year are ₹ 33 Mn (March 31, 2012 – ₹ 26 Mn).
vii. The table below illustrates experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'.

(₹ Millions)

Particulars	Gratuity				
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Defined benefit obligation	75	53	35	22	12
Plan assets			-		
Surplus/ (deficit)	(75)	(53)	(35)	(22)	(12)
Experience adjustments on plan liabilities (loss)/ gain	(2)	(5)	(5)	(4)	-
Experience adjustments on plan assets (loss)/ gain		-	-	-	-

viii. Movement in provision for deferred bonus plan

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Opening balance	18	37
Add: addition during the year	2	14
Less: paid during the year	(20)	(33)
Total	-	18

31. EMPLOYEE STOCK OPTION PLANS

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Plan.

The Company has granted additional stock options in the ratio of two options for every one option outstanding as on August 23, 2012. The total number of additional options granted is 6,165 thousand.

Under the Plan 9,947 thousand options have been awarded to directors, officers and employees of the Company (including Group Companies) till date including the additional grants pursuant to bonus issue, out of which 34 thousand options have been granted during the year ended March 31, 2013.

Type of Arrangement	Date of Grant	Options outstanding* (in thousand)	Contractual Life	Vesting Conditions
Senior management Stock option				
A.	September 1, 2008	6,000	7 Years	Date of appointment
B.	January 1, 2009	636	7 Years	
C.	July 1, 2010	860	7 Years	
Executive stock option				
A.	April 1, 2010	85	7 Years	Date of appointment
B.	July 1, 2010	3	7 Years	
C.	August 10, 2010	124	7 Years	
D.	August 8, 2011	91	7 Years	
General employee stock option				
A.	January 1, 2009	167	7 Years	One year of continuous employment
B.	July 1, 2009	127	7 Years	
C.	January 1, 2010	458	7 Years	
D.	July 1, 2010	448	7 Years	
E.	August 1, 2011	148	7 Years	
Long term incentive plan				
A.	August 28, 2012	20	7 Years	Band 3 or above, performance based

* Represents the number of options outstanding as on March 31, 2013 after considering the impact of bonus issue in August 2012. The weighted average remaining contractual life for options outstanding at the end of year is 2.4 to 6.4 years.

The weighted average fair value per option based on Black Scholes valuation model is ₹ 475 on the original grants. The fair value is being amortized over the vesting period of 36 and 60 months, respectively on a graded vesting basis.

All options are planned to be settled in equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The options under this plan have an exercise price of ₹ 329 per equity share and vest on a graded basis. The exercise price of ₹ 329 per equity share has been diluted to one third pursuant to the bonus issue in August 2012. Further the options granted under 'Long term incentive plan' are at ₹ 10 per equity share.

Vesting period from the grant date	Vesting schedule
For options with a vesting period of 36 months:	
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%
For options with a vesting period of 48 months:	
On completion of 12 months	15%
On completion of 24 months	20%
On completion of 36 months	30%
On completion of 48 months	35%
For options with a vesting period of 60 months:	
On completion of 12 months	20%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	20%

Information concerning the stock options granted and outstanding at the year end is as follows:

Particulars	As at March 31, 2013		As at March 31, 2012	
	"Number of stock options (In '000)"	"Weighted average exercise price (₹)"	"Number of stock options (In '000)"	Weighted average exercise price (₹)
Number of shares under option:				
Outstanding at beginning of the year (a)	3,333	329	3,336	329
Cancelled or expired or forfeited up to the date of bonus issue (b)	251	329	-	-
Options outstanding as at the date of bonus issue (a-b)	3,082	329	-	-
Bonus issue in the ratio of 1:2	6,165	110	-	-
Granted	34	10	80	329
Exercised*	100	110	-	-
Cancelled or expired or forfeited	14	10	83	329
Outstanding at the year end	9,167	10-110	3,333	329
Exercisable at end of the year	6,431	110	1,631	329
Weighted average grant date fair value per option for options granted during the year at less than market value	34	258	80	475

*The weighted average share price at the exercise date was ₹ 199 per share for options exercised during the year ended March 31, 2013.

The weighted average fair value of stock options granted during the year was ₹ 258 per share. The fair value of the options granted was estimated on the date of grant using the Black Scholes / Lattice Valuation model with the following assumptions:

	Year ended March 31, 2013	Year ended March 31, 2012
Risk free interest rates	8.37% to 8.62%	8.37% to 8.62%
Vesting period	36 months	48 months
Weighted average share price(₹)	219	658
Weighted average remaining contractual life	6.4 years	6.4 years
Volatility	52.42% to 52.43 %	52.42% to 52.43 %
Dividend yield	0.00%	0.00%

The balance of deferred stock compensation as on March 31, 2013 is ₹ 86 Mn (March 31, 2012 – ₹ 232 Mn) and total employee stock compensation expense recognized for the year ended March 31, 2013 and March 31, 2012 is ₹ 106 Mn and ₹ 249 Mn respectively.

Note:

Bharti Airtel Limited has given stock options to certain employees of the Company. Bharti Airtel Limited has not charged the compensation cost relating to the stock options granted to the Company. Besides this, the Company has also given stock options to certain employees of Bharti Airtel Limited and has considered the related compensation cost in its books.

32. LEASES

(a) Operating lease: Company as a lessee

The lease rentals paid under non-cancelable leases relating to rent of building premises and sites as per the agreements with escalations rates ranging from 0% to 7 % per annum and the maximum obligation on long-term non-cancellable operating leases are as follows:

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Lease rental charged to statement of profit and loss	2,382	2,184
Obligation on non-cancelable lease:		
Not Later than one year	2,179	1,948
Later than one year but not later than five years	8,981	8,137
Later than five years	17,243	17,063
Total	28,403	27,148

The lease rentals include rent equalization of ₹ 199 Mn and ₹ 200 Mn for the year ended March 31, 2013 and March 31, 2012 respectively.

(b) Operating lease: Company as a lessor

(i) The Company has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum. The service charges recognized as income during the year ended March 31, 2013 and March 31, 2012 for non cancelable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 27,937 Mn and ₹ 26,853 Mn respectively, excluding IRU income covered in (b) (ii) below.

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Future minimum lease payment receivable:		
Not Later than one year	26,779	23,729
Later than one year but not later than five years	113,503	100,615
Later than five years	129,385	139,016
Total	269,667	263,360

Revenue includes revenue equalization of ₹ 2,126 Mn and ₹ 2,161 Mn for the year ended March 31, 2013 and March 31, 2012 respectively.

(ii) The Company has entered into a non-cancelable lease arrangement to provide access to the Passive Infrastructure located at 12 Circles on indefeasible right of use (IRU) basis for a period of two years to its Joint Venture Company, Indus Towers Limited from January 1, 2009. The term has been further extended till June 30, 2014. The IRU has been assigned to Bharti Infratel Ventures Limited pursuant to the Scheme of arrangement. The Company has credited lease rental to the statement of profit and loss on a straight-line basis over the lease term amounting to Nil and ₹ 206 Mn for the year ended March 31, 2013 and March 31, 2012 respectively.

33. ASSET RETIREMENT OBLIGATION

The Company uses various premises on lease to install plant and equipment. A provision is recognized for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with AS–29 on *'Provisions, Contingent liabilities and Contingent Assets'*, as per Companies Accounting Standard Rules, 2006, is given below:

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	1,832	3,730
Additions during the year (refer note below)	1,381	29
Less: Reversed in accordance with the Scheme of arrangement (note 42)	-	(1,816)
Less: Reversed during the year (note 43)	-	(111)
Closing Balance	3,213	1,832

During the year ended March 31, 2012, the Company has reversed ARO amounting to ₹ 1,816 Mn pursuant to the Scheme of arrangement approved by the Hon'ble High Court of Delhi (for details, refer note 42). Further during the year ended March 31, 2012, the Company has transferred ARO amounting to ₹ 111 Mn to Bharti Infratel Ventures Limited (for details, refer note 43).

During the year ended March 31, 2013, the Company has revised its estimate for site restoration obligation which has resulted in increase in the estimated obligation by ₹ 1,263 Mn. Had the Company not changed its estimate regarding the cost to be incurred for restoration of sites, the depreciation for the year ended March 31, 2013 would have been lower by ₹ 54 Mn and the profit after tax for year ended March 31, 2013 would have been higher by ₹ 36 Mn (net of tax) respectively.

34. INTEREST IN JOINT VENTURE

The Company holds 42% interest in Indus Towers Limited, a jointly controlled entity which is involved in providing passive infrastructure to telecom companies.

The Company's share of the assets, liabilities, income and expense of the jointly controlled entity as at and for the year ended March 31, 2013 and March 31, 2012 respectively are as follows:

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	0.5	0.5
Reserves and surplus	948	4,428
	949	4,429
Non-current liabilities		
Long-term borrowings	32,296	23,888
Deferred tax liabilities (net)	2,072	1,802
Other long-term liabilities	5,838	8,310
Long-term provisions	2,910	1,362
	43,116	35,362
Current liabilities		
Short-term borrowings	863	12,768
Trade payables	9,781	4,764
Other current liabilities	14,534	12,820
Short-term provisions	2,590	25
	27,768	30,377
Total equity and liabilities	71,833	70,168
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	50,873	47,693
Intangible assets	173	204
Capital work-in-progress	952	1,197
Long-term loans and advances	5,444	4,070
Other non-current assets	2,423	2,182
	59,865	55,346
Current assets		
Current investments	1,890	2,562
Trade receivables	1,290	2,373
Cash and bank balances	480	301
Short-term loans and advances	2,395	4,534
Other current assets	5,913	5,052
	11,968	14,822
Total assets	71,833	70,168

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
INCOME		
Revenues	55,387	50,481
Other income	718	353
	56,105	50,834
EXPENSES		
Power and fuel	21,074	17,971
Rent	10,373	10,234
Employee benefits expenses	1,252	1,093
Other expenses	6,812	6,570
	39,511	35,868
Earnings before interest, tax, depreciation and amortization (EBITDA)	16,594	14,966
Depreciation and amortization expense	6,870	6,657
Finance costs	3,939	4,060
	10,809	10,717
Profit before tax and exceptional items	5,785	4,249
Exceptional items	(9)	-
Profit before tax	5,776	4,249
Tax expenses		
Current tax	1,710	902
Less: MAT credit entitlement	-	(594)
Deferred tax	270	1,053
Total tax expense	1,980	1,361
Profit for the year	3,796	2,888
Capital commitments	491	912
Contingent liabilities	1,836	1,537

35. RELATED PARTY DISCLOSURES

In accordance with the requirements of Accounting Standards (AS) - 18 on Related Party Disclosures, the names of the related parties where control exists and/ or with whom transactions have taken place during the period and description of relationships, as identified and certified by the management are as below:

A. List of related parties

1. Key management personnel
   Akhil Kumar Gupta

2. Related parties where control exists irrespective of whether transactions have occurred or not
   Holding company — Bharti Airtel Limited
   Subsidiary company — Bharti Infratel Ventures Limited

3. Other related parties with whom transactions have taken place during the year

Name of the related party	Relationship
Bharti Airtel Services Limited	Fellow subsidiary
Bharti Enterprises Limited	Entity having significant influence
Bharti Foundation	Entity having significant influence
Bharti Hexacom Limited	Fellow subsidiary
Bharti Telemedia Limited	Fellow subsidiary
Centum Learning Limited	Fellow subsidiary
Indus Tower Limited	Joint Venture

B. Related party transactions during the year ended March 31:

(₹ Millions)

Nature of transaction	Bharti Airtel Limited		Bharti Hexacom Limited		Bharti Telemedia Limited		Bharti Enterprises Limited		Bharti Infratel Ventures Limited		Centum Learning Limited		Bharti Airtel Services Limited		"Key Management Personnel"		Bharti Foundation		Indus Towers Limited	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Loan given	13,500	11,460	-	-	-	-	-	-	1,152	610	-	-	-	-	-	-	-	-	-	804
Loan repaid	(3,670)	(6,100)	-	-	-	-	-	-	(400)	-	-	-	-	-	-	-	-	-	(9,599)	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5
Purchase of fixed assets	-	-	-	(28)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from operations*	28,828	25,909	2,242	2,029	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	228
Expenses (other than employee related) incurred on behalf of Company	(4)	(15)	-	-	-	(2)	(104)	(106)	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(232)	(375)
Employee related expenses incurred on behalf of Company	(28)	(2)	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Procurement of services	(169)	(131)	-	(3)	-	-	-	-	-	-	(26)	(31)	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(70)	(65)	-	-	-	-
Security deposit received	(72)	(54)	(9)	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit refunded	816	-	62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income from loan given	1,743	1,055	-	-	-	-	-	-	108	19	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28)	(13)
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,050	-
Dividend paid	(3,750)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50)	-	-	-
Total	**37,185**	**32,122**	**2,295**	**1,988**	**(3)**	**(2)**	**(104)**	**(106)**	**860**	**629**	**(26)**	**(31)**	**-**	**-**	**(70)**	**(65)**	**(50)**	**-**	**(5,809)**	**649**
Balance outstanding:																				
Trade payables and Other current liabilities	(193)	(195)	(37)	(37)	-	-	-	(10)	(9,650)	(9,650)	(6)	(9)	(1)	(3)	(46)	(39)	-	-	(303)	(531)
Short-term loans and advances	22,990	13,160	-	-	-	-	-	-	1,363	611	7	7	-	-	-	-	-	-	1,108	10,719
Other current assets	1,449	218	70	-	-	-	-	-	114	17	-	-	-	-	-	-	-	-	-	-
Trade receivables	1,278	1,565	284	177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	11
Long-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27
Security deposits received	(1,769)	(2,512)	(131)	(184)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(308)	(308)
Total	**23,755**	**12,236**	**186**	**(44)**	**-**	**-**	**-**	**(10)**	**(8,173)**	**(9,022)**	**1**	**(2)**	**(1)**	**(3)**	**(46)**	**(39)**	**-**	**-**	**508**	**9,918**

Also refer note 43 and 44 below.

*Inclusive of service tax and exclusive of revenue equalization.
During the year ended March 31, 2013, the Company allotted 43,700 equity shares to relatives of certain directors of the Company during IPO.

Security deposits received as at March 31, 2013 does not reflect amount payable to the Joint Venture, Indus Towers Limited (Indus), of ₹ 4,536 Mn (March 31, 2012 - ₹ 4,536 Mn) as this is now payable by the subsidiary company, Bharti Infratel Ventures Limited, while as per the related party statement of the Joint Venture this amount is recoverable from the Company. In case the Company is required to pay to the Joint Venture, it will recover the said amount from the Subsidiary Company.

36. CAPITAL AND OTHER COMMITMENTS

(i) Capital commitment

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	2,910	1,763
Under the IT Outsourcing agreement, the Company has commitment for capital purchases and service charges	1,663	1,916
	4,573	3,679

(ii) Other commitments

For commitments relating to lease agreements, refer note 32.

37. CONTINGENT LIABILITIES

(i) Financial bank guarantees

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Total guarantees issued by banks and financials institutions on behalf of the Company	427	119
Total	427	119

(ii) Claims against the Company not acknowledged as debt

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales tax (refer to a below)	337	252
- Stamp duty (refer to b below)	266	266
- Entry tax (refer to c below)	1,257	1,114
- Municipal taxes (refer to d below)	770	512
(ii) Other claims under legal cases including arbitration matters (refer to f below)	199	140
(iii) Income tax matters (refer to e below)	49	81
Total	2,878	2,365

Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable.

(a) Sales tax

The claims for sales tax as of March 31, 2013 comprise of the cases relating to the right to use and sales tax demand on purchase of equipments against 'C' Form.

(b) Stamp Duty
The Company has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry tax
In certain States an entry tax is levied on receipt of material from outside the State. This position has been challenged by the Company in the respective States, on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have been raised whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

(d) Rates and taxes
The Company is in the process of assessing the applicability and tenability of certain municipal levies which is an industry wide phenomenon and will also be representing to the authorities wherever required. The management does not consider the impact of such assessment to be material.

(e) Income tax
The Company has received assessment order for the AY 2008-2009, wherein an initial demand of ₹ 13 Mn (March 31, 2012 - ₹ 13 Mn) has been raised by the authority. The Company has filed an appeal against the same. The contingent liability amount stated above further includes ₹ 36 Mn (March 31, 2012 - ₹ 68 Mn) relating to various TDS related matters.

During the year ended March 31, 2013, the Company has received assessment order for the AY 2010-2011, wherein an initial demand of ₹ 1,004 Mn has been raised by the authority. However, the same has not been acknowledged as claims by the Company.

(f) Others
Others mainly include site related legal disputes.

38. UTILIZATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended March 31, 2013, the Company has raised ₹ 31,657 Mn through public issue (net of ₹ 646 Mn retained in Escrow account towards share issue expenses). As on March 31, 2013, pending utilization of issue proceeds, the entire funds have been deployed in Mutual funds investments amounting to ₹ 31,657 Mn.

39. (a) Expenditure in foreign currency (cash basis)

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Legal and professional*	59	19
IT expenses	1	5
	60	24

* Comprise of payments made to Legal counsels towards professional services rendered in connection with the Company's Initial Public Offering amounting to ₹ 59 Mn for the year ended March 31, 2013 adjusted against securities premium.

(b) Dividend remitted in foreign currency

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Number of non - resident shareholders to whom dividend was due	4	-
Number of equity shares held on which dividend was due (in Mn)	50	-
Amount remitted (₹ in Mn)	124	-
Amount remitted (USD in Mn)	2	-

Interim Dividend of ₹ 2.50 per equity share (Face value per share ₹ 10) was declared and paid for the financial year 2012-13.

In addition to above, interim dividend amounting to ₹ 482 Mn has been paid to other non-resident shareholders in Indian Rupees.

Particulars of unhedged foreign currency exposure as at March 31, 2013:-

Other current liabilities - Accrued expenses	Nil (March 31, 2012 – US$ 0.2 Mn) Nil (March 31, 2012 – ₹ 1 Mn)

(c) Value of imports calculated on CIF basis is Nil as at March 31, 2013 (March 31, 2012 - Nil).

40. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	33	52
Interest due on above	-	-
	33	52
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting year	10	3
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006		

41. Since the Company's business activity falls within a single business and geographical segment of providing passive infrastructure, there are no additional disclosure to be provided under Accounting Standard - 17 'Segment reporting' other than those already provided in the financial statements.

42. SCHEME OF ARRANGEMENT FOR TRANSFER OF TELECOM INFRASTRUCTURE IN CERTAIN SPECIFIED TELECOM CIRCLES TO BHARTI INFRATEL VENTURES LIMITED

The Scheme of Arrangement for transfer of passive telecom infrastructure undertaking (BIVL Scheme) in certain specified telecom circles to BIVL was approved by the Hon'ble High Court of Delhi on March 29, 2011 and became effective on May 05, 2011 on filing of High court order with the Registrar of Companies. As per the terms of the BIVL Scheme, the Company transferred the passive telecom infrastructure in certain specified telecom circles on the appointed date (April 1, 2009) worth ₹ 59,921 Mn to Bharti Infratel Ventures Limited at Nil value by debiting to profit and loss account on the appointed date.

In accordance with the scheme, Investment in Bharti Infratel Ventures Limited has been fair valued at ₹ 59,921 Mn with a corresponding credit to Reserve for Business Restructuring.

Fair Value of Assets as on April 01, 2009

	(₹ Millions)
Fixed assets	60,932
Long-term loans & advances	1,376
Short-term loans & advances	19
Deffered tax liabilities (net)	(2,406)
Amount recognised as investment	**59,921**

The Reserve for Business Restructuring arising there on has been transferred to the statement of profit and loss as on the appointed date. Further, the lease equalization reserve pertaining to demerged passive infrastructure amounting to ₹ 939 Mn (net of deferred tax liability of ₹ 484 Mn) and asset retirement obligations amounting to ₹ 552 Mn (net of deferred tax asset of ₹ 284 Mn) respectively, have been transferred to free reserve/ Reserve for Business Restructuring. Further, the adjustment to reserves earlier considered by the Company, with respect to depreciation on the excess fair values over the original book value of assets transferred by Bharti Airtel Limited (Refer Note 44) and pertaining to the telecom infrastructure transferred to Bharti Infratel Ventures Limited for the period April 1, 2009 till March 31, 2011 amounting to ₹ 2,948 Mn has been reversed in the books of the Company. The cumulative net impact of the above amounting to ₹ 4,439 Mn has been included under Reserve and surplus as at March 31, 2012.

Losses for the period April 1, 2009 till March 31, 2011 pertaining to the operations of the passive infrastructure assets transferred to Bharti Infratel Ventures Limited amounting to ₹ 747 Mn have also been included under Reserve and surplus as at March 31, 2012.

The above treatment has been followed in accordance with the treatment prescribed in the Scheme sanctioned by the Hon'ble High Court. Generally Accepted Accounting Principles in India (Indian GAAP) do not permit fair valuation of investment, creation of Reserve for Business Restructuring and the transfer of same to Profit and Loss Account and adjusting the asset retirement obligation and lease equalization reserve with Reserve for Business Restructuring. Accordingly, had the Company accounted for above as per generally accepted accounting principles instead of as per the Scheme, the value of Investments, General Reserve and net surplus in the statement of profit and loss would have been lower by ₹ 59,921 Mn, ₹ 1,491 Mn (net of deferred tax of ₹ 768 Mn) and ₹ 58,430 Mn respectively.

43. During the year ended March 31, 2012, the Company has entered into an agreement with Bharti Infratel Ventures Limited for transfer of certain assets and liabilities relating to certain specified telecom circles. Pursuant to this the following assets and liabilities have been transferred to Bharti Infratel Ventures Limited as at December 31, 2011:-

	(₹ Millions)
Other long-term liabilities	4,584
Long-term provisions	111
Fixed assets, (net)	(3,227)
Trade receivables	(137)
Short-term loans and advances	(1,320)
Other current liabilities	(11)

44. During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Had the Company followed generally accepted accounting principles in India (IGAAP), General Reserve as at March 31, 2013 and March 31, 2012 would have been higher by ₹ 6,170 Mn and ₹ 5,251 Mn respectively and depreciation for the year ended March 31, 2013 and March 31, 2012 would have been higher and profit for year ended March 31, 2013 and March 31, 2012 would have been lower by ₹ 802 Mn and ₹ 922 Mn respectively. Also, other expenses for the year ended March 31, 2013 would have been higher and profit for the same period would have been lower by ₹ 117 Mn.

45. On May 31, 2011, the subsidiary company 'Bharti Infratel Ventures Limited' filed a Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 before Hon'ble High Court of Delhi whereby the subsidiary company was to merge with Indus Towers Limited, with appointed date as April 1, 2009.

On April 18, 2013, the Hon'ble High Court has sanctioned the said Scheme which provides for transfer of all assets and liabilities of subsidiary company to Indus Towers Limited and winding-up of the subsidiary company subject to the final order in another appeal pending before the Division bench of Delhi High Court and any other orders in any further proceedings thereafter. The said Scheme shall be effective on filing of certified copy of Order of Hon'ble High Court of Delhi with the Registrar of Companies (ROC). As on the date of approval of these financial statements the said order has not been filed with ROC. Accordingly, the scheme has not been given effect to in these financial statements.

46. During the year ended March 31, 2013, a customer has exited from specified tenancies resulting in the Company recovering ₹ 360 Mn from the customer. Further, the Company has provided for revenue equalization reserve and loss in value of fixed assets amounting to ₹ 85 Mn and ₹ 244 Mn respectively. The Company considers the aforesaid exit as an exceptional item and has accordingly disclosed the net amount of ₹ 31 Mn as exceptional item.

47. During the year ended March 31, 2013, the Joint Venture Company has declared and paid Interim dividend for the financial year 2012-2013 @ ₹ 8,100 per equity share of ₹ 1 each to all the shareholders.

48. Previous year figures have been regrouped/ reclassified where necessary to conform to the current year's classifications.

Consolidated Financial Statements with Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of Bharti Infratel Limited

We have audited the accompanying consolidated financial statements of Bharti Infratel Limited ("the Company") and its subsidiary and joint ventures, collectively the ("Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other matters
We did not audit the financial statements of Indus Towers Limited, a joint venture of Company, whose audited financial statements reflect total assets of ₹ 166,185 million as at March 31, 2013, the total revenue of ₹ 133,741 million and cash outflows (net) amounting to ₹ 423 million for year then ended, on the basis of amounts reflected in the audited financial statements of the joint-venture and before elimination of the inter-company transactions between the Group and the joint venture on consolidation. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm's Registration Number: 101049W

per Nilangshu Katriar
Partner
Membership Number: 58814

Place of Signature: Gurgaon
Date: April 30, 2013

Consolidated Balance Sheet as at March 31, 2013

(₹ Millions)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	18,887	5,808
Reserves and surplus	4	153,038	139,433
		171,925	145,241
Non-current liabilities			
Long-term borrowings	5	32,296	23,889
Deferred tax liabilities (net)	6	7,610	7,275
Other long-term liabilities	7	15,570	18,520
Long-term provisions	8	8,806	5,138
		64,282	54,822
Current liabilities			
Short-term borrowings	9	-	7,704
Trade payables	10	7,106	4,147
Other current liabilities	11	26,520	22,657
Short-term provisions	12	7,097	96
		40,723	34,604
Total equity and liabilities		276,930	234,667
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		163,047	166,934
Intangible assets		192	268
Capital work-in-progress		1,723	1,856
Long-term loans and advances	14	11,176	11,296
Other non-current assets	15	14,743	12,173
		190,881	192,527
Current assets			
Current investments	16	38,911	3,363
Trade receivables	17	8,554	6,824
Cash and bank balances	18	1,267	481
Short-term loans and advances	19	30,022	25,679
Other current assets	20	7,295	5,793
		86,049	42,140
Total assets		276,930	234,667

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration Number: 101049W
Chartered Accountants

For and on behalf of the board

per Nilangshu Katriar
Partner
Membership Number: 58814

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Place : New Delhi
Date : April 30, 2013

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Consolidated Statement of Profit and Loss account for the year ended March 31, 2013

(₹ Million, except per share data)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenues	21	102,720	94,521
Other income	22	3,127	1,450
		105,847	95,971
Expenses			
Power and fuel	23	38,016	33,619
Rent	24	10,876	10,611
Employee benefits expenses	25	3,341	3,096
Other expenses	26	12,133	11,851
		64,366	59,177
Earnings before interest, tax, depreciation and amortization (EBITDA)		41,481	36,794
Depreciation and amortization expense	27	24,402	23,807
Less: adjusted with general reserve in accordance with the Scheme (note 41 and 42)		(2,203)	(2,369)
		22,199	21,438
Finance costs	28	3,945	4,073
Charity and donation		52	1
		26,196	25,512
Profit before exceptional items and tax		15,285	11,282
Exceptional items (note 44)		(22)	-
Profit before tax		15,307	11,282
Tax expenses			
Current tax		4,778	3,051
Less: MAT credit entitlement		(75)	(639)
Deferred tax		579	1,379
Total tax expense		5,282	3,791
Profit for the year		10,025	7,491
Earnings per equity share (nominal value of share ₹ 10 each)	29		
Basic		5.625	4.299
Diluted		5.612	4.290

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the board

per Nilangshu Katriar
Partner
Membership No: 58814

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Place : New Delhi
Date : April 30, 2013

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Cash flows from operating activities		
Profit before taxation	15,307	11,282
Adjustments for -		
Depreciation and amortization expense	22,199	21,438
Interest income	(2,015)	(1,140)
Dividend income	(132)	-
Interest expense	3,717	3,805
Amortization of loan origination fee	218	254
Net gain on sale of current investments	(753)	(145)
Employee stock compensation expense	103	296
Revenue equalization	(2,590)	(2,677)
Rent equalization	468	551
Provision for doubtful debts and advances	341	646
Provision for capital work in progress	58	125
Fixed assets written off	85	26
Loss / (profit) on sale of fixed assets (net)	(235)	52
Operating profit before working capital changes	36,771	34,513
Increase / (Decrease) in trade payables	2,959	4,464
Increase / (Decrease) in other current liabilities	3,625	(838)
Increase / (Decrease) in short-term provisions	(2)	(2)
Increase / (Decrease) in other long-term liabilities	(3,408)	222
Increase / (Decrease) in long-term provisions	26	41
(Increase) / Decrease in trade receivables	(1,875)	(397)
(Increase) / Decrease in short-term loans and advances	4,680	(90)
(Increase) / Decrease in other current assets	(2,236)	(1,641)
(Increase) / Decrease in long-term loans and advances	(250)	(430)
(Increase) / Decrease in other non-current assets	(56)	(220)
Cash generated from operations	40,234	35,622
Income tax paid (net of refunds)	(3,722)	(3,629)
Net cash flow from operating activities (A)	36,512	31,993
Cash flows from investing activities		
Purchase of fixed assets	(16,784)	(15,713)
Purchase of intangible assets	(47)	(73)
Proceeds from sale of fixed assets	658	536
Loan given to parent company	(13,500)	(11,460)
Loan repaid by parent company	3,670	6,100
Purchase of current investments	(165,196)	(63,527)
Proceeds from sale of current investments	130,401	62,764
Interest received	1,975	1,229
Dividend received	132	-
Net cash flow (used in) investing activities (B)	(58,691)	(20,144)
Cash flows from financing activities		
Proceeds from issue of share capital	32,303	-
Share issue expenses paid	(771)	-
Proceeds from exercise of stock options	11	-
Repayment of borrowings	(41,985)	(9,868)
Proceeds from borrowings	42,210	2,237
Interest paid	(3,715)	(3,803)
Loan origination fee paid	(101)	(72)
Interim dividend paid	(4,357)	-
Tax on interim dividend	(1,364)	-
Net cash flow from/ (used in) financing activities (C)	22,231	(11,506)

		(₹ Millions)
	Year ended March 31, 2013	Year ended March 31, 2012
Net increase in cash and cash equivalents during the year (A+B+C)	**52**	343
Cash and cash equivalents at the beginning of the year	**468**	125
Cash and cash equivalents at the end of the year	**520**	468
Components of cash and bank balances		
Cash and cash equivalents		
Balance with scheduled banks:		
Current account	**98**	160
Cheques in hand	**27**	44
Fixed deposits with maturity less than three months	**395**	264
Total cash and cash equivalents	**520**	468
Other bank balances		
Deposit more than three months but less than twelve months	**14**	13
Earmarked balances with banks	**733**	-
Total Cash and bank balances	**1,267**	481

Summary of significant accounting policies **2.1**

The accompanying notes are an integral part of the consolidated financial statements.

Notes :

1 The above consolidated cash flow statement has been prepared under the indirect method set out in AS-3 'Cash Flow Statements' notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

2. Figures in brackets indicate cash outflow.

As per our report of even date

For S. R. Batliboi & Associates LLP
Firm Registration No.: 101049W
Chartered Accountants

per Nilangshu Katriar
Partner
Membership No: 58814

Place : New Delhi
Date : April 30, 2013

For and on behalf of the board

Akhil Gupta
Managing Director

D S Rawat
Chief Executive Officer

Sarvjit Singh Dhillon
Director

Anupam Garg
Company Secretary

Pankaj Miglani
Chief Financial Officer

Notes to the Consolidated Financial Statements

1. CORPORATE INFORMATION

Bharti Infratel Limited ('the Company' or 'BIL') incorporated on November 30, 2006 with the object of, inter-alia, setting up, operating and maintaining wireless communication towers. The Company received the certificate of commencement of business on April 10, 2007 from the Registrar of Companies. The Registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company has entered into a joint venture agreement with Vodafone India Limited and Aditya Birla Telecom Limited to provide passive infrastructure services in 15 specified telecom circles of India and formed Indus Towers Limited for such purpose. The Company and Vodafone India Limited are holding approximately 42% each in Indus Towers Limited and the balance 16% is held by Aditya Birla Telecom Limited. Indus Towers Limited is incorporated in India.

The Company together with its wholly owned subsidiary, Bharti Infratel Ventures Limited, and joint venture is hereinafter referred to as 'the Group'. The Group is a leading telecom passive infrastructure service provider in India.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis of accounting and reporting requirements of Accounting Standard ('AS-21') 'Consolidated Financial Statements' and ('AS-27') 'Financial Reporting of Interest in Joint Venture' notified under Companies (Accounting Standards) Rules, 2006, ('as amended') and consolidated as detailed below for the year ended March 31, 2013. The accounting policies as presented in paragraph 2.1 below have been consistently applied by the Group and are consistent with those used in the previous year.

These financial statements represent consolidated accounts of the Company and its subsidiary and joint venture as follows:

Entity	Country of Incorporation	Principal Service	Relationship	Shareholding as at 31-Mar-13	Shareholding as at 31-Mar-12
Indus Towers Limited	India	Passive Infrastructure Services	Joint Venture	42%	42%
Bharti Infratel Ventures Limited	India	Passive Infrastructure Services	Subsidiary	100%	100%

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income, expenses, assets and liabilities on a line-by-line basis with similar items in the Group's financial statements.

Inter-Company balances have been eliminated on consolidation for Subsidiary. For elimination of transaction between joint venture and the Company is done to the extent of proportionate share. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2.1. Summary of significant accounting policies

a. Use of estimates

The preparation of consolidated financial statements is in conformity with generally accepted accounting principles Indian GAAP and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Tangible fixed assets

Fixed assets are stated at cost of acquisition, except for assets acquired under the Scheme of Arrangement (refer note 41 and 42), which are stated at fair values as per the Scheme, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises cost of acquisition, including taxes and duties (net of CENVAT credit), freight and other incidental expenses related to acquisition and installation.

Site restoration cost obligations are capitalized when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Group has used the following lives to provide depreciation on its fixed assets:

	Useful lives
Plant and machinery	3 to 20 years
Furniture and fixtures	5 years
Vehicles	5 years
Office equipments	2 years/ 5 years
Computers	3 years
Leasehold improvements	Period of lease or useful life, whichever is less

The site restoration cost obligation capitalized as a part of plant and machinery is depreciated over the period of the useful life of the related asset.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Software is capitalized at the amounts paid to acquire the respective license for use and is amortized over the period of licence, generally not exceeding three years.

Amortization is recognized in statement of profit and loss on a straight-line basis over the estimated useful economic lives of intangible assets from the date they are available for use. The amortization period and the amortization method are reviewed at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

e. Leases

Where the Group is lessee
Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the inception of the lease term at the lower of the fair value of the leased asset and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

f. Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell and value in use. Impairment losses are recognized in the statement of profit and loss under the caption depreciation and amortization expense.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Revenue recognition and receivables

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenues
Revenues include revenue from the use of sites and energy charges received from customers. Revenue is recognized as and when services are rendered. If the payment terms in the service agreements include fixed escalations, the effect of such increases is recognized on a straight-line basis over the fixed, non-cancellable term of the agreement, as applicable.

Unbilled receivables represent revenues recognized from the last invoice raised to customer to the period end. These are billed in subsequent periods based on the terms of agreement with the customers. The Group collects service tax on behalf of the Government of India and therefore, it is not an economic benefit flowing to the Group. Hence it is excluded from revenue.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends
Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

Provision for doubtful debts
The Group provides for amounts outstanding for more than 105 days from the invoice date in case of site sharing debtors other than from the parent company or in specific cases where management is of the view that the amounts for certain customers are not recoverable.

j. Foreign currency transactions and balances

Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non- monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences
Exchange differences arising on settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous consolidated financial statements, are taken to the statement of profit and loss.

k. Retirement and other employee benefits

Short term employee benefits are recognized in the period during which the services have been rendered.

All employees of the Group are entitled to receive benefits under the provident fund, which is a defined contribution plan. Contribution to provident fund is recognized as and when services are rendered. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Group are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Group's contributions to both these schemes are expensed in the statement of profit and loss as and when they are due. The Group has no further obligations under these plans beyond its monthly contributions.

The Group provides for Gratuity obligations through a defined benefit retirement plan covering all employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each reporting period end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

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

l. Income taxes

Tax expense comprises current and deferred tax.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to statement of the profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

m. Employee stock compensation cost

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for options to buy equity instruments (equity-settled transactions).

In accordance with the *SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments*, the cost of equity-settled transactions is measured using the Black Scholes / Lattice Valuation option pricing model and the fair value is recognized as an expense over the period in which the options vest, on a straight line basis, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options to buy equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

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

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

p. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

q. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

3. SHARE CAPITAL

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Authorised shares		
3,500,000,000 (March 31, 2012 - 600,000,000) equity shares of ₹ 10 each	**35,000**	6,000
Issued, subscribed and fully paid-up shares		
1,888,743,054 equity shares of ₹ 10 each fully paid up (March 31, 2012 - 580,802,910 equity shares of ₹ 10 each)	**18,887**	5,808
	18,887	5,808

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2013		As of March 31, 2012	
	No.	₹ Mn	No.	₹ Mn
At the beginning of the year	**580,802,910**	**5,808**	580,802,910	5,808
Issued during the year - Bonus issue	**1,161,605,820**	**11,616**	-	-
Issued during the year - Initial public offer	**146,234,112**	**1,462**	-	-
Issued during the year - ESOP	**100,212**	**1**	-	-
Outstanding at the end of the year	**1,888,743,054**	**18,887**	580,802,910	5,808

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

During the quarter ended September 30, 2012, the Company has declared and paid Interim dividend for the financial year 2012-2013 @ ₹ 2.50 per equity share to all the existing shareholders as on September 6, 2012, comprising of ₹ 1.50 per share paid out of accumulated profits up to Mar 31, 2012 and ₹ 1.00 per share paid out of current year profits.

The Board of Directors have proposed a final dividend of ₹ 3.00 per equity share to all the existing shareholders for the year ended March 31, 2013. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting.

c. Shares held by holding Company

	As at March 31, 2013		As at March 31, 2012	
	No.	₹ Mn	No.	₹ Mn
Bharti Airtel Limited	1,500,000,000	15,000	500,000,000	5,000

d. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the year ended March 31, 2009, the Group allotted 540,445,950 equity shares as fully paid bonus shares by capitalization of securities premium account.

On August 23, 2012, the Group further allotted 1,161,605,820 equity shares as fully paid bonus shares by capitalization of securities premium account.

During the year ended March 31, 2013, the Company made an Initial Public Offering (IPO) through book building process of 188,900,000 equity shares of ₹ 10 each in December 2012. The issue comprised of fresh issue of 146,234,112 equity shares and offer for sale of 42,665,888 equity shares by the existing shareholders. The Company has raised ₹ 32,303 Mn from fresh issue of shares and incurred share issue expenses of ₹ 771 Mn (net of tax ₹ 527 Mn, which have been adjusted with Securities premium account in line with requirements of Sec 78 of Companies Act, 1956). The Company's equity shares got listed on December 28, 2012 on both the Stock Exchanges (BSE & NSE).

On March 19, 2013, the Company allotted 100,212 equity shares of ₹ 10 each to its employees on exercise of stock options under the Employee Stock Option Plan 2008 wherein part consideration was received on form of employee services.

e. Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2013		As at March 31, 2012	
	No.	% holding	No.	% holding
Equity shares of ₹ 10 each fully paid				
Bharti Airtel Limited	1,500,000,000	79.42%	500,000,000	86.09%

f. Shares reserved for issue under options:

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Group, please refer note 31.

4. RESERVES AND SURPLUS

(₹ Millions)

Particulars	Securities premium account	Employee stock options outstanding	General reserve	Surplus/ (deficit) in the statement of profit and loss	Total
As at April 1, 2011	**47,585**	**1,687**	**74,957**	**10,409**	**134,638**
Profit for the year	-	-	-	7,491	7,491
Add: amount arising under the Scheme of arrangement (note 42)	-	-	-	(9)	(9)
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme (note 41 and 42)	-	-	(2,369)	-	(2,369)
Add: gross compensation for options granted during the year	-	55	-	-	55
Less: reclassification to provision for payment of stock option	-	(141)	-	-	(141)
	47,585	**1,601**	**72,588**	**17,891**	**139,665**
Less: deferred employee stock compensation	-	(232)	-	-	(232)
As at March 31, 2012	**47,585**	**1,369**	**72,588**	**17,891**	**139,433**
Profit for the year	-	-	-	10,025	10,025
Add: addition during the year [note 3(d)]	30,865	-	-	-	30,865
Less: utilization towards share issue expenses (net of tax of ₹ 242 Mn) [note 3(d)]	(527)	-	-	-	(527)
Less: utilization during the year for bonus issue [note 3(d)]	(11,616)	-	-	-	(11,616)
Less: amount transferred to statement of profit and loss during the year in accordance with the Scheme (note 41 and 42)	-	-	(2,513)	-	(2,513)
Less: Appropriations					
Interim Dividend on equity shares (amount ₹ 2.5 per share)	-	-	-	(4,357)	(4,357)
Tax on Interim dividend on equity shares	-	-	-	(1,364)	(1,364)
Proposed final dividend on equity shares (amount ₹ 3 per share)				(5,666)	(5,666)
Tax on Proposed final dividend on equity shares	-	-	-	(1,337)	(1,337)
Transfer to General reserve*	-	-	3,248	(3,248)	-
Add: amount transferred from stock options outstanding	-	-	125	-	125
Add: gross compensation for options granted during the year	-	14	-	-	14
Less: gross compensation for options forfeited/ exercised during the year	-	(190)	-	-	(190)
	66,307	**1,425**	**73,448**	**11,944**	**153,124**
Less: deferred employee stock compensation	-	(86)	-	-	(86)
As at March 31, 2013	**66,307**	**1,339**	**73,448**	**11,944**	**153,038**

*During the year ended March 31, 2013, the Company has transferred 10% of accumulated profits up to March 31, 2013 to General Reserve in accordance with Companies (Transfer of Profits to Reserves) Rules, 1975.

5. LONG-TERM BORROWINGS

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loan - secured*		
- from banks	14,200	17,950
- from others	18,096	5,938
Vehicle loan:		
- from banks	-	1
	32,296	23,889

*In addition to amount shown above ₹ 2,935 Mn (March 31, 2012 - ₹ 3,413 Mn) has been disclosed under 'Other current liabilities' as it is repayable within one year.

"Vehicle loan" as at March 31, 2012 represent loan from banks which are secured by hypothecation of vehicles of the Company at a fixed rate of interest of 10.1% per annum. The loan has been repaid during the year ended March 31, 2013.

The joint venture company has entered into following borrowing arrangements with several lenders. The security interest set out below ranks pari-passu amongst all secured lenders.

The terms and conditions of all the long-term borrowings are similar.

As at March 31, 2013*	As at March 31, 2012
(i) a mortgage and first charge of all the JV Company's freehold immovable properties and assets, present and future;	(i) a mortgage and first charge of all the JV Company's freehold immovable properties and assets, present and future;
(ii) a first charge by way of hypothecation of the JV Company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;	(ii) a first charge by way of hypothecation of the JV Company's entire movable plant and machinery, including tower assets, related equipment and spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
(iii) a charge on JV Company's cash flows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject to prior charge in favour of working capital facilities with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities;	(iii) a charge on JV Company's cashflows, receivables, book debts, revenues of whatsoever nature and wherever arising, present and future subject to prior charge in favour of working capital facilities with working capital facility limits not exceeding ₹ 10,000 Mn (amount in absolute figures) including funded facilities not exceeding ₹ 5,000 Mn (amount in absolute figures) ;
(iv) an assignment and first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the JV Company in the IRU agreements, Master Service Agreements together with service contracts, all as amended, varied or supplemented from time to time duly acknowledged and consented to by the relevant counter-parties to such contracts (if required) and Insurance Contracts, all as amended, varied or supplemented from time to time and subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the JV Company in the Clearances;	(iv) an assignment and first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the documents related to telecom tower rollout and upgradation of existing towers (except the Master Services Agreement), duly acknowledged and consented to by the relevant counter-parties to such documents, all as amended, varied or supplemented from time to time. (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the JV Company in the Clearances and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents;
(v) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement.	(v) a first charge of all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Master Services Agreements together with the Service Contracts, all as amended, varied or supplemented from time to time;
	(vi) a first and exclusive charge over the amount in the Debt Service Reserve Account and the Debt Service Account opened and maintained in accordance with the terms of this Agreement and the Debt Service Account Agreement;

*As per the agreement signed for the new loan facility availed in the month of March 2013, the Company is yet to create charge for loan amounting to ₹ 2,520 Mn mentioned as above, as it has 90 days for the same from the date of first disbursement of loan.

The interest rate varies from approximately 10.50 % - 11.20 % per annum (As of March 31, 2012: 10.25% - 12.00% per annum) on term loans from banks and financial institutions.

Repayment of loan#

As at March 31, 2013***	As at March 31, 2012**
Loan outstanding ₹ 16,611 Mn As per the repayment schedule in the Common loan agreement, the JV Company has to repay loans amounting to ₹ 16,611 availed from other parties in 27 equated quarterly installments, with first date for repayment falling due in February 2014.	**Loan outstanding ₹ 27,300 Mn** The JV Company has to repay the loan in 16 equated quarterly installments; first date for repayment would fall due on November 2012 as per repayment schedule specified in the loan agreement.
Loan outstanding ₹ 5,600 Mn As per the repayment schedule in the Syndicated Common loan agreement, the JV Company has to repay loans amounting to ₹ 5,600 availed from banks in 16 equated quarterly installments' first date for repayment falling due in November 2012.	The JV Company may voluntarily prepay all or any portion of the disbursed loan on certain specified event and subject to the condition laid out in the loan agreement.
Loan outstanding ₹ 4,200 Mn As per the repayment schedule in the common loan agreement, the JV Company has to repay loans amounting to ₹ 4,200 availed from bank and other parties (NBFC) in 19 equated quarterly installments' with first date for repayment falling due in May 2014.	
Loan outstanding ₹ 2,520 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 2,520 availed from bank in 14 equated quarterly installments' with first date for repayment falling due in May 2013. For all the above loans the JV Company may voluntarily prepay all or any portion of the disbursed loans based on certain specified clauses and subject to the condition laid out in the loan agreement.	
Loan outstanding ₹ 6,300 Mn As per the repayment schedule in the loan agreement, the JV Company has to repay loans amounting to ₹ 6,300 availed from bank in 19 equated quarterly installments' with first date for repayment falling due in May 2014. The JV Company has option to voluntarily prepay all or any portion of the disbursed loan.	

#Amount represents 42% of JV Company as consolidated.
** The loan outstanding as at March 31, 2012 has been fully re-paid by the JV Company during the year ended March 31, 2013.
*** During the quarter ended March 31, 2013 the JV Company has made prepayment of loan amounting to ₹ 32,967 Mn and availed new loan of ₹ 42,210 Mn.

6. DEFERRED TAX LIABILITIES (NET)

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Deferred tax liability		
Depreciation claimed as deduction under Income Tax Act but chargeable in the financial statements in future years	6,409	6,598
Revenue equalization (net) charged in financial statements but allowed as deduction under the Income Tax Act in future years on actual payment basis	3,129	2,299
Unamortised loan origination fees	24	60
Gross deferred tax liability	9,562	8,957
Deferred tax asset		
Provision for doubtful debts/ advances charged in financial statements but allowed as deduction under the Income Tax Act in future years (to the extent considered realisable)	656	516
Carry forward unabsorbed depreciation and unabsorbed business losses	293	514
Expenses allowed as deduction under Sec 35D of Income Tax Act in future years	242	-
Other expenses claimed as deduction in the financial statements but allowed as deduction under Income Tax Act in future years on actual payment (net)	761	652
Gross deferred tax asset	1,952	1,682
Net deferred tax liability	7,610	7,275

As of March 31, 2013 the above deferred tax assets and liabilities have been calculated using substantively enacted rates of 33.99 % as per Finance Bill 2013-14.

7. OTHER LONG TERM LIABILITIES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Security deposits received	10,920	14,293
Lease equalization	4,535	4,066
Unearned revenue	97	118
Provision for payment of stock options	18	43
	15,570	18,520

"Security deposits received" include ₹ 6,344 Mn (March 31, 2012 - ₹ 8,010 Mn) amounts received from related parties. For details, refer note 35.

8. LONG TERM PROVISIONS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits (note 30)		
Gratuity	89	69
Leave encashment	51	47
Long-term service award	10	8
	150	124
Asset retirement obligation (note 33)	8,656	5,014
	8,806	5,138

9. SHORT-TERM BORROWINGS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured		
Loans repayable on demand:		
from related parties		
from others	-	5,604
Secured	-	
Term loan*	-	2,100
	-	7,704

The JV Company has repaid loans amounting to ₹ 5,604 Mn during the year ended March 31, 2013.

* These loans were taken from banks and financial institutions on an interest rate varying from 10.5% to 11.08% per annum approximately. These loans have been repaid by the JV Company during the year ended March 31, 2013.

10. TRADE PAYABLES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Trade creditors	7,106	4,147
	7,106	4,147

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	90	66
Interest due on above	6	-
	96	66
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	6	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	3	1
The amount of interest accrued and remaining unpaid at the end of each accounting year	12	3
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006		

11. OTHER CURRENT LIABILITIES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Equipment supply payables	**5,449**	4,735
Dues to employees	**405**	263
Accrued expenses	**16,109**	13,394
Book overdraft	**128**	64
Interest accrued but not due	**4**	2
Other taxes payable	**404**	109
Contribution to employee funds	**9**	14
Unearned revenue	**22**	22
Current portion of long-term borrowings (note 5)	**2,935**	3,413
Security deposits	**322**	121
Provision for payment of stock options	**-**	107
Other Liabilities	**733**	413
	26,520	22,657

12. SHORT-TERM PROVISIONS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits (note 30)		
Gratuity	**30**	18
Leave encashment	**64**	60
Deferred bonus	**-**	18
Proposed Dividend (refer note 3(b))	**5,666**	-
Tax on Proposed Dividend	**1,337**	-
	7,097	96

13. FIXED ASSETS

(₹ Millions)

Particulars	Land	Plant and equipment	Office furniture and equipment	Vehicles	Computers	Leasehold improvements	Tangible assets Total	Computer Software	Intangible assets Total
Cost									
As at April 1, 2011	6	233,315	167	5	740	407	234,640	490	490
Additions	-	14,896	25	3	60	71	15,055	73	73
Disposals	-	(1,399)	-	-	-	(4)	(1,403)	-	-
Other adjustments	-	(41)	-	-	-	-	(41)	-	-
As at March 31, 2012	**6**	**246,771**	**192**	**8**	**800**	**474**	**248,251**	**563**	**563**
Additions	-	21,399	56	-	53	48	21,556	47	47
Disposals	-	(3,489)	(4)	-	(16)	(5)	(3,514)	-	-
As at March 31, 2013	**6**	**264,681**	**244**	**8**	**837**	**517**	**266,293**	**610**	**610**
Depreciation									
As at April 1, 2011	-	57,814	62	2	406	95	58,379	163	163
Charge for the year	-	23,336	40	1	223	75	23,675	132	132
Disposals	-	(734)	-	-	-	(3)	(737)	-	-
As at March 31, 2012	**-**	**80,416**	**102**	**3**	**629**	**167**	**81,317**	**295**	**295**
Charge for the year*	-	24,296	46	2	136	90	24,570	123	123
Disposals	-	(2,618)	(3)	-	(16)	(4)	(2,641)	-	-
As at March 31, 2013	**-**	**102,094**	**145**	**5**	**749**	**253**	**103,246**	**418**	**418**
Net block									
As at March 31, 2013	**6**	**162,587**	**99**	**3**	**88**	**264**	**163,047**	**192**	**192**
At March 31, 2012	**6**	**166,355**	**90**	**5**	**171**	**307**	**166,934**	**268**	**268**

*Charge for the year includes depreciation of ₹ 291 Mn considered under exceptional items in the statement of profit and loss (refer note 44).

"Plant and equipment" comprise of assets given on operating lease. For details, refer note 32(b)(i).

"Other adjustments" under "Plant and equipment" during the year ended March 31, 2012 includes reclassification of fixed assets to security deposit.

During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited under Sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company at Nil value. Pursuant to the Scheme, the Company recorded the assets under "Plant and Equipment" at fair values of ₹ 89,601 Mn determined on the basis of then active market prices adjusted for any difference in nature, location or condition of specific asset. Accordingly the assets were recorded at increased value of ₹ 89,601 Mn with a corresponding impact on General Reserve. As per the Scheme depreciation on excess of fair value over the original historical cost in the books of Bharti Airtel Limited is being set off with the reserves created from the Scheme. Accordingly ₹ 6,053 Mn has been adjusted till March 31, 2013 with the General Reserve (₹ 802 Mn for the year ended March 31, 2013).

During the year ended March 31, 2012, pursuant to the Scheme of Arrangement with Bharti Infratel Ventures Limited (BIVL), the Company transferred passive telecom infrastructure in certain specified telecom circles to BIVL at Nil value. Pursuant to the Scheme, BIVL recorded the assets under "Plant and Equipment" at fair values of ₹ 60,932 Mn determined on the basis of then active market prices adjusted for any difference in nature, location or condition of specific asset. Accordingly the assets were recorded at increased value of ₹ 60,932 Mn with a corresponding impact on General Reserve (₹ 1,401 Mn for the year ended March 31, 2013).

As per the Scheme depreciation on excess of fair value over the original historical cost in the books of Bharti Airtel Limited is being set off with the reserves created from the Scheme. Accordingly ₹ 5,795 Mn has been adjusted till March 31, 2013 with the General Reserve.

During the year ended March 31, 2013, the Group has revised its estimate for site restoration obligation of sites which has resulted in increase in the estimated obligation by ₹ 3,322 Mn. Had the Group not changed its estimate regarding the cost to be incurred for restoration of sites, depreciation for the year ended March 31, 2013 would have been lower by ₹ 144 Mn and profit after tax for year ended March 31, 2013 would have been higher by ₹ 96 Mn (net of tax) respectively (refer note 33).

14. LONG-TERM LOANS AND ADVANCES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Capital advances		
Unsecured, considered good	**35**	91
Unsecured, considered doubtful	**29**	14
Less: Provision	**(29)**	(14)
	35	91
Security deposits		
Unsecured, considered good	**3,842**	3,559
Unsecured, considered doubtful	**77**	53
Less: Provision	**(77)**	(53)
	3,842	3,559
MAT credit receivable	**1,295**	1,099
Advance income-tax (net of provision for taxation)	**6,002**	6,545
Advance fringe benefit tax (net of provision)	**2**	2
	11,176	11,296

"Security deposits" include Nil and ₹ 16 Mn given to the joint venture company as at March 31, 2013 and March 31, 2012 respectively. For details, refer note 35.

15. OTHER NON-CURRENT ASSETS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Revenue equalization	13,693	11,078
Unamortised debt origination cost	43	144
Others, considered good	1,007	951
Others, considered doubtful	9	9
Less: Provision	(9)	(9)
	1,007	951
	14,743	12,173

"Others" comprise of payments made under protest to the Government authorities. For details, refer note 37(ii)(c).

16. CURRENT INVESTMENTS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Current investments (at lower of cost and market value)		
Investments in mutual funds	38,911	3,363
	38,911	3,363
Aggregate amount of unquoted investments	38,911	3,363

17. TRADE RECEIVABLES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	4,108	827
Unsecured, considered doubtful	1,406	970
Less: Provision for doubtful receivables	(1,406)	(970)
	4,108	827
Other receivables		
Unsecured, considered good	4,446	5,997
Unsecured, considered doubtful	211	502
Less: Provision for doubtful receivables	(211)	(502)
	4,446	5,997
	8,554	6,824

"Trade receivables" includes receivables from related parties amounting to ₹ 7,350 Mn (March 31, 2012 - ₹ 6,237 Mn) respectively. For details, refer note 35.

18. CASH AND BANK BALANCES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Balances with banks on current accounts	98	160
Cheques on hand	27	44
Fixed deposits with maturity less than three months	395	264
	520	468
Other bank balances		
Fixed deposits		
- Deposit more than three months but less than twelve months	14	13
Earmarked balances with banks	733	-
	1,267	481

"Other bank balances" includes margin money of ₹ 1 Mn (March 31, 2012 - ₹ 1 Mn) against various guarantees issued by banks on behalf of the JV company in favour of sales tax authorities. The amount also includes fixed deposit of ₹ 13 Mn (March 31, 2012 - ₹ 12 Mn) issued in favour of Municipal Corporation of Delhi. These deposits are not available for use by the JV company.

"Earmarked balances with banks" comprise of amounts held in Escrow account payable towards share issue expenses.

19. SHORT-TERM LOANS AND ADVANCES

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Loans and advances to related parties		
Unsecured, considered good	24,858	20,770
Advances recoverable in cash or kind		
Secured, considered good	272	288
Unsecured, considered good	3,956	3,050
Unsecured, considered doubtful	286	121
Less: Provision for doubtful advances	(286)	(121)
	4,228	3,338
Other loans and advances		
Minimum alternate tax recoverable	936	1,571
	30,022	25,679

"Loans and advances to related parties" includes interest bearing loan to parent company amounting to ₹ 22,990 Mn as at March 31, 2013 (March 31, 2012 - ₹ 13,160 Mn). It further includes non interest bearing loans and advances to joint venture company amounting to ₹ 1,861 Mn as at March 31, 2013 (March 31, 2012 - ₹ 7,587 Mn).

"Advances recoverable in cash or kind" are secured to the extent they are backed by bank guarantees.

20. OTHER CURRENT ASSETS

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Unbilled revenue (net)	6,462	4,608
Interest accrued	101	61
Revenue equalization	49	73
Unamortised loan origination fee	26	42
Other receivables	657	1,009
	7,295	5,793

"Other current assets" includes amount receivable from related parties amounting to ₹ 3,614 Mn as at March 31, 2013 (March 31, 2012 - ₹ 218 Mn).

"Unbilled revenue (net)" is net of provisions considered for penalties, deductions etc.

* Balance as at March 31, 2012 includes ₹ 210 Mn receivable from various mutual funds for which redemption requests had been filed on March 31, 2012.

21. REVENUES

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Rent	63,847	60,661
Energy and other reimbursements	38,873	33,860
	102,720	94,521

22. OTHER INCOME

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest income on:		
- Bank deposits	10	6
- Loans to group companies	1,742	1,055
- Others	263	79
Dividend income	132	-
Net gain on sale of current investments	753	145
Miscellaneous income	227	165
	3,127	1,450

23. POWER & FUEL

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Network	37,972	33,585
Others	44	34
	38,016	33,619

24. RENT

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Network	10,655	10,395
Others	221	216
	10,876	10,611

25. EMPLOYEE BENEFIT EXPENSES

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	2,892	2,501
Contribution to provident and other funds	98	85
Employee stock option scheme	103	296
Staff welfare expenses	133	103
Others	115	111
	3,341	3,096

"Salaries, wages and bonus" includes gratuity and other post employment benefits. For details, refer note 30.
Further, for details of employee stock option scheme, refer note 31.

26. OTHER EXPENSES

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Insurance	102	70
Repair and maintenance		
- Plant and Machinery	6,921	6,153
- Building	19	3
- Others	1,883	2,015
Traveling and conveyance	249	174
Communication costs	163	144
Legal and professional	267	244
IT expenses	302	271
Provision for doubtful debts and advances	341	646
Provision for fixed assets/ capital work in progress	58	125
Fixed assets written off*	85	26
Loss on sale of fixed assets (net)	(235)	52
Miscellaneous expenses		
- Network	1,686	1,724
- Others	292	204
	12,133	11,851

* "Fixed assets written off" for the year ended March 31, 2013 and March 31, 2012 is net of ₹ 310 Mn and Nil respectively adjusted with General Reserve in accordance with the Scheme of arrangement. For details, refer note 41 and 42.

27. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation of tangible assets	24,279	23,675
Amortization of intangible assets	123	132
	24,402	23,807
Less: adjusted with general reserve	(2,203)	(2,369)
	22,199	21,438

28. FINANCE COSTS

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest	**3,717**	3,805
Amortisation of loan origination fee	**218**	254
Bank charges	**10**	14
	3,945	4,073

29. EARNINGS PER SHARE (EPS)

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Nominal value of equity shares (₹)	**10**	10
Profit attributable to equity shareholders for computing Basic and Dilutive EPS (A) (₹ Million)	**10,025**	7,491
Weighted average number of equity shares outstanding during the year for computing Basic EPS (B)	**1,782,075,524**	1,742,408,730
Dilutive effect on weighted average number of equity shares outstanding during the year*	**4,246,946**	3,941,928
Weighted average number of equity shares and equity equivalent shares for computing Diluted EPS (C)	**1,786,322,470**	1,746,350,658
Basic earnings per share (A/B) (₹)	**5.625**	4.299
Diluted earnings per share (A/C) (₹)	**5.612**	4.290

* Diluted effect on weighted average number of equity shares and profit attributable is on account of Employee Stock Option Plan (ESOP).

Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS 20, in case of bonus shares, the number of equity shares/ potential equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company, on August 23, 2012, issued bonus shares in the ratio of two shares for every one share held to the existing shareholders by way of capitalization of securities premium account. Weighted average number of equity shares outstanding during current year and previous year reported have been considered accordingly.

30. EMPLOYEE BENEFITS

During the period, the Group has recognized the following amounts in the consolidated statement of profit and loss:

Defined contribution plans

(₹ Millions)

	Year ended March 31, 2013	Year ended March 31, 2012
Employer's contribution to Provident Fund	**97**	85
Employer's contribution to ESI	**-**	-
Total	**97**	85

Defined benefit obligations

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period. The plan is not funded by the Group.

Gratuity

i. Amount charged to the consolidated statement of profit and loss:

(₹ Millions)

Particulars	Gratuity#	
	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	34	29
Interest cost	9	6
Actuarial (gain)/ loss	3	6
Net gratuity cost	46	41

included in Salaries, wages and bonus (refer note 25).

ii. The assumptions used to determine the benefit obligations are as follows:

Company

Particulars	Gratuity#	
	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate	8.50%	8.00%
Expected rate of increase in compensation levels	10.00%	9.00%
Expected rate of return on plan assets	NA	NA
Expected average remaining working lives of employees (years)	24.89	25.07

Joint Venture

Particulars	Gratuity#	
	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate	8.40%	8.40%
Expected rate of increase in compensation levels	First 2 years- 10% and 7% thereafter	First 2 years- 10% and 7% thereafter

iii. Reconciliation of opening and closing balances of benefit obligations:

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Projected benefit obligation at beginning of year	87	59
Current service cost	34	33
Interest cost	9	3
Benefits paid	(14)	(13)
Actuarial (gain)/ loss	3	5
Projected benefit obligation at end of year	119	87
Net amount recognized	(119)	(87)

iv. The discount rate is based on the average yield on government bonds at the accounting date with a term that matches that of the liabilities.

v. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

vi. Estimated amounts of benefits payable within next year are ₹ 33 Mn (March 31, 2012 – ₹ 26 Mn).

vii. The table below discloses experience adjustment disclosure as per para 120 (n) (ii) of Accounting Standard 15, 'Employee Benefits'.

(₹ Millions)

Particulars	Gratuity				
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Defined benefit obligation	**119**	87	60	38	23
Surplus/ (deficit)	**(119)**	(87)	(60)	(38)	(23)
Experience adjustments on plan liabilities (loss)/ gain	**(1)**	(7)	(3)	(4)	-
Experience adjustments on plan assets (loss)/ gain	-	-	-	-	-

viii. Movement in provision for deferred bonus plan

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Opening balance	**18**	37
Add: addition during the year	**2**	14
Less: paid during the year	**(20)**	(33)
Total	**-**	18

31. EMPLOYEE STOCK OPTION PLANS

Pursuant to the board resolution dated July 22, 2008 and the resolution of the shareholders in extraordinary general meeting dated August 28, 2008, the Company instituted the Employee Stock Option Plan.

The Company has granted additional stock options in the ratio of two options for every one option outstanding as on August 23, 2012. The total number of additional options granted is 6,165 thousand.

Under the Plan 9,947 thousand options have been awarded to directors, officers and employees of the Company (including Group Companies) till date including the additional grants pursuant to bonus issue, out of which 34 thousand options have been granted during the year ended March 31, 2013.

On September 1, 2009, the Joint Venture Company (Indus Towers Limited) announced an Employee stock option plan ('ESOP' or 'plan') for eligible employees. During the quarter ended March 31, 2013 the Joint venture company has cancelled the ESOP Plan 2009 and has announced new Stock Appreciation Rights (SAR) Scheme for its employees.

The following table provides an overview of all existing stock option plans of the Group:

Scheme	Plan	Stock options outstanding* (in thousands)	Year of Issuance	Vesting period (years)	Contractual term (years)	Weighted average exercise price (₹)	Classification/ accounting treatment
Company							
Infratel Plan	2008 Plan	6,803	2008-09	1 - 5/1 - 4	7	110	Equity settled
Infratel Plan	2008 Plan	585	2009-10	1 - 4	7	110	Equity settled
Infratel Plan	2008 Plan	1,520	2010-11	1 - 5/1 - 4	7	110	Equity settled
Infratel Plan	2008 Plan	239	2011-12	1 - 5/1 - 4	7	110	Equity settled
Infratel Plan	Long term incentive plan	20	2012-13	1 - 3	7	10	Equity settled
Joint Venture							
Indus Plan	SAR Plan -1	0.4	2012-13	Refer note below	7	249,300	Cash settled
Indus Plan	SAR Plan -2	0.01	2012-13	1 - 3	7	249,300	Cash settled

* Represents the number of options outstanding as on March 31, 2013 after considering the impact of bonus issue in August 2012. The weighted average remaining contractual life for options outstanding at the end of year for company and JV Company is 2.4 to 6.4 years and 3.86 years respectively.

The vesting schedule of SAR Plan-1 stipulates vesting as applicable under the scheme or as determined by the HR and Remuneration committee and communicated through award letters.

Company

The weighted average fair value per option based on Black Scholes / Lattice Valuation model is ₹ 475 on the original grants. The fair value is being amortized over the vesting period of 36 and 60 months, respectively on a graded vesting basis.

All options are planned to be settled in equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The options under this plan have an exercise price of ₹ 329 per equity share and vest on a graded basis. The exercise price of ₹ 329 per equity share has been diluted to one third pursuant to the bonus issue in August 2012. Further the options granted under 'Long term incentive plan' are at ₹ 10 per equity share.

Joint Venture

During the quarter ended March 31, 2013 the Joint Venture Company has announced new Employee Stock Appreciation Right Scheme (the- "Scheme") SAR Plan 1 and SAR Plan 2 for eligible employees. In accordance with this plan, the value of each SAR at respective Exercise dates will be determined by dividing the valuation of the Company for the relevant period by the total number of Stock Units (i.e. 1,190,470 Stock Units). The fair value of the option determined using Black Scholes Option Pricing Model. The fair value of options granted after applying an estimated forfeiture rate is amortised over the vesting period.

During the year ended March 31, 2013, the JV Company has cancelled ESOP Plan 2009 and transferred the Employee Stock Option Outstanding Account (ESOP Reserve) to General Reserve account amounting to ₹ 54 Mn and Provision for payment stock options have been written back to Statement of Profit and Loss amounting to ₹ 173 Mn.

Vesting period from the grant date	Vesting schedule
Company	
For options with a vesting period of 36 months:	
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%
For options with a vesting period of 48 months:	
On completion of 12 months	15%
On completion of 24 months	20%
On completion of 36 months	30%
On completion of 48 months	35%
For options with a vesting period of 60 months:	
On completion of 12 months	20%
On completion of 24 months	20%
On completion of 36 months	20%
On completion of 48 months	20%
On completion of 60 months	20%
Joint Venture	
SAR Plan 1	As determined by HR and Remuneration committee
SAR Plan 2	
For options with a vesting period of 36 months:	
At the end of 5 months or 1 year	30%
At the end of 1 year and 5 months or 2 years	30%
At the end of 2 years and 5 months or 3 years	40%

Information concerning the stock options granted and outstanding at the year end is as follows:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)
Company				
Outstanding at beginning of the year	3,333	329	3,336	329
Cancelled or expired or forfeited up to the date of bonus issue (b)	251	329	-	-
Options outstanding as at the date of bonus issue (a-b)	3,082	329	-	-
Bonus issue in the ratio of 1:2	6,165	110	-	-
Granted	34	10	80	329
Exercised	100	110	-	-
Cancelled or expired or forfeited	14	10	83	329
Outstanding at the year end	9,167	10-110	3,333	329
Exercisable at end of the year	6,431	110	1,631	329
Weighted average grant date fair value per option for options granted during the year at less than market value	34	258	80	475

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of stock options (In '000)	Weighted average exercise price (₹)	Number of stock options (In '000)	Weighted average exercise price (₹)
Joint Venture				
ESOP Plan 2009 (OLD Scheme)				
Number of shares under option*				
Outstanding at beginning of the year	0.91	249,300	1.00	249,300
Granted	-	-	0.08	249,300
Exercised	-	-	-	-
Forfeited	0.91	249,300	0.17	249,300
Outstanding at the end of year	-	-	0.91	249,300
Exercisable at end of the year	-	-	0.21	249,300
Weighted average grant date fair value per option for options granted during the year at less than market value	-	-	0.08	273,703
Stock Appreciation Rights Scheme (Plan 1)				
Number of shares under option*				
Outstanding at beginning of the year	-		-	-
Granted	0.87	249,300	-	-
Exercised	0.45	249,300	-	-
Forfeited	-		-	-
Outstanding at the end of year	0.42	249,300	-	-
Exercisable at end of the year	0.02	249,300	-	-
Weighted average grant date fair value per option for options granted during the year at less than market value	0.87	-	-	-
Stock Appreciation Rights Scheme (Plan 2)				
Number of shares under option*				
Outstanding at beginning of the year	-	-	-	-
Granted	0.01	Re 1	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Outstanding at the end of year	0.01	Re 1	-	-
Exercisable at end of the year	-	-	-	-
Weighted average grant date fair value per option for options granted during the year at less than market value	0.01	-	-	-

*Represents Company's share of 42% of the Joint Venture Company.

The weighted average share price at the exercise date was ₹ 199 per share for options exercised during the year ended March 31, 2013.

The weighted average fair value of stock options granted by the Company during the year ended March 31, 2013 was ₹ 258 per share. The fair value of the options granted was estimated on the date of grant using the Black Scholes Valuation model with the following assumptions:

	Year ended March 31, 2013	Year ended March 31, 2012
Company		
Risk free interest rates	**8.37% to 8.62%**	8.37% to 8.62%
Vesting period	**36 months**	48 months
Weighted average share price (₹)	**219**	658
Weighted average remaining contractual life	**6.4 years**	6.4 years
Volatility	**52.42% to 52.43 %**	52.42% to 52.43 %
Dividend yield	**0.00%**	0.00%
Joint Venture		
ESOP 2009 Plan		
Risk free interest rates		7.9% to 8.86%
Vesting period		48 months
Weighted average share price (₹)		422000 to 423000
Weighted average remaining contractual life	**Scheme cancelled**	4.925 years
Volatility		35.88% to 46%
Dividend yield		0.00%
SAR Plan 1 and Plan 2		
Risk free interest rates	**7.83%**	-
Vesting period	**36 months**	-
Weighted average share price (₹)	**471000**	-
Weighted average remaining contractual life	**3.86 years**	-
Volatility	**25.31%**	-
Dividend yield	**-**	-

The balance of deferred stock compensation as on March 31, 2013 is ₹ 86 Mn (March 31, 2012 – ₹ 232 Mn) and total employee stock compensation expense recognized for the year ended March 31, 2013 and March 31, 2012 is ₹ 103 Mn and ₹ 296 Mn respectively.

Note:

Bharti Airtel Limited has given stock option to certain employees of the Company. Bharti Airtel Limited has not charged the compensation cost relating to the stock option granted to the Company.

32. LEASES

(a) Operating lease: Company as a lessee

The lease rentals during the period for non-cancelable leases relating to rent of building premises and cell sites as per the agreements and maximum obligation on long-term non-cancelable operating leases are as follows:

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Lease rental charged to statement of profit and loss	**10,876**	10,611
Obligation on non-cancelable lease:		
Not Later than one year	**8,701**	7,986
Later than one year but not later than five years	**28,519**	26,998
Later than five years	**43,808**	44,848
Total	**81,028**	79,832

The lease rentals include rent equalization of ₹ 468 Mn and ₹ 551 Mn for the year ended March 31, 2013 and March 31, 2012 respectively.

(b) Operating lease: Group as a lessor

(i) The group has given sites on operating lease to telecom operators. As per the agreements with the operators the escalation rates range from 0% to 2.5% per annum.

The service charges recognized as income during the period for non-cancellable arrangements relating to provision for passive infrastructure sites as per the agreements is ₹ 61,813 Mn and ₹ 60,074 Mn for the year ended March 31, 2013 and March 31, 2012 respectively, excluding IRU income covered in (b)(ii) below.

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Future minimum lease payment receivable:		
Not Later than one year	69,729	40,139
Later than one year but not later than five years	157,720	139,996
Later than five years	152,937	166,749
Total	380,386	346,884

Revenue includes revenue equalization of ₹ 2,590 Mn and ₹ 2,677 Mn for the year ended March 31, 2013 and March 31, 2012 respectively.

(ii) The group has entered into a non-cancellable lease arrangement to provide access to the Passive Infrastructure located at 12 Circles on indefeasible right of use (IRU) basis for a period of two years to its Joint Venture Company, Indus Towers Limited from January 1, 2009. The term has been further extended till June 30, 2014. The Group has credited lease rental receivable to the statement of profit and loss on a straight-line basis over the lease term amounting to ₹ 4,822 Mn and ₹ 4,822 Mn for the year ended March 31, 2013 and March 31, 2012 respectively.

33. ASSET RETIREMENT OBLIGATION

The Group uses various premises on lease to install plant and equipment. A provision is recognized for the costs to be incurred for the restoration of these premises at the end of the lease period. It is expected that this provision will be utilized at the end of the lease period of the respective sites as per the respective lease agreements. The movement of Provision in accordance with AS–29 on 'Provisions, Contingent liabilities and Contingent Assets', as per Companies Accounting Standard Rules, 2006, is given below:

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
Opening Balance	5,014	4,908
Additions during the year	3,681	154
Less: utilised/ adjusted during the year	(39)	(48)
Closing Balance	8,656	5,014

During the year ended March 31, 2013, the Group has revised its estimate for site restoration obligation which has resulted in increase in the estimated obligation by ₹ 3,322 Mn. Had the Group not changed its estimate regarding the cost to be incurred for restoration of sites, the depreciation for the year ended March 31, 2013 would have been lower by ₹ 144 Mn and the profit after tax for year ended March 31, 2013 would have been higher by ₹ 96 Mn (net of tax) respectively.

34. INTEREST IN JOINT VENTURE

The Group's share of the assets, liabilities, income and expense of the jointly venture company, which has been proportionately consolidated in the consolidated financial statements, before elimination of transactions between the group and the joint venture are as follows:-

(₹ Millions)

Particulars	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	0.5	0.5
Reserves and surplus	948	4,428
	949	4,429
Non-current liabilities		
Long-term borrowings	32,296	23,888
Deferred tax liabilities (net)	2,072	1,802
Other long-term liabilities	5,838	8,310
Long-term provisions	2,910	1,362
	43,116	35,362
Current liabilities		
Short-term borrowings	863	12,768
Trade payables	9,781	4,764
Other current liabilities	14,534	12,820
Short-term provisions	2,590	25
	27,768	30,377
Total equity and liabilities	71,833	70,168
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	50,873	47,693
Intangible assets	173	204
Capital work-in-progress	952	1,197
Long-term loans and advances	5,444	4,070
Other non-current assets	2,423	2,182
	59,865	55,346
Current assets		
Current investments	1,890	2,562
Trade receivables	1,290	2,373
Cash and bank balances	480	301
Short-term loans and advances	2,395	4,534
Other current assets	5,913	5,052
	11,968	14,822
Total assets	71,833	70,168

(₹ Millions)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
INCOME		
Revenues	55,387	50,481
Other income	718	353
	56,105	50,834
EXPENSES		
Power and fuel	21,074	17,971
Rent	10,373	10,234
Employee benefits expenses	1,252	1,093
Other expenses	6,812	6,570
	39,511	35,868
Earnings before interest, tax, depreciation and amortization (EBITDA)	16,594	14,966
Depreciation and amortization expense	6,870	6,657
Finance costs	3,939	4,060
	10,809	10,717
Profit before tax and exceptional items	5,785	4,249
Exceptional items	(9)	-
Profit before tax	5,776	4,249
Tax expenses		
Current tax	1,710	902
Less: MAT credit entitlement	-	(594)
Deferred tax	270	1,053
Total tax expense	1,980	1,361
Profit for the year	3,796	2,888
Capital commitments	491	912
Contingent liabilities	1,836	1,537

35. RELATED PARTY DISCLOSURES

In accordance with the requirements of Accounting Standards (AS) - 18 on Related Party Disclosures, the names of the related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are as below:

A. List of related parties

1. Key management personnel
   Akhil Kumar Gupta

2. Related parties where control exists irrespective of whether transactions have occurred or not
   Holding Company — Bharti Airtel Limited
   Joint Venture Company — Indus Towers Limited

3. Other related parties with whom transactions have taken place during the period

Name of the related party	Relationship
Bharti Airtel Services Limited	Fellow subsidiary
Bharti Enterprises Limited	Entity having significant influence
Bharti Hexacom Limited	Fellow subsidiary
Bharti Telemedia Limited	Fellow subsidiary
Centum Learning Limited	Fellow subsidiary
Bharti Foundation	Entity having significant influence

B. Related party transactions during the year ended March 31:

(₹ Millions)

Nature of transaction	Bharti Airtel Limited		Bharti Hexacom Limited		Bharti Telemedia Limited		Bharti Enterprises Limited		Centum Learning Limited		Bharti Airtel Services Limited		Key Management Personnel		Bharti Foundation		Indus Towers Limited	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Loan given	13,500	11,460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,206
Loan repaid	(3,670)	(6,100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,001)	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	262	654
Purchase of fixed assets	-	-	-	(28)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from operations*	46,813	42,262	3,139	2,777	-	-	-	-	-	-	-	-	-	-	-	-	5,418	5,319
Expenses (other than employee related) incurred on behalf of Company	(4)	(15)	-	-	-	-	(104)	(106)	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	(8)	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(216)	(375)
Employee related expenses incurred on behalf of Company	(28)	(2)	-	-	(3)	(2)	-	-	-	-	-	-	-	-	-	-	-	-
Procurement of services	(169)	(131)	-	(3)	-	-	-	-	(26)	(31)	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	-	-	-	-	-	-	(70)	(65)	-	-	-	-
Security deposit received	(152)	(125)	(17)	(13)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit refunded	1,732	-	97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income from loan given	1,743	1,055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28)	(13)
Dividend received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,050	-
Dividend paid	(3,750)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donation given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50)	-	-	-
Total	**56,007**	**48,403**	**3,219**	**2,733**	**(3)**	**(2)**	**(104)**	**(106)**	**(26)**	**(31)**	**-**	**-**	**(70)**	**(65)**	**(50)**	**-**	**(515)**	**6,791**
Balance outstanding:																		
Trade payables and Other current liabilities	(193)	(195)	(37)	(37)	-	-	-	(10)	(6)	(9)	(1)	(3)	(46)	(39)	-	-	(323)	(531)
Short-term loans and advances	22,990	13,160	-	-	-	-	-	-	7	7	-	-	-	-	-	-	3,208	13,081
Other current assets	3,443	218	171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	1,709	3,602	283	363	-	-	-	-	-	-	-	-	-	-	-	-	9,238	3,917
Long-term loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27
Security deposits received	(3,331)	(4,916)	(204)	(284)	-	-	-	-	-	-	-	-	-	-	-	-	(4,844)	(4,844)
Total	**24,618**	**11,869**	**213**	**42**	**-**	**-**	**-**	**(10)**	**1**	**(2)**	**(1)**	**(3)**	**(46)**	**(39)**	**-**	**-**	**7,279**	**11,650**

*Inclusive of service tax and exclusive of revenue equalization.

During the year ended March 31, 2013, the Company allotted 43,700 equity shares to relatives of certain directors of the Company during IPO.

Security deposits received as at March 31, 2013 does not reflect amount payable to the Joint Venture, Indus Towers Limited (Indus), of ₹ 4,536 Mn (March 31, 2012 - ₹ 4,536 Mn) as this is now payable by the subsidiary company, Bharti Infratel Ventures Limited, while as per the related party statement of the Joint Venture this amount is recoverable from the Company. In case the Company is required to pay to the Joint Venture, it will recover the said amount from the Subsidiary Company.

36. CAPITAL AND OTHER COMMITMENTS

(i) Capital commitment

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Estimated amount of contracts to be executed on capital account and not provided for in the financial statements (net of capital advances)	3,401	2,675
Under the IT Outsourcing agreement, the Company has commitment for capital purchases and service charges	1,663	1,916
	5,064	4,591

(ii) Other commitments

For commitments relating to lease agreements, refer note 32.

37. CONTINGENT LIABILITIES

(i) Financial bank guarantees

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Total guarantees issued by banks and financials institutions on behalf of the Group	427	119
Total	427	119

(ii) Claims against the group not acknowledged as debt

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales tax (refer to a below)	337	252
- Stamp duty (refer to b below)	267	267
- Entry tax (refer to c below)	1,257	1,114
- Municipal taxes (refer to d below)	1,120	640
- Service tax (refer to e below)	1,485	1,384
(ii) Other claims under legal cases including arbitration matters (refer to f below)	199	163
(iii) Income tax matters (refer to g below)	49	81
Total	4,714	3,901

Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favorable and that a loss is not probable.

(a) Sales tax

The claims for sales tax as of March 31, 2013 comprise of the cases relating to the right to use and sales tax demand on purchase of equipments against 'C' Form.

(b) Stamp Duty
The Group has received demand in certain states for stamp duty on execution of Leave and License Agreement of Cell Sites.

(c) Entry tax
In certain States an entry tax is levied on receipt of material from outside the State. This position has been challenged by the Group in the respective States, on the grounds that the specific entry tax is ultra vires the constitution. Classification issues have been raised whereby, in view of the Group, the material proposed to be taxed is not covered under the specific category.

(d) Municipal taxes
The Group is in the process of assessing the applicability and tenability of certain municipal levies which is an industry wide phenomenon and will also be representing to the authorities wherever required. The management does not consider the impact of such assessment to be material.

(e) Service Tax
The service tax demand as at March 31, 2013 relates to CENVAT claim on towers and related material.

(f) Others
Others mainly include site related legal disputes.

(g) Income tax
The Company has received assessment order for the AY 2008-2009, wherein an initial demand of ₹ 13 Mn (March 31, 2012 - ₹ 13 Mn) has been raised by the authority. The Company has filed an appeal against the same. The contingent liability amount stated above further includes ₹ 36 Mn (March 31, 2012 - ₹ 68 Mn) relating to various TDS related matters.
During the year ended March 31, 2013, the Company has received assessment order for the AY 2010-2011, wherein an initial demand of ₹ 1,004 Mn has been raised by the authority. However, the same has not been acknowledged as claims by the Company.

(h) Certain disputed tax demand notices and queries relating to Indirect taxes amounting to ₹ 17,522 Mn (as at March 31, 2012 - ₹ 16,542 Mn) have neither been acknowledged as claims nor considered as contingent liabilities by the Joint Venture Company, based on internal assessment and independent advice taken from tax experts. The JV Company is of the view that the possibility of any of these tax demands materializing is remote.

38. UTILIZATION OF MONEY RAISED THROUGH PUBLIC ISSUE

During the year ended March 31, 2013, the Company has raised ₹ 31,657 Mn through public issue (net of ₹ 646 Mn retained in Escrow account towards share issue expenses) (refer note 3.1(d) above). As on March 31, 2013, pending utilization of issue proceeds, the entire funds have been deployed in mutual funds investment amounting to ₹ 31,657 Mn.

39. (a) Expenditure in foreign currency (cash basis)

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Legal and professional*	59	19
IT expenses	1	5
Capital goods	21	13
	81	37

* Comprise of payments made to Legal counsels towards professional services rendered in connection with the Company's Initial Public Offering amounting to ₹ 59 Mn for the year ended March 31, 2013 adjusted against securities premium.

(b) Dividend remitted in foreign currency

(₹ Millions)

	As at March 31, 2013	As at March 31, 2012
Number of non - resident shareholders to whom dividend was due	4	-
Number of equity shares held on which dividend was due (in Mn)	50	-
Amount remitted (₹ in Mn)	124	-
Amount remitted (USD in Mn)	2	-

Interim Dividend of Company ₹ 2.50 per equity share (Face value per share ₹10) was declared and paid for the financial year 2012-13.

In addition to above, interim dividend amounting to ₹ 482 Mn has been paid to other non-resident shareholders in Indian Rupees.

Particulars of unhedged foreign currency exposure as at March 31, 2013:-

Other current liabilities - Accrued expenses	Nil (March 31, 2012 – US$ 0.2 Mn) Nil (March 31, 2012 – ₹ 1 Mn)

(c) Value of imports calculated on CIF basis ₹ 17 Mn as at March 31, 2013 (March 31, 2012 - ₹ 6 Mn).

40. Since the Group's business activity falls within a single business and geographical segment of providing passive infrastructure, there are no additional disclosure to be provided under Accounting Standard - 17 'Segment reporting' other than those already provided in the consolidated financial statements.

41. During the year ended March 31, 2008, pursuant to the Scheme of Arrangement with Bharti Airtel Limited (BAL) ('BAL Scheme') under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of Bharti Airtel Limited was transferred to the Company. Pursuant to the Scheme, the depreciation charged by the Company on the excess of the fair values over the original book values of the assets transferred by Bharti Airtel Limited is being off-set against General Reserve. Had the Company accounted for the above as per Indian GAAP, depreciation for the year ended March 31, 2013 and March 31, 2012 would have been higher and profit for year ended March 31, 2013 and March 31, 2012 would have been lower by ₹ 802 Mn and ₹ 922 Mn respectively. Also, other expenses for the year ended March 31, 2013 would have been higher and profit for the same period would have been lower by ₹ 117 Mn.

42. SCHEME OF ARRANGEMENT FOR TRANSFER OF TELECOM INFRASTRUCTURE IN CERTAIN SPECIFIED TELECOM CIRCLES TO BHARTI INFRATEL VENTURES LIMITED ('BIVL SCHEME')

The Scheme of Arrangement for transfer of passive telecom infrastructure undertaking (BIVL Scheme) in certain specified telecom circles to BIVL was approved by the Hon'ble High Court of Delhi on March 29, 2011 and became effective on May 05, 2011 on filing of the High court order with the Registrar of Companies. As per the terms of the BIVL Scheme, the Company transferred the passive telecom infrastructure in certain specified telecom circles to BIVL on the appointed date (April 1, 2009).

The specified passive telecom infrastructure assets were recorded by BIVL at fair value of ₹ 59,921 Mn with a corresponding credit to General Reserve. The consolidated financial statements of the Group do not have significant impact of the above demerger as BIVL is consolidated into the Company.

Pursuant to the BIVL Scheme, the General Reserve can be utilized for adjusting depreciation on fair value in excess of original historical carrying value, accordingly, depreciation charge for the year ended March 31, 2013 and March 31, 2012 would have been higher by ₹ 1,401 Mn and ₹ 1,447 Mn respectively, other expenses for the year ended March 31, 2013 and March 31, 2012 would have been higher by ₹ 193 Mn and Nil respectively and deficit in the statement of profit and loss as at March 31, 2013 and March 31, 2012 higher by ₹ 7,479 Mn and ₹ 5,886 Mn respectively.

43. On May 31, 2011, the subsidiary company "Bharti Infratel Ventures Limited" filed a Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 before Hon'ble High Court of Delhi whereby the subsidiary company was to merge with Indus Towers Limited, with appointed date as April 1, 2009.

On April 18, 2013, the Hon'ble High Court has sanctioned the said Scheme which provides for transfer of all assets and liabilities of subsidiary company to Indus Towers Limited and winding-up of the subsidiary company subject to the final order in another appeal pending before the Division bench of Delhi High Court and any other orders in any further proceedings thereafter. The said Scheme shall be effective on filing of certified copy of Order of Hon'ble High Court of Delhi with the Registrar of Companies (ROC). As on the date of approval of these financial statements the said order has not been filed with ROC. Accordingly, the scheme has not been given effect to in these financial statements.

44. During the year ended March 31, 2013, certain customers have exited from specified tenancies resulting in the Group recovering ₹ 457 Mn from such customers. Further, the Group has provided for revenue equalization reserve and loss in value of fixed assets amounting to ₹ 117 Mn and ₹ 318 Mn (including depreciation charge of ₹ 291 Mn) respectively. The Group considers the aforesaid exit as an exceptional item and has accordingly disclosed the net amount of ₹ 22 Mn as exceptional item.

45. Previous year figures have been regrouped/ reclassified where necessary to conform to the current year's classifications.

INFORMATION RELATING TO BHARTI INFRATEL VENTURES LIMITED, SUBSIDIARY COMPANY PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2013

Particulars	**(₹ Million)**
(a) Capital	0.5
(b) Reserves	51,974.5
(c) Total assets	64,609.9
(d) Total liabilities	12,634.9
(e) Details of investment (except in case of investment in the subsidiaries)	-
(f) Turnover	4,866.4
(g) Profit before taxation	363.7
(h) Provision for taxation	183.5
(i) Profit after taxation	180.2
(j) Proposed dividend	-

Notice of Annual General Meeting

Notice is hereby given that the seventh annual general meeting of the members of Bharti Infratel Limited will be held on Wednesday, the 3rd day of July 2013 at 11.30 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003 to transact the following business(es):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited balance sheet of the Company as at March 31, 2013, the statement of profit & loss and the cash flow statement for the year ended on that date and the reports of the Board of Directors and auditors thereon.
2. To declare final dividend and confirm the interim dividend(s) of ₹ 1.50 per share and ₹ 1.00 per share for the year ended on March 31, 2013.
3. To appoint a Director in place of Mr. Akhil Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint S.R. Batliboi & Co. LLP, Chartered Accountants, Gurgaon (in place of S. R. Batliboi & Associates LLP, Chartered Accountants, Gurgaon who have expressed their unwillingness to continue) as the statutory auditors of the Company who shall hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. **Appointment of Mr. Rakesh Bharti Mittal as a Director liable to retire by rotation**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Rakesh Bharti Mittal, be and is hereby appointed as director of the Company, liable to retire by rotation."

6. **Appointment of Mr. Bharat Sumant Raut as a Director liable to retire by rotation**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Bharat Sumant Raut, be and is hereby appointed as director of the Company, liable to retire by rotation."

7. **Appointment of Mr. Jitender Balakrishnan as a Director liable to retire by rotation**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Jitender Balakrishnan, be and is hereby appointed as director of the Company, liable to retire by rotation."

8. **Appointment of Mr. Vinod Dhall as a Director liable to retire by rotation**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Vinod Dhall, be and is hereby appointed as director of the Company, liable to retire by rotation."

9. **Appointment of Mr. Sanjay Nayar as a Director liable to retire by rotation**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Sanjay Nayar, be and is hereby appointed as director of the Company, liable to retire by rotation."

10. **Appointment of Ms. Leena Srivastava as a Director liable to retire by rotation**

    To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Ms. Leena Srivastava, be and is hereby appointed as director of the Company, liable to retire by rotation."

11. **Appointment of Mr. Murray Philip King as a Director liable to retire by rotation**

    To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Murray Philip King, be and is hereby appointed as director of the Company, liable to retire by rotation."

12. **Re-appointment of Mr. Akhil Gupta as Managing Director**

    To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to re-appoint Mr. Akhil Gupta as Managing Director, not liable to retire by rotation, of the Company for a further period of five (5) years with effect from August 1, 2013 on a remuneration as set out in the explanatory statement of item no. 12.

    RESOLVED FURTHER THAT pursuant to the provisions of Section 255, 256 and Article 113 of the Articles of Association of the Company Mr. Akhil Gupta will be a non-rotational Director of the Company.

    RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify the terms and conditions of re-appointment including relating to remuneration/ remuneration structure of Mr. Akhil Gupta, within the limits prescribed in the explanatory statement to the item no. 12 without being required to seek any fresh approval of the members of the Company in this regard.

    RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or incidental to give effect to above resolution."

13. **Payment of commission to Non-executive Director(s) of the Company**

    To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and other laws for the time being in force, and in accordance with provisions of articles of association of the Company, consent of the members be and is hereby accorded for payment of commission to its non-executive directors a sum not exceeding one percent (1%) of the net profits of the Company, calculated in accordance with the provisions of Section 349 and 350 and other applicable provisions, if any, of the Act for each financial year, effective from April 1, 2013 in such manner as the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), in its absolute discretion may decide from time to time.

    RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

14. **Amendment of the Articles of Association of the Company**

    To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the existing set of articles of association of the Company, be and is hereby substituted with an amended set of articles of association comprising from Article No. 1 to Article No. 188 and the same be approved as the Articles of Association of the Company.

    RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution."

Date: April 30, 2013

By order of the Board
For Bharti Infratel Limited

Registered Office:
Bharti Crescent,
1 Nelson Mandela Road,
Vasant Kunj, Phase – II
New Delhi – 110 070

Anupam Garg
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

2. The notice of the annual general meeting will be sent to those members/ beneficial owners whose names will appear in the register of members/list of beneficiaries received from the depositories as on Friday, May 24, 2013.

   As a part of its green initiatives in corporate governance, the Ministry of Corporate Affairs vide its Circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed the companies to send official confirmation and documents to its shareholders through e-mail. Accordingly, in cases where the members have registered their e-mail id with their depository participant/Company's registrar and share transfer agent, the Company has decided to send all documents/ communications including notice of general meetings, annual reports, dividend intimations, etc. through e-mail. For other cases, the Company will send the printed annual reports in physical mode through post.

   Members are requested to update their preferred e-mail ids with the Company/ depository participants, which will be used for the purpose of sending the official documents through e-mail.

   Shareholder whose e-mail id is not registered with the Company will be sent a physical copy of this meeting's notice along with the annual report at their registered address. Members whose e-mail ids are registered with the Company and who wish to receive physical copies of the annual report may also send their request to the Company at its registered office address or to the Company's registrar and share transfer agent (RTA), Karvy Computershare Private Limited at Plot No. 17-24, Vittal Rao Nagar, Madhupur, Hyderabad 500 081, Andhra Pradesh.

3. Annual Report is also available at the website of the Company at www.bharti-infratel.com in the investor relation section.

4. Final dividend of ₹ 3.00 per equity share of ₹ 10 each fully paid up has been recommended by the Board of Directors for the year ended March 31, 2013 and subject to the approval of the members at the ensuing annual general meeting, is proposed to be paid on and after July 3, 2013 (within the statutory time limit of 30 days i.e. up to the August 1, 2013). Interim dividend(s) for the financial year 2012-13 @ ₹ 2.50 per equity share of ₹ 10 each fully paid up (comprising of ₹ 1.50 per equity share paid out of accumulated profits up to March 31, 2012 and ₹ 1.00 per equity share paid out of current year profits) was paid on September 7, 2012.

5. The Register of Members and Share Transfer books of the Company will remain closed from Saturday, June 22, 2013 to Wednesday, July 3, 2013 (both days inclusive), in terms of the provisions of the Companies Act, 1956 and the listing agreement with the stock exchanges where the equity shares of the Company are listed for the purpose of annual general meeting and determining the names of the members eligible for dividend on equity shares, if declared at the meeting.

6. The dividend, if declared at the meeting, will be paid on or before the 30th day from the date of declaration of dividend i.e. August 1, 2013 to:
   - For shares held in physical form – those members whose names will appear in the Register of Members on the close of the day on June 21, 2013.
   - For shares held in dematerialized form – those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on the close of the day on June 21, 2013.

7. Members wishing to claim dividends, which remain unpaid, are requested to contact Company's RTA. Members are requested to note that the dividend amount, which remains unclaimed/unpaid for a period of seven years from the date of declaration, will be transferred to the Investor Education and Protection Fund as per section 205A of the Companies Act, 1956.

8. Members, who hold shares in the physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their requisite request in the enclosed form to the Company's RTA. The ECS mandate, in order to be effective, should be submitted to the RTA on or before June 21, 2013. Members are requested to utilize the ECS facility for receiving dividends. Any query related to dividend should be directed to the RTA of the Company.

   In respect of members holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS. The Company/ RTA will not act on any direct request from members holding shares in dematerialized form for change in/ deletion of such bank details.

9. Members who are holding shares in physical form are requested to address all correspondence concerning registration of transfers and transmissions of shares or any other share related matters and/or change in address or updation thereof to the Company's RTA. Members, whose shareholding is in electronic format, are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective depository participants.

10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or staying abroad or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned depository and holdings should be verified.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical forms are requested to submit their PAN details to the Company.

12. Information regarding particulars of the directors to be appointed and the directors seeking re-appointment requiring disclosures in terms of the listing agreement and the explanatory statement pursuant to Section 173 of the Companies Act, 1956, are annexed hereto. The directorship held by the directors considered for the purpose of disclosure do not include the directorships held in foreign companies, private limited companies, trust, alternate directorship and companies under Section 25 of the Companies Act, 1956 but include private limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956. The committee chairmanships/ memberships considered for the purposes of disclosure are those prescribed under clause 49(I)(C) of the listing agreement(s) viz. Audit Committee and Shareholders'/ Investors' Grievance Committee of Indian public limited companies.

13. Corporate members are requested to send a duly certified copy of the board of directors' resolution/ power of attorney authorizing their representative to attend and vote at the annual general meeting.

14. Statutory registers, articles of association and documents referred to in the notice and explanatory statement, including certificate from Auditors of the Company under clause 14 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, are open for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. up to the date of annual general meeting and will also be available for inspection at the meeting.

15. Members having any questions on financial statements or any agenda item proposed in the notice of annual general meeting are requested to send their queries at least ten days prior to the annual general meeting of the Company at its registered office address to enable the Company to collect the relevant information.

16. Members/proxies are requested to bring duly filled admission/attendance slips, sent herewith along with the copies of annual reports, at the meeting.

17. For the security and safety of the members, no article/ baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The members/attendees are strictly requested not to bring any article/baggage etc. at the venue of the meeting.

MEMBERS MAY PLEASE NOTE THAT NO GIFTS/ GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5 - 11

Mr. Rakesh Bharti Mittal, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Mr. Vinod Dhall and Mr. Sanjay Nayar were appointed as additional directors on the Board of the Company w.e.f September 3, 2012 and Ms. Leena Srivastava and Mr. Murray Philip King w.e.f. November 5, 2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the articles of association of the Company, these directors hold office up to the date of seventh annual general meeting. The Company has received notices under Section 257 of the Companies Act, 1956 from members proposing the candidature of Mr. Rakesh Bharti Mittal, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Mr. Vinod Dhall, Mr. Sanjay Nayar, Ms. Leena Srivastava and Mr. Murray Philip King as directors of the Company, liable to retire by rotation along with the prescribed deposit of ₹ 500/- for each director.

None of the directors except Mr. Rakesh Bharti Mittal, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Mr. Vinod Dhall, Mr. Sanjay Nayar, Ms. Leena Srivastava and Mr. Murray Philip King are deemed concerned/ interested in their respective resolutions.

The Board recommends the appointment of Mr. Rakesh Bharti Mittal, Mr. Bharat Sumant Raut, Mr. Jitender Balakrishnan, Mr. Vinod Dhall, Mr. Sanjay Nayar, Ms. Leena Srivastava and Mr. Murray Philip King as directors liable to retire by rotation as set out in item nos. 5, 6, 7, 8, 9, 10 and 11 respectively.

Item No. 12

Mr. Akhil Gupta will be completing his current term as Managing Director of the Company on July 31, 2013. On the advice of HR & ESOP Compensation Committee, the Board recommends to the members, the re-appointment of Mr. Akhil Gupta as Managing Director for a further term of five years effective August 1, 2013 on the following terms:

Fixed Pay (inclusive of salary, allowance and retirement benefits) to be paid monthly:

Such sum as may be determined by the Board from time to time provided that the total fixed pay shall not exceed ₹ 8.00 Crores per annum.

Variable Pay (Performance linked incentive) to be paid annually after the end of the financial year:

Such sum as may be determined by the Board from time to time provided that the total variable pay shall not exceed ₹ 6.00 Crores per annum.

Perquisites:

a) Company provided car and reimbursement of expenses incurred on driver, fuel and maintenance at actual with respect to the said car.

b) Leave Encashment as per the Company policy and rules.

Employees Stock Options:

Such number of options as may be granted to him under any ESOP Scheme of the Company as applicable from time to time.

The aggregate remuneration inclusive of fixed pay, variable pay, perquisites, allowances and other benefits payable to Mr. Akhil Gupta as Managing Director shall not exceed the overall ceilings laid down in Sections 198, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956 or any other law for the time being in force, if any.

Mr. Akhil Gupta shall also be entitled to reimbursement of all legitimate expense incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

Minimum Remuneration

During his term as Managing Director, if the Company, in any financial year, incurs losses or its profits are inadequate, the Company will continue to pay Mr. Akhil Gupta, the above remuneration as Minimum Remuneration by way of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits payable subject to the Schedule XIII of the Companies Act, 1956 and approvals as may be required.

The remuneration as proposed in the resolution for approval of shareholders is an enabling one and sets out the maximum amount that can be paid to Mr. Akhil Gupta over a period of 5 years i.e. until July 31, 2018. Within these limits now set out for approval, the Board is authorized to fix his remuneration.

The Board recommends resolution for the appointment of Mr. Akhil Gupta as Managing Director not liable to retire by rotation as set out in item no. 12 for approval of members as a Special Resolution.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

None of the directors of the Company except Mr. Akhil Gupta himself (as the resolution relates to his appointment as Managing Director) is concerned or interested in the proposed resolution.

Item No. 13

In terms of the approval accorded by the members at their meeting held on July 22, 2008, non-executive directors are entitled to yearly commission, in addition to the sitting fees paid to each of the board and committee meetings attended by them. The aforesaid approval was valid for a period of five years.

As the members are aware, the Board of Directors of the Company is benefited by the presence of non-executive directors who are persons of eminence, possessing wide and rich experience of managing affairs of large and successful corporations. Also the prevalent corporate governance norms call for greater participation, involvement and commitment of these non-executive directors.

In terms of Section 309 and 310 of the Companies Act, 1956, with the approval of members by way of special resolution, a company may make payments by way of commission to its non-executive directors and such remuneration by way of commission cannot exceed 1% of the net profits of the Company.

In order to recognize the efforts of the non-executive directors, the board has recommended for approval of members, payment of annual commission to one or more of the non-executive directors of the Company, a sum not exceeding 1% of the net profits of the Company for each of the financial years in addition to the fees payable to them for attending the meeting of the board of directors or any committee(s) thereof or reimbursement of expenses, if any, to be paid and distributed amongst the non-executive directors, in such amount and proportion and in such manner as may be determined by the Board from time to time.

The said resolution is, therefore, proposed as an enabling resolution for giving requisite powers to the Board for making payment of commission to non-executive directors as it may deem fit and proper. The approval will be valid for a period of five years commencing for the financial year from 2013-2014 and can be renewed from time to time, for a further period not exceeding five years.

The Board recommends the passing of the resolution as set out in item no. 13 for approval of members as a Special Resolution.

All the directors except Mr. Akhil Gupta may be deemed to be concerned or interested in the resolution to the extent of the payment that they may receive by way of commission on profits.

Item No. 14

The Articles of Association of the Company ("Articles") comprises of two parts namely Part I, which covers the provisions applicable to a listed public company and Part II which includes rights and obligations of various investors prior to the initial public offer of the Company's shares. Consequent upon listing of shares of the Company on BSE Limited and the National Stock Exchange of India Ltd. on December 28, 2012, the provisions of Part II of the Articles have automatically terminated and ceased to have any force and effect.

Accordingly, it is proposed to amend the Articles to delete the provisions of Part II of the Articles.

None of the directors of the Company is deemed to be concerned or interested in the proposed resolutions.

The Board recommends the passing of the resolution as set out in item no. 14 for approval of members as a Special Resolution.

Date: April 30, 2013

Registered Office:
Bharti Crescent,
1 Nelson Mandela Road,
Vasant Kunj, Phase – II
New Delhi – 110070

By order of the Board
For Bharti Infratel Limited

Anupam Garg
Company Secretary

Information of directors seeking appointment/ re-appointment at the forthcoming annual general meeting (pursuant to clause 49 of the listing agreement):

Mr. Akhil Gupta

Date of Birth	December 22, 1955
Qualifications	• Certified Chartered Accountant and fellow member of ICAI • Advanced Management Program from Harvard Business School, Harvard University, USA
Experience and expertise in specific functional area	28 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• Bharti AXA General Insurance Company Limited • Bharti AXA Life Insurance Company Limited • Bharti Enterprises Limited • Bharti Infratel Ventures Limited • Bharti Telecom Limited • Bharti Ventures Limited • Indus Towers Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	• Bharti AXA General Insurance Company Limited – Audit Committee (Member) • Bharti Enterprises Limited – Audit Committee (Chairman) • Bharti Infratel Limited – Shareholders'/ Investors' Grievances Committee (Member) • Bharti Telecom Limited – Audit Committee (Member) • Bharti Ventures Limited – Audit Committee (Chairman) • Indus Towers Limited – Audit Committee (Chairman)

Mr. Rakesh Bharti Mittal

Date of Birth	September 18, 1955
Qualifications	Diploma in Electronics and Controls from Y.M.C.A. Institute of Engineering, Faridabad
Experience and expertise in specific functional area	35 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• Beetel Teletech Limited • Bharti AXA General Insurance Company Limited • Bharti AXA Life Insurance Company Limited • Bharti Telecom Limited • Bharti Ventures Limited • Centum Learning Limited • Comviva Technologies Limited • Indus Towers Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	• Bharti AXA General Insurance Company Limited – Audit Committee (Member) • Bharti Infratel Limited – Shareholders'/ Investors' Grievances Committee (Chairman) • Bharti Ventures Limited – Audit Committee (Member)

Mr. Bharat Sumant Raut

Date of Birth	August 31, 1949
Qualifications	• Bachelors' Degree in Law from University of Bombay • Chartered Accountant and fellow member of ICAI
Experience and expertise in specific functional area	42 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• Bharti AXA Life Insurance Company Limited • Bharti AXA General Insurance Company Limited • IDFC AMC Trustee Company Limited • I-Flex Solutions Trustee Company Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	• Bharti AXA Life Insurance Company Limited – Audit Committee (Chairman) • Bharti AXA General Insurance Company Limited – Audit Committee (Chairman) • Bharti Infratel Limited – Audit Committee (Chairman)

Mr. Jitender Balakrishnan

Date of Birth	May 8, 1949
Qualifications	• Bachelors' Degree in Mechanical Engineering from University of Madras • Post graduate diploma in Industrial Management from University of Bombay
Experience and expertise in specific functional area	39 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• Aditya Birla Finance Limited • Bharti AXA Life Insurance Company Limited • Bharti AXA General Insurance Company Limited • Bhoruka Power Corporation Limited • Binani Industries Limited • Essar Steel India Limited • Essar Services India Limited • IL & FS Investment Managers Limited • India Glycols limited • Polyplex Corporation Limited • Sarda Energy & Minerals Limited • Usha Martin Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	• Bharti Infratel Limited - Audit Committee (Member) • Binani Industries Limited – Audit Committee (Member) • IL & FS Investment Managers Limited – Audit Committee (Member) • Sarda Energy & Minerals Limited – Investor Grievance Committee (Member) • Usha Martin Limited – Audit Committee (Chairman)

Mr. Vinod Dhall

Date of Birth	February 20, 1944
Qualifications	• Bachelors' Degree in Law from University of Delhi • Masters' Degree in Mathematics from University of Allahabad
Experience and expertise in specific functional area	27 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• ICICI Prudential Life Insurance Company Limited • ICICI Prudential Pension Funds Management Company Limited • ICICI Prudential Trust Limited • Orient Cement Limited • Schneider Electric Infrastructure Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	• Bharti Infratel Limited – Audit Committee (Member) • ICICI Prudential Pension Fund Management Company Limited – Audit Committee (Member) • ICICI Prudential Trust Limited - Audit Committee (Member) • Orient Cement Limited – Audit Committee (Chairman) • Orient Cement Limited – Shareholders'/ Investors' Grievance Committee (Member) • Schneider Electric Infrastructure Limited – Share Transfers and Shareholders'/ Investors' Grievance Committee (Chairman) • Schneider Electric Infrastructure Limited – Audit Committee (Chairman)

Mr. Sanjay Nayar

Date of Birth	October 13, 1960
Qualifications	• Bachelors' Degree in Science (Mechanical Engineering) from University of Delhi • Post graduate diploma in Management from IIM, Ahmedabad
Experience and expertise in specific functional area	29 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• Amalgamated Bean Coffee Trading Company Limited • Avantha Power & Infrastructure Limited • Dalmia Cement (Bharat) Limited • Dalmia Cement Ventures Limited • Grameen Capital India Limited • Magma Fincorp Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	• Avantha Power & Infrastructure Limited – Audit Committee (Member) • Avantha Power & Infrastructure Limited – Shareholders' & Investors' Grievance Committee (Chairman) • Bharti Infratel Limited – Audit Committee (Member) • Dalmia Cement Ventures Limited – Audit Committee (Member)

Ms. Leena Srivastava

Date of Birth	September 7, 1960
Qualifications	Degree of Doctor of Philosophy from Indian Institute of Science, Bangalore
Experience and expertise in specific functional area	31 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	• TERI Technologies Limited • Torrent Pharmaceuticals Limited • Shree Cement Limited
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	Torrent Pharmaceuticals Limited – Audit Committee (Member)

Mr. Murray Philip King

Date of Birth	January 31, 1959
Qualifications	• Bachelors' Degree in Commerce from University of Queensland • Member of the Institute of Chartered Accountants in Australia
Experience and expertise in specific functional area	32 years
Shareholding in Bharti Infratel Limited	Nil
Directorship held in other public limited companies in India as on March 31, 2013	Nil
Membership/Chairmanship of committees in public limited companies in India as on March 31, 2013	Nil

Date: April 30, 2013

By order of the Board
For Bharti Infratel Limited

Registered Office:
Bharti Crescent,
1 Nelson Mandela Road,
Vasant Kunj, Phase – II
New Delhi – 110070

Anupam Garg
Company Secretary

Glossary

COMPANY RELATED

4 Overlapping Circles	Represents the telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations. Bharti Infratel is not permitted to roll out any new towers in these telecommunications Circles, although it continues to own and operate its existing telecommunications towers in these Circles, and add additional sharing operators to these towers. New tower rollout in these telecommunication circles is done by Indus.
7 Circles	Represents the telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Orissa, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis.
11 circles	Represents the 7 telecommunications circles of Bihar, Madhya Pradesh and Chhattisgarh, Orissa, Jammu and Kashmir, Himachal Pradesh, Assam and North East states wherein Bharti Infratel operates on exclusive basis and the 4 common circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
15 circles	Represents the 11 telecommunication circles of Andhra Pradesh, Delhi, Gujarat, Karnataka, Kerala, Kolkata, Maharashtra & Goa, Mumbai, Punjab, Tamil Nadu (including Chennai) and West Bengal wherein Indus operates on exclusive basis and the 4 common telecommunication circles of Haryana, Rajasthan, Uttar Pradesh (East) and Uttar Pradesh (West) wherein Bharti Infratel and Indus Towers have overlapping operations.
Average Co-locations	Average co-locations are derived by computing the average of the Opening and Closing co-locations at the end of relevant period.
Average Sharing Factor	Average Sharing factor is calculated as the average of the opening and closing number of co-locations divided by average of the opening and closing number of towers for the relevant period.
Average Towers	Average towers are derived by computing the average of the opening and closing towers at the end of relevant period.
BIVL	Bharti Infratel Ventures Limited
Bn	Billion
CapEx	It includes investment in gross fixed assets and capital work in progress for the relevant period.
Capital Employed	Capital Employed is defined as sum of equity attributable to equity share holders and net debt.
Cash Profit From Operations	It is not an IGAAP measure and is defined as operating income adjusted for depreciation and amortization, revenue equalization, lease rent equalizations and finance costs.
Circle(s)	22 service areas that the Indian telecommunications market has been segregated into
Co-locations	Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower; 'co-location' refers to that single operator. Co-locations as referred to are revenue-generating co-locations.
Earnings Per Share - Basic	It is computed by dividing net profit or loss attributable for the period to equity shareholders by the weighted average number of equity shares outstanding during the period.
Earnings Per Share - Diluted	Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period for the effects of all dilutive potential equity shares.
EBIT	Earnings before interest, taxation excluding other income for the relevant period.

EBIT (Including Other Income)	Earnings before interest, taxation including other income for the relevant period.
EBITDA	Earnings before interest, taxation, depreciation and amortization excluding other income for the relevant period. It is defined as operating income and does not include depreciation and amortization expense, finance cost and tax expense.
EBITDA (Including Other Income)	Earnings before interest, taxation, depreciation and amortization including other income for the relevant period.
Enterprise Value (EV)	Calculated as sum of Market Capitalization plus Net Debt as at the end of the relevant period.
EV / EBITDA (times) (LTM)	Computed by dividing Enterprise Value as at the end of the relevant period (EV) by EBITDA for the preceding (last) 12 months from the end of the relevant period.
GAAP	Generally Accepted Accounting Principle
IGAAP	Indian Generally Accepted Accounting Principle
Incremental Return on Capital Employed	For the full year, Incremental Return on Capital Employed is computed by dividing Incremental EBIT during the relevant years by Incremental Average Capital Employed during the corresponding years.
Incremental Return on Shareholder's Equity	For the full year, Incremental Return on Equity is calculated by dividing Incremental Profit after Tax during the relevant years by Incremental Average Shareholder's Equity during the corresponding years.
Intangibles	Comprises of acquisition cost of software.
∞	Not ascertainable (infinite)
Interest Coverage Ratio (LTM)	It is computed by dividing EBITDA for the preceding (last) 12 months from the end of relevant period by interest on borrowing for the preceding (last) 12 months.
IRU	Indefeasible right to use
Lease Rent Equalization	It represents the effect of fixed escalations (as per the terms of lease agreements with landlords) recognized on straight line basis over the fixed, non-cancellable term of the agreement, as applicable
LTM	Last twelve (12) months
Market Capitalization	Number of issued and outstanding shares as at end of the period multiplied by closing market price (NSE) as at end of the period.
Mn	Million
MSA	Master Service Agreement
Net Debt	It is not a IGAAP measure and is defined as the long-term borrowing, short-term borrowings and current portion of long-term borrowings minus cash and cash equivalents, current investments and short term loan to the parent company as at the end of the relevant period.
Net Debt to EBITDA (LTM)	It is computed by dividing net debt as at the end of the relevant period by EBITDA for preceding (last) 12 months from the end of the relevant period.
Operating Free Cash flow	It is not an IGAAP measure and is defined as EBITDA adjusted for Capex, revenue equalization & lease rent equalization.
P/E Ratio	Price to Earnings ratio is calculated as closing market price (NSE) as at the end of relevant period, divided by diluted annual earnings per share. Annual Diluted Earnings per share is calculated by adding the preceding last four quarters diluted Earnings per share
ROC	Registrar of Companies
Return On Capital Employed (ROCE) - (LTM)	For the full year, ROCE is computed by dividing the sum of EBIT for the period by average (of opening and closing) capital employed. For the quarterly computations, it is computed by dividing sum of EBIT for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) capital employed during the relevant periods.

Return On Shareholder's Equity (ROE) (LTM)	For the full year, ROE is computed by dividing the sum of Profit after tax for the period by average (of opening and closing) equity shareholders funds. For the quarterly computations, it is computed by dividing sum of Profit after tax for the preceding (last) 12 months from the end of the relevant period by average (of opening and closing) equity shareholders funds during the relevant periods.
Revenue Equalization	It represents the effect of fixed escalations (as per the terms of service agreements with customers) recognized on straight line basis over the fixed, non-cancellable term of the agreement, as applicable.
SHA	Shareholders Agreement
Sharing Operator	A party granted access to a tower and who has installed active infrastructure at the tower
Sharing Revenue	It represents service revenue accrued during the relevant period and includes revenue equalization net of service level credits.
Sharing revenue per Sharing Operator per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of opening and closing number of co-locations for the relevant period.
Sharing revenue per Tower per month	Is calculated on the basis of sharing revenues accrued during the relevant period divided by the average number of towers for the period, determined on the basis of opening and closing number of towers for the relevant period.
Tax Holidays	Temporary reduction or elimination of tax under section 80IA of the Income Tax Act, 1961
Towers	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating towers
Tower and Related Infrastructure	Infrastructure Located at site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works

REGULATORY RELATED

BSE	BSE Ltd. (formerly Bombay Stock Exchange Limited)
DoT	Department of Telecommunications
ESOP	Employees Stock Option Plan
FDI	Foreign Direct Investment
FTSE	Financial Times Stock Exchange
GSM	Global System for Mobile Communication
IMC	Inter Ministerial Committee
IPO	Initial Public Offering
IP1	Infrastructure Provider Category 1
MD	Managing Director
NSE	National Stock Exchange of India Limited
QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
SEBI	Securities and Exchange Board of India
TRAI	Telecom Regulatory Authority of India
TEC	Telecommunication Engineering Center – Department of Telecommunications

INDUSTRY RELATED

2G	Second generation mobile telecommunication
3G	Third generation mobile telecommunication
4G	Fourth generation mobile telecommunication
A-category telecommunication Circles	Telecommunication circles in the State of Andhra Pradesh, State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli), State of Karnataka, State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area, State of Tamil Nadu and Union Territory of Pondichery including Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone, Minzur and Mahabalipuram Exchanges
B-category telecommunication Circles	Telecommunication circles in the Union Territory of Andaman & Nicobar Islands, State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area, the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges, State of Kerala and Union Territory of Lakshadweep and Minicoy, reorganized State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated August 25, 2000, State of Punjab and Union territory of Chandigarh and Panchkula Town of Haryana, State of Rajasthan, Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh: Pilibhit, Bareilly, Badaun, Etah, Mainpuri and Etawah. It excludes the local telephone area of Ghaziabad and Noida. However, it includes the newly created State of Uttaranchal pursuant to the Uttar Pradesh Reorganisation Act, 2000 (No.29 of 2000) dated 25th August, 2000 and Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh Shahjahanpur, Farrukhabad, Kanpur and Jalaun
BTS	Base Transceiver Station
C-category telecommunication Circles	Telecommunication circles in the State of Assam, re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated August 25, 2000, State of Himachal Pradesh, State of Jammu & Kashmir including the autonomous council of Ladakh, States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura and State of Orissa
DG	Diesel Generator
ECB	External commercial borrowings
EMF	Electro Magnetic Field
FCU	Free Cooling Unit
GBT	Ground Based Tower
IPMS	Integrated Power Management System
PPC	Plug and Play Cabinet
RESCO	Renewable Energy Service Company
RTT	Roof Top Tower
TAIPA	Tower And Infrastructure Providers Association

Office Locations

Head Office
Bharti Infratel Limited
901, Park Centra,
Sector 30, NH-8,
Gurgaon
Haryana – 122 001

Jammu & Kashmir
Bharti Infratel Limited,
4th Floor, Hotel TRG,
Rail Head Complex, Near Bahu Plaza,
Jammu
Jammu & Kashmir - 180 001

Haryana & Himachal Pradesh
Bharti Infratel Limited,
C/o FCS Software Solutions Ltd.,
Plot No. J-7, Ground Floor,
Chandigarh Technology Park,
Chandigarh – 160 101

Rajasthan
Bharti Infratel Limited,
6th Floor, Plot No. 8 & 9,
Corporate Park, Gopal Bari,
Ajmer Road,
Jaipur
Rajasthan – 302 006

Uttar Pradesh (West)
Bharti Infratel Limited,
9th Floor, A-8-A The 3C Building,
Knowledge Boulevard, Sector-62
Noida
Uttar Pradesh – 201 301

Uttar Pradesh (East)
Bharti Infratel Limited,
410, 4th Floor, Ratan Square,
20-A, Vidhan Sabha Marg,
Lucknow
Uttar Pradesh – 226 001

Bihar & Jharkhand
Bharti Infratel Limited,
2nd Floor,
Alankar Business Centre,
East Boring Canal Road,
Buddha Colony,
Patna
Bihar – 800 001

Madhya Pradesh & Chhattisgarh
Bharti Infratel Limited,
4th Floor, Metro Tower,
Scheme No. 54, Near Vijay Nagar Square,
A.B. Road, Indore
Madhya Pradesh – 452 010

North East States and Assam
Bharti Infratel Limited,
4th Floor, Nikita Office Complex,
Opposite Research Gate,
G.S Road, Khanapara,
Guwahati
Assam – 781 022

Odisha
Bharti Infratel Limited,
502 & 503, 5th Floor,
Forum Mart, Unit 3, Kharvel Nagar,
Bhubaneshwar
Odisha – 751 001

Bharti Infratel Limited

BHARTI INFRATEL LIMITED

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070

ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id	
Regd. Folio No.*	

Client Id	
No. of Shares	

Name(s) and address of the shareholder(s) in full ....

....

....

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON WEDNESDAY, THE 3RD DAY OF JULY 2013 AT 11.30 A.M. AT SRI SATHYA SAI INTERNATIONAL CENTRE, PRAGATI VIHAR, LODHI ROAD, NEW DELHI 110 003.

Please (✓) in the box

☐ MEMBER ☐ PROXY

Signature of Member/Proxy

*Applicable for investor holding shares in physical form.

Bharti Infratel Limited

BHARTI INFRATEL LIMITED

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase-II, New Delhi - 110070

PROXY FORM

DP Id	
Regd. Folio No.*	

Client Id	
No. of Shares	

I/We Name(s) and address of the shareholder(s) in full ....

....

being a member of Bharti Infratel Limited, hereby appoint ....of ....in the district of

....or failing him/her......................................of ....in the district of ....
as my/our Proxy to attend and vote for me/us on my/our behalf at the seventh annual general meeting of the Company scheduled to be held on Wednesday, the 3rd Day of July 2013 at 11.30 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110 003 or/and at any adjournment thereof.

Dated: ....

....
Signature of the Shareholder

Affix ₹ 1/-
Revenue
Stamp

*Applicable for investor holding shares in physical form.

Notes: The Proxy form duly completed and signed should be deposited at the Registered Office of the Company situated at Bharti Crescent, 1 Nelson Mandela Road, Phase-II, Vasant Kunj, New Delhi 110 070 not later than 48 hours before the commencement of the seventh annual general meeting.

Bharti Infratel Limited

ECS/E-MAIL MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To,
Karvy Computershare Private Limited
Unit: Bharti Infratel Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081

Name of the First/ Sole Shareholder	
Folio No.	

PAN/ E-mail information

Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
E-mail ID	

ECS mandate Form (for shares held in Physical mode)

Bank Name	
Branch Name & Address	
Bank Account Type (tick)	SB Current Others
Bank Account Number	
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photo copy of the Cheque)	

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail/ receive dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder/ Sole Holder

Building and Sharing Vital Infrastructure

Bharti Infratel Limited

Bharti Crescent, 1 Nelson Mandela Road
Vasant Kunj, Phase II, New Delhi - 110 070
www.bharti-infratel.com