



# STANDING TALL

25 years and  
counting...

# ABOUT THIS REPORT

The Integrated Report continues to reflect our journey of value creation for our stakeholders.



## Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



For the online version of the Annual Report please log on to <http://www.airtel.com>

For Financial statements of subsidiary companies please log on to <https://www.airtel.in/about-bharti/equity/results>

## Reporting scope and period

The Integrated Report covers information on business operations of Bharti Airtel Limited, aptly disclosed through six capitals as defined by International Integrated Reporting Council (IIRC). All the six capitals (except financial capital) cover information on India operations excluding Bharti Infratel Limited and Airtel Payments Bank Limited unless specified otherwise. The parameters for financial capital covered in this report are in relation to 'Bharti Airtel Limited' on standalone basis.

The Integrated Report considers the primary reporting period as April 01, 2019 to March 31, 2020. However, some of the sections of the report represent facts and figures of previous years to provide a comprehensive view to the stakeholders.

## Reporting framework

The report follows the International <IR> Framework as developed by IIRC ([www.integratedreporting.org](http://www.integratedreporting.org)) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.

## Key company information

### Bharti Airtel Limited

ISIN: INE397D01024

BSE Code: 532454

NSE Code: BHARTIARTL

CIN: L74899DL1995PLC070609

## Assurance

To ensure the integrity of facts and information, the Board of Directors and management have reviewed the Integrated Report and Thinkthrough Consulting Private Limited has carried out independent assurance on sustainability disclosures presented in the report. The 'Independent Assurance Statement' issued by Thinkthrough Consulting Private Limited forms a part of this report.

The statutory auditors, Deloitte Haskins & Sells LLP, Chartered Accountants have provided assurance on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.



**Sunil Bharti Mittal**  
Chairman

**Gopal Vittal**  
Managing Director & CEO  
(India & South Asia)

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# CORPORATE INFORMATION

## Board of Directors

Mr. Sunil Bharti Mittal, Chairman  
 Ms. Chua Sock Koong  
 Mr. Craig Edward Ehrlich  
 Mr. Dinesh Kumar Mittal  
 Mr. Gopal Vittal, Managing Director & CEO  
 (India & South Asia)  
 Ms. Kimsuka Narasimhan  
 Mr. Manish Kejriwal  
 Mr. Rakesh Bharti Mittal  
 Mr. Shishir Priyadarshi  
 Ms. Tan Yong Choo  
 Mr. V. K. Viswanathan

## Chief Financial Officer

Mr. Badal Bagri

## Company Secretary

Mr. Pankaj Tewari

## Statutory Auditors

Deloitte Haskins & Sells, LLP  
 Chartered Accountants

## Internal Assurance Partners

Ernst & Young LLP  
 ANB & Co., Chartered Accountants

## Cost Auditors

Sanjay Gupta & Associates  
 Cost Accountants

## Secretarial Auditors

Chandrasekaran Associates  
 Company Secretaries

## Registered & Corporate Office

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

## Website

<http://www.airtel.com>

# WE STARTED STRONG, **25 YEARS BACK.**

We began with the knowledge that mobile telephony had a great potential in India. And after witnessing the unprecedented growth, scale and transformational impact mobile services has had on the Indian telecom landscape, Airtel is truly proud to have been at the forefront of this story!

We were among the pioneers that connected India through an exceptional mobile network. Our honest efforts gained the trust of a steadily increasing customer share, as the country grew in its acceptance and usage of mobile communication. Our transformational and unique 'outsourcing based business model' allowed us to take our services to the masses. We witnessed

the boom in Indian telecom industry and became a major player, reaching the pinnacle as India's preferred telecom service provider, and staying there for years. Our focus on customer demand and a constant stream of product innovations - from Hello Tunes to Lifetime Prepaid - played an important role in this growth journey of ours.



As one of the earliest entrants in this market, we have had privilege of working with some of the biggest names in global telecom like BT, Telecom Italia, Vivendi, Singtel, among others; and each of our partners reaped handsome rewards in Airtel's overall journey towards success! Over the years, the Airtel family grew as well. We have always had a culture of empowering our people. We put in place a process that has seen the company transform from an entrepreneur-led professional-backed company to a professional-led entrepreneur-backed entity.

**Our offerings grew as well, and new customers arrived and stayed on for a lifetime. We became much more than just a mobile operator – with our broadband service, Direct-to-Home (DTH) service, Digital Payments Bank (Airtel Payments) & Airtel Business among others. We expanded our presence with Airtel Africa, turning around the entity into a profitable one today.**



**We began strong 25 years ago as one of India's telecom service providers, and year after year we deepened our roots and grew synonymous with quality telecom connectivity in India.**

# WE HAVE BEEN GOING STRONG IN THESE TWO AND A HALF DECADES.

**Even in the recent period of turbulence, we have been able to defend our ground by holding on to the market share.**

Telecom price-wars changed the landscape of the industry we have known and operated in till date. While the Adjusted Gross Revenue (AGR) dues have caused significant distress in business sustainability for industry players, we managed to raise more than USD 8 Bn over the year through rights issue, Airtel Africa IPO, Perpetual Bond, QIP and FCCB. This speaks volumes about the support of investors and their trust in our capabilities.

The Indian telecom industry is now at a crucial transformational stage. From multiple players trying to claim shares of the market, now, after extensive consolidations, we have entered a 3+1 player arena. Yet, if our journey till date is any indication, we are confident about holding our ground.



The momentum has now shifted towards data, led by 4G services, although voice will continue to grow in underpenetrated areas in rural India. Mobile devices with high speed mobile internet are now a lifestyle enabler, delivering services from banking, commerce to education and healthcare, and 4G networks are now accelerating India's journey towards becoming a digitally integrated economy. As smartphones are becoming more affordable, the uptake of data services is increasing; for Airtel, data services are growing manifold every year and we expect this trend to sustain.

In other words, we have another massive revolution in the making and we are once again proud to be at the forefront of it. After 25 years of being a strong industry player, our roots are now deep and resilient enough to withstand the challenges on the way forward. Our innovative team is focused on shaping our future, undeterred by any stumbling blocks on the way. Our global investor base has also shown immense confidence in our potential. And our millions of loyal customers trust us enough to know that we will be accomplishing many more milestones going ahead.

# WE STARTED STRONG, 25 YEARS BACK. AND THE MOMENTUM SHALL CONTINUE!



# CHANGE LEADERS

YESTERDAY. TODAY.  
TOMORROW.



**With a constant motivation to strengthen our innovative core, we have cemented Airtel's position to lead change in a fast paced and ever-evolving digital landscape. Since our first mobile service launch in New Delhi on September 27, 1995, we have been at the forefront of the transformation of the wireless telecom sector in the last two and a half decades.**



**1995**

Our telecom journey begins with the launch of cellular service in New Delhi

**1996**

Airtel introduces services in Himachal Pradesh

**1997**

British Telecom (BT) – a major UK-based telecom operator acquires 21.05% equity stake in Bharti Airtel

**1998**

Breaking the public sector monopoly, we become the first private sector company in India to introduce fixed line services in Indore

**1999**

We acquired majority stake in JT Mobiles (a leading cellular service operator in Karnataka and Andhra Pradesh) to emerge as the largest private sector operator and officially started operations in both the states, in the following year, under the brand aegis of Airtel

**2000**

Airtel formed a strategic partnership with Singapore Telecommunications (Singtel) and the company later joined the Board with an investment of USD 400 Mn in Airtel – the single largest investment by an international investor in telecom sector at that time

**2001**

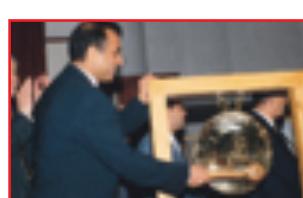
We introduced India's first private submarine cable company 'Network i2' in partnership with Singtel as a 51:49 joint venture company. The 3,200 km submarine optical fiber cable network was set-up at a cost of USD 250 Mn, linking Chennai (India) and Tuas (Singapore) with a high bandwidth capacity of 8.4 terabits per second

Airtel expanded its presence to Kolkata with a 100% stake in Spice Cell, the then leading operator in Kolkata

**2004**

We entered into a path-breaking partnership with IBM to outsource hardware, software and IT services requirements

To build and maintain our mobile network across 16 circles in India, we signed network management agreements with Ericsson and Nokia

**2002**

We successfully closed India's first 100% book building Initial Public Offer (IPO), raising ₹ 833.85 crore for 10% equity stake



We entered the markets of Punjab, Uttar Pradesh (west), Uttaranchal, Gujarat, Maharashtra and Kerala

Commercially launched Enhanced Data Rate for Global Evolution (EDGE) services in Delhi for our customers, to experience rich multimedia content

**2005**

We became a pan-India mobile service operator with the launch of our services in Assam

**2003**

Allowing customers access to Multimedia Messaging Service (MMS), we introduced General Packet Radio Service (GPRS) over our network

**2007**

Formed an independent tower company, Bharti Infratel Limited, by hiving off passive infrastructure (telecom towers) assets



**2008**

Introduced the state-of-the-art Direct To Home (DTH) service for home entertainment

**2010**

Rebranded ourselves with a completely new brand identity, presenting a unified face for our customers across the globe

**2011**

We introduced the first 3G service in India, in the city of Bangalore, with more than 1 lakh customers registering within 72 hours of its launch

**2012**

Launched the revolutionary 4G LTE (Long Term Evolution) service in Kolkata with superfast mobile internet services

**2014**

The first operator to launch 3G WiFi dongle

Launched Wynk Music – carrier agnostic mobile application with a curated library of 1.8 Mn songs

**2015**

Bharti Airtel launch 'Project Leap' Airtel's network transformation program

Airtel emerged as the 3rd largest mobile operator in the world with more than 303 Mn subscribers in Africa and India

4G services extended to 17 cities in India

Airtel applied for a Payments Bank license with Kotak to acquire 19.9% stake in Airtel M Commerce Services Limited



4G service was launched across India in 296 towns, enabling our customers to experience high speed wireless broadband and enjoy uninterrupted HD video streaming, superfast uploading and downloading of movies, music and images

Rolled out national mobile number portability service

Launched high speed 4G services commercially in 334 towns across India

**2016**

Became the first mobile operator in India to commercially deploy LTE-Advanced (4G+) technology on a live 4G network in Kerala

Successfully concluded the acquisition rights to use 2 x 5 MHz spectrum in the 1800 MHz Band allotted to Videocon Telecom in 6 circles

**2017**

Airtel Payments Bank became the first payments bank in the country to go LIVE as it rolled out services nationally

Acquired Telenor India (an enterprise of Telenor South Asia Investments Pte Limited)

Completed the acquisition of Tikona Digital Networks, making Tikona a wholly owned subsidiary of Airtel

Announced the deployment of Massive Multiple-Input Multiple-Output (MIMO), in partnership with Huawei Telecommunication India, as part of Airtel's ongoing network transformation program

**2018**

Launched an Industry first exclusive rewards program airtelThanks

Entered into a definitive agreement with Tata Teleservices Ltd. and Tata Teleservices (Maharashtra) Ltd. for acquisition of their Consumer Mobile Businesses (CMB)

Launched One Airtel – first-of-its-kind digital quad-play platform in India, to simplify customer experience for homes that use multiple Airtel services

**2019**

Successfully closed USD 3.6 Bn Rights Issue

Launched Airtel Xstream, a converged digital entertainment application for mobile users, along with India first Android based set-top box and OTT smart stick

In an industry first initiative, Airtel launched voice over Wi-Fi service that leverages innovative technology to enhance indoor voice calling experiences

Launched 1 Gbps 'Airtel Xstream Fiber' with unlimited ultra-fast broadband

Wynk Music became #1 music streaming app in India in terms of Daily Active Users based on App Annie Data

**2020**

Airtel became first operator to launch 4G in 26 villages located in tough terrains of upper Ladakh

Successfully closed USD 2 Bn QIP and USD 1 Bn FCCB, the largest dual tranche Equity and FCCB offering ever in Asia-Pacific, the largest QIP by a private sector issuer in India and the largest FCCB offering from an Indian issuer in the last 12 years

# ENDEARING AND EXUBERANT – A BRAND WITH A DIFFERENCE

With relentless zeal, brand Airtel has grown well beyond its Indian roots to be recognised as a highly acclaimed global brand. Demonstrating its ability to adapt to changing industry dynamics, Airtel is one of the largest global consumer brands to have emerged out of the country.

## Brand Airtel



1994



2002

# airtel

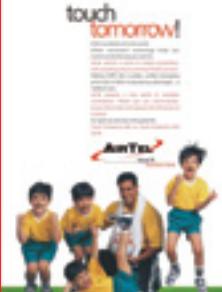
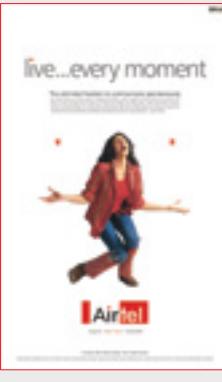
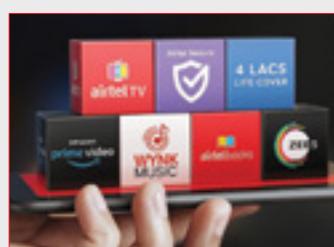
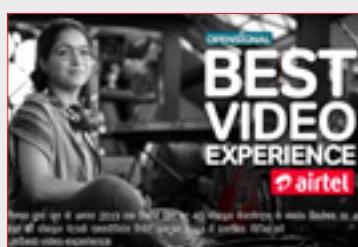
2010

'AirTel' as a brand name was finalized by Mr. Sunil Bharti Mittal himself, to reflect the technological innovation of 'Telephony over Airwaves'. Other options like 'Be One', 'Tango', 'Bee Tel' and 'BTel' were also considered as suitable brand names. Right from its inception, the idea was to position the brand as an aspirational lifestyle brand, going beyond pricing/ tariff propositions only.

## Iconic Campaigns

To make a mark, it is imperative to create a differentiating position and Airtel never ceases to amaze, with its incredible campaigns. With an aim to extend its reach to the remotest corners of the country, its iconic campaigns are true testimony to its success – **an endeavour to earn the trust and loyalty of millions**, driving home its brand message, every time.

**India**

 <p>1995 "The power to keep in touch"</p>	 <p>2008 "Barriers break when people talk"</p>	 <p>2011 "Har ek friend zaroori hota hai"</p>
 <p>2000 "Touch Tomorrow"</p>	 <p>2014 "The Smartphone Network"</p>	 <p>2015 "Widest 4G Network"</p>
 <p>2002 "Live... every moment"</p>	 <p>2018 "airtelThanks"</p>	 <p>2019 "Best Video Experience"</p>
 <p>2003 "Express yourself"</p>		

# ENDEARING AND EXUBERANT – A BRAND WITH A DIFFERENCE

At Airtel, we are obsessed with exceptional experiences, and what better way to reach you than our remarkable campaigns! Touching hearts, delighting customers, overwhelming senses – **we are ready to be a part of your life in truly unique ways.**

**Africa**

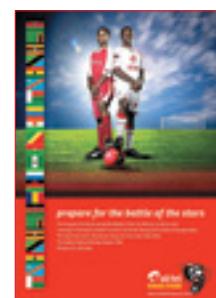
2008

↑  
"The Friendship Network"



2010

←  
"AirtelONE8"



2011

↑  
"Airtel Rising Stars"



2014

←  
"Airtel Trace Music"



2015

↑  
"Fastest Network"



2015

←  
"It's Now"

# Airtel Ambassadors - Leaving a Lasting Impact

Customer connect is always a priority at Airtel. To reach out, to earn the trust of millions, we rely on the immense contribution of our brand ambassadors - icons that enshrine our core brand value. Airtel's ambassadors not just spread the message far and wide, but leave a lasting imprint on consumers, ensuring and enhancing connectivity - between the brand and its user base.



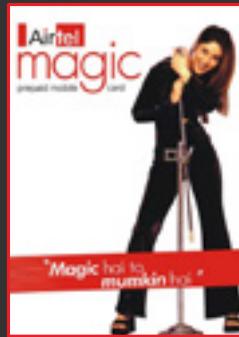
Karishma Kapoor  
2001



Shahrukh Khan  
2001



A R Rahman  
2002



Kareena Kapoor  
2002



Saurav Ganguly  
2002



R Madhavan  
2002



Sachin Tendulkar  
2003



Vidya Balan  
2008



Saif Ali Khan  
2008



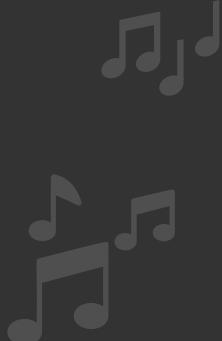
Kumar Sangakkara  
2009



Yaya Touré  
2015



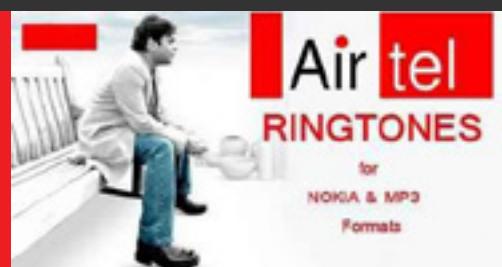
Sasha Chettri  
2015



## Did you know ?

Airtel's signature tune, composed by A R Rahman, is the world's most downloaded mobile music with over

150 Mn  
downloads

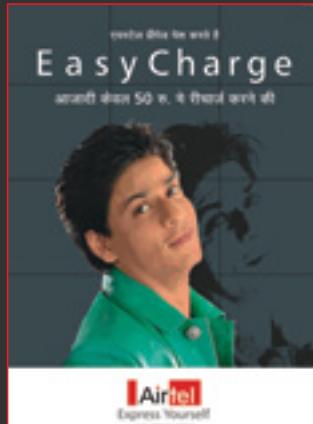


# INSPIRING THE NEXT – WITH AIRTEL

**Driven by an unabated enthusiasm to introduce path breaking innovations, Airtel has always been at the helm of revolutionary changes. From being the first in India to introduce music on mobile phones to launching new services like ‘Easy Recharge’, ‘Lifetime Prepaid’ and mobile money, Airtel has led remarkable initiatives aimed at transforming the lives of its customers. Let’s take a look at some of them.**

Introduced  
**‘Easy  
Recharge’**

a unique and  
revolutionary prepaid  
product with a  
minimum recharge of  
₹ 50



# 2004

**‘Hello  
Tunes’**

Pioneered mobile  
music in India with the  
launch of ‘Hello Tunes’



No more boring ‘ring ring’ for your callers!

The next time a friend calls you, let your Hello Tunes ring out your favorite songs for you, even before you say ‘Hello’!  
For Airtel 121, “Doston Bacha Dega...” or “Kabhi Ae Nachni Hain...”, express yourself the musical way, with Hello Tunes, available on all 3 G packages.  
You can choose from a range of “Popstar”, “Rock Revolt” and “Romantic Extravaganza”. So go on, spread your beat and let the joy begin!

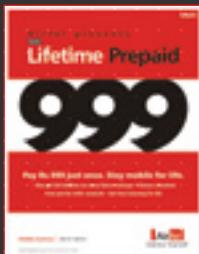
Just dial 8788 to choose your Hello Tunes, only on Airtel!



Mobile Services | 80000 12345

Only on Airtel: Airtel@121 = Easy Charge

# 2005



Introduced India's first prepaid card with a lifetime validity, valued at ₹ 999, to receive incoming calls for a lifetime without any recharge.



## 'SongCatcher'

# 2006

Launched India's first ever instant music on Mobile, allowing users to download songs of their choice as 'Hello Tune', utilizing our voice recognition software.



# 2007

Undertook a massive rural connectivity project, 'eGRAM', in partnership with Govt. of Gujarat, linking 13,716 villages of Gujarat with Common Service Centres (CSC) through telecom infrastructure.



# 2008

Partnered with Apple to introduce 'iPhone 3G', to offer a fine blend of revolutionary iPhone features and Airtel's 3G network to create superior customer experiences.

# 2011



## 'Airtel Money'

Introduced India's first mobile banking platform 'Airtel Money', empowering users to load money into mobile phones, to use it as a virtual wallet.

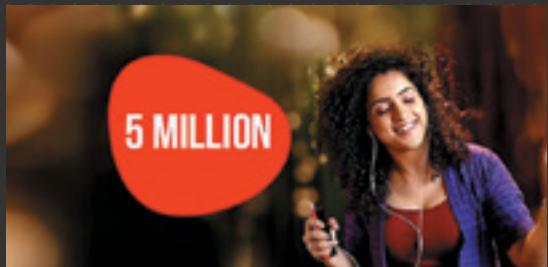
# 2012



## 'Network Experience Centre'

Took a major technological leap in network management with the functioning of a state-of-the-art Network Experience Centre (NEC) in Haryana. The real-time 'Live' facility was the first-of-its-kind in the sector and its monitored Airtel's network performance across its diverse business segments.

# 2014



## 'Wynk Music'

The first telecom operator to introduce Over-the-top (OTT) mobile network application in India with Wynk Music – a carrier agnostic with a 'curated' song library of over

# 1.8 Mn songs

# INSPIRING THE NEXT – WITH AIRTEL

**2014**

## ‘One Touch Internet’

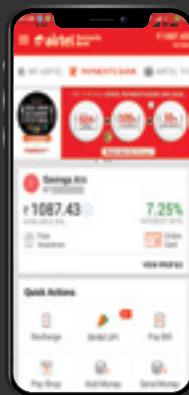
Airtel launched ‘One Touch Internet’ initiative to simplify internet services for first-time users in India.



**Introduced new range of ‘Infinity Plans’ (industry first plan) and an industry first technology platform – **Flexpage**.**

**Rolled out national mobile number portability.**

**2015**



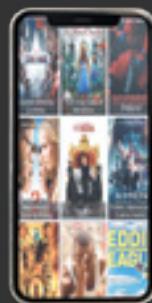
Airtel applied for a Payments Bank license with Kotak to acquire 19.9% stake in Airtel M Commerce Services Limited (now Airtel Payments Bank Limited).

Announced **‘Project Leap’** - largest capital expenditure of **₹ 600,000 Mn**

in the next three years, aiming for a comprehensive network transformation.



Announced the launch of first indigenously manufactured DTH set top boxes; in step with the Government’s **‘Make in India’** initiative.



## Launched ‘Wynk Movies’

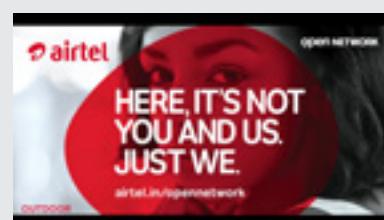
– carrier agnostic mobile application offering customers thousands of movies and other video content.

**4G**

**Launched high speed 4G services commercially in 334 towns across India.**

**2016**

Became the first mobile operator in India to commercially deploy LTE-Advanced (4G+) technology on a live 4G network in Kerala. LTE-Advanced carrier aggregation technology combines TD LTE (2300 MHz) with FD LTE (1800 MHz) bandwidths to deliver mobile data speeds of up to 135 Mbps.



Announced a new initiative – Open Network - under Project Leap, our national network transformation initiative.



Launched **‘V-Fiber’** to deliver superfast broadband to digital homes.



# 2017



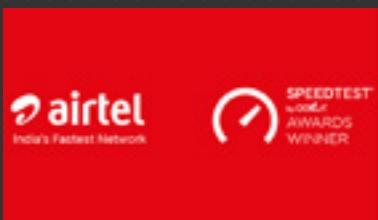
**1st**

Airtel Payments Bank became the first payments bank in the country to go **LIVE as it rolled out services nationally.**



Airtel launched '**Project Next**', aiming to transform customer experience across its services and touch points. This included the first set of digital innovations - introduction of Next Gen Airtel Store, New version of My Airtel App and Airtel's postpaid promise with 'data rollover feature'.

# 2018



Acknowledged as the fastest mobile network in India, third time in a row, by the global leader in internet speed tests – **Ookla**.

**Launched world's first innovative carrier digital platform which enables carriers to do wholesale voice business with Airtel at the click of a button.**



Airtel TV crossed  
**50 Mn**  
Android downloads

### Launched One Airtel

– the first-of-its-kind digital quad-play platform in India to simplify customer experience for homes that use multiple Airtel services.



**Launched airtelThanks**  
with an aim to delight its valued customers with exclusive and differentiated benefits.



**Airtel's music streaming app Wynk Music was rated as the 'Most Entertaining app of 2018' on Google Play Store.**

# 2019

Became the first operator to launch 4G services in the Andaman and Nicobar islands.



**Launched 'Wynk Tube'** as an extension of Wynk Music to allow users to stream audio and video of popular tracks.

**Deployed LTE 900 technology in 10 Circles to offer significantly better indoor 4G coverage.**

**Launched converged digital entertainment play: Airtel Xstream, which offers a range of connected devices, applications and services.**

**Became first mobile operator to introduce Voice over Wi-Fi in India.**

**Launched ultra-fast broadband offering - Airtel Xstream Fiber with 1 Gbps speed.**

# CONNECTING HOMES. TOUCHING MILLIONS OF LIVES.

## HOMES SERVICES

### Who we are

As India's largest private home broadband player with more than 2.4 Mn customers, Airtel has rapidly brought homes and lives closer with fixed-line telephone and broadband services for homes. Available in 111 cities across India, the product offerings include voice connectivity and high-speed broadband, providing speeds of up to 1 Gbps for the home segment.



In FY 2019-20, we enhanced customer experiences with the launch of our ultra-fast broadband offering – Airtel Xstream Fiber, which offered speed upto 1 Gbps. It was combined with unlimited landline calling benefits along with exclusive access to airtelThanks offers.

Being India's leading integrated telecommunications operator, in FY 2019-20 we launched a converged offering: One Airtel. It offers customers an useful combo of 4 services including Mobile, Broadband, Landline and Digital TV, accessible through one account and

one bill. Starting with Chandigarh in August 2019, it has now extended to 38 major cities in India.

FY 2019-20 also witnessed unique partnerships with Local Cable Operators to extend our reach further to tier 2 and tier 3 towns, to provide high speed broadband connections.

# OUR JOURNEY IN MILESTONES

**1998**

**Breaks public sector monopoly in fixed line services; launched India's first private fixed line service in Indore, Madhya Pradesh**



**2001**



- Launched DSL Services using Touchtel brand name
- Started expanding across India

**2008**

**Crossed  
1 Mn  
Customer base  
milestone**

**2009**



16 Mbps plans launched in 3 cities using ADSL2+ Technology

**2012**

**Launched  
100 Mbps  
on DSL**

**2015**

**First operator to  
launch Unlimited Voice  
at ₹99/-**

**2018**

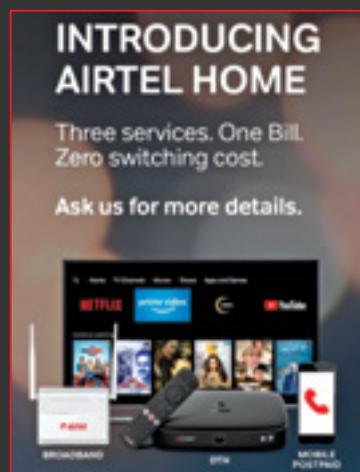


Launched

**300 Mbps**

plans on FTTH

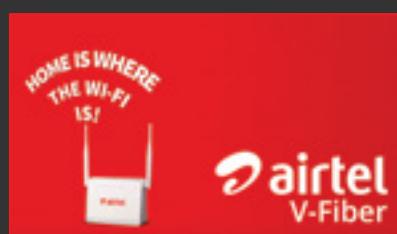
**2019**



- Franchisee Town Launched - Unique partnerships with Local cable operators to expand our reach in Tier2/3 towns to provide high speed broadband to residents
- airtelThanks Program to offer Latest OTT content
- Xstream Fiber Brand Name introduced
- One Airtel introduced (Combination of BB + PP + DTH in one account)

**2020**

**Expanded presence  
across  
100+ cities**



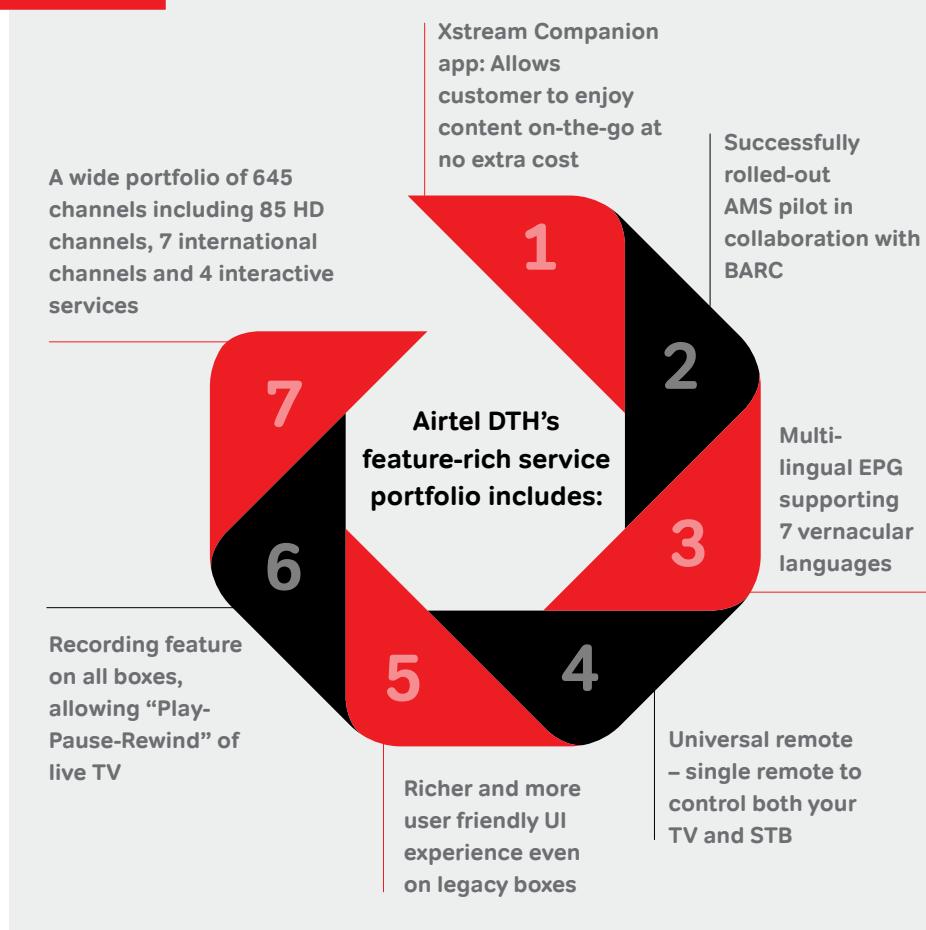
- Customer base expanded to 2 Mn
- Launched Airtel Movies for Broadband customers
- Launch of V-Fiber Technology. Brand name changed to V-Fiber

# LIFESTYLE ENABLER ACROSS ALL SCREENS

## DIGITAL TV SERVICES

### Who we are

**Airtel Digital TV is one of the leading DTH service providers in India with more than 16.6 Mn customers experiencing a world of seamless content & connectivity. Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with Dolby surround sound. We currently offer a total of 645 channels including 85 HD channels, 7 international channels and 4 interactive services.**



Airtel DTH's journey has been the journey of the Indian consumer, maturing from the terrestrial TV to cable TV and now offering digitized high definition (HD) and non-linear content. Airtel DTH has always kept the customer at the heart of all its operations and it is the adoption of this customer centric approach that has inspired Airtel DTH to rapidly adapt and be an innovation leader in the industry.

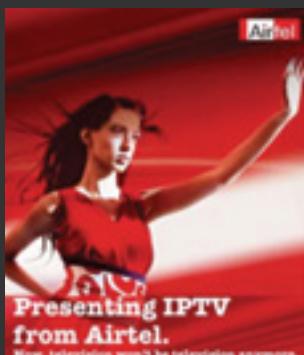
Quite early on, when the non-linear OTT content was still in its infancy and nowhere close to becoming the juggernaut it is today, Airtel DTH sensed the pulse of the consumers

and invested heavily in building a product that would not only ease the consumer's pain of toggling between multiple devices & multiple remotes, but also provide a world-class seamless experience to consume both linear and non-linear content on the biggest screen in the house – the Airtel Xstream Box!

With the telecom industry rapidly evolving and the environment undergoing a structural shift, Airtel DTH is once again, today, playing a pivotal role in Airtel's overall vision of providing its consumers a cohesive content & connectivity experience.

# INNOVATION LEADERS FOR MORE THAN A DECADE:

2008



**October 09, 2008** was a historic day in Airtel's evolution. The launch of Airtel Digital TV (Airtel DTH) on this day, not only transformed Airtel from a telecom brand to a lifestyle enabler, it also marked the culmination of Airtel's vision of expanding its presence across 3 screens – mobile, computer and TV!

2009

Airtel DTH's promise to **'bring home the stars'**

was widely accepted by its consumers and the market, making Airtel DTH the fastest operator to cross 2 Mn subscriber base in December 2009

2014

**Alliances** with LG & Samsung for Integrated Digital TV (IDTV) models – box-less experience with VC card integrated with the TV itself



2015

Announced the **launch of first indigenously manufactured DTH set top boxes**; in step with the Government's 'Make in India' initiative

Crossed  
**10 Mn**  
subscriber Base

2017



Launched India's first Android based connected STB – Airtel Internet TV. It won the '**Tech Peripheral of the Year**' award at the NEXA NDTV Gadget Guru 2017 awards

2018



Launched India's first HD box with media player feature, allowing the user to play content through a USB pen drive

2019



Launched **Airtel Xstream**, a converged digital entertainment application for mobile users, along with **India's first Android based set-top box and OTT smart stick**

Launched India's first interactive TV self-care app (Ch. 998 on the SD/ HD boxes) allowing customers to manage their DTH subscriptions & recharge from their TV screen

2020

During COVID-19  
**Airtel DTH became the first operator**

in India to pilot a truly contactless experience for customers wanting to upgrade to the premium Xstream box

# MAKING EVERY BUSINESS SMILE FOR MORE THAN TWO DECADES

## AIRTEL BUSINESS

### Who we are

We are India's leading and most trusted provider of ICT services with a diverse portfolio of services to Enterprises, Governments, Carriers and Small and Medium Businesses. Our products and solutions leverage the power of the digital to enable enterprises, small to large, to transform their businesses.

#1

player in India in  
Enterprise mobile  
and data services\*

\*as per Frost & Sullivan Enterprise  
Telecom Tracker H1 FY 2019-20





**10**  
Large data centres

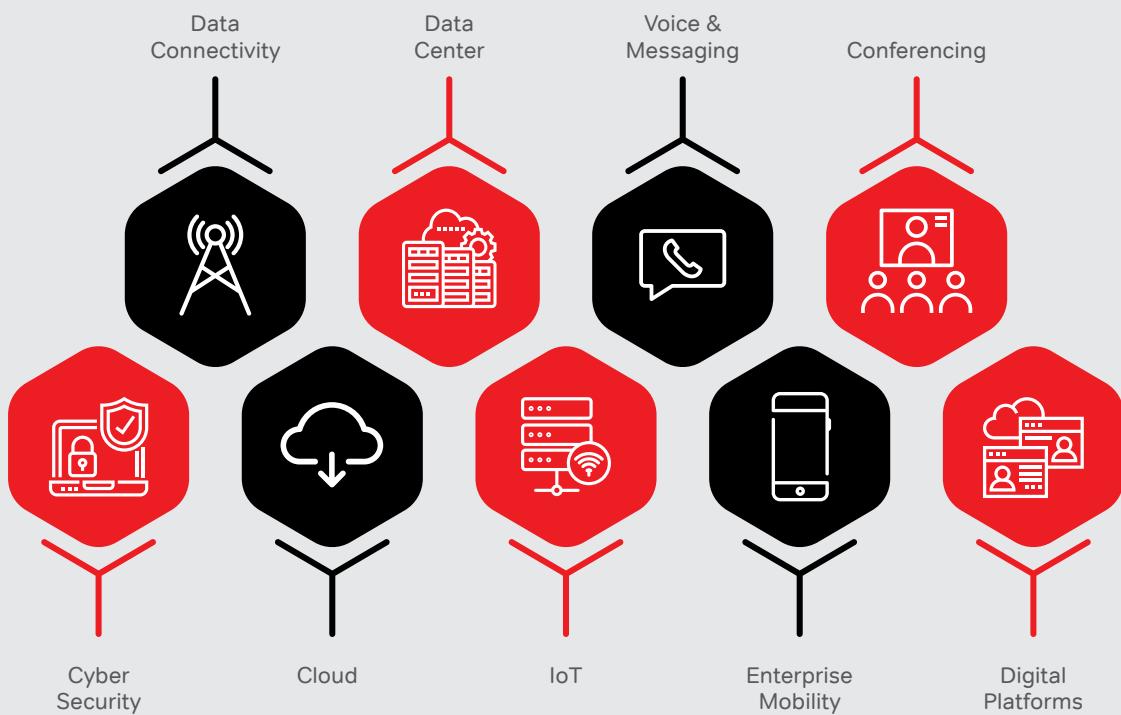
**120+**  
Edge data centres

**1200+**  
Global Partners

**2000+**  
Enterprise & Government clients

**5,00,000+**  
Small and medium enterprise clients

We offer a gamut of products and services including connectivity, data center, cloud, cybersecurity, conferencing solutions and Internet of Things (IoT).



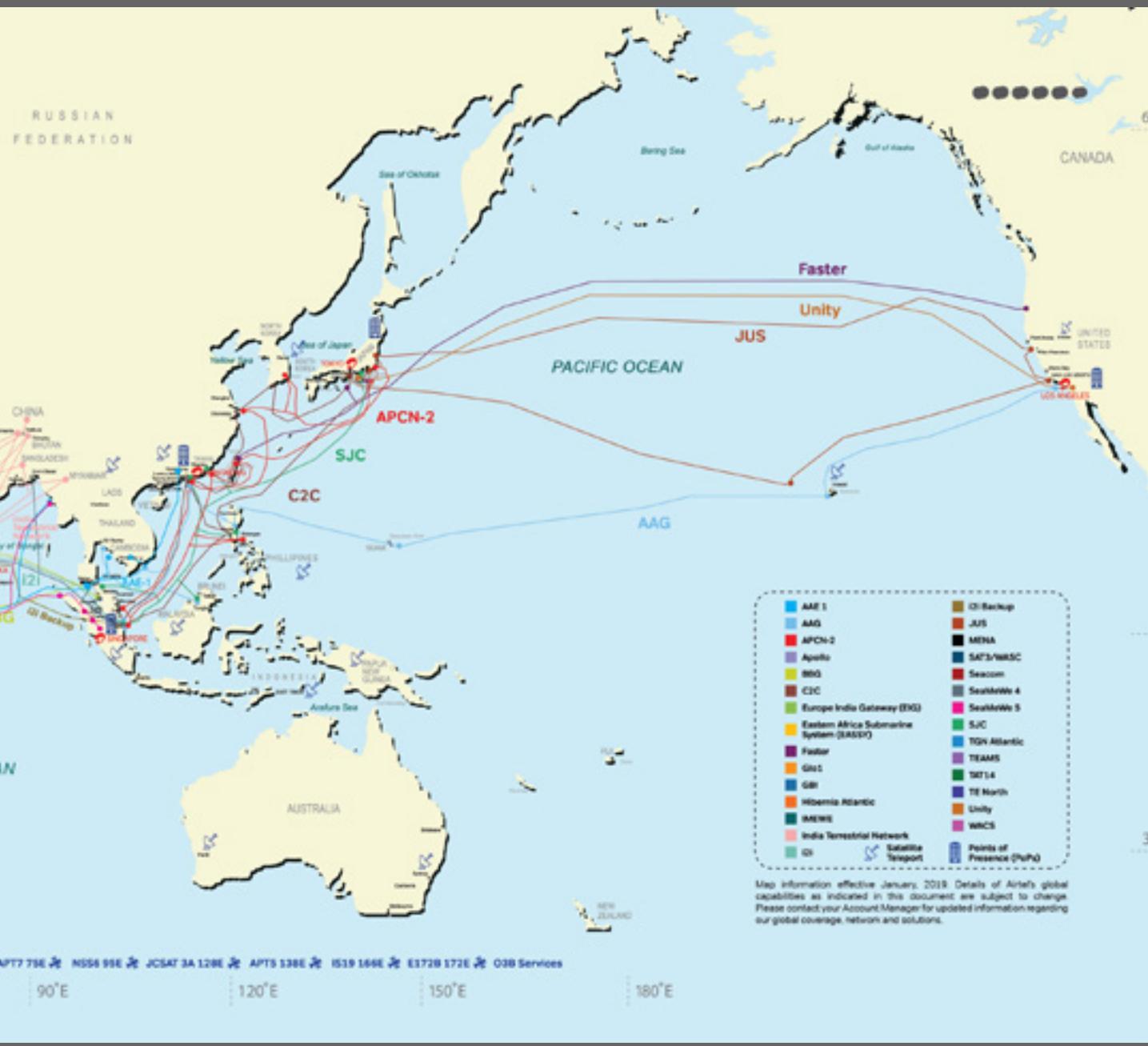
# BECAUSE OUR CUSTOMERS MEAN THE WORLD TO US



A network long  
enough to go  
around the globe  
over 10 times

**3,00,000+**  
RKMS Domestic Fiber network

**2,50,000+**  
RKMS Global Fiber network



# GOING THE EXTRA MILE WITH EVERY MILESTONE

**1997**

**Bharti Telecom and British Telecom form joint venture - Bharti BT Ltd. – for offering VSAT services**

**2001**

**Bharti Telesonic launches National Long Distance services under the 'IndiaOne' brand**

**ILD launch with i2i Cable connecting India to Singapore**



**2005**

**Launched first of-a-kind agreement with IBM Global services to jointly offer managed hosting, business resilience and continuity services to enterprises in India**

**2006**

**Executed one of the largest e-governance projects in India by setting up network for Income Tax Department**

**2007**



**First data center in Noida**

**2009**

**Launch of AAG Cable**



**Launch** of first terrestrial connectivity into SAARC (Nepal, China, Bhutan, Bangladesh, Myanmar, Sri Lanka)

**2010**



**New Data center in Pune, Chennai and Bhubaneswar**

**Launch of EASSY & IMEWE cable**

**2011**

**Launch of UNITY cable**  
(between Chikura, Japan and Redondo Beach, California, USA)



## 2013

**Launch of EIG cable**

**Airtel Business launch in Dubai**

**Bharti Airtel hives off Data Center and Managed Services (DCMS) business to create a wholly-owned subsidiary Nxtra Data Limited**



## 2015



**Launch of third data center in Delhi NCR**

**Airtel expands cloud services portfolio with launch of 'Connexion'**

## 2017

**Strategic partnership with Symantec to serve the growing cyber security requirements of businesses in India**

## 2018



**Rolled out first-of-its-kind Carrier Digital Platform**



**Airtel and Telecom Egypt announce strategic partnership for global submarine cable systems**

## 2019



**Pune data center launched**

**Launched Airtel Enterprise hub - a one-stop digital self-care portal for enterprise and SMB customers**

**Airtel and Cisco announce strategic alliance**

**Built the backbone for Digital Uttar Pradesh and provided network solutions for Faridabad Smart City**

## 2020

**Airtel Business crosses 2 Bn USD**



**Partnered with Google Cloud to Boost Collaboration, Productivity and Digital Transformation in India**



**To offer private LTE based Industry 4.0 solution to enterprises**



**Launched 'Work@Home' - India's First Enterprise Grade Work From Home Solution for Businesses**

# A TESTAMENT OF TRUST



## Best Wholesale Carrier (Global)

**2019** **2018** **2017**

## Best IoT Initiative

**2019**

## Best Wholesale Business Transformation

**2018**

## Best Messaging Solution Award

**2016**

## Best Global Wholesale Carrier - Voice

**2019**

## Best Voice Service Innovation - Emerging Market

**2019**

## Best Security Solution

**2019**

## Best Africa Project

**2018**

## Best Wholesale Voice Service Innovation Emerging Markets

**2017**

## Best Messaging Innovation

**2017**

## Enterprise Telecom Service Provider of the Year

**2019**

## Enterprise Data Service Provider of the year

**2019**

## Best Enterprise Service Provider for SMB segment Year

**2018**

## Enterprise 4G and Conferencing Service Provider of the year

**2017**



**Best Satellite Operator of the year**

2018

**Best Emerging Market Initiative**

2017

**Best Messaging Innovation**

2017



**Unified Communication & Collaboration**

2020

**Telecom Carrier, International Access**

2020

**Telecom Carrier, Leased Lines**

2020



**Best SMS/ A2P Provider - Global**

2019

**Best Messaging Security Product**

2019

**Best Enterprise Product**

2018

**Best SMS Solution Award**

2016



**Service Innovation Award for 'Carrier Digital Platform'**

2018

**Unified Communication Solution**

2014

**Airtel Business - Network Security (Large Enterprise)**

2020 2019

**Nxtra Data Limited Colocation**

2020

**Airtel Business - Information Security (Large Enterprise)**

2019

**Nxtra Data Limited - Public Cloud (SME) & Colocation (SME)**

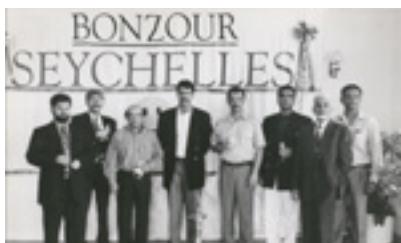
2019

# BEYOND BORDERS – THE AIRTEL JOURNEY

**With aspirations to touch the sky, Airtel soared higher - banking on its promise of exceptional experiences and unmatched services - to transform itself as a leader, beyond borders.**

To succeed and prosper, Bharti Airtel always looked up to bigger and brighter prospects - to not just be a market leader at home but, sustain its prowess in international territories as well. Not many would know, but Bharti Airtel's global aspirations shaped long before its entry into the South Asian neighbourhood of Sri Lanka and Bangladesh, and much before the celebrated Zain acquisition in Africa.

Back in 1997, when the Company had just begun operations in India and had only one lakh customers, it had bid for a mobile license in Botswana, Africa. However, Airtel failed to obtain the bid and finally, made its overseas debut in January 1998 with the launch of operations in the island nation of Seychelles. The rest, as they say- is history - with Airtel today fortifying its presence across 18 countries in two continents, reaching out to a whopping two billion people around the world.



**1998**

Became the first Indian telecom service provider to offer service outside the country and start operations in Seychelles



**2009**

Launched our greenfield operations in Sri Lanka with a state-of-the-art 2.5G and 3.5G network



**2010**

Started operations in Bangladesh with the acquisition of Warid Telecom, a wholly owned subsidiary of UAE based Abu Dhabi Group

# 2010

Completed the merger acquisition of Zain Africa's BV operations in 15 African countries, at a valuation of USD 10.7 Bn, becoming the world's fifth largest wireless entity



**Integrated Seychelles operations to Africa portfolio**

# 2011

Reached



**50 Mn**

Customer base in Africa within just 17 months of operation

# 2012

Expanded our Africa presence to

**17 countries**  
and operations began in Rwanda



# 2013

Acquired Warid Telecom in Uganda, consolidating Airtel Africa's position as the second largest mobile operator in Uganda



—  
Acquired Warid Telecom in Congo Brazzaville (the second acquisition after Uganda), to become the largest mobile operator

# 2014

Introduced 4G service in Seychelles, becoming the first commercial LTE operator in Africa



—  
Acquired

**2.55 Mn**

yuMobile customers in Kenya

# 2016

As part of strategic streamlining of our operational footprint, exited from Burkina Faso and Sierra Leone

# 2017

Airtel Rwanda completed formalities for acquisition of Millicom International Cellular, to combine it with their telecommunication operations in Ghana

# 2018



Tigo acquisition in Rwanda approved by the Rwanda Utilities Regulatory Authority (RURA)

—  
**Airtel Nigeria awarded the best promoter of digital services**

by the President



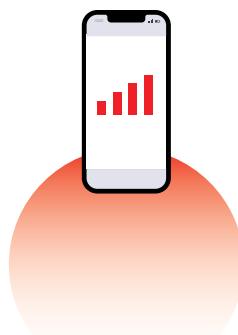
Strategic partnership with Telecom Egypt (TE) for global submarine cable systems, wherein, Airtel will get IRUs (Indefeasible Right of Use) on Middle East North Africa (MENA) submarine cable and TE North Cable Systems

# 2019

Successfully concluded the initial public offering (IPO) of Airtel Africa plc on the London Stock Exchange and the Nigerian Stock Exchange; raised net proceed of USD 674 Mn

# BOLDER, BETTER — AIRTEL NOW

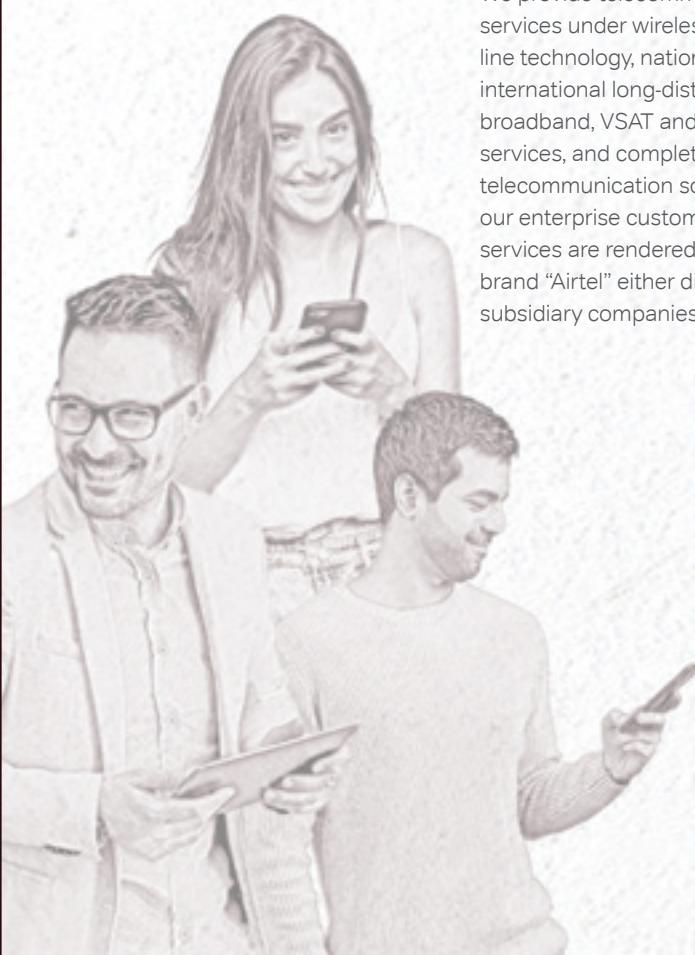
BHARTI AIRTEL LIMITED IS A LEADING GLOBAL TELECOMMUNICATIONS COMPANY WITH OPERATIONS IN **18 COUNTRIES<sup>#</sup>** ACROSS ASIA AND AFRICA. HEADQUARTERED IN NEW DELHI, INDIA, THE COMPANY RANKS AMONG THE TOP THREE MOBILE SERVICE PROVIDERS GLOBALLY\*.



We provide telecommunication services under wireless and fixed line technology, national and international long-distance connectivity, broadband, VSAT and digital TV services, and complete integrated telecommunication solutions to our enterprise customers. All these services are rendered under a unified brand "Airtel" either directly or through subsidiary companies.

**"Airtel Money"** (known as "Airtel Payments Bank" in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. We also deploy and manage passive infrastructure pertaining to telecommunication operations through our subsidiary, Bharti Infratel Limited.

**Bharti Airtel had more than 423 Mn customers across its operations at the end of March 2020.**



\* Including JVs in Ghana and Bangladesh.

\* In terms of total mobile connection based on consolidated subsidiaries as per GSMA Intelligence Q1 2020 Data.

## Diversified service portfolio

### Wireless Services

We offer postpaid, prepaid, international roaming, data connectivity and other value-added services to our customers.

### Airtel Business

We are one of India's leading and most trusted provider of ICT services with a diverse portfolio of services to enterprises, governments, carriers and small and medium businesses. Along with voice, data and video, our services also include network integration, data centers, managed services, enterprise mobility applications and digital media.

### Homes Services

We provide fixed-line telephone and broadband services for homes across India. The product offerings include high-speed broadband on copper and fiber and voice connectivity.

### Tower Infrastructure

We own and operate more than 42,053 telecom towers under our subsidiary Bharti Infratel Limited (on a standalone basis) with presence across all 22 telecom circles.

### Digital TV Services

Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with Dolby surround sound.

### Payments Bank

India's first payments bank with active operations across all 28 states in India.

World population



**24%** \*

of the total population covered

Indian population coverage



**95.4%**

Recognized brand



Talented people

**16,042**

India & South Asia

**19,405**

Total employees

**3,363**

Africa

Africa presence



\* Based on UN Report dated January 01, 2013  
\*\*Including JV in Ghana

## How will we win?

### Quality Customers

- ≡ Delivery of Differentiated Service
- ≡ Accelerate B2B
- ≡ Own the Home

### Micro Marketing

- ≡ Track and Drive Performance at a District Level
- ≡ Simultaneously grow the Online channel

### Brilliant Experience

- ≡ From Speed to Experience

### Simplify

- ≡ Digitize our business

### Services at Scale

- ≡ Combine our Digital Assets into 1 Lifestyle Consumer App

### War on Waste

- ≡ Smart Deployment
- ≡ Smart Procurement
- ≡ Share Infrastructure

### Powerful Partnerships

### People: One Airtel

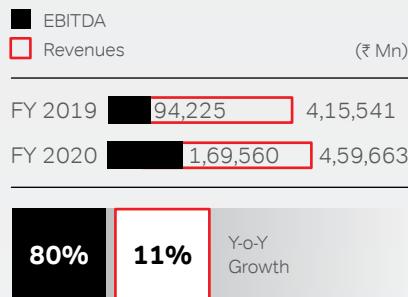
# SEGMENT WISE PERFORMANCE

## Wireless Services

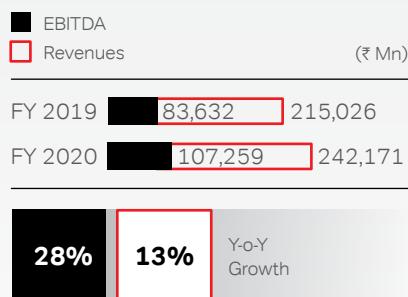
- Bundled plans with truly unlimited voice packs
- First to launch 4G in India
- Prepaid & Postpaid plans
- An Industry First Exclusive Rewards Program: airtelThanks
- Industry first voice over Wi-Fi service
- Redefined International Roaming
- Rated as the network with India's best video experience and fastest download speed by Opensignal

## Mobile

### India



### Africa



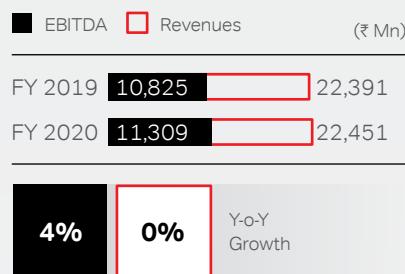
## Homes Services

### Internet

- Ultra-fast broadband offering - Airtel Xstream Fiber; offering upto 1 Gbps speed
- 'V-Fiber' technology
- airtelThanks program for Home Broadband customers
- Re-architected and simplified pricing and plans

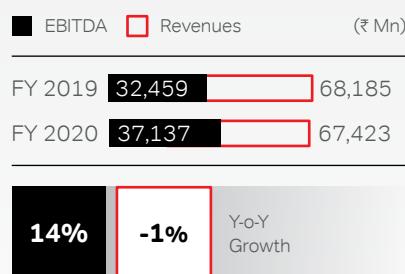
### Landline

- Attractive plans and offers
- Highly reliable services
- 24/7 online support
- Value-added services



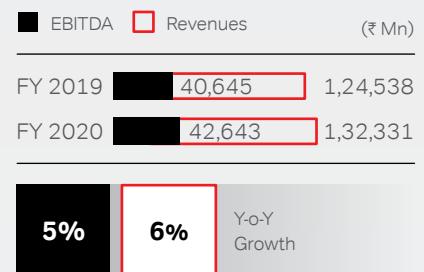
## Tower Infrastructure

- One of the world's largest passive infrastructure providers
- 95,372 towers (including proportionate share of Indus)



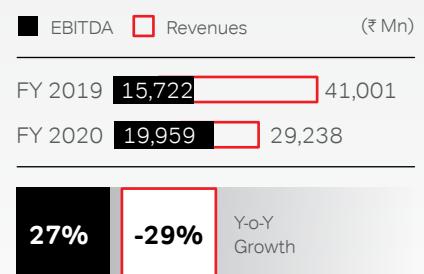
## Airtel Business

- Diverse portfolio of services - voice, data, video, network integration, data centers, managed services, enterprise mobility applications and digital media
- Strategically located submarine cables and satellite network
- Global network running across 250,000 Rkms, covering 50 countries and 5 continents
- Enterprise Hub, a one-stop digital self-care portal



## Digital TV Services

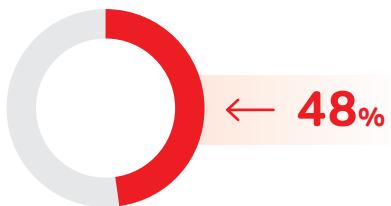
- Standard and high definition digital TV services
- Converged digital entertainment play: Airtel Xstream
- Airtel Xstream device portfolio: Android based OTT smart stick and an Android based 4k Hybrid Smart Box that offers satellite TV and OTT content



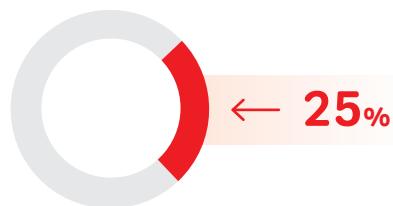


### Revenue Mix FY 2019-20

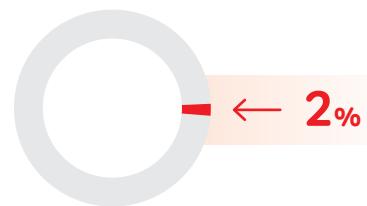
**Mobile Services  
(India and South East Asia)**



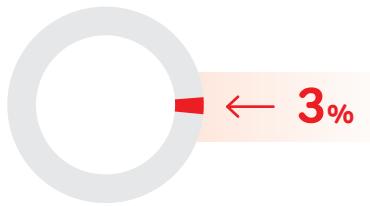
**Mobile Services  
(Africa)**



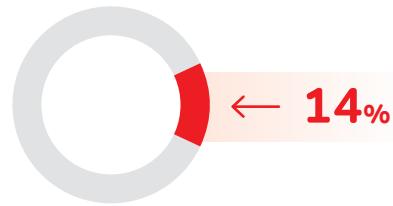
**Homes Services**



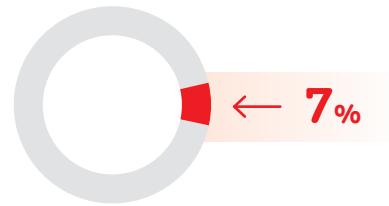
**Digital TV Services**



**Airtel Business**



**Tower Infrastructure**



# MESSAGE FROM THE CHAIRMAN



“

**"Airtel's 25 year growth story is synonymous with India's telecom revolution and we are immensely proud of having built an institution that has empowered hundreds of millions of Indians with affordable connectivity."**

## Dear Shareholders,

The world is in the midst of an unprecedented crisis in the form of the COVID-19 pandemic. Economies, businesses and our way of life has been disrupted and the road to recovery is likely to be a long one. While I remain highly optimistic that we will soon have a vaccine, the world will have to adjust to the new normal.

In this backdrop, telecoms and digital technologies have become the bedrock of our lives – be it work from home or virtual classrooms, telecom networks are ensuring that the world does not come to a standstill. Telecom is the oxygen for the digital world.

## Serving the customers

I say this with immense pride that since the time of COVID-19 lockdown, your company has gone the extra mile to

keep India connected over its digital backbone. While one billion people stayed safe in their homes during the lockdown, Airtel's network engineers and field staff worked tirelessly on the ground to make sure that our networks run seamlessly.

True to our DNA of innovation and agility, Airtel's team of over 15,000 people was able to transition to remote working and stay obsessed with delighting customers. From building digital channels for customer services to rolling out innovative peer to peer mobile recharges, Airtel stepped up the game when it mattered the most. And I, on behalf of all of you, want to express my deep gratitude and appreciation for their efforts.

To strengthen the nation's efforts to tackle the COVID-19 pandemic, your

company also responded to the clarion call made by the Hon'ble Prime Minister of India.

■ Bharti Enterprises, including its companies Bharti Airtel, Bharti Infratel committed a sum of over ₹ 100 crore for India's fight against COVID-19. A significant portion of this corpus was contributed to the PM - CARES Fund. The balance was directed towards sourcing of masks, PPE and other key equipment for the doctors, healthcare workers and essential services personnel who are at the forefront of this massive battle.

■ In addition to the ₹ 100 crore committed by Bharti Enterprises, the employees of Bharti Airtel also made personal voluntary contributions towards this cause and the amount was matched by your company.

## 25 Glorious Years

2020 will also mark 25 years of Airtel's exciting journey. The Airtel growth story is synonymous with India's telecom revolution and we are immensely proud of having built an institution that has empowered hundreds of millions of Indians with affordable connectivity.

From mobile services in just one circle to becoming a leading global telecom company with operations in 18 countries across Asia and Africa over these years, Airtel now ranks amongst top 3 mobile service providers globally in terms of subscribers and has become a force to reckon with in emerging markets telecoms with its network covering billions.

My congratulations to all of you on this milestone and thank you for being a part of this wonderful journey. We have now all the building blocks in place and are uniquely positioned to support an open digital ecosystem. I feel confident that our best lies ahead and that Airtel will be a key stakeholder in driving the digitally connected world of tomorrow.

## The industry requires more support

While it's clear that the worst may be behind for India's telecom industry, we are yet to emerge from the woods. India still has some of the lowest data tariffs globally and the industry is barely able to cover the cost of capital. It requires much more support to repair the deep damage to its finances and make it viable for telecom operators to invest in future technologies.

A welcome change during the COVID-19 lockdown was telecom being declared as an essential service by the Government of India. The industry has finally got some of the recognition it deserves and given the commendable job it has done to keep India connected, I hope the Government will look into the urgent needs of the operators. Though the recent tariff increase has provided some cushion to the industry, we are still way below the levels to make the industry viable. The government must also look at rationalizing the levies on the sector and close long standing legal disputes that are a big drag on performance of operators.

These urgent interventions will ensure that we have a viable industry with 3+1

structure, which is essential for serving the digital aspirations of a billion plus Indians.

## Strong performance by Airtel

Your company moved forward strongly this year on its strategy of customer delight and solid market execution by offering new products, content services and seamless experience across all touch points. The company's large investments towards building future ready networks, data centers plus its sharp focus on quality customers is beginning to reap dividends.

- Multiple globally renowned experts have consistently rated Airtel as India's top mobile network. This is another validation of our superior network execution. We remain committed to taking high speed mobile broadband to every corner of the nation and enable a Digital India.
- Digital Transformation has been a big agenda for Airtel and today virtually every process of the company is leveraging the power of digital. We remain ahead of the curve when it comes to bringing in the latest technologies and thereby serve our customers better through digital platforms.
- As always, we continued to drive deep collaborations to enable a world-class experience for our customers. Be it Amazon, Netflix, Zee, Star, Eros, HDFC, Bharti AXA, Apollo Hospitals and a wide number of start-ups in the retail segment; and the likes of Cisco, Zoom, Google, Microsoft and AWS in the enterprise segment.

Alongside the operational strength, there was an undivided attention towards strengthening the balance sheet in a timely manner. The year witnessed massive fund raise initiatives by your company totalling over USD 8 Bn, including rights issue (USD 3.6 Bn), Airtel Africa IPO (USD 674 Mn), Perpetual bond (USD 1 Bn), QIP (USD 2 Bn) and FCCB (USD 1 Bn). Now, with a strong balance sheet accompanied by a best-in-class network and a robust spectrum portfolio, Airtel is well positioned to capitalize on future opportunities.

Moving to the African operations, which crossed several milestones during the year including listing on London & Nigerian Stock Exchange and crossing

the 100 Mn subscriber mark. Airtel Africa continued its growth trajectory and strong performance across geographies and segments- voice, data and mobile money. The company continued investing in market leading networks as it drives the dual agenda of connectivity and financial inclusion.

As a responsible corporate, we continue to focus our efforts on driving sustainability and uplifting the communities we operate in. Bharti Foundation, the Group's philanthropic arm, with its school education programs continues to ensure holistic education for over 274,000 underprivileged children in rural India. While schools across the country were closed during the lockdown, our teams continued to work remotely through the use of technology to ensure education is not disrupted for any child. Satya Bharti Abhiyan, the rural sanitation initiative in the state of Punjab, has benefitted over 185,000 people, enabling the State to declare an Open Defecation Free status in the districts of Ludhiana and Amritsar. Our CSR initiatives in Africa are centred on enabling digital access for youth empowerment and for healthcare. Airtel Africa also responded to COVID-19 by contributing funds to governments across the countries we operate, in addition to the supply of masks for the healthcare workers. Furthermore, Bharti Enterprises, through its joint venture with Softbank, is becoming a major force in the renewable energy space in India, thereby contributing towards the cause of the global climate agenda.

Coming back to the remarkable journey of Airtel, the last 25 years have seen their fair share of challenges and achievements, all of which have been inspiring and fulfilling at the same time. I want to take this opportunity to express my sincere gratitude to our Board of Directors, Management, resilient employees and our esteemed customers, partners, suppliers, entire distribution network and our shareholders. As a Company, we remain committed to create long-term sustainable value for all our stakeholders.

**Sunil Bharti Mittal**

# MESSAGE FROM MANAGING DIRECTOR & CEO

(India & South Asia)



”

**"Airtel has a simple strategy. Focus on winning with high quality customers. Identify the micro-markets in which these customers are and win their hearts through a brilliant experience and aspirational brand. This focus is underpinned and driven by the scale of our digital platforms. We believe that this strategy has worked for us."**

we have access to over

**280 Mn**  
mobile customers

## Dear Shareholders,

The Financial Year 2019-20 was an unprecedented year for the telecom industry. The COVID-19 outbreak in the last quarter has impacted both the human health and financial well-being of our society. The exceptional circumstances have brought to the fore the essential role of telecom industry in fueling the economic engine of the country. At the same time, we are seeing a fundamental shift in consumer behavior which in turn has opened up a new realm of opportunities for us.

Airtel has a simple strategy. Focus on winning with high quality customers. Identify the micro-markets in which these customers are and win their hearts through a brilliant experience and aspirational brand. This focus is underpinned and driven by the scale of our digital platforms. We believe that this strategy has worked for us. It is reflected in not only our performance over the last year, but also in our ability to remain resilient through the COVID-19 crisis.

**Quality Customers** – We have been consistently focused on acquiring and retaining quality customers. The fact that we realized full impact of the tariff hike that the industry had taken in December, reflects the resilience and quality of our mobile customer base. Further, our 4G customer additions saw a massive growth during the year – we added 50M 4G customers and our ARPU increased from ₹123 to ₹154. We saw strong net additions in our Broadband and DTH business as well. In our Enterprise business, we continued to strengthen our relationship with businesses and have built a reputation for ensuring that their data remains secure and safe. Going forward, we are focused on leveraging our One Airtel proposition to drive

synergies across our portfolio. And will build greater value for our customers by offering services and propositions in line with the evolving customer behavior.

**Brilliant Experience** – Our performance was made possible due to our obsession with delivering an exceptional experience to our customers. This was enabled through three factors. First, expansion of access – we added more than 13,000 sites during the year and over 86,000 mobile broadband base stations. Second – Technology – we deployed a range of technologies – densification of our networks, massive MIMOs, shut down of 3G networks so as to re-farm the spectrum to 4G and launch of Voice over WiFi, which has dramatically improved indoor experience. Thirdly, substantial capacity has been added to the core and transport infrastructure. Despite this, we know we are not perfect and we will continue to be obsessed about experience – we will further expand our coverage (especially in rural areas), will eliminate faults and above all, we will be transparent with our customers about what we can and cannot do.

**Digital Platforms** – There are four key pillars that we have as a telco and we have platformized each of these strengths. First is Data – Our customers trust us with an incredible amount of data that is consolidated into one powerful and intelligent platform. The second strength is Distribution – we have access to over 280 Mn mobile customers, over 18 Mn Homes, 2,000 large corporates and over a million small businesses. More than 150 Mn of these customers are now engaged with us digitally across our Thanks, Wynk and Xstream apps. Third is Payments – we are one of the few businesses that has the ability

to collect payments from customers, be it digitally or in the form of cash – we have more than 1 Mn retailers connected with us digitally through our ‘Mitra’ app. Finally, our Network and location based understanding which provides us incredible capability to deliver value to our customers. We have used these platforms to strengthen our core businesses – to acquire more customers, to upgrade them and to reduce churn. Leveraging these strengths, we have also built the foundation of several new businesses like Data Center. Our path forward is to extend the power of these platforms to our partners and deliver a range of services to our customers, while building new revenue streams for us.

And all of this has been made possible because of our People. I have been privileged to hear innumerable stories of how our employees have gone above and beyond their roles to make sure that we keep the nation connected, at a time when it mattered the most.

Lastly, as an organization, we continue to be committed to sustainable and inclusive growth. Bharti Foundation has been doing remarkable work to spread awareness about education and empowerment of girl child.

I would like to thank our customers, our people, our partners and our shareholders for their support and faith in us. We seek your continued guidance in our journey.

Gopal Vittal

# BOARD OF DIRECTORS

**Mr. Sunil Bharti Mittal**

Chairman

**Ms. Chua Sock Koong**

Non-Executive Director

**Mr. Craig Edward Ehrlich**

Independent Director

**Mr. D. K. Mittal**

Independent Director

**Mr. Gopal Vittal**

MD &amp; CEO (India &amp; South Asia)



Chairman	Member	Committees
		Audit Committee
		Risk Management Committee
		HR & Nomination Committee
		Stakeholders' Relationship Committee
		CSR Committee
		Committee of Directors



**Ms. Kimsuka Narasimhan**  
Independent Director



**Mr. Manish Kejriwal**  
Independent Director



**Mr. Rakesh Bharti Mittal**  
Non-Executive Director



**Mr. Shishir Priyadarshi**  
Independent Director

**Mr. V. K. Viswanathan**  
Independent Director



**Ms. Tan Yong Choo**  
Non-Executive Director



# RISK MANAGEMENT

AT BHARTI AIRTEL, WE HAVE THRIVED GLOBALLY BY EXPLORING POTENTIAL MARKETS, **ADAPTING NEW TECHNOLOGIES** AND ENTERING INTO STRATEGIC PARTNERSHIPS. NEW INITIATIVES OPEN UP NEW POSSIBILITIES BUT BRING ALONG WITH THEM POTENTIAL RISKS AND UNCERTAINTIES.

At Airtel, the Board and leadership team work tirelessly to mitigate possible risks that bring along potential disruption in smooth business operations. This explains our creation of a robust risk management framework that caters to strategic, legal, financial, operational and climate risks.





**At the Board Governance level,** the Risk Management Framework is evaluated frequently by the Company's Risk Management Committee. An annual evaluation is also done by the Board of Directors. These apex reviews include: discussions on the management submissions on risks, identifying crucial risks and approving relevant action plans to mitigate such risks on priority. The responsibility of assisting the Risk Management Committee on independent basis lies with the Internal Audit function armed with full status of risk assessments and management. Acquiring frequent updates on certain identified risks,

depending upon the nature, quantum and the likely impact on the business is also the Risk Management Committee's job.

**At the Management level,** the respective CEOs for the Management Boards (AMB and Africa Exco) are responsible for managing risks across their respective businesses, viz., India & South Asia, and Africa. The strategic risk captures the risks identified by the operating teams (Circles or Operating Companies) as well as the functional leadership teams at the national level. The AMB/ Africa Exco ensure that the environment – both external and

internal – is scanned for all possible risks. Internal Audit reports are also considered for the identification of key risks.

**At the Operating level,** the Executive Committees (EC) of Circles in India and Operating Companies in the international operations are entrusted with responsibilities of managing the risks at the ground level. Every EC has local representation from all functions, including many centrally driven functions like Finance, SCM, Legal & Regulatory besides customer facing functions, such as Customer Service, Sales & Distribution and Networks. It is the responsibility of the Circle CEO or Country MD to pull together various functions and partners to manage the risks. They are also responsible for identification of risks, and escalating it to the Centre for agreeing on mitigation plans. Operating level risk assessments have been concluded at Function/ OpCo risk assessment and mitigation plans have been agreed upon.

Internal Audit Plans are being drawn up to ensure scope and coverage of these critical risks during the course of next year.

## Risk Identification Process



# RISK MANAGEMENT

**The key risks that may impact the Company are:**

## Potential Risks

1. Regulatory and political uncertainties

**Outlook from last year**



2. Economic uncertainties

**Outlook from last year**



3. Network infrastructure

**Outlook from last year**



4. Fiercely competitive battleground

**Outlook from last year**



5. Data Loss Prevention

**Outlook from last year**



## Risk definition

Volatile and uncertainty in macro-environment with geo-political tensions in India, Sri Lanka and 14 African countries.

Business operations might be impacted with instability in economies in our countries of operations with factors like inflation, interest rates, capital controls and currency fluctuations.

Risks in network infrastructure cost due to technical failures, human errors and natural disasters. Dynamic changes in IT landscape require constant upgradation of technologies.

Unprecedented disruption and unfair pricing may lead to competition and may erode revenue with loss of customers. Further the evolving customer expectations in terms of quality, variety, features and pricing pose threat to business sustainability.

Risk of data loss can lead to accidental exposure of confidential information across all endpoint devices.

## Potential Risks

- 6.** Operating expenses

**Outlook from last year**



- 7.** Network experience

**Outlook from last year**



- 8.** Internal controls and processes

**Outlook from last year**



- 9.** Digitization and Innovations

**Outlook from last year**



- 10.** Climate Change

**Outlook from last year**



## Risk definition

Increase in business operating expenses (new sites rollouts, capacity) and/ or rate increases (inflation, Fx impacts, wage hikes, energy etc.).

Telecom companies are required to invest in innovation to match with changes in industrial landscape to provide high quality customer experience and meet the increased customer demand for a stronger and better network connectivity.

Any gaps in internal controls and/ or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

Rapid technology evolution may impact the business functionality and lead to slowdown in business.

Increasing carbon footprint is a serious concern which raises questions on business credibility and sustenance in the long-term.



Read more on page 178

# OUR STRATEGIC PROGRESS

Quarter 1, FY 2019-20

## Digital Innovations & Customer Delight



**airtelThanks** program was extended to Broadband customers with certain rentals to include access to premium entertainment content from Netflix, Amazon Prime membership, ZEE5 and Airtel TV.

Offered free access to online courses on practical skills including music, language and fitness from globally renowned online educator – **Shaw Academy**.

## Strategic Alliances & Partnerships



Collaborated with Oravel Stays Private Limited (OYO) to launch OYO Store on **airtelThanks** for seamless booking.

**Partnered with HDFC Life Insurance Limited** to offer life insurance cover (term plan) worth ₹ 4 Lakhs to users, bundled with prepaid rental plan.

## Network Expansion & Transformation



Phased out 3G services in Kolkata, replacing it with 4G services through deployment of modern **L900 technology**.

Deployed superior **LTE 2100 MHz** spectrum band across Gujarat, MP, Kerala and Delhi-NCR to improve connectivity.

First telecom operator to introduce **4G high-speed** data services in **Lakshadweep islands**.

## Mergers & Acquisitions



**Airtel and Hughes Communications India Ltd. (HCIL)**, a subsidiary of Hughes Network Systems, LLC (HUGHES) entered into an agreement to combine their VSAT (Very Small Aperture Terminal) operations in India to leverage the demand for secure connectivity in a rapidly growing digital economy.

All customers, assets, spectrum and agreed liabilities of the Consumer Mobile Businesses of **Tata Teleservices (Maharashtra) Limited** and **Tata Teleservices Limited** merged with Airtel, effective July 01, 2019.

Quarter 2, FY 2019-20

## Digital Innovations & Customer Delight



Launched **Airtel Xstream**, our own converged digital entertainment application for mobile users and **4k Hybrid Smart Box** – an android based OTT smart stick that offers satellite TV and OTT content.

Launched **Airtel Xstream Fiber** – the ultra-fast broadband offering bundled with other benefits.

## Strategic Alliances & Partnerships



Partnered with Government of Uttar Pradesh in their digital transformation story with the implementation of **State Wide Area Network (SWAN)** to provide secure, high-speed connectivity for government services over a closed user-group network.

Announced the induction of Bengaluru based tech startup **Vahan** into its Startup Accelerator Program. Airtel will acquire a stake in Vahan and partner with them in building significant scale to achieve their vision of enabling jobs for the next billion internet users. The acquisition is subject to requisite statutory and regulatory approvals as may be applicable

## Network Expansion & Transformation



Deployed superior **LTE 2100 MHz** spectrum band across Maharashtra, Bihar, Jammu & Kashmir and Rajasthan to improve connectivity.

## Mergers & Acquisitions



The Scheme of arrangement between Airtel and Telesonic Networks Limited ('Telesonic') and their respective shareholders and creditors ('Scheme') for the transfer of Optical fiber cable business of Airtel to Telesonic, became effective on August 03, 2019.

## Quarter 3, FY 2019-20

### Digital Innovations & Customer Delight



In an industry first, **launched voice over Wi-Fi service** that leverages innovative technology to enhance indoor voice calling experiences for users.

**Airtel Payments Bank** enabled the use of National Electronic Funds Transfer (NEFT) facility for all its users, allowing them to send or receive funds to any bank from anywhere, anytime.

**Airtel Business announced the launch of Enterprise Hub, a one-stop digital self-care portal**, where subscribers can avail a host of services including bill payments and complete account management on one interface with a single sign-in.

### Network Expansion & Transformation



Phased out 3G services in Haryana, Punjab, Maharashtra, Mumbai, Gujarat, Kerala, Karnataka, MP, Orissa and re-farmed the **spectrum to 4G**.

Deployed superior **LTE 2100 MHz** spectrum band across Chennai, rest of Tamil Nadu, Karnataka, Punjab, Mumbai and Orissa to improve connectivity.



## Quarter 4, FY 2019-20

### Digital Innovations & Customer Delight



An industry first initiative, users can now have complete control of their preferred International Roaming packs on the **airtelThanks app**.

Award winning factual entertainment from CuriosityStream Channel was made available to our **16 Mn DTH customers over the Free to Air TV channel**.

Airtel partnered with Juggernaut to provide its users **free access to thousands of e-books on Juggernaut Books**.

**'Airtel Wi-Fi' Calling** crosses five million users, dramatically improving indoor network experience and compatible with more than **100 smartphones**.

**Partnered with Bharti Axa Life Insurance** to introduce built-in life insurance cover of ₹ 2 lakh bundled with other benefits.

**Partnered with Google Cloud** to integrate B2B connectivity solutions for businesses.

**Partnered with Western Union Money** enabling Airtel Payments Bank Customers to transfer money into their bank accounts 24x7 through the Western Union Money App.

### Network Expansion & Transformation



Phased out 3G services in Bihar, UP (West), Delhi-NCR, Chennai & rest of Tamil Nadu and re-farmed the **spectrum to 4G**.

Deployed superior **LTE 2100 MHz** spectrum band across UP (West) to improve connectivity.

### Mergers & Acquisitions



Acquired a strategic stake in Spectacom, a producer of digital content focused on **fitness and Xsports**.

### Fund Raising



Successfully completed the **QIP and FCCB offering** with a strong response from marquee Global, Asian and Indian investors to raise **USD 3 Bn**, with the issue being oversubscribed multiple times. It was largest ever dual tranche Equity and FCCB offering in Asia-Pacific, largest QIP ever by a private sector issuer in India, largest FCCB offering from an India issuer in the **last 12 years**.

# PERFORMANCE HIGHLIGHTS

	Units	Financial Year Ended March 31				
		Ind AS**				
		2016	2017	2018	2019	2020
<b>Operating Highlights</b>						
Total Customer Base	000's	357,428	372,354	413,822	403,645	423,287
India	000's	266,626	290,329	322,292	302,206	309,754
South Asia*	000's	10,238	1,964	2,267	2,587	2,929
Africa	000's	80,564	80,061	89,262	98,851	110,604
<b>Consolidated Financials (₹ Mn)</b>						
Total revenues	₹ Mn	965,321	942,506	826,388	807,802	875,390
EBITDA (before exceptional items)	₹ Mn	341,682	356,208	304,479	262,937	371,053
Cash Profit from Operations before derivative and exchange fluctuation (before exceptional items)	₹ Mn	289,083	283,668	227,169	167,777	254,951
Earnings Before Tax	₹ Mn	128,463	77,232	32,669	(17,318)	(428,466)
Net Profit	₹ Mn	60,767	37,997	10,990	4,095	(321,832)
<b>Consolidated Financials (₹ Mn)</b>						
Shareholder's Equity	₹ Mn	667,693	674,563	695,344	714,222	771,448
Net Debt @	₹ Mn	892,977	970,547	1,001,060	1,129,899	1,188,590
Capital Employed	₹ Mn	1,560,670	1,645,110	1,696,404	1,844,121	1,960,038
<b>Key Ratios</b>						
Capex Productivity	%	69.89	64.51	49.26	40.65	41.91
Opex Productivity	%	42.75	40.62	42.16	46.36	35.95
EBITDA Margin	%	35.40	37.79	36.84	32.55	42.39
EBIT Margin	%	17.22	16.63	13.41	5.90	10.56
Return on Shareholder's Equity	%	9.44	5.66	1.60	0.58	(35.47)
Return on Capital employed	%	8.26	6.57	4.81	5.23	(9.75)
Net Debt to EBITDA	Times	2.61	2.72	3.29	4.30	3.20
Interest Coverage ratio	Times	7.06	5.20	4.37	2.84	3.41
Book Value Per Equity Share	₹	167.03	168.8	174.0	178.7	141.4
Net Debt to Shareholders' Equity	Times	1.34	1.44	1.44	1.58	1.54
Earnings Per Share (Basic)	₹	15.21	9.51	2.75	0.96	(63.41)

**Note:**

\* Customer Base for South Asia for FY 2015-16 includes the base for Sri Lanka & Bangladesh.

\*\* With effect from April 01, 2016, the Company has applied Ind AS for the preparation of its financial statements. The transition is carried out from accounting principles generally accepted in India with the transition date being April 01, 2015.

@ Due to adoption of IND AS 116, Net debt for the period is including FLO. Accordingly, to make it comparable, net debt figures for the prior periods also includes FLO.

All figures are based on Consolidated Financial Statements. Previous year(s) figures are restated/ reclassified, wherever necessary.

# INTEGRATED STRATEGY FOR VALUE CREATION



Financial Capital



Intellectual Capital



Human Capital



Manufactured Capital



Social & Relationship  
Capital

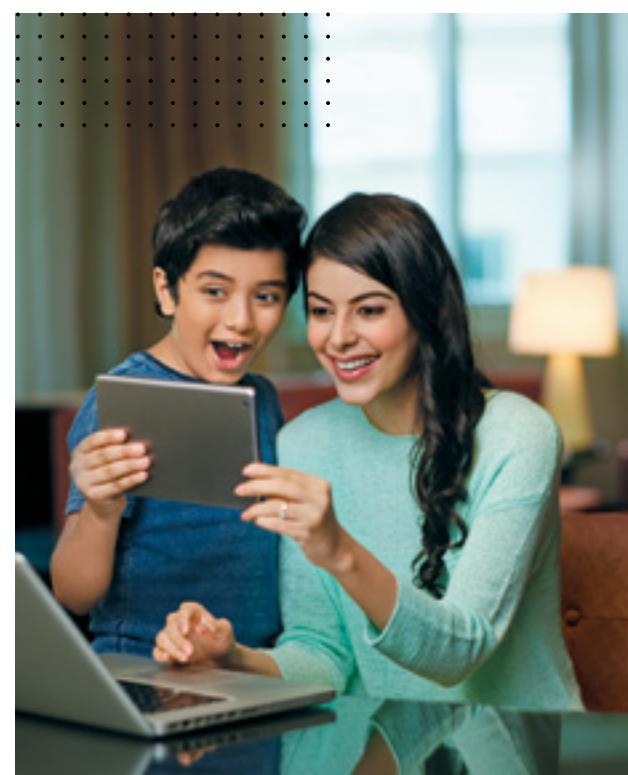


Natural Capital

# MATERIALITY ASSESSMENT

WITH A COMMITMENT TO CREATE LONG-TERM VALUE FOR ITS STAKEHOLDERS, AIRTEL'S CORPORATE SUSTAINABILITY STRATEGY CONTINUES TO EVOLVE, PROVIDING AGILE RESPONSES TO CHALLENGES THAT IT FACES AT AN ECONOMIC, SOCIAL AND ENVIRONMENTAL LEVEL.

Every two years, Airtel conducts a materiality assessment exercise to re-evaluate and prioritize the material topics, which guide our corporate sustainability strategy. A comprehensive exercise was undertaken in 2017-18 to assess our material topics in accordance with GRI Standards and guided by AccountAbility's AA1000 Principles Standard (2018). This included an extensive stakeholder engagement survey to capture the expectations of our stakeholders, along with an evaluation of the major risks identified through our risk management process. This resulted in identification of a set of material topics.



The material topics were evaluated in line with the UN Sustainable Development Goals, emerging global trends and our overall corporate business strategy. Further, review of industry best practices, benchmarking of our performance, evaluation of our risks and opportunities and insights from stakeholder engagement were leveraged, to undertake a holistic review of our material issues.

The identified material issues were then prioritized based on the topics of significance to our stakeholders as well as the management, which are listed below. They are addressed through various strategic interventions and

guide informed decision making at Airtel. Further, we continually monitor the major channels of dialogue with our key stakeholders, which enables us to seek their feedback and monitor the impact of our interventions.

- Enhancing Customer experience and satisfaction
- Climate change and carbon emissions of telecom infrastructure
- Digitalization and innovative service offerings
- Customer Data protection and security
- Enhancing Network quality (reliability and availability)

- Sustainable Community Development
- Collaborative long term supplier/partner relationships
- Product and Service quality
- Ethical and transparent business transactions
- Resource optimization and waste management
- High standards of Corporate Governance
- Improving Employee engagement and development
- Digital inclusion and access



# OUR BUSINESS AND VALUE CREATION MODEL

## Source & Inputs

### Financial Capital



Our prudent management of finances and diligent allocation of funds helps capitalize long-term opportunities and ensure sustainable financial growth.

- ₹ 1,014,292 Mn Equity
- ₹ 789,950 Mn Net Debt
- USD 6.6 Bn raised through Rights Issue, QIP<sup>2</sup> and FCCBs<sup>3</sup>

### Intellectual Capital



Our procedures, governance, knowledge, technologies and experience of top management supports our focus on new product launches to enhance customer experience and drive long-term sustainability.

- Digital talent base
- Strategic partnerships
- Startup Accelerator Program
- Powerful brand campaigns

### Manufactured Capital



We are committed to invest in building our network infrastructure to enrich customer experience and expand the user base across businesses.

- 194,409 Mobile Network Towers
- 503,883 Mobile Broadband Base Stations
- 304,907 Rkms Optic Fiber Network
- 7 Submarine Cable Systems
- 65 Global Points of Presence

### Human Capital



We strive to build an inspiring work culture with collaborative team efforts that are directed towards achieving strategic business goals.

- 14,485 Employees on roll
- 61,000+ Contractual Employees<sup>4</sup>
- ₹ 125 Mn spent on all trainings
- 26.50% Employees under the age of 30 years

### Social & Relationship Capital



Operating responsibly is fundamental to our business objectives and we work to create meaningful economic and social value for a wider stakeholder community.

- ₹ 498+ Mn spent on social activities
- 3,500+ Suppliers
- 1.1+ Mn Retailers
- 11,000+ Channel Partners
- 230,000+ Shareholders
- 309+ Mn Customers (total)

### Natural Capital



In our pursuit of excellence, we remain vigilant towards usage of natural resources and aim to responsibly reduce our ecological impact.

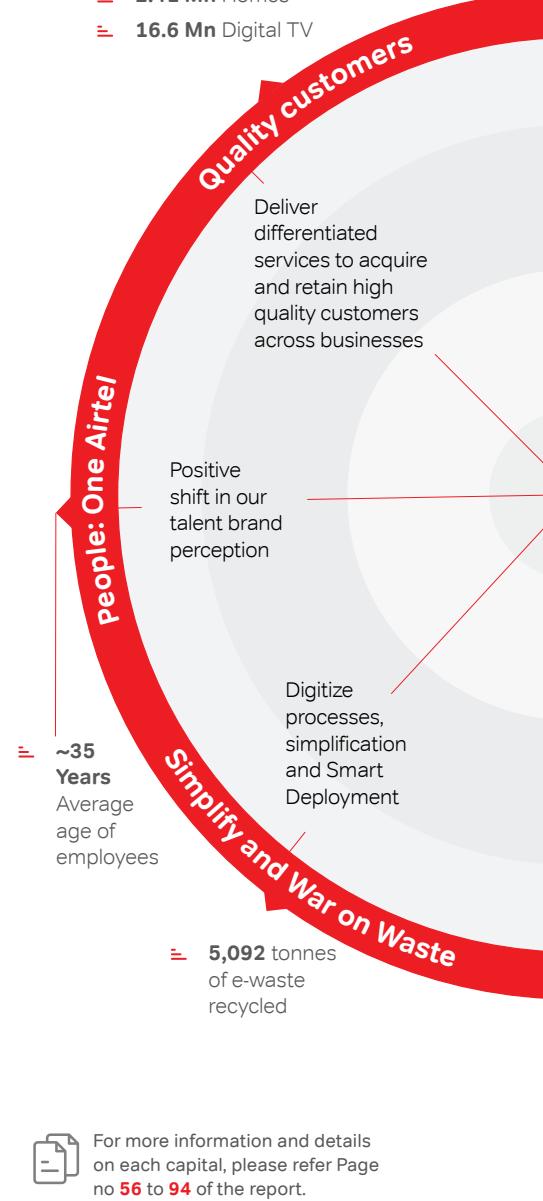
- 821,912.39 Mwh of electricity consumed at our own operations
- 14,795.14 KL of diesel consumed at our own operations

## Outputs

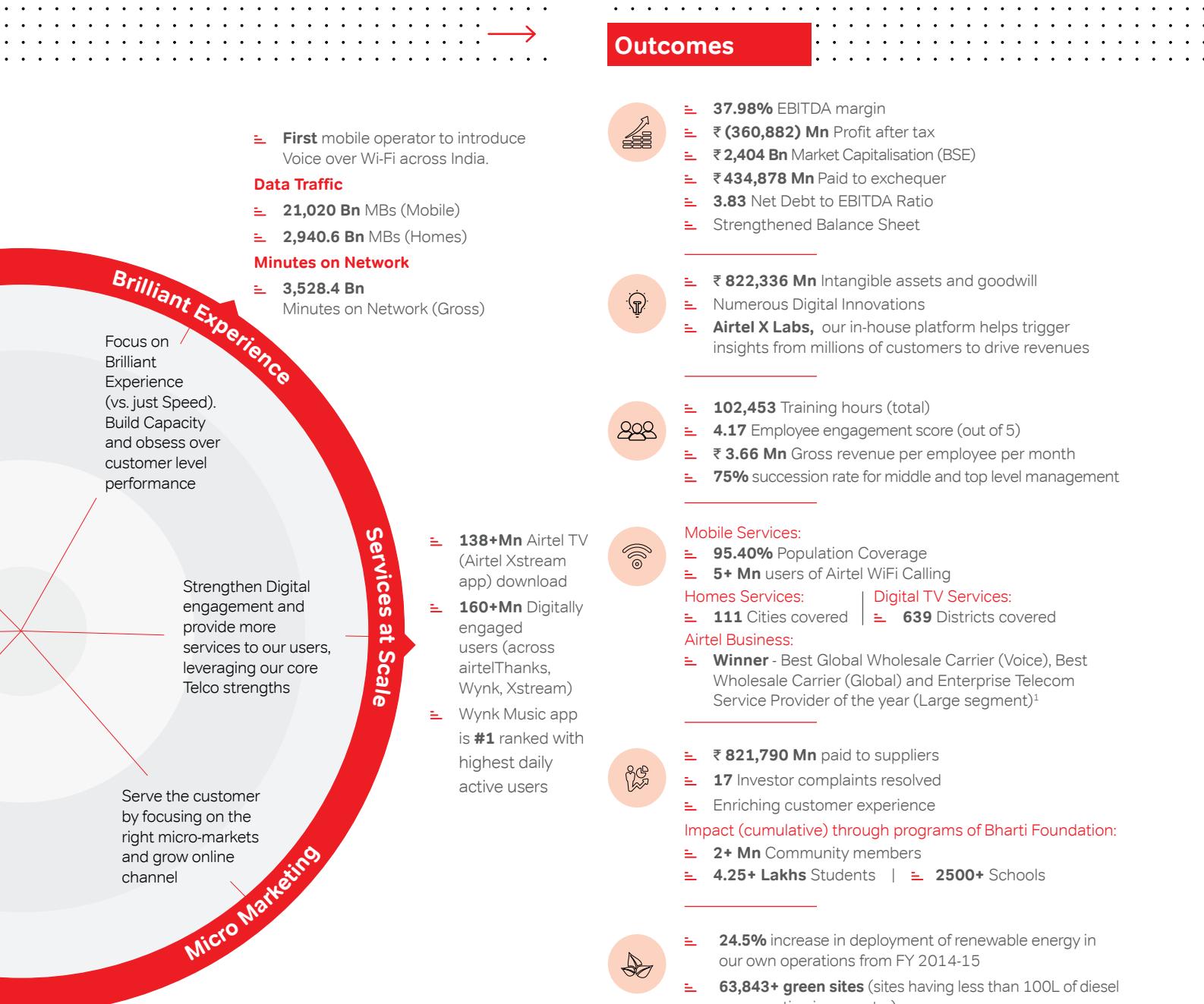
### STRATEGIC BUSINESS PILLARS

#### Customers

- 283.7 Mn Mobile
- 2.41 Mn Homes
- 16.6 Mn Digital TV



For more information and details on each capital, please refer Page no 56 to 94 of the report.



<sup>1</sup>At Carriers Worlds Awards 2019 and Frost and Sullivan India ICT Awards.

<sup>2</sup>Qualified Institutional Placement.

<sup>3</sup>Foreign Currency Convertible Bonds.

<sup>4</sup>During FY 2020 - 21, the Company has revised its methodology for determination of Contractual Employees.

# FINANCIAL CAPITAL

TO CREATE SUSTAINABLE VALUE FOR ALL STAKEHOLDERS, WE, AT AIRTEL MANAGE OUR FINANCIAL CAPITAL IN AN ASTUTE, OPTIMUM AND DILIGENT MANNER, THEREBY HARNESSING OPPORTUNITIES FOR LONG-TERM VALUE CREATION.



## Source

Financial capital (includes shareholders' equity and debt) is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital.

## Inputs

Our financial strength is based on the primary sources of financial capital such as shareholders equity, internally generated cash flows and debt raised from capital market. These resources serve us to maintain our network, functional units, fund expansion and modernization & pay dividends to our shareholders. The components of the debt portfolio are determined by the Company's senior management in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The year saw phenomenal confidence from the shareholders & investors and the Company witnessed fund raising of ~ USD 6.6 Bn through a combination of Rights issue, QIP and FCCBs. This confidence is also reflected in our market capitalization which reached an all time high during the year.

## Airtel's three line graph – Key enabler for driving value creation

At the core of the value creation process is Airtel's three line graph which measures:

### Revenue

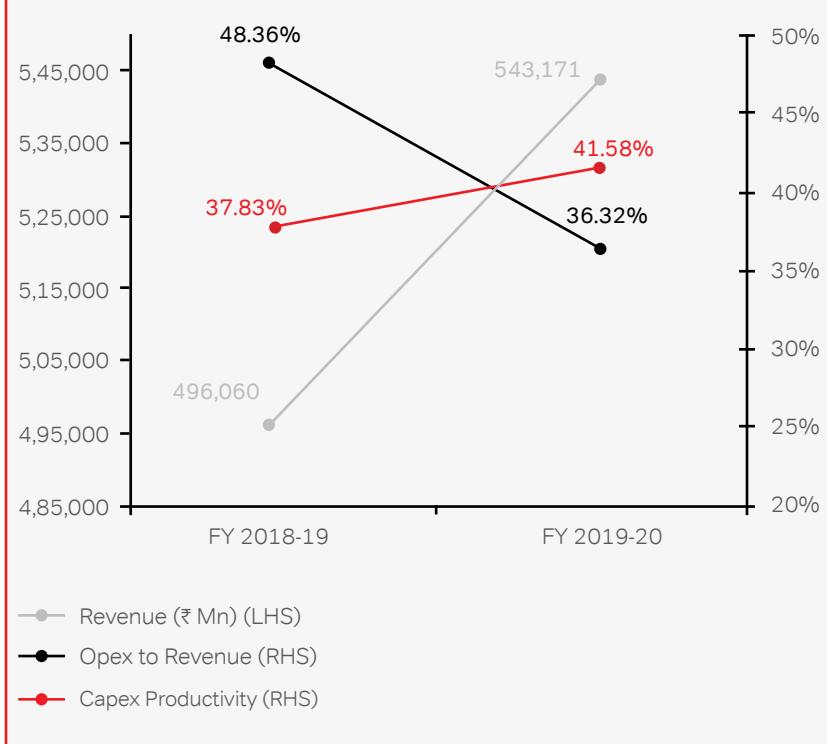
Operating expenses/ revenues

### Opex Productivity

Revenue/ cummulative capex

### Capex productivity

## Three line graph



## Outcomes

### Value creation

#### EBIDTA margin (%)

25.84 → 37.98#  
FY 2018-19      FY 2019-20

#### PAT (₹ in Mn)

(18,692) → (360,882)  
FY 2018-19      FY 2019-20

#### Net Debt to EBITDA Ratio

6.52 → 3.83  
FY 2018-19      FY 2019-20

### Contribution to stakeholders

#### Dividend (₹ in Mn)

19,988 → 10,911\*  
FY 2018-19      FY 2019-20

#### Market Capitalisation – BSE (₹ in Bn)

1,331 → 2,404  
FY 2018-19      FY 2019-20

#### Contribution to exchequer (₹ in Mn)

238,401 → 434,878  
FY 2018-19      FY 2019-20

# Post adoption of IND AS116

\* Recommended by the Board of Directors, subject to the approval of shareholders.

# INTELLECTUAL CAPITAL

WITH A DESIRE TO STAY A STEP AHEAD, WE RELY ON OUR INTELLECTUAL CAPITAL TO SHOWCASE OUR DIGITAL CAPABILITIES – **TO INNOVATE AND DELIVER EXCEPTIONAL PRODUCTS AND SERVICES ATTUNED TO THE INHERENT STRENGTH OF BRAND AIRTEL AS A LEADING PLAYER IN THE DIGITAL ECOSYSTEM.**

## Brand Airtel – Most Admired Globally



The constant zeal to innovate and ideate new-age processes and the desire to consistently deliver superior experiences drives affinity for Brand 'Airtel'. An ideal combination of superior network connectivity and improved customer experience enables us to achieve all-time high consideration scores, reiterating our position as a preferred brand.

## Brand Airtel facilitating enhanced lifestyle offerings

At the core of Airtel's brand philosophy lies its keen focus on delivering personalized services that are designed to offer differentiated experiences. From an industry-first rewards program like airtelThanks to offering new propositions around Wi-Fi Calling, HDFC insurance recharge, Airtel Family Plan, Hello Tunes on Wynk Music and much more, we have continued to revamp the benefits and privileges available on the Airtel platform.

Further, we took steps towards transitioning our digital application from a 'Telco App' to a 'Lifestyle App'. MyAirtel app was transformed into airtelThanks app, driving customer delight across three tier customer categories.

We introduced Airtel Xstream services in FY 2019-20 for our broadband and DTH customers with a 360° campaign '**'Don't just watch TV on your TV'**.

With customers seeking better experiences and superior network

quality, we launched a new campaign '**'Sahi Chuno. Quality Chuno'**'. The campaign was highly appreciated and awarded, running across TV, OOH and digital platforms, leveraging on our competence as the best network for playing uninterrupted videos.

### Salience

**0.5%** ↑  
Y-o-Y increase as per March 2020 exit scores

### Did you know?

Airtel became the first telecom operator in India to win "**BEST VIDEO EXPERIENCE**" & "**"FASTEST DOWNLOAD SPEED"** as per Open Signal Awards – India: Mobile Network Experience Report October 2019.

### Consideration

**11.7%** ↑  
Y-o-Y increase as per March 2020 exit scores



## Startup Accelerator Program

**Airtel aims to support the creation of a vibrant start-up ecosystem that contributes to "Digital India" with the advent of Startup Accelerator Program. Through Airtel's Startup Accelerator, early startups get access to Airtel's online and offline distribution network, deep market understanding and its ecosystem of global strategic partners. In addition, Airtel has also developed strong in-house capabilities around machine learning and artificial intelligence which could be leveraged to aid the growth of startups.**

The induction of Bengaluru based tech startup 'Vahan' into its Startup Accelerator Program marks a significant milestone for Airtel, wherein Airtel will acquire stake in Vahan (subject to applicable statutory and regulatory approvals) and partner with them to build scale and achieve its vision of securing jobs for the next billion internet users.



(L-R) Madhav Krishna, Founder and Chief Executive Officer, Vahan with Adarsh Nair, Chief Product Officer, Airtel.

Airtel's strategic acquisition into Spectacom Global Private Limited (Spectacom) marks a significant step towards building a digitally connected India. Spectacom has conceptualized to produce path breaking digital content around health and fitness for people across languages and geographies. Airtel will work closely with Spectacom to help increase awareness and adoption of its cutting age Health & Fitness platform and encourage individuals to overcome mental barriers and achieve their full potential.



(L-R) Adarsh Nair, Chief Product Officer, Airtel with Zeba Zaidi and Adnan Adeeb, Founder and Chief Executive Officer, Spectacom.

## INTELLECTUAL CAPITAL

### Digital Innovation

#### Airtel X Labs

Airtel X Labs is the team transforming Airtel into an industry-leading digital force.

We have relentlessly rallied to break communication barriers and deliver products that go beyond telecom. Today, our products are informative, contemporary and with a high quotient of entertainment, while enabling secure connectivity.

During FY 2019-20, Airtel X Labs, pioneered our intuitive digital products to drive customer experiences and bring efficiency in operations. The team has made significant progress in the areas of Machine Learning including Vernacular Voice AI, Optical Character Recognition (OCR), Imaging Solution for Automated Network Planning, Complex AI algorithms for recommendation engines, customer personalization, acquisition and churn models among others.

The team comprises of scientists, mathematicians, engineers and AI experts from globally renowned institutes like NASA, Indian Institute of Science, Indian Statistical Institute, Massachusetts Institute of Technology, Facebook, Microsoft etc.

### Did you know?

Airtel was one of the top finalists of the coveted **10<sup>TH</sup> AEGIS GRAHAM BELL AWARDS**, under 'Innovation in Consumer Tech' Category.

### Assuring Customer Delight

#### Airtel VoWiFi

In an industry first initiative, Airtel Voice over Wi-Fi was successfully launched and adopted during the FY 2019-20. We have also collaborated with multiple brands over the last year, providing Wi-Fi Calling capability to over 200+ handsets, covering over 37.89 Mn user base. Initial results have shown an increase of 73% of Average Call Duration for VoWiFi Customers and a reduction of call attempts by 42% (both indicative of improved indoor experience).

#### airtelThanks

airtelThanks app is a one-stop source to claim rewards, get recharges, make payments and manage Airtel connections from anywhere, anytime, at the click of a button. It is a unique loyalty platform, that feeds on real-time events in a customer's lifecycle. Airtel has built this platform on two fundamental innovations - customer 360° view and partnerships to provide value added services. It enables real-time mapping of customer profiles, backed by an Open API that is tied to third party service providers. The platform is integrated with a scalable model of own subscription engine and provisional billing engine for prompt activation of any service.

#### Airtel Xstream

Airtel TV was transformed into Airtel Xstream in FY 2019-20, offering enriched content and entertainment. The introduction of large screen hardware intervention Airtel Xstream Box, Smart Stick and its desktop/mobile versions powered by Airtel Xstream Fiber broadband has helped to engage a larger user base. FY 2019-20 saw significant traction on our web platform [www.airtelxstream.in](http://www.airtelxstream.in)

and Airtel Xstream Smart Stick. Our strategic partnerships and integration with Video on Demand (VoD) content providers have resulted in a deep understanding of consumer preferences and has led to an increase in content consumption, year on year.



### 138+ Mn

Airtel Xstream app downloads

#### Wynk Music

Wynk Music continues to be **#1 music app** in the industry with highest active user base\*. The launch of Hello Tunes in collaboration with Wynk Music app has improved user experiences. In FY 2019-20, we introduced a personalized layout engine powered by machine learning for real-time user segmentation. Further, with amplification of the search engine to enable discovery of regional and long tail content, the app has facilitated a significant improvement in user engagement.

### 170+ Mn

Installs



### 2.1+ Bn

Total monthly song plays

\* App Annie Data.

### Airtel IoT (Internet of Things)

Our IoT solutions are in compliance with regulatory norms and are designed to improve efficiency of various businesses. It enables real-time monitoring, data analytics and consumer behaviour tracking with ease. Our IoT offerings and its impact during FY 2019-20 are as follows:

### Did you know?

Airtel Business was awarded **BEST CLOUD SERVICE PROVIDER AND BEST IoT INITIATIVE** for Connectivity Management Platform at the Carriers World Awards 2019.

### IoT services for Business Customers

#### Airtel TraceMate

#### Airtel SmartTransport

#### Airtel Asset tracking

### Impact

Mobile based location tracking, allowing businesses to enable real time visibility of their resources.

Our Smart Transport fleet management solution has helped enterprises operate their logistics with real-time vehicle tracking systems, based on advanced analytics, to reduce inefficiencies and enhance security during transportation.

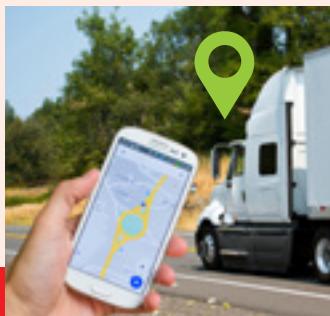
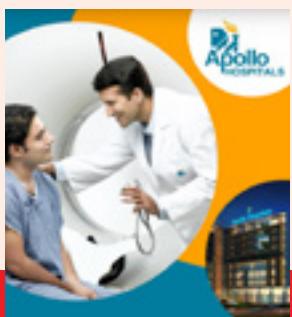
The asset tracking solution helps businesses gain visibility in their supply chain, offering actionable insights through tracking of asset KPIs like location, temperature, vibration, humidity, etc. Using sensors, it provides predictive alerts, ensures better monitoring, lowers service cost and improves asset security.

### Case Study

A leading hospital chain is using this tool to efficiently manage its remote health centre operations along with automating the attendance of its staff.

A global car maker introduced India's first connected car with advanced telematics and infotainment features such as vehicle tracking, emergency calling, real time diagnostics, music streaming etc. using Airtel's IoT solution.

A leading security solution provider company trusts Airtel for its in-car security solutions aimed to ensure vehicle monitoring and passenger safety. Further, a leading Dairy & Foods company uses Airtel's asset tracking solution to efficiently manage and keep track of its ice cream carts operating across the city.



## INTELLECTUAL CAPITAL

### Airtel Connectivity Management Platform

Airtel's Connectivity Management Platform (CMP) allows business customers to control and manage their IoT SIMs deployed on the field. Further, Airtel CMP is completely integrated with all operations and business support systems, thus, giving customers complete control on all aspects of SIM lifecycle – provisioning, billing, network configuration, issue management and support.

### Airtel Enterprises Hub

We introduced a one-stop shop for enterprises of all sizes to discover, procure, and manage Airtel Business services. Today, via Airtel Enterprises Hub (AEH), our mobility and data customers can pay their bills, activate services like Gsuite, and perform actions like plan upgrade, SIM swap, view progress of service requests in real time and much more.

**46,660**

AEH users

### Artificial Intelligence (AI)

The digital team at Airtel further strengthened its operations and customer experience driven by efficient Artificial Intelligence. Our in-house virtual assistant facilitates AI speech-to-text, to-intent and intent-to-decision technologies to provide a customized experience to vernacular Indian audience. Our conversational AI helps build a completely automated quality management system capturing voice-based customer sentiment and using natural language processing. The conversational AI is also empowered with real-time assessment of all call interactions to provide continuous feedbacks to agents and improve customer experience.

**₹ 25 Mn**

Cost reduction achieved through Virtual assistant based AI

### My Circle App

An innovative, user-friendly and carrier agnostic safety app, My Circle was launched in partnership with the Federation of Indian Chambers of Commerce and Industry (FICCI) Ladies Organization. An app designed to empower women in any distress or panic situation, it sends an SOS alert with user's location over SMS to specific contacts with compatibility in 13 different languages.

### Strategic partnerships

#### Airtel Business

- Airtel has entered into a strategic partnership with Nokia to provide LTE based industry 4.0 applications to enterprises and large businesses. This partnership will enable the delivery of an extensive wireless portfolio with intrinsic security, mission-critical reliability and vast coverage to meet the growing demands of a network that can support high data volumes with low latency rates.

- G Suite from Google Inc. is an intelligent, cloud-based productivity suite that enables teams to collaborate, iterate, and innovate together, from anywhere, in real time. Airtel users were given access to G Suite under a bundled package with a host of other benefits.

- We secured high-end security for our enterprise customers with Palo Alto Networks, a global cybersecurity company.

- We partnered with Cisco, a multinational technology company to offer Cisco solutions to our enterprise and business customers.

- Our alliance with Forcepoint, a global human-centric cybersecurity company, widens our service offerings to data protection solutions for our customers.

- We have partnered with Radware, a market leader in continuous adaptive real-time DDoS service to provide on-premise and cloud protection service against advanced DDoS attacks.

### Mobile Services

- We continued to expand our strategic partnerships with leading digital entertainment players such as Amazon Prime, Zee5 and Netflix and handset makers to offer more exclusive benefits to our customers under our flagship digital platform of airtelThanks.



- In an industry first initiative, we partnered with HDFC Life and Bharti Axa Life for our users at the bottom of the pyramid to offer mobile services bundled with life insurance packages.

- We ventured into the world of education through partnerships with leading global institutes like EdTech and Shaw Academy to offer comprehensive online courses for our users.

- We also tied-up with leading handset makers and mobile handset insurance/ antivirus solution providers to offer free screen replacement benefits in the instance of accidental and liquid damage.

### Data Security

We have implemented leading security technologies to ensure safety and confidentiality of customers' personal information, round the clock. We have framed Bharti Airtel Information Security Policy (BISP) to ensure maximum protection of personal information. Our BISP policy, Airtel Centre and all circle offices are benchmarked with **ISO 27001** and **ISO 22301** standards.

### Did you know?

Chief Information Security Officer of Airtel was recognized as '**SECURITY LEADER OF THE YEAR'** under DSCI Excellence Award for Industry leaders in 2019.

## Dynamic Processes to support seamless Customer Service

### Social Command Centre

Built with an objective to develop a deeper consumer understanding and content marketing, Social Command Centre (SCC) continues to provide actionable intelligence on dynamic changes in the market. With direct feedbacks from the consumers, the SCC now operates as a central hub for performance and insights. These insights have helped drive advocacy program (tracking daily negative sentiment), launch new products and services (identifying key brand advocates) and manage crisis (Delhi riots and COVID-19) by tracking customer pain points and prioritizing resolution, thereby building a comprehensive learning culture.

### Technical incubations

We have further strengthened our technical incubations including speech analytics and virtual assistants, to automate the existing channels. The voice and chatbots (empowered with virtual assistant tool) have been deployed over airtelThanks App and IVR to digitally receive and resolve customer complaints with speed and accuracy, thereby reducing operational overheads.

### Global Business Voice Portal

An innovative, scalable platform that covers end-to-end transformation of Wholesale Voice Business - this online platform is designed to develop next generation voice business models through digital transformation and automation. With paperless sign-up facility, live connectivity within 24 hours, access to best call quality, direct routing and 100% Caller Line Identification (CLI), it offers multiple benefits to B2B customers.

### Digitising our workforce

The use of digital technology within our operations has opened up exponential benefits, both for our customers and us. With digital transformation permeating the internal operations, we developed solutions that were best suited and aligned to external and internal stakeholders.

### Front end workforce

We digitized operations of our retail outlet partners with the 'Mitra' application. We have over 1.1 Mn retailers transacting and making payments every day on our Mitra App. The complete digital solution and assistance has empowered more than 1 Mn retailers and our 25k field force helps to enforce a completely paperless module.

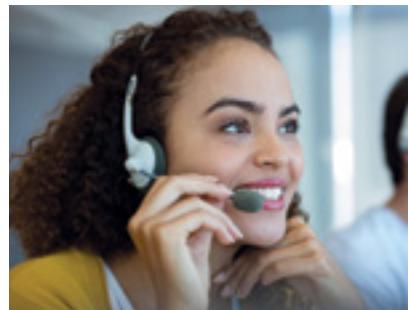


### Network field force

Our digital platform 'Airtel Work' empowers the entire network field force, allowing them to complete their tasks at customer site with multiple automated functionalities. The real-time tracking facilities, delay alerts, notifications for new tasks, follow-up opportunities and leads have enabled paperless work and faster resolution of on-site projects.

### Call centre executives

Our advanced 'Decision Tree' tool backed by powerful AI models and machine learning has helped redress customer queries in quick time. The tool has helped to seamlessly integrate information and 99% of queries from all systems, CRMs, billing platforms, payments etc to enable faster resolution of issues.



## Our response to COVID-19

Being an essential service provider, we ensured uninterrupted network connectivity at all times. We launched large scale digital campaigns, educating the customers about the risks of stepping out. Our proactive messaging service on alternate mediums, across vernacular languages, helped to reach out to a wider audience.

### Spreading Knowledge

'Juggernaut Books' is among India's leading digital publishing companies with e-books and novels across genres. During the unprecedented times of COVID-19, Airtel partnered with Juggernaut to encourage people to stay home and observe social distancing norms by providing its users free access to thousands of e-books on its integrated airtelThanks application.



**83**

Read more

About our customer-focused engaging initiatives during COVID-19.

# HUMAN CAPITAL

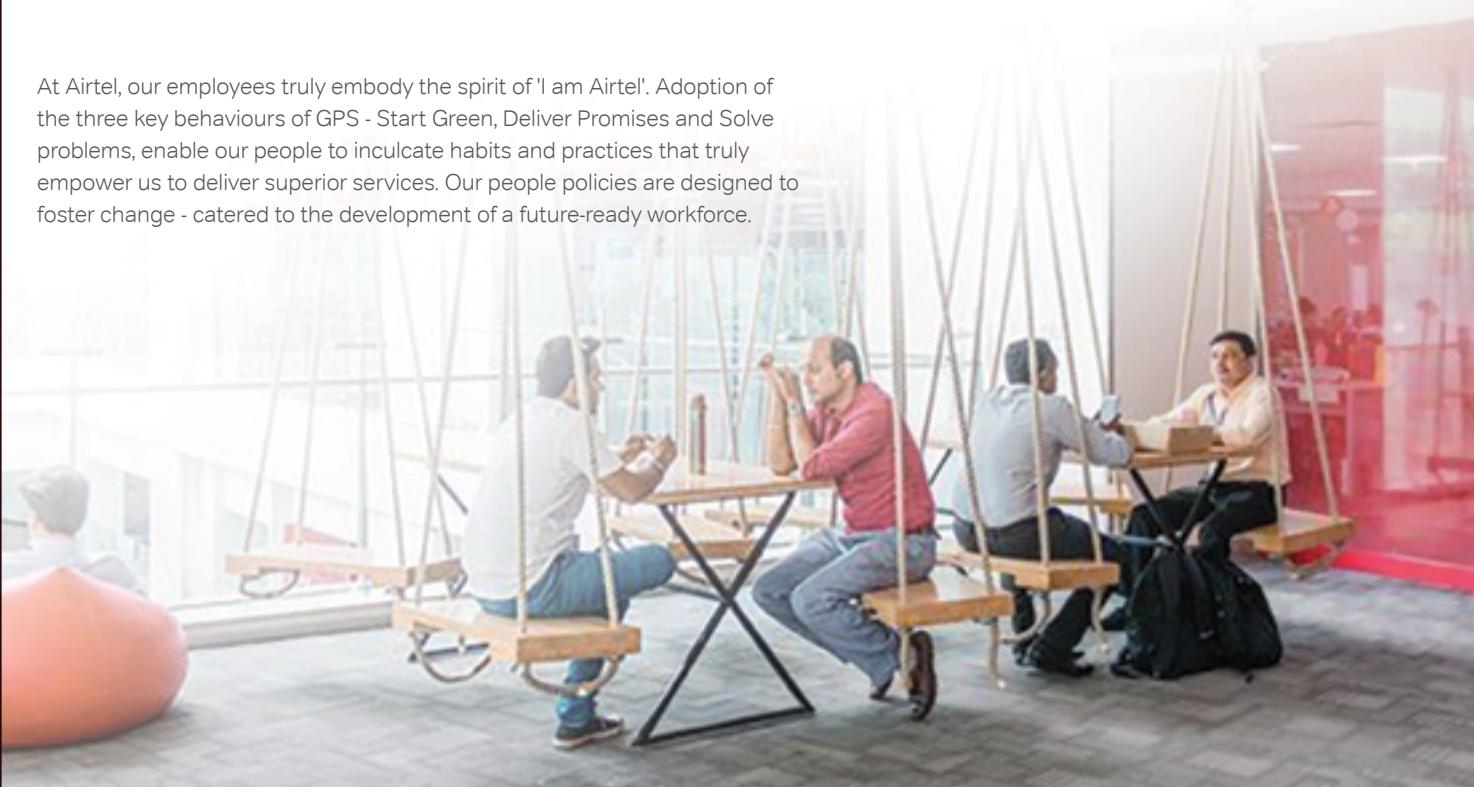
AT AIRTEL, OUR ASPIRATIONS ARE INTRINSICALLY ALIGNED WITH OUR PEOPLE. **TO PIONEER INNOVATION,** WE RELY ON THE EXCEPTIONAL SKILLS AND CAPABILITIES OF OUR TALENTED WORKFORCE.



**26.5%**

Employees under the age of 30 years

At Airtel, our employees truly embody the spirit of 'I am Airtel'. Adoption of the three key behaviours of GPS - Start Green, Deliver Promises and Solve problems, enable our people to inculcate habits and practices that truly empower us to deliver superior services. Our people policies are designed to foster change - catered to the development of a future-ready workforce.





## HUMAN CAPITAL

### Deep Learning Culture

Our organizational success is built on the engagement, commitment and capabilities of our employees. To put our strategies to action, learning and development programs play a crucial role in enabling employees achieve specialized skill sets. At Airtel, we have curated diverse learning modules – digital and interactive classroom trainings, that are easily accessible to our employees to deliver high-quality learning programs.

### Learning Across Employee Life-cycle

#### Onboarding

- Role based induction | Functional induction

#### Leadership Continuum

- Leading Self | Leading others – Embark, Elevate, Ascent 2.0

#### Performance on the job

- Demystifying Telecom Network | Essential Skills | Functional Learning Journeys | Change Management | Think Digital - Pluralsight | Coursera | LinkedIn Learning | Airtel 101

#### Next Role Readiness

- Airtel Leadership Academies

**1,02,453**

Total learning hours

**3,729**

Total training interventions

**₹ 125 Mn**

Amount spent on all trainings

**98%**

of all employees were assigned trainings

### Core Learning Structure

We continued to focus on improving our learning culture, with an integrated module that creates multiple opportunities for development and career growth. It encompasses training methodologies focused on the core aspects of Functional, Behavioural and Leadership training.

#### Functional training

At Airtel, our employees are our priority and we strive to enhance functional efficiency through adequate skill training and capacity building activities. Our functional training program is designed to improve domain knowledge and incorporates a customer-centric attitude to keep pace with the changing times.

**57,374**

Training hours

**1,634**

Training interventions

#### Behavioural Training

Behavioural training plays a crucial role in the overall development of our people. As part of our all-encompassing strategy of building a learning culture, we have included modules of collaborative relationship, problem-solving, design thinking and communication in our behavioural training program.

**23,637**

Training hours

**427**

Training interventions

#### Leadership Training

With a firm focus on building resilience and boosting operational efficiency, our leadership training programs are designed to mentor and build future leaders. It provides learnings and know-how on responsibilities and challenges of higher managerial roles, effectively laying the foundation for creating leaders of tomorrow.

**17,280**

Training hours

**207**

Training interventions

### Integrated Learning Modules

At Airtel, we rely on efficient and effective learning and training modules, enabling our employees to stay abreast with a dynamic industry environment. In FY 2019-20, we continued our focus on strengthening the functional, behavioural and leadership aspects with dedicated training programs. As the nation continued to fight the pandemic with a complete lockdown, at Airtel we kept our employees engaged through multiple learning initiatives with our work from home policy. Some of these included curated digital learning programs for employees across multiple functions, internal and external webinars for honing functional expertise, and customised online content for managers at different levels.



## Leadership learnings

### Elevate

In our endeavour to create a transparent environment with an open dialogue culture, we launched the first-ever people stimulation classroom program 'Elevate'. The program enabled experienced people managers to initiate developmental conversations with their teams to discuss about employee lifecycle, importance of continuous feedback and coaching for better performance.

### Embark

The Program involves a transition from the role of an individual contributor to that of a people manager, by learning the practical skills needed to lead a team effectively.

### Ascent 2.0

The initiative revolves around building high performance teams by creating a compelling team vision and fostering collaboration, ensuring effective communication and coaching.

### Hire Right

A learning program focused on improving hiring methods using scientific and structured tools for recruiting employees at manager levels and above.

### Classroom training

We launched a dedicated classroom training program

## 'CRACKING the - GROWTH CODE',

focused on building essential business and leadership skills, across three managerial levels – Junior, Middle and Senior Management. Programs were structured around communication & presentation, problem solving & analysis, personal productivity and change management.

**1,750**

Employees benefitted

## Functional learnings

### N-Rich

N-Rich program was launched in FY 2019-20 with an endeavour to elevate the technical knowledge of our network employees. The training program and workshops were conducted in collaboration with our network vendors. Employees got an opportunity to widen their knowledge spectrum on various topics like 5G, Cloud & Virtualization, Packet Core & Small Cells, Network Security, IoT, Volte, Mobility Core and IP. Apart from classroom trainings, a digital learning module '**Digital Learn-A-Thon**' was also conducted to encourage network employees to utilize our online learning platforms like Airtel 101, iLearn & Coursera. Additionally, a 9-month long transformational leadership program for **30 Band B3 employees** of the network team was also launched to help them develop a digital mindset through various interventions including workshops with globally renowned trainers. Furthermore, a series of

internal training sessions, titled

**Gurucool** was also conducted by experts in Network focusing on multiple network related issues. Further, a series of virtual sessions named **TECHx**

**Talks** was also started to provide a digital learning experience for the students from top ranking engineering colleges on various upcoming technologies in telecom.

## Highlights

**1,000+**

**employees** attended

the classroom workshops, either in person or through video conferencing, covering more than

**8,000 learning hours**

The network employees completed around

**7,590 courses**

over various digital platforms – Airtel 101, iLearn & Coursera



### LeGo

The Learning-on-the-Go (LeGo) program was designed and launched with a focus to enhance functional product knowledge for employees of Airtel Business. The program was structured around multiple video-conferencing sessions and self-paced learning modules to identify and assess the current knowledge levels of employees and improve learning around high growth products and products with less pass percentage.

**9300+**

Learning Modules

**1,026**

Employees who participated in the program



# HUMAN CAPITAL

## Digital Learning

We continue to harness digital capabilities to enable 24x7 learning and development throughout the employee lifecycle. Our digital learning platforms are designed to provide employees with newer and advanced learning methodologies, enabling them to enhance their productivity levels. We launched the New Learning Management System in FY 2019-20, enabling Airtel to stay ahead in the digital curve. It included the following key measures:

- One-stop digital shop for all learning needs.
- Fully integrated across desktop, tablet and mobile devices; with an integrated mobile app. (60% of the organization leverages mobile app to access learning).
- Course categorization by skills and functions.
- Democratized way of learning through self-enrolments.
- End to end learning cycle from course enrolment, course assignment, calendarization of workshops and online feedback on learning interventions.

**3,666**

Online training interventions



**14,131**  
Employees took online training

**42,443**  
Man hours of online training

iLearn



To successfully cope with radical changes in the industry, at Airtel, we seek to redefine processes to rejuvenate employee engagement. We facilitate employees to think, operate and collaborate in ways that enhance skill sets. iLearn is an integrated learning application that provides on-the-go learning to our employees by bringing content from platforms like Coursera, LinkedIn and other in-house content within the ambit of a single application.

**14,120**

Employees used the platform

**1,02,453**

Training hours

Coursera



Strongly integrated with our learning strategy, we encourage employees to complete courses available on the Coursera platform and receive certifications from international universities. It is open to employees of Band B1 and above, on a self-nomination basis.

**3,210**

Training hours

LinkedIn Learning



With a vast course library catering to diverse skill sets, LinkedIn Learning is preferred by employees to access their DAPs and facilitate learning on-the-go.

**7,780+**

Course completions

Airtel 101



To enhance the functional knowledge of our employees, this mobile app was launched to provide different types of course material in the form of byte sized units that can be easily accessed from anywhere.

**20,903**

Training hours

Pluralsight



Online video training courses, with a focus on latest technology and innovation, provided to select employees at Wynk and Engineering division, on a nomination basis.

**28**

Training hours

### Gurucool - Engineering

A peer-to-peer learning program that engages discussion on cutting-edge technologies that can create a positive impact.

**17**

Sessions conducted

### Techniversity

The program encourages peer-to-peer learning to increase employee awareness about the technologies used by Airtel.

**6**

Sessions conducted

### Product School

With a dedicated learning platform for knowledge sharing, it comprises of internal and external experts sharing best industry practices on product management.

**7**

Sessions conducted

### Converge

With insightful sessions from external industry specialists, the program focuses on attracting digital talent and creating a stronger digital brand.

**3**

Sessions conducted

## airtel X labs

Airtel X Labs continues to evolve into a steady in-house Research and Development centre, adopting latest technologies ranging from IoT to AI, to create innovative service offerings for our customers. In our endeavour to build a digital and agile team, Airtel X Labs has hired top tech talent across India to build plug-and-play platforms and transform brand Airtel into an industry-leading digital force. The employee value proposition for digital talent is focused on creating digital solutions that create an impact by solving complex problems. Airtel X Labs remains an innovative centre of excellence, encouraging risk-taking and experimentation while inspiring the best minds of the country to work together. Driven by the values of Customer Orientation, Collaboration, Curiosity & Innovation, Bias for Action,

Ownership and Courage, Airtel X Labs provides employees a platform to explore the digital future by solving complex problems and creating unique disruptive solutions.



## Building Leaders of Tomorrow

The zeal to excel and ensure business leadership is inherent to our work culture. At Airtel, we believe in leading by example, by nurturing and grooming our talented workforce to reach the high pedestals of future leadership. With an aim to assure organizational viability and strategic effectiveness, we invest in leadership programs that enhance skill sets.

## Airtel Leadership Academy

With a common vision and enthusiasm to steer the organization ahead, our leadership transition programs foster a culture of continuous learning for future growth. Taking a step forward from the earlier academies, the current academic framework is now widened to provide opportunities across functions and businesses with a common structured development framework. The multiple programs under the aegis of Airtel Leadership Academy focus



# HUMAN CAPITAL

on strengthening the talent pipeline within Airtel and aims to carve the best development path for individuals. The common Academy framework strives to provide opportunities to employees across all functions and businesses, preparing them for senior positions within the organization.

The new Leadership Academy Framework provides opportunities to employees for career growth and development, along with exposure to cross-functional skills. The pipeline of talent created through these academies, thereby helps us in succession planning and cross-LOB (Line of Business) movements. The programs are detailed, structured and comprise of continuous development journeys for employees through focused Individual Development Plans.



## Airtel Leadership Academies: Developing Core Leadership at all Levels

### **Emerging Leaders Program (ELP) to groom candidates for First Time Manager Roles**

Introduced for the first time in the fiscal year, the program was launched with an objective to build a ready pipeline of internal talent for significant positions across functions, which later transition to managerial roles. The program is structured to build leadership, behavioral and functional skills.

**197**

Employees participated

### **Advanced Leaders Program (ALP) for training Functional Heads**

The program is aimed towards creating a strong and sustainable leadership pipeline (for Circle/ Functional EC/ Vertical Head roles), through a well-defined developmental approach, designed for candidates with great potential and ability to deliver better performances. The program included Leadership Bootcamp, Individual Development Center (Virtual) and Executive Development Program to provide an immersive focus on strategic thinking and execution centered around leadership and agility.

**100**

Employees participated (Batch 2019 and Batch 2020)

**423**

Leaders trained through multiple developmental interventions across Airtel Leadership Academies

**75%**

Succession rate – Middle to Top management

### **Future Leaders Program (FLP) for mid-level roles**

The program focuses on developing skilled candidates for mid-level roles across the organization through an objective & structured development framework. It comprises a leadership Bootcamp which includes leadership sessions from AMB leaders, Individual Development Center (Virtual) designed around strengthening behavioural, cognitive and logical reasoning and a Management Development Program at IIM Ahmedabad focused on strategy, customer value, design thinking, digital transformation, commercial acumen and leadership.

**100**

Employees participated (Batch 2019 and Batch 2020)

### **Executive Leaders Program (XLP) to train CEOs**

The XLP journey is aimed at enabling select VPs/ SVPs/ UCs to take over senior leadership roles over a ~18-month development journey. The participants are provided with tools/ opportunities that help in developing their vision beyond the roles they are currently employed in. Some of the program elements included self-discovery, Leadership Bootcamp and Management Development Program at INSEAD, France, centered around strategic thinking, people development, digital disruption and leadership laboratory.

**25**

employees participated (Batch 2020)

## Recruiting the Best

With an eye on improving organizational efficiency and fostering innovation, employees at Airtel are nurtured to further enhance their skills and expertise. To endow our workforce with the right set of skills, we continuously aim to create programs that extract and attract top talents, thereby contributing towards the creation of future leaders.

## Young Leaders Program

Initiated in 2001, the Young Leaders Program is aimed at creating a pool of business leaders for tomorrow, who are mentored under the direct leadership of Airtel Management Board. The 12-month structured program focuses on nurturing young recruits from premiere B-schools who are exposed to multiple operations within the organization, with opportunities to participate in Functional trainings, Cross-Functional programs & Corporate Social Responsibility endeavours. The recruitment of talented young individuals helps Airtel strengthen its human capital and train individuals for a better career path with us.

Similar to this is our Young Technical Leaders program. It is a program where graduates from top ranking engineering colleges are recruited and offered exposure to cutting-edge technologies along with best engineering minds from Airtel's Network, Engineering, Product, Wynk and Supply Chain teams, to groom them into technical leaders.

**92.50%**

Retention rate after the 2-year Young Leaders program - 2018

**96%**

Young Leaders moved to the next level after one-year program

## Program highlights

- Airtel's flagship B-school competition, iCreate attracted over 14,000 participants from premier B-schools in India and helped to recruit some of the Young Leaders.

- Hired 11 Product Managers from premier technology and business campuses for the first time.

- Revamped the hiring process for TSMs & Store Managers, from campuses across India, by introducing a standard national online test.

**49**

Young Leaders (14 females) were recruited in FY 2019-20

**16**

Campuses visited for Young Leaders Program

**98\***

Young Technical Leaders (16 females) were joined in FY 2019-20

**15**

Campuses visited for Young Technical Leaders Program

## Introducing Digital Recruitment and Induction

In FY 2019-20, we launched a hiring platform '**Engage**'. It enabled us to seamlessly conduct recruitment processes and increased our onboarding frequency. Apart from continuous candidate engagement, the application enabled the recruitment team to view candidate history, launch customized engagement campaigns and capture data in a dashboard with

inbuilt analytics. We also launched mobile-first pre-boarding application, enabling candidate engagement prior to joining, with a complete digital pre-boarding process. The **NewBee** mobile application, a digital induction tool is built and tailored to eliminate classroom programs. The application has reduced the time to workstation by 60% for new joiners, allowing them more time for people interactions, market visits and shadowing leaders.



## Engage highlights

**2,067**

offers rolled out (Excluding IJPs)

**25%**

offer drop rate  
(improved from 35%)

## Pre-boarding platform highlights

**86%**

average candidate engagement post offer acceptance

## NewBee highlights

**60%**

reduction in time due to elimination of classroom trainings for new joinees

## HUMAN CAPITAL

### Engagement Across Employee Life-cycle

An engaged workforce is essential for long-term organizational growth. At Airtel, we make sincere efforts to understand how our employees feel at work and identify areas of improvement. Our in-house digital engagement platforms are designed to enhance internal communication and empower employees to excel at their work.

#### Amber

A dedicated chatbot, Amber helps to run the engagement survey and reaches out to employees across multiple touch points. Amber's unique engagement feedback structure allows to capture employee perceptions, expectations and satisfaction levels, across the employee lifecycle. The tenure-based feedback mechanism helps derive meaningful data about each employee, to deploy it for necessary retention and growth strategies.



**4.17**

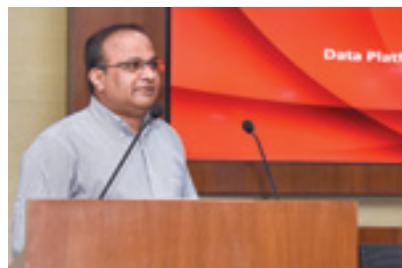
Employee Engagement score (out of 5)

#### Leadership Connect

Strengthening leadership and employee connect at Airtel has been an important pillar for strengthening the internal communications and emphasising the company values. Apart from written communications, a transparent and continuous engagement channel for exchanging thoughts was established with the 'Open House'. This includes a quarterly townhall meeting, where the leadership team initiates a dialogue on the latest highlights of the company and offers

a platform for employees to share their thoughts. Organization-wide CEO townhall meets are arranged every quarter along with monthly business unit townhall meets by business unit leaders.

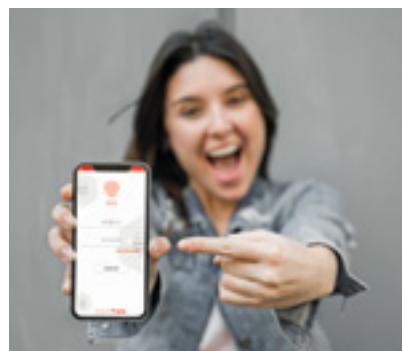
**Leadership connects like “Chai pe charcha” and “Coffee connects” help leaders connect with key talent, new joiners and hi-performers in an informal setting.**



#### Driving Engagement through Learning

In addition to digital learning, each business unit drives learning through monthly Learning Days and “Paathshaalas” on topics requested by the teams. Our digital engineering teams invest time in peer-to-peer learning through “Gurucool”, while product and design teams attend “Product School” where both internal and external Product leaders impart knowledge and insights on various topics of interest.

#### Hive



A one-stop solution, Hive is an information sharing app with an easy user interface, available to all employees

at Airtel. Designed to enhance knowledge, the quest for walking the extra mile to gather information stops with HIVE.

- Amber score for ‘Learning’ pillar improved from 3.62 in Q3 to 3.76 in Q4 FY 2019-20.

#### Safety, Health and Wellness

Employee health and safety remains an integral part of our people philosophy. We strive to continuously strengthen our operational and process safety measures with detailed policies monitored by definite actions. Our dedicated policy framework includes:

- Workplace Safety Policy
- Health, Safety and Environment Policy
- Domestic Travel Safety and Security Policy
- Policy for Safety of Women
- Health Insurance Policy
- HIV/ AIDS policy
- Parental Leave Policy
- Flexible Work Policy
- Group Mediclaim Policy

Further, various activities are conducted round the year to ensure employees' health and well-being. Some of the activities include free of cost health check-ups, wellness camps, introduction of Occupational Health Clinics in place of traditional medical rooms etc.

**14,963**

Employees underwent safety trainings in FY 2019-20

#### Awards

Rewards and recognition boost employee morale and are essential for reinforcing the trust of the workforce towards the company. Recognition is divided into planned and instant awards. Each leadership forum has a reward and recognition division to publicly recognise group and individual achievements through planned awards.

### Kudos

We celebrate the zealous efforts and relentless contributions of our employees to sustain Airtel's market leadership, year after year. At Airtel, we acknowledge exceptional contributions through our employee recognition program, Kudos. Different award categories including Instant Awards, Planned Awards in the nature of Silver, Gold and Diamond Awards and Long Service Awards have been specially curated for our people.

**8,340**

Instant Awards

**1,440**

Long Service Awards

**1,926**

Planned Awards (Silver and Gold)

growth and business sustainability. As a diverse and inclusive workforce lends a well-defined competitive advantage, we initiated several workshops to foster an environment that promotes employee equity, at all levels.

**8.89%**

Women out of total employees

**10.80%**

of management workforce consists of women employees

## Our response to COVID-19

At Airtel, we took immediate steps, after the government's directive to impose a country-wide lockdown. We took proactive measures to ensure employee safety across our operations to ramp employee engagement and enable consistent flow of information. Our established state-of-the-art security operations centre helped us to securely move to a virtual platform in a matter of days. Within a short period of time, we initiated 'work from home' modules for our employees. We launched dedicated programs, digital learning journeys, internal webinars, external webinars etc.

### Health Advisory

At the very onset of the pandemic, we rolled out communications with health advisories and a dedicated helpline number for all our employees. Further, to enable easy contact tracing and swift employee quarantine, the communications team in collaboration with the engineering team, rolled out a daily SMS based survey seeking health/ travel history of the employees.

We partnered with our medical insurance provider 'MediBuddy' to offer online medical consultation support to our employees for COVID-19. We also partnered with [www.1to1help.net](http://www.1to1help.net),



India's leading psychological & wellness solution providers to offer employees and their families round the clock professional support to ensure mental and emotional well-being. Additionally, daily health & well-being tips were rolled out, along with weekly webinars with the leadership team to engage with employees, keeping their well-being and safety as the highest priority.

in-house digital platform NewBee was also utilized to introduce new joiners seamlessly. We also onboarded 50 summer interns from India's Top-B schools and redesigned our flagship Young Leaders Summer Internship Program to make it fully virtual. The internship program was virtually conducted without compromising any of the vital aspects.

### Business Continuity Plan

In line with our commitment to sensitise our employees, associates and partners in respect to COVID-19, we launched a compulsory training module to familiarise them with the basics of BCP and re-emphasise its importance.

### Seamless Recruitment

To ensure seamless recruitment during the pandemic, a virtual end-to-end onboarding experience was designed and implemented. Our new

**50,000**

VPN

**3,000**

Remote Desktop and teleconference applications

**16,000**

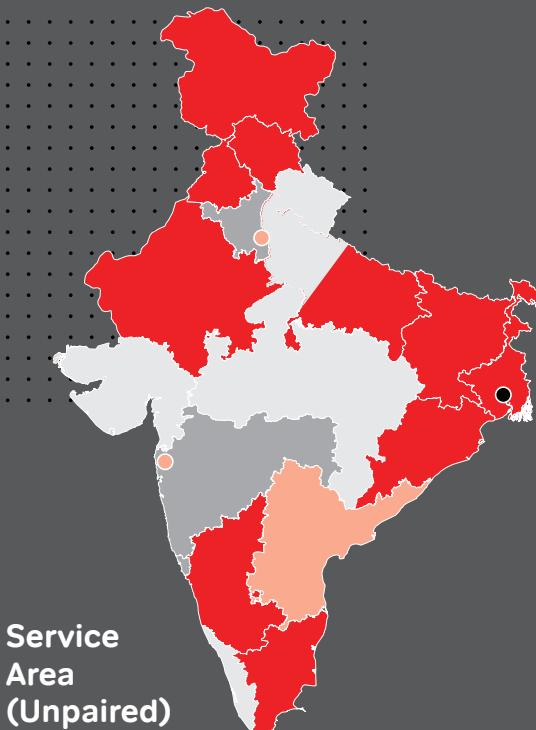
Employees provisioned to enable work from home

**~2%**

of our NOC workforce was on site and rest were all virtual.

# MANUFACTURED CAPITAL

OUR REPUTATION AS AN IMPECCABLE SERVICE PROVIDER HAS BEEN A KEY DRIVER OF OUR SUSTAINED GROWTH OVER THE PAST 25 YEARS. AS AN INTEGRATED TELECOM SERVICE PROVIDER, WE AIM TO INVEST IN ADVANCED AND INNOVATIVE TECHNOLOGIES TO LAY THE FOUNDATION OF FUTURISTIC DIGITAL SERVICES.



- 800, 900, 1800, 2100, 2300 MHz Band
- 900, 1800, 2100, 2300 MHz Band
- 1800, 2100, 2300 MHz Band
- 900, 1800, 2300 MHz Band
- 800, 1800, 2100, 2300 MHz Band



## Sustained Capital Investments in our Network Infrastructure

The spurt in data traffic has made it imperative for us to have a stronger presence across different spectrum bandwidth to widen our customer base. We are enhancing customer experience by widening and deepening the network coverage whilst focusing on expanding to new towns, and strengthening the network in existing towns through addition of more sites and small cells in hotspot areas. During the year we added 86,270 4G Base stations and 23,000 Km of fiber across India to support a robust 4G network. This has helped us to provide a seamless network experience with improved voice quality and data speed.

### #1

Ranked by OpenSignal, Tutela and Ookla for video experience, lower latency and highest downlink throughputs

**22.50 MHz**

Spectrum in 800 MHz Band

**232.80 MHz**

Spectrum in 900 MHz Band

**566.10 MHz**

Spectrum in 1800 MHz Band

**340 MHz**

Spectrum in 2100 MHz Band

**570 MHz**

Spectrum in 2300 MHz Band

*Increasing network penetration*

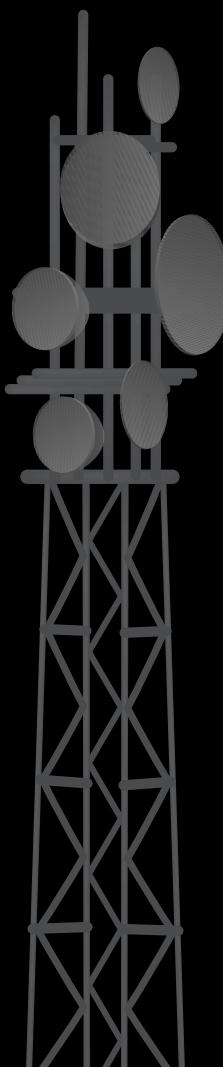
No. of Mobile Broadband Base Stations

FY 2016-17	██████████	190,860
FY 2017-18	██████████	298,014
FY 2018-19	██████████	417,613
FY 2019-20	██████████	503,883

No. of Mobile Network Towers

FY 2016-17	██████████	162,046
FY 2017-18	██████████	165,748
FY 2018-19	██████████	181,079
FY 2019-20	██████████	194,409

## Investing in the future – Building 5G capabilities



To be a future ready enterprise, we are in continuous pursuit to upgrade our existing 4G base stations with 5G capabilities. The rising demand for high speed data has escalated the need for 5G services in one of the world's largest telecom markets. The proposed investments in the current networks will deliver best-in-class connectivity to Airtel consumers, laying a strong foundation for 5G services in the near future.

In association with OEMs and application developers, we are conceptualizing 5G Trials. These trials help to showcase our 5G capability through various enhanced Mobile Broadband (eMBB) and Industrial Use cases and applications. The Mobile core network has been decentralized to Edge and it is bringing content closer to the user. In order to further optimize peering of packet core network and caching engines, we

have been working closely with OTT partners. This has helped to reduce latency, thereby improving user experience and download speeds, making the network more agile.

Additionally, in collaboration with some of the world's leading telecom gear makers, we are in the process of designing a transport backbone network. This would help to achieve simplification using segment routing and expansion of the IP networks, to enhance our reach in rural areas. The network will be highly scalable, utilizing IP & Optics synergy with 100G to 200G upgradable links that can evolve to fulfill future network requirements of Slicing, Traffic Engineering and Clocking. This is going to significantly increase overall customer experience in multiple locations by providing higher service availability and reduced network interruption and latency.

## MANUFACTURED CAPITAL

### Case study 1

## Overcoming challenges to broaden our reach

We are the first operator to launch 4G services in Leh, Kargil & Dras regions. The launch underlines the efforts of our network team to overcome the challenges of harsh weather and tough terrain to empower the residents of these villages, spread across a 150 km stretch from Kargil – Batalik – Hanuthang – Skurbuchan to Khalsi. We are also the first operator to bring

high speed mobile broadband to these areas, connecting them to the digital superhighway network in Ladakh. Our 4G services have empowered the local community and enabled local residents to enjoy digital services like HD quality video streaming, superfast downloads and uploads and high speed internet browsing on Airtel's state-of-the-art 4G network. With Airtel 4G services, the locals, army and tourists visiting Kargil & Leh will now benefit from Airtel's high quality telecom network.

### Highlights

**22**

New towers installed

**~32,000**

New customers benefitted with the initiation of services

**51%**

Population covered in Ladakh



### Case study 2

## Connecting the remote villages

Under an agreement signed between USOF (Universal Service Obligation Fund) and Airtel's mobile services will be provided to identified villages without network coverage. Further, Airtel will enable seamless mobile coverage along National Highways in the North Eastern parts of the country (**Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim**) covering 2,128 remote villages, with the installation of 2,004 towers.

During the long rainy season, villages situated near the Brahmaputra River often remained disconnected from the mainland. To provide network connectivity to these areas, in FY 2019-20, we started tower installations in this area. The project is in the final phase of execution and is likely to be functional soon.



## An integrated telecom service provider

India has the 2nd highest number of internet users in the world, with 687.62 Mn subscribers till the end of September 2019. Out of these, the number of wired internet subscribers are 22.26 Mn and number of wireless subscribers are 665.37 Mn.\* Additionally, with the advancement in technology and the Government of India's vision of a 'Digital India', the need for robust network infrastructure is expected to grow. In line with this vision, we continue to make sustained capital investment to reinforce our network infrastructure, with an objective to provide best in class mobile broadband experience to our customers.

We now connect 7,907 census towns and 788,185 non-census towns and villages with mobile services, covering 95.4% of India's population with its 4G network. We also remain focused on expanding our reach in rural areas and improving experiences significantly. With increasing data consumption, improvement in spectrum efficiency through planned measures like re-farming of 900 & 2100 MHz spectrum for 4G and usage of cutting-edge technologies like massive MIMO deployments have become imperative. Massive MIMO equipments/ solutions were deployed to support large gatherings with a high demand for data hot spots at places like Delhi Airport, Gurgaon Delhi toll and T20 cricket matches etc. thereby resulting in better throughputs. Further, our 3G services have been shut down in majority of the circles and the 2,100 band spectrum has been refarmed to 4G for meeting ever increasing 4G data demands.

### Customers

**283.7 Mn**  
Mobile Services

**16.61 Mn**  
Digital TV Services

**2.41 Mn**  
Homes Services

\*[https://trai.gov.in/sites/default/files/PR\\_No.04of2020.pdf](https://trai.gov.in/sites/default/files/PR_No.04of2020.pdf)

## airtel 4G

### Mobile Services

**7,907**

Census Towns

**7,88,185**

Non-Census Towns and Villages

**95.4%**

Population Coverage

**3,04,907**

Optic Fiber Network (RKms)

**5,03,883**

Total Mobile Broadband Base Stations

**1,94,409**

Mobile Network Towers

**3,035 Bn**

Minutes on Network

**21,020 Bn**

Data Traffic (MBs)



### Homes Services

**airtel**  
broadband

**111**

Cities covered

**2,940.6 Bn**

Data Traffic (MBs)

As a continued promise to provide best in class mobile broadband experience to our customers, we added 86,270 4G Base stations and 23,000 Km of fiber across India to support the 4G growth. In order to remain ahead of the data demand curve, the Company continued to expand its "Project Leap" initiative

with sustained investments targeted towards building data capacities and a superior 4G network across the country. We also installed Broadband Remote Access Server (BRAS) to core server (SRC, Radius, VTA) communication migration system from 1G to 10G line cards for enhanced redundancy to ensure network availability and reduced risk of network failure. We also implemented LAG uplink between BRAS & ISP router for improved redundancy, load balancing and ease of operation. Further, we established a Tx Expressway connecting Hyderabad-Bangalore-Mumbai-Kolkata-Jaipur for upto 100G intercity connectivity to support multiple network services.

# MANUFACTURED CAPITAL

## Digital TV Services



Airtel's digital TV business is one of the leading DTH service providers in the country, which provides access to a gamut of premium channels and the largest number of entertainment channels for its subscribers.

**639**

Districts covered

**99.8%**

Population Coverage



With a diverse portfolio of services to enterprises, governments, carriers and small and medium businesses, we are one of the leading and most trusted provider of ICT services in India offering fixed-line voice, data and other connectivity solutions like MPLS (Multiprotocol Label Switching), VoIP (Voice over Internet Protocol), SIP (Session Initiation Protocol) trunking to small and medium enterprises. Additionally, we also offer Audio, Video and Web Conferencing solutions to businesses. Our services also include network integration, data centers, managed services, enterprise mobility applications and digital media solutions.

We offer VAS services like International Toll-Free Services and SMS hubbing. Our strategically located submarine cables and satellite network connect customers across the world and help to reach remote areas. Our global network runs across 250,000 Rkms, covering 50 countries and 5 continents.



**250,000**

Global network runs (Rkms)

**50**

Countries covered

**65**

Global PoPs (Point of Presence)

**7**

Submarine cable systems

## Leading with Digitisation

Airtel's focus on digitisation, innovation and automation ensures operational excellence to offer phenomenal customer experiences. We have revamped our network operations to support an advanced network with opportunities for real-time monitoring and rectification. A large suite of tools have also been created for best in class data analytics, to enable a commendable control over the network elements and to ensure better response to customer requirements.

### VoWiFi

We became the first telecom company in the country to enable voice calls through WiFi (VoWiFi). The technology can be accessed over any home or public WiFi network to enhance indoor voice calling experience for Airtel users. It allows customers to make telco grade calls to any network without

any extra charges or any additional calling App/ SIM. The introduction of VoWiFi and deep penetration of VoLTE network has ensured a daily active VoWiFi subscriber base of over 1.6 Mn\*. The service is available on 200+ handset models across 25+ brands covering around 38 Mn\* smartphone customers. The average usage of Airtel Wi-Fi Calling per customer, per week has gone up to 100 minutes, which reaffirms their faith in the quality of the service.



\*As on March 31, 2020.

## Digital upgrades

■ We introduced network digitisation with auto-ticketing at Netcool and remedy. Along with intra-access network domain correlation and inter-domain correlation with transport, this has helped in reducing the time to isolate the faults and expedite rectification time.

■ Homes Network View (HNV) web portal & mobile app was created for use across Call Center & Field operations. Additionally, predictive Decision Tree tool uses real-time network quality of the customer home connection to enable faster fault identification and resolution.

■ We have also set up a dedicated Customer Experience Analytics Portal. The portal has helped to create a Big-Data library with features like CRM (Customer Relationship Management), VTA (Volume Tracker), MSAN (Multi Service Access Node) and LDAP (Lightweight Directory Access Protocol) to analyse quota and speed of the usage in comparison to the rental plan. The initiative helped to improve customer

experience as speed plans were upgraded for 3.5 lakh customers.

- Enterprise Network View (ENV) for B2B web portal was created for faster troubleshooting of B2B customer faults and complaints.
- We introduced Network outage SMS automation service.
- We also introduced MRTG (Multi Router Traffic Grapher) portal for generation of Broadband network utilization reports and development of productive tools.
- Enabled pan India MYCOM KPI reports like - (i) BRAS health reports (ii) PRI Voice traffic reports (iii) Voice ASR Summary report (iv) Voice

IMS BHCA report (v) Voice IMS ASR report.

- Application for capturing customer complaints was included in airtelThanks Application. This helped to capture customer complaints without the need to visit customer premises, resulting in faster resolution of issues with available data.
- Auto complaint categorization: In-house tool was launched to resolve complaints faster.
- Auto provisioning of circuits was carried out for Transmission & B2B use cases across Transport, Fiber & IP networks. This reduced the time needed for provisioning of an order, from a few hours to minutes.

## Spectrum Refarming

Spectrum refarming was completed in 10 circles where 900Mhz liberalized spectrum was being refarmed from 2G to 3G. To further improve customer experience and enable VoLTE penetration, Airtel's spectrum was refarmed to 4G network. The L900 launch reduced complaints associated with network coverage and increased VoLTE uptake by at least 10%. In addition, steps were taken to improve spectral efficiency with the launch of L2100 after closing Airtel's 3G services. This converted 80K 3G sites to 4G sites, resulting in a gain of 4G data capacity by 10PB.

## Our response to COVID-19

The COVID-19 pandemic has interrupted business growth across the world. The telecom sector remained a pivotal sector amidst tough times, providing unabated connectivity (of network and data). The lockdown across the country resulted in a surge in data consumption. However, our network response team was quick to respond to customers without fail. Across mobility, broadband and B2B operations, we segregated the most critical activities to be performed across the country to ensure uninterrupted service for our customers while ensuring complete safety for our field staff. Partnering with our strategic and operations partners, we continuously worked to keep the network running, to provide 'essential' telecom service across India. A central operations room was established with clear protocols to combat the risk of COVID-19 ensuring complete adherence to government guidelines. Protective equipment, gloves, sanitizers and movement passes were also commissioned for the field team. Some of the key steps undertaken were:

- Purchase of soft capacities and temporary licenses to cater to the growing data consumption.
- Ensured connectivity during increased traffic in rural and semi-urban areas.
- Soft optimization at the circle & MS partners, on more than 160k cells to balance traffic across sites & layers of the 4G network.
- Teams deployed to provision broadband connections (FTTH rollouts) following proper sanitization and hygiene protocols – to ensure high speed connectivity to customers, wherever entry of personnel was allowed.
- Video streaming content constituted 60% of the traffic. Hence, we restricted the video streaming from HD (720 or higher) to SD (480p or lower) for mobile users.
- Bandwidth upgrades included:

**860 Gbps**

Internet bandwidth

**80K**

Broadband customer migration on 69 new downlink interfaces on BRAS

**330 Gbps**

Intercity bandwidth



# SOCIAL & RELATIONSHIP CAPITAL

TO BUILD AND MAINTAIN LASTING  
RELATIONSHIPS, WE ARE **DRIVEN**  
**BY OUR COMMITMENT** TOWARDS  
SUSTAINABLE GROWTH OF  
PEOPLE AND COMMUNITIES.

## Creating Exceptional Experiences for our Customers

At Airtel, we continue to strengthen our endeavour to drive brilliant customer experiences by leveraging the scale of our services and our digital assets. Our strategy to 'win customers for life' ensures relevance and reliability in a dynamic operating environment, motivating us to always prioritize our customers.

### airtelThanks

We extended our pioneering customer reward initiative to our home services customers also during the year. Our special loyalty program now brings a host of exclusive benefits like superfast data speeds, large quantities of data with rollover facilities, access to premium services like Wynk Premium, Zee5, Reader's Club on Juggernaut, online security and device insurance offers for our mobile and homes services customers. The introduction of self-care and help support feature intuitively built in the app, have helped resolve customer queries faster.



## Redefining International Roaming

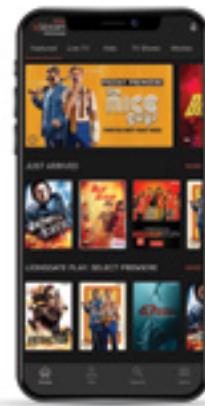
During the year, we transformed the International Roaming (IR) experience for our customers by introducing initiatives such as 'real-time' usage tracking, safe packs, stoppage of auto-renewal, barring of data usage in non-pack countries and allowing 'Enable/ Disable IR service' feature to provide greater control in the hands of customers.

## Value-added Services

During FY 2019-20, we took a strategic decision to consolidate from 100+ VAS services to four core services that are genuinely valued by our customers. These VAS were rolled across diverse customer segments.

## Enriching Entertainment

We strengthened our focus to improve customer experiences with the launch and improvement of our digital assets like Airtel Xstream app, Wynk Music and Airtel E-books. Coupled with high speed broadband through Airtel Xstream Fiber and ease of service through One Airtel Plan, we are redefining entertainment for customers.

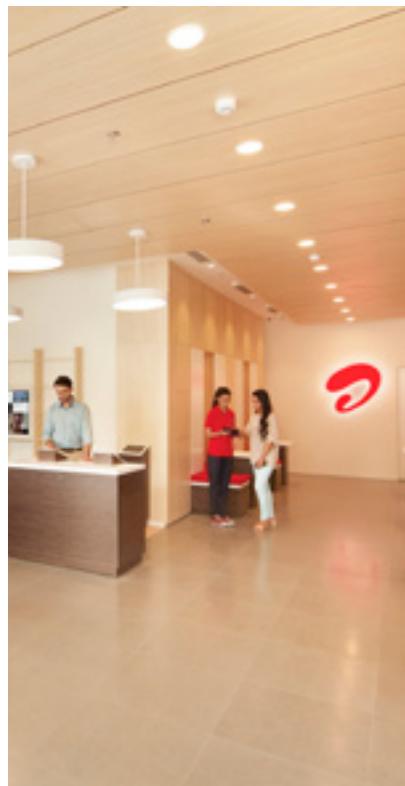


## Protecting with Insurance

In an industry first initiative, we tied up with two leading insurance companies to include life insurance in our bundle offer. The affordable insurance policies enable users to lend a helping hand to their families in times of need.

## Next-gen Airtel stores

Our ambition to 'win friends for life' helped us to build next-gen retail stores, conceived to foster engaging conversations in an inspirational, yet warm and welcoming ambience. This year we have added 57 Next-Gen stores, taking its total to 163. The new stores have an open and minimalistic design, and utilize several state-of-the-art digital technologies in order to create an enriching experience for customers.



### New features include:

- One Airtel journey, Airtel Xstream journey, Xstream Demo Unit
- Multi-language support to create better understanding of plans and offers

# 57

Next-Gen Airtel stores added in FY 2019-20

## Reduced Customer Complaints

The launch of multiple initiatives like the International roaming journey revamp, billing simplification, elimination of zero price point VAS, self-heal in Decision Tree (DT), VoWiFi calling and ducting resolution helped to reduce customer complaints significantly.

# 13.6%

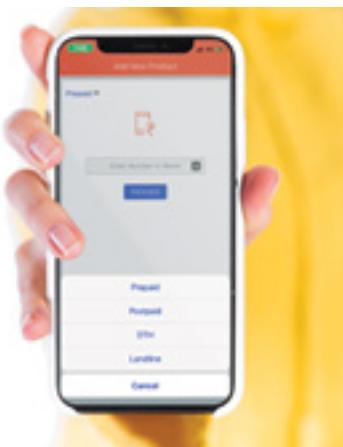
Reduction in customer complaints from last year

# SOCIAL & RELATIONSHIP CAPITAL

## Catering to customer needs - Efficiently & Intuitively

### One Airtel Platform

In another industry first initiative, we introduced 'One Airtel' platform in select cities that has helped drive synergies and deliver seamless product experience for our Mobile, Broadband and DTH customers. The platform enabled joint onboarding journey to integrated billing journey with one dedicated customer care number.



### Digital Customer Acquisition (eCAF)

A unique digital customer onboarding initiative, that has reduced the activation time to less than 15 minutes, helping acquire customers at scale. The use of Optical Character Recognition (OCR) technology enables the system to automatically fetch customer details by matching live photograph of the customer with the one on the verification document. This 'green channel' has ensured minimal validation at the backend, reducing activation cost significantly.

**₹ 12 Mn**

Monthly reduction in activation cost

### Broadband Digitization

The broadband digitization initiative has enabled a holistic online journey for broadband customer on-boarding along with payment and e-KYC, thus resulting in superfast installation (within 4 hours). Post the installation, the app empowers the customer to access self-service for essential features like - change plan, pay bill, view data consumption etc.

### Selfcare Help and Support

We have enhanced customer experience with digital platforms embedded in airtelThanks app and web platforms that are intuitively built, providing easy resolutions to problems. My Airtel app is now transformed to airtelThanks app, which is engineered to operate at scale, to provide the best browsing experience to every customer. With vernacular support in 10 regional languages, the app allows users to transact with Airtel through all digital pay modes. The backend of the app is built in a microservices framework using in-house codebase and hosted on Airtel data centers to ensure customer data privacy and impeccable experience.



**~3+ Mn**

Daily active users on help and support tab

### Decision Tree

A digitally empowered tool using open source technology, Decision Tree is a platform that has helped to streamline and accelerate support for customer

queries and complaints. The platform effectively predicts and diagnoses customer queries and offers resolutions after evaluating relevant information available across various businesses and channels.

### Unified Partner Ecosystem

We started with the unification of our partner ecosystem, training and enabling partners to facilitate a greater reach for our products with a single point of contact for customers. The Konnect app was further optimized to improve service requests through digital logins, with reduced documentation and faster approval turn-around-time (TAT).

**4 days**

TAT (reduced from 10 days)



### Automation Initiatives to drive efficiencies

The introduction of 'Mitra App' among retailers has enabled easy access to feedbacks, escalations, attendance (of sales team) and agent activations on a real-time basis. A 'geo based' application, it has helped to resolve issues and improve productivity.

For our sales team, we have launched GOAL app that helps to track KPIs, measure performance and provide real-time feedback along with offering faster, insightful and accurate real-time sales data for decision making.

With big data analytics, RAPU technology enables our partners (distributors, retailers and prepaid sales team) to offer customers with near real time and contextual offers.

# Our COVID-19 response

## Recharge Convenience

During the unprecedented times of COVID-19 and the subsequent nationwide lockdown, Airtel empowered its customers with recharge facilities in multiple locations like Bank ATMs, post offices and alternate channels of distribution such as grocery and pharmacy stores.

## Brilliant Network

We ensured brilliant network experience and business continuity for our enterprise customers as network congestion increased in the wake of COVID-19. While VoWiFi provided superior indoor calling experience, data boosters enabled uninterrupted services. Postpaid users were also given free access to thousands of e-books on our platform – Juggernaut Books (formerly known as Airtel Books).

## COCP Corporate Broadband (work from home)

We launched COCP Corporate Broadband Solution under 'Work from home' initiative that enabled enterprises to purchase broadband for their employees. Enterprises were able to enjoy Hassle Free Procurement, ordering from one location and delivery at multi-locations across pan-India. This was effectively carried out with a specialized desk to handle the end-to-end solution delivery for enterprises.

## Help a Friend

We initiated an SMS based service, specifically aimed at non-app customers who were unable to recharge due to lockdown. With this service, customers could simply send an SMS even if their services were discontinued and thus seek help from their friends for recharge.

## Ensuring Connectivity

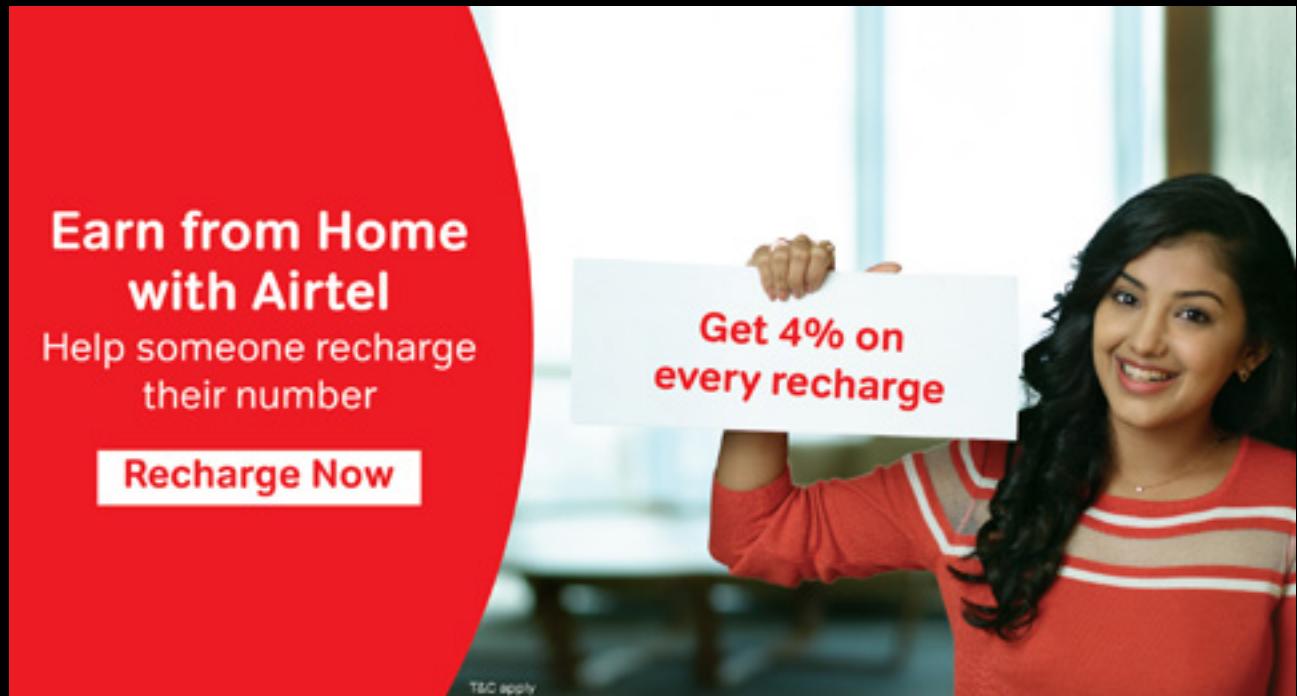
We extended the pack validity for over 80 Mn prepaid customers belonging to the low-income groups impacted by COVID-19. Additional talk-time of ₹ 10 was also credited to those customers. We also extended incoming call facility for ~30 Mn customers who were unable to avail recharge packs during the lockdown.

## Airtel Superheroes

During the lockdown, subscribers could easily recharge for friends or acquaintances utilizing Airtel UPI. It not only helped to successfully abide by social distancing norms, but also entitled users to a commission, as a reward for their contribution to the use of digital tools.

**70%**

Online penetration of recharge during lockdown (up from 35% before the lockdown)



## SOCIAL & RELATIONSHIP CAPITAL

### Delivering value to rural customers

#### Inclusive Approach

Airtel rural distribution coverage has now expanded to over 7,100 distributors and 5 lakh outlets with 10,500 Feet-on-Street Executives (FSEs) and over 1,400 promoters directly involved in the business. More than 80k sites are deployed in rural India, supporting livelihoods of network engineers and site land owners. Shamiyana activities by 3,000 rural distributors also helped to reach rural customers for product and service-related issues.

#### Rural Call Centre

We have established inbound call centers in different parts of the country to communicate with rural customers in local languages. It has not only enabled us to serve around 2.86 Mn customers, but has also generated employment opportunities in these areas.

To understand customer concerns and offer immediate solutions, we have also set up outbound call centers in Siliguri, Guwahati, Kochi, Bhubaneswar and many other places to offer assistance in regional languages.

#### Timely Advisory for Farming Communities

With a mission to empower Indian farmers with relevant and accurate information about agronomy, horticulture, commodity prices, weather and other related services through mobile phones, IFFCO Kisan Sanchar Limited (IKSL) was incorporated in 2007 as a joint venture between IFFCO, Bharti Airtel and Star Global Resources. IKSL has successfully reached out to over 3 Mn rural customers.

A dedicated farmer helpline has also been set up to offer reliable services, ensuring sustainable value creation for the country's farmers.

**13.8+ Lakh**

Farmers benefitted

**1.18+ Lakh**

IFFCO Kisan Mobile App Active Users

**19**

States covered

**150**

Plants covered under urban greens

### Samadhan – An initiative by HCL Foundation and IKSL

IFFCO Kisan along with HCL Foundation, started a unique service called 'Samadhan'. This was developed with an aim to engage rural/ farming community, to share knowledge and information on various topics of interest through a large scale Structured, Measurable, Articulated, Replicable and Transparent (SMART) plan, utilizing Voice calls and text messages in local languages.

**40,666**

Samadhan subscribers enrolled

### Growing footprints – near and far

Airtel has significantly grown its presence across the country with an extensive network of retailers, channel partners and franchises.

**24,989**

Feet-on-Street Executives (FSEs)

**1,350+**

Franchise stores

**630+**

Own retail stores

**11,000+**

Channel Partners

scholarships and school kits. Through this program, we have rewarded kids of 12,000 distributors and Navratna retailers in the last six years.



#### Airtel Ki Laadli

Through this initiative, 1,500 girls were awarded Hero Bicycles. It motivated them to achieve their dreams and lead empowered lives.



### Scaling-up Engagement with Retailers and Distributors

We have undertaken a series of initiatives and campaigns under the aegis of 'Ratna Engagement' programs for our distributors, FSEs and retailers to create a stronger bond with them.

#### Airtel Child Scholarship

This program recognizes academically meritorious children of Airtel Distributors & Navratna Retailers, offering them

### Airtel Hero Award

The dedication of our frontline workforce during the pandemic was truly commendable and inspirational. We at Airtel, recognized their efforts, awarding 1,000 top-performing FSEs on a pan-India basis.



### DTH Dost Program

With an aim to widen our DTH market, we adopted an inclusive approach to empower our Rural Sales Fraternity, wherein Freelancer technicians (electricians) and other workers were encouraged to sell and install new DTH connections at customer premises. In FY 2019-20, there were 4,099 Active DOST executives across the country, engaged and empowered to drive new DTH activations.



### Insurance for rural retailers

We have introduced the Navratna program for rural outlet shop owners, offering additional coverage for damage

due to fire, natural calamity and burglary. For instances of accidental death and permanent liability also, an additional coverage was offered.

**₹ 9.5 Mn**

Paid for over 85 claims in FY 2019-20

### Partnering with Government for Smarter Solutions

At Airtel, we are partnering with communities and regulators such as the judiciary, law enforcement, municipal corporation, civil supplies, health centres, transport authorities, and utility service providers to enable digital empowerment. It is our constant endeavour to co-create value for the community at large by offering solutions that can enable these communities to work more efficiently. As cities now move towards mass adoption of connected technologies and applications, bringing the next wave of digitisation is imperative. Airtel's digital solutions have rightly helped envisage a smart city, providing multiple smart solutions for a better tomorrow.

'digitally enabled' Faridabad city. Some of the smart solutions and e-governance services introduced were:

- Intelligent Traffic Management System.
- Intelligent Car Parking System.
- Smart signage at auto and taxi stands.
- Public Bike Sharing System and SkyWalkways.
- Smart Civic infrastructure with SCADA based monitoring of flow, Automated Online water quality.
- Analysing the city wide data at the Integrated Command and Control Centre (ICCC) during the COVID-19 pandemic.
- Filing of applications for pension and financial aid.
- Registration for employment.
- Issuance of birth and death certificates.
- Application for new/ renewal of ration cards etc. along with laying a robust foundation for building Smart Cities across the State.

### Faridabad Smart City Project

We designed and deployed a future-ready high capacity network and range of connectivity solutions to build a

### UPSWAN 2.0

A high-speed connectivity framework comprising of 885 Points of Presence (PoP) across the state of Uttar Pradesh,

## SOCIAL & RELATIONSHIP CAPITAL

### Enterprise Mobility

We partnered with authorities to offer Productivity Applications and Solutions to access data on mobile through mTax, mCourt & Spot Billing. These solutions led to better monitoring and management, enabling real time service delivery updates. We also developed Tracking Applications, for Asset/ Vehicle movement, People, Inventory and Video surveillance. Airtel's M2M and Biometric Applications also offered better monitoring facilities.



### m-Governance

We partnered with government authorities to provide mobile application for citizens' self-service, offering 24\*7 help for public services. To increase transparency in government processes, we also developed a mobile workflow automation solution to allocate tasks and responsibilities.

### Public Service Delivery

Airtel continues to support the government with efficient IVR Solutions that offer access to Law & Order Services, Government Hospitals, PF & Pension data and information regarding various courses offered by government schools and colleges.



### Cloud Services with Data Security

Airtel has facilitated setting up of State Data Center Business Continuity and Disaster recovery site on cloud infrastructure. It involved design, development, delivery, configuration, implementation, testing, data migration, commissioning and operations & maintenance of the site. It was designed to enable seamless migration of traffic to the disaster recovery site without any data loss, in the event of an operational failure at the State Data Center.

## Ensuring connectivity amidst crisis

Airtel remained at the forefront to provide essential telecom services during the COVID-19 crisis. We leveraged our superior quality network infrastructure at the Integrated Command and Control Center (ICCC) for analysing city wide data. Apart from telecom services, we enabled many G2C & G2G services for several state and central government authorities to strengthen their fight against the pandemic.

### Airtel Business catered to the following G2C services:

- ⦿ Enabled audio conferencing and video conferencing solutions for Finance and I&B Ministry.
- ⦿ Ensured video conferencing services for Chief Ministers.
- ⦿ Provided voice services for COVID-19 Helplines in many states.
- ⦿ Offered high volume SMS and Outbound dialling services to public sector undertakings.

### Airtel has also been extremely responsive to G2G Services:

- ⦿ Provisioned high speed infrastructure/ bandwidth in certain states for their State Data Centers/ Integrated Command and Control Centers, enabling seamless data analysis for COVID-19 activities.
- ⦿ Delivered high capacity network connectivity in less than 48 hrs in many state operated COVID-19 War rooms.
- ⦿ Provided work from home devices to government officials in essential services (Police/ Health/ Power etc).

## Enduring relations with Suppliers

Our suppliers form an integral part of our long-term sustainability strategy. To promote a culture of innovation and integrity, we work with suppliers who follow sustainable business practices and are aligned with our responsible procurement policy. Airtel also interacts with its suppliers through a one stop online portal for end-to-end partner management services – Partner World.

## Investors

At Airtel, the contribution of investors in the growth of the Company is

deeply valued. We have always remained committed to create long-term sustainable value for all our shareholders and the recent stock price performance is a testament of the same. Having said that, the FY 2019-20 once again witnessed strong investors' trust in our capabilities and potential. During the year, we successfully closed USD 3.6 Bn rights issue and also received an overwhelming response to our USD 3 Bn fund raise in January, 2020. Of the total, USD 2 Bn was raised through a qualified institutional placement (QIP) and USD 1 Bn via Foreign Currency Convertible Bonds (FCCBs). The transaction was the largest dual tranche Equity and FCCB

offering ever in Asia-Pacific, the largest QIP by a private sector issuer ever in India and the largest FCCB offering from an India issuer in the last 12 years. The fund raising in January, 2020 was subscribed multiple times and received interest from a diversified investor base including Global long-only funds, Sovereign Wealth Funds, Domestic Mutual Funds, Multi-strategy Funds and Insurance Companies. These fund raises were used to strengthen the balance sheet and create flexibility for any future investments.

**17**

Investor complaints received and resolved in FY 2019-20

## Ensuring Greater Good through Bharti Foundation

As the philanthropic arm of Bharti Enterprises, Bharti Foundation was set up in the year 2000, with an aim to implement and support programs in primary, secondary, and higher education as well as to foster initiatives related to health and sanitation. Airtel's social and relationship capital is nurtured around its CSR efforts, undertaken in partnership with communities, government primary schools, students, youth, and NGOs. The basis of this association stems from a common vision to achieve greater good for the society and contributing towards the nation's productivity by finding ways to collaborate, expand and utilise resources in an optimum manner. Through its interventions and activities, the Foundation ensures social value creation, reflecting its continuous endeavour to benefit society at large.

**4.25+ lakhs**

Students impacted since inception



 **96**

Read more

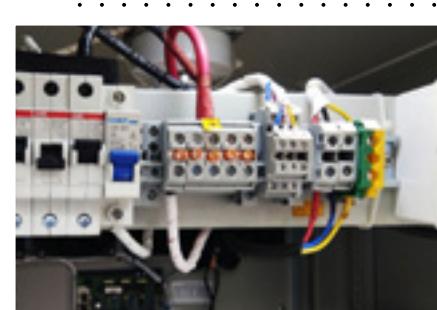
To know more about  
Airtel's CSR initiatives

# NATURAL CAPITAL

AT AIRTEL, OUR EFFORTS AND INVESTMENTS ARE DIRECTED TO ENSURE ENVIRONMENTAL SUSTAINABILITY. WITH OUR STRATEGIC EFFORTS TO REDUCE AND RECYCLE, WE CONTINUE TO OPTIMIZE OUR OPERATIONS TO DERIVE EXCEPTIONAL SOLUTIONS THAT AUGUR WELL FOR A BETTER TOMORROW.

We, at Airtel, have identified 'Energy, Climate Change and Resource Optimization' as one of our high priority material issues and have implemented various initiatives across operations to minimize our environmental impact. We believe that the evolving Information and Communications Technology Industry will play a pivotal role in defining the future. That is why, we strongly monitor our resource and energy consumption, greenhouse gas emissions and waste handling procedures, in an endeavour to adopt best practices for promoting sustainable telecom operations.

Along with our network-infrastructure partners, every year, we continue to make substantial investments to preserve natural resources and promote energy efficient technology and processes. We have invested in resource optimisation and energy conservation techniques to significantly reduce our ecological footprint.



To inculcate environment-friendly practices, we are constantly trying to eradicate the use of fossil fuel in Airtel's network infrastructure and data centers. As a result, we have adopted energy efficient towers to replace our existing towers and also increased the deployment of renewable energy in our data centers, Main Switching Centers and facilities. In the next few years, we aim to maximize the use of green energy sources to strengthen our sustainability agenda.

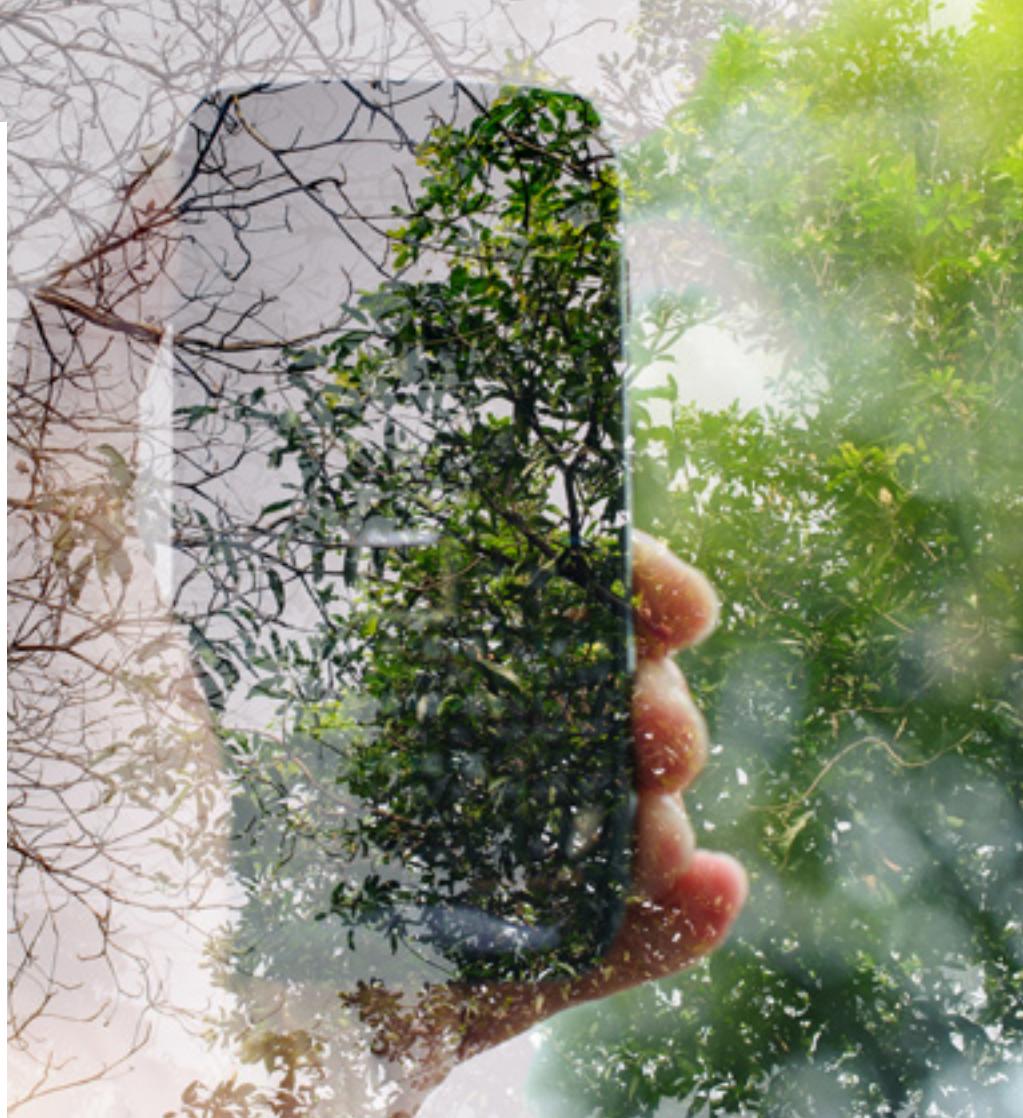


## Our Approach

Our environmental commitment is reinforced through our comprehensive Environmental Management Policy. Further, our Environmental Management System addresses different areas of priority, as illustrated in the graphics below.

Our data centers comply with the requirements of ISO 14001:2015 Environmental Management System. At Airtel, environmental compliance is monitored by internal departments on an ongoing basis. We do everything we can, to uphold laws, policies and regulations related to the environment, safety and product standards of our operations.

Our consistent efforts to minimize our dependence on fossil fuel have largely contributed to our energy efficiency. We have also transitioned towards grid supply for our network infrastructure to ensure optimum energy consumption. Additionally, we promote resource optimisation and waste management initiatives to reduce our direct and indirect impacts on the environment.



**78.3%**

Reduction in network emission intensity for mobile (carbon emissions per terabyte) from FY 2017-18

**74,824.91 MWh**

Renewable energy consumed in our operations

**~8,980 tonnes**

Paper saved through e-bill initiatives since FY 2011-12

**249 Mn**

Sheets of paper saved through acquisition of our mobile service customers

**49.11%**

Reduction in CO<sub>2</sub> emission per rack in our data centers from FY 2015-16

**10,238.81 kL**

Diesel saved since FY 2015-16 in our own mobile network infrastructure

**14.56 tonnes**

Paper recycled/ reused in our facilities

**700.9 MWh**

Energy saved in our facilities

**34.94%**

Reduction in diesel consumption in our operations in FY 2019-20 as compared to FY 2017-18

**3,543**

Solar-enabled towers at owned and partner sites till FY 2019-20

**24.50%**

Increase in renewable energy deployment at our own operations from FY 2014-15

# NATURAL CAPITAL

## Energy Conservation and Emission Reduction Initiatives

### Network Infrastructure

- Maximizing Outdoor BTS** – We converted **3,801** indoor Base transceiver station (BTS) sites to outdoor sites (with no air conditioner usage and reduced diesel consumption) in FY 2019-20 which resulted in lower demand for electricity and thereby, led to a 25% reduction in energy consumption.
- Site Sharing** – We constantly strive to promote infrastructure sharing with our partners to optimise energy and resource consumption. This has not only enabled the effective utilization of passive infrastructure, but has also helped us reduce carbon emissions significantly. During the year, over **33%** of the sites deployed were shared sites and it considerably reduced energy consumption in comparison to standalone sites.

- Lean Towers** – In FY 2019-20, we deployed **4,287** towers as Lean Towers i.e. towers that do not consume diesel to fulfil their energy requirement. This led to 40% reduction in energy consumption by these towers, thereby reducing carbon emissions ( $\text{CO}_2$ ) significantly.

- Auto Shutdown in Non-Peak Hours** - In around **20,000** sites including all 4G sites, auto-resource shutdown feature was implemented, which reduced the energy requirement at non-peak hours.

- Hybrid Battery Bank Solutions** - We installed **1,137** sites with advance VRLA batteries and lithium-ion battery-based solutions to optimize energy consumption and reduce reliance on diesel, in FY 2019-20.

Advanced batteries and Lithium-ion battery solutions were installed in **40,456** sites till March 2020, enabling us to reduce our diesel consumption by around 100 L per site, per quarter.

- Outdoor Conversion of Fiber Equipped Sites** – Over **500** fiber equipped sites have been converted to outdoor sites by utilizing advanced transmission cooling units.

**78.3%**

Reduction in network emission intensity for mobile (carbon emissions per terabyte) from FY 2017-18

**7,769.7 KL**

of diesel saved since FY 2017-18 in our own mobile network infrastructure

### Data Centers

- Ensuring Energy Efficiency** - We installed energy efficient equipment and improvised processes across data centers to optimise cost, ensure power saving and reduce greenhouse gas emissions.
- Optimum Lighting** - We were able to save **422,551 kWh** of energy through lighting optimization, by installing LED lights and replacing fluorescent lights across data centers.
- Optimum Cooling** - During the year, we saved **6,152,937 kWh** of energy through cooling optimization across various data centers.
- Cold Aisle/ Hot Aisle Containment** - Through cold aisle/ hot aisle containment at various locations, we saved **711,790 kWh** energy.

- Power Factor Correction**- This enabled us to save **51,79,498 kWh** of energy during the year.

- UPS Optimization** - We saved **3,694,957 kWh** of energy by introducing UPS and SPMS optimization technology.

#### Superior Solutions

- Installation of Energy Efficient Equipment.
- Installation of blanking panels to streamline air flow.
- Replacement of fluorescent tube lights with LEDs and installation of motion sensors.
- Replacement of old PACs with high CFM PACs.

- Replacement of Hipulse UPS with EXL high efficiency UPS and precision ACs.

- VFD installation in AHU motors & chiller pumps.

- Power Utilization Efficiency Correction.

**31.94%**

Reduction in  $\text{CO}_2$  emission per rack from FY 2017-18

**16,276.80 MWh**

Energy saved in our data centers

### Facilities

- UPS Optimization** - We installed UPS optimisation technology across facilities, resulting in savings of **1,21,806 kWh** energy in FY 2019-20.
- Electronically Computed (EC) Fans** - During the year, we saved **5,34,023 kWh** of energy by installing EC fans across various facilities (offices).
- Power Factor Correction** - Power Factor Correction at our sites helped

to save **37,500 kWh** energy in FY 2019-20.

- Optimum Energy Conservation** - Various other energy conservation measures such as installation of energy efficient lighting and motor sensors, facility consolidation and optimum space utilization, excess demand surrender, DG set capacity utilization etc. have been undertaken. These initiatives

helped to reduce fuel consumption in our facilities and enabled optimum utilization of electricity.

**11.57%**

Reduction in  $\text{CO}_2$  emission per square feet from FY 2017-18

**700.9 MWh**

Energy saved in our facilities

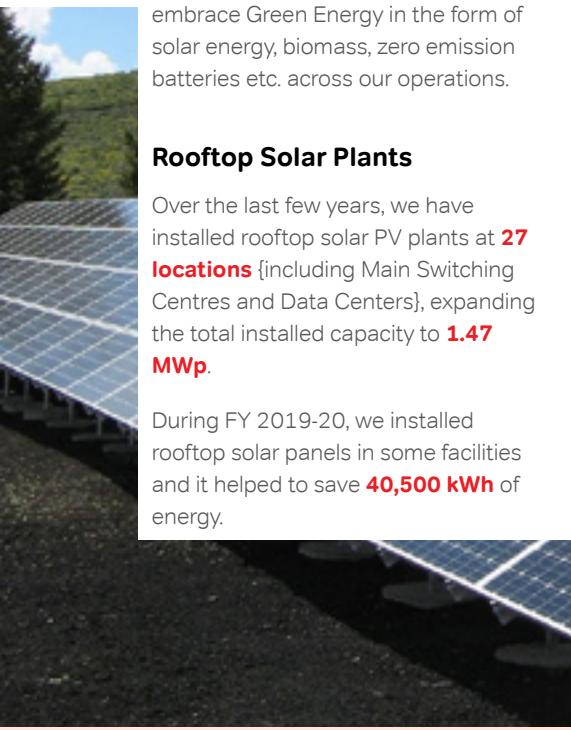
## Embracing Green Energy

In an effort to reduce the environmental impact of our business operations, we are working along with our partners to embrace Green Energy in the form of solar energy, biomass, zero emission batteries etc. across our operations.

### Rooftop Solar Plants

Over the last few years, we have installed rooftop solar PV plants at **27 locations** {including Main Switching Centres and Data Centers}, expanding the total installed capacity to **1.47 MWp**.

During FY 2019-20, we installed rooftop solar panels in some facilities and it helped to save **40,500 kWh** of energy.



## Green Power Wheeling Agreements

We signed Open Access Contracts or Green Power Wheeling Agreements in FY 2019-20 for procuring **73,320 MWh** of power in our data centers and Main Switching Centers. These Green Power Wheeling Agreements will help us reduce CO<sub>2</sub> emissions of around **60,856 tonnes** per annum.

### Solar-DG Hybrid Solution

A unique and innovative, Solar-DG Hybrid Solution uses **3 KW - 7 KW** capacity solar panels along with battery banks to reduce DG running hours from 20 to 6 hours a day. The system is further optimized by a hybrid solar controller. We installed Solar DG Hybrid models with an installed capacity of **18 MWp**, across **3,543** owned and partner network sites in India, reducing diesel consumption by more than **550** litres per month, for each site during FY 2019-20.

## Project Green City

The project was launched few years ago in collaboration with our network infrastructure partners. Today, with our relentless efforts, over **63,843 sites** have been tagged as green sites, consuming less than **100** litres of diesel per quarter.

**73,320 MWh**

Green energy procured in FY 2019-20 through various Green Power Wheeling agreements



## Case study

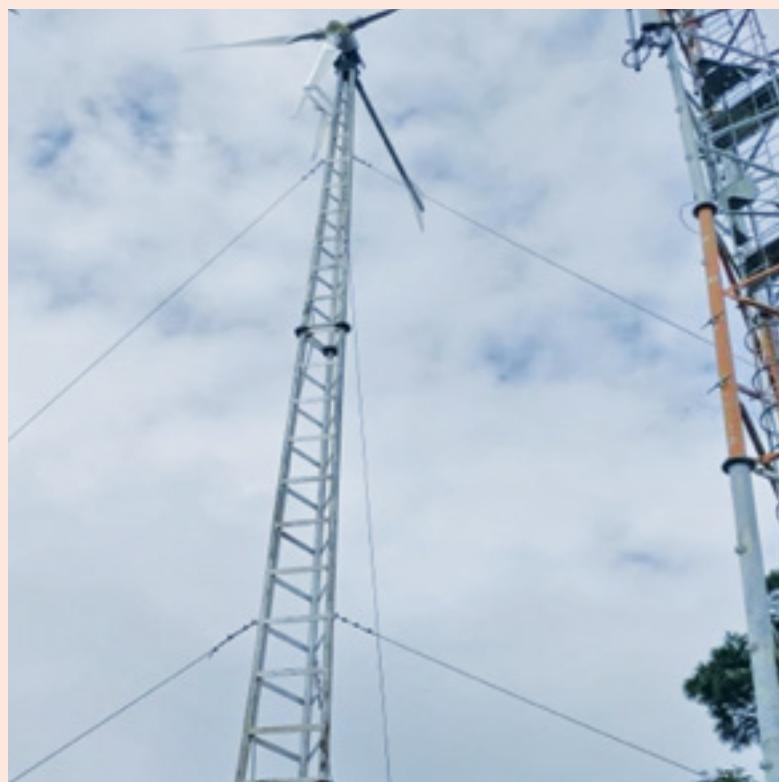
### Relying on Renewable Energy to Reduce Capex

Under Universal Service Obligation Fund (USOF), Airtel is undertaking a project in North East and Assam circles, to deploy **1,800** network sites. Majority of these sites are located in remote areas where Electricity Board (EB) availability is minimal. Further, taking into account the distance of sub-stations from our sites, sanctioning of EB from local state Electricity Board would involve a huge capital expenditure investment of over **₹ 20 lakhs**.

To address this issue and reduce capital expenditure, Airtel has resorted to an innovative solution. We have initiated a Hybrid solution to install wind power of capacity **7.1 KWP**, solar power of capacity **5.12 KWP** and a Point of Connection to supply renewable energy. Some of the sites are now completely operating on green energy and it has significantly reduced capital and operational expenditure.

**₹ 17.04 Lakhs**

Total savings with Hybrid Renewable Energy Solution

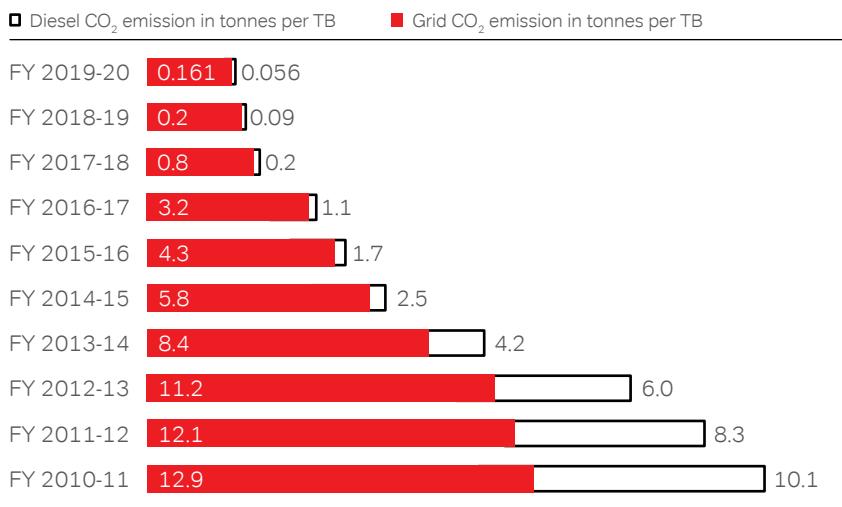


# NATURAL CAPITAL

## Our Impact

Our unwavering commitment to reduce emissions from operations has helped us sustain investments to acquire green energy, achieve efficiency, reduce demand and innovate clean energy solutions. The following graphs depict a comparative analysis of the emission intensity for the last few years in our network infrastructure, facilities and data centers. With the adoption of advanced technology, we strive to reduce emissions and make renewable energy more viable.

### Emission Trends in Our Network Infrastructure



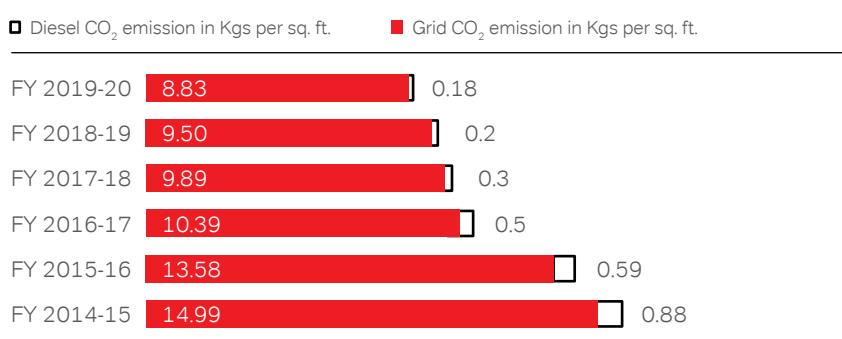
**25%**

Reduction in network emission intensity for mobile (carbon emissions per terabyte) from FY 2018-19

**10,238.81 KL**

Reduction in diesel consumption in our own mobile network infrastructure from FY 2015-16

### Emission Trends in our Facilities



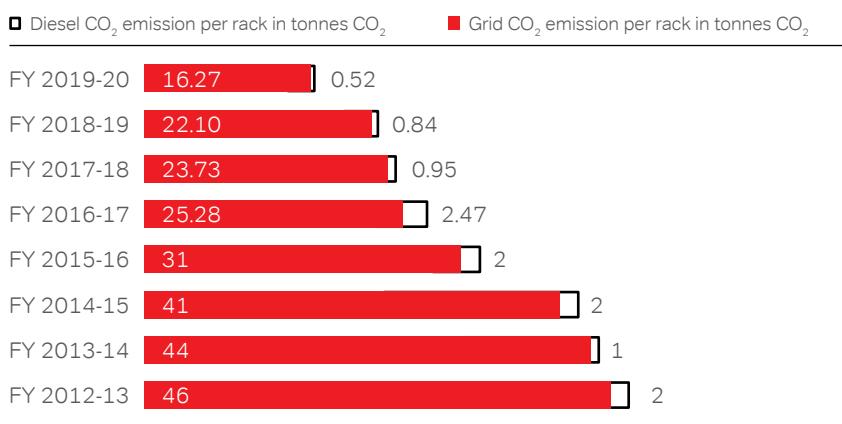
**79.55%**

Reduction in diesel emissions per sq ft. from FY 2014-15

**7.05%**

Reduction in Grid CO<sub>2</sub> emissions per square feet in our facilities from FY 2018-19

### Emission Trends in our Data Centers



**59,581.36 MWh**

Procured from renewable energy sources

**34.74%**

Decrease in diesel consumption as compared to FY 2014-15

**49.11%**

Reduction in CO<sub>2</sub> emission per rack in our data centers from FY 2015-16

## Resource Optimisation and Waste Management

As part of our responsibility towards the environment, we are keen to optimize resources and minimize waste. Accordingly, we encourage reuse and recycling of water and paper within the organization. While waste water is recycled and utilized in washrooms and for gardening, we have significantly reduced our dependence on printed paper within the organization. We have also adopted efficient waste management techniques and in the current financial year, the waste disposed from our facilities was **38.95** tonnes.

### Towards a Paperless Future

In our endeavour to reduce paper consumption, we continue to take significant steps to promote digital processes across our operations and have therefore, considerably reduced paper wastage.



### E-Waste Management

E-waste occupies a predominant position in our waste generation portfolio. At Airtel, we strictly follow the Waste Electrical and Electronic Equipment (WEEE) guidelines to treat and reuse waste generated due to technological upgradation, capacity augmentation and other purposes.

We are committed to responsibly treat e-waste and adopt the 3R approach of Reduce, Reuse and Recycle to enable maximum energy recovery.

The waste collected at the warehouse is segregated and dismantled for recycling and in some cases, recovered using chemical processes. All non-reusable hazardous waste including lead batteries are disposed through

authorised recyclers, who have acquired requisite clearance from the Central/ State Pollution Control Boards.

**5,092 tonnes**

E-waste from IT and network infrastructure was responsibly recycled through our authorised partners

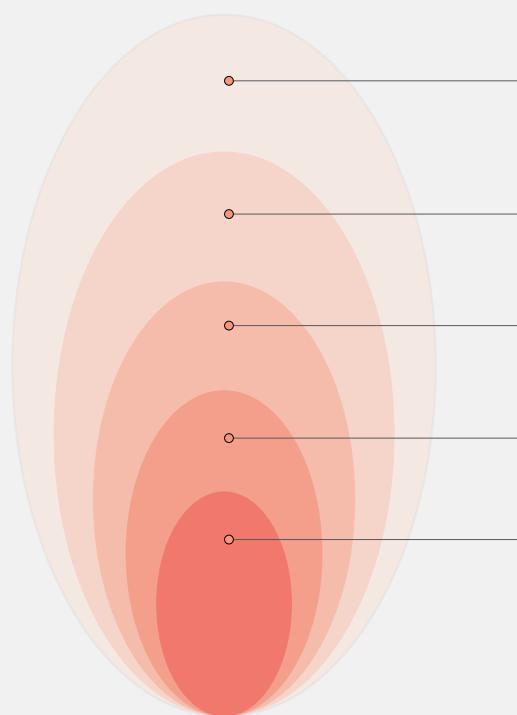


## NATURAL CAPITAL

### Total E-waste Recycled (in tonnes)

We undertook various initiatives during the year to reduce E-waste:

- Initiated testing/ repairing of faulty modules at our in-house facilities and at repair centres.
- Introduced double validation of non-repairable modules, first by a strategic partner and then by a local agency.
- Introduced inter-circle movement of materials to enable use of obsolete material from one circle to another.
- Strengthened our material handling and packaging capabilities to minimize damage during transit from the site to the warehouse.



### Reducing Water Consumption

At Airtel, we recognise the value of water and remain considerate about its optimum usage. Hence, we are focused on minimising the consumption of fresh water, by ensuring maximum recycle and reuse of water.

During the year, we undertook several initiatives to conserve and recycle water:

Our facilities are equipped with technology to track and monitor water consumption, with an aim to reduce water consumption and minimize water wastage. This also aids our efforts to reuse and recycle water. Additionally, we promote rainwater harvesting within facilities, wherever feasible.

To ensure optimum water utilisation and reduce leakage and wastage, we have undertaken following initiatives:

1. Aerators installed in old fixtures to reduce water flow.
2. Sensors installed in place of manual operation.
3. Old taps replaced with Water efficient taps.
4. Float adjustment undertaken in water closets.

Most Airtel facilities have been designed to be 'zero discharge' where waste water is treated through Sewage Treatment Plants (STP) and recycled for cooling and other applications such as gardening and flushing purposes in toilets.

# CELEBRATING EXCELLENCE

Airtel bagged top honors at the Frost and Sullivan ICT Awards. Airtel Business has been awarded as the '**Enterprise Data Service Provider of the Year**' and the '**Enterprise Telecom Service Provider of the Year**' in the large enterprise segment.

Airtel Finance shared services team has bagged the coveted **Digital Initiative Award** by HDFC bank in the Large Customer Category.

Airtel ranked **4th** in the category of '**The top 10 most valuable Indian brands 2019**' as per WPP Kantar Survey.

Airtel Business won the **"Best Partnership"** award at Telecoms World Middle East Awards 2019 for partnering with Telecom Egypt.

Airtel Business bagged the top honours at the Carriers Worlds Awards 2019 in 2 prestigious categories – **"Best Global Carrier"** and **"Best IoT Initiative"**.

Airtel was ranked **#1** by OpenSignal as having **India's Best Video Experience** in its Mobile Network experience report.

App Annie ranked Wynk Music as **India's #1 music streaming app** in terms of Daily Active Users in October 2019. The performance metric underlines the massive user preference for Wynk Music when it comes to consuming music on smartphones.

airtelThanks campaign won **Bronze at EFFIES 2020** for its marketing campaign effectiveness.

Airtel Business won three prestigious awards at Global Carrier Awards 2019, namely, **Best Global Wholesale Carrier – Voice**, **Best Voice Service Innovation – Emerging Markets** and **Best Security Solution**.

Airtel Business bagged five prestigious awards at the CIO Choice Awards 2020, namely,

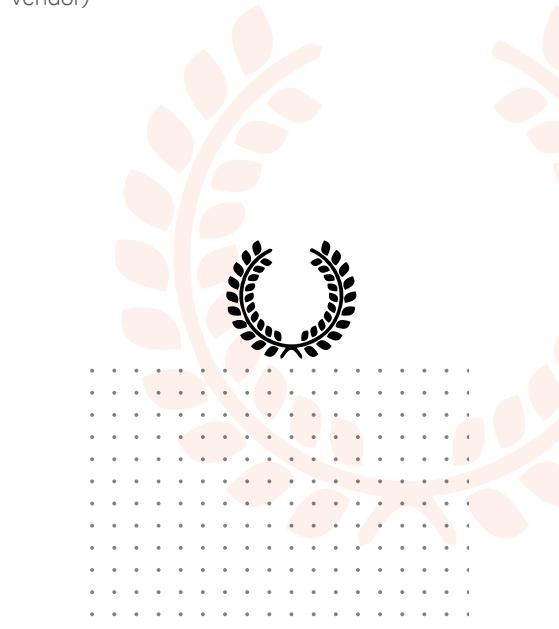
**Unified Communication & Collaboration**  
(Software Vendor)

**Telecom Carrier, International Access**  
(Telecom Services Vendor)

**Telecom Carrier, Leased Lines**  
(Telecom Services Vendor)

**Network Security**  
(Security Vendor)

**Colocation**  
(Data Center & IT Infrastructure Vendor)



# AIRTEL'S QUEST FOR CARE

AT BHARTI AIRTEL, WE ARE TAKING AN INTEGRATED APPROACH TO OUR RESPONSIBILITIES. WE ASPIRE TO BE A COMPANY FOR ALL, CREATING VALUE FOR OUR STAKEHOLDERS.

Corporate social responsibility (CSR) is a vital component of Bharti Airtel's corporate ethos, and we are committed to contributing to the communities and society in which we operate. We aim to leave a positive impact on the communities in a meaningful and enduring way through multiple projects.

Our constant efforts in the field of education, women empowerment, healthcare, sanitation and employment generation motivates us to remain committed to make the world a better place. Airtel's operations are spread across 18 countries and serve more than 423 Mn customers in India and abroad. As part of our responsibility to serve the remotest pockets of India, we strive to reach communities suffering from poverty, lack of healthcare facilities and access to quality education. Airtel's network spreads to rural and remote areas, where we are contributing to fulfill the unmet requirements of underserved communities, through programs pertaining to education and health, to ensure their holistic development.

Bharti Airtel Limited made significant contributions towards multiple welfare and development programs during FY 2019-20. In its endeavour to ensure sustainable development, Airtel contributed ₹ 2.15 Mn to Bharti Foundation, ₹ 300 Mn to Satya Bharti Foundation for establishing Satya Bharti Institute of Technology and ₹ 16.39 Mn for various other philanthropic initiatives and community development projects.



# INDIA

## Bharti Foundation

Bharti Foundation was set up in the year 2000 as the philanthropic arm of Bharti Enterprises. It implements and supports programs in primary, secondary, and higher education as well as sanitation. The flagship Satya Bharti School Program, launched in 2006, provides free quality education to underprivileged children in rural India across six states, with a focus on the girl child. Since 2013, the Foundation has also been working in partnership

with the government to improve the quality of overall schooling experience for students in government schools through the Satya Bharti Quality Support Program. Launched in 2014, Satya Bharti Abhiyan, the sanitation initiative has been improving sanitation conditions in the districts of Ludhiana and Amritsar, in the State of Punjab, by providing toilets and fostering behavioural change in communities.

The higher education partnerships and initiatives are designed to meet the education paradigms of the 21st century. Bharti School of Telecommunication Technology and Management (IIT, Delhi), Bharti Centre for Communication (IIT, Bombay) and Bharti Institute of Public Policy (ISB, Mohali) are among the leading higher education institutions in the country.

## Highlights\*

**425,000+**

Students

**5,800+**

Villages

**2,500+**

Schools

**274,000+**

Students impacted in the current academic year

**2+ Mn**

Community members impacted

**18,500+**

Teachers

\*The above data includes all programs and reflects their impact created since inception.

## Education

### THE SATYA BHARTI SCHOOL PROGRAM

The flagship program of Bharti Foundation, Satya Bharti School Program was launched with a chain of rural schools in 2006. The schools provide quality education to underprivileged children, absolutely free of cost. It also supports them with free text-books, uniform, notebooks, stationery and nutritious mid-day meals. The program, with a special focus on the girl child, has many children who are first-generation learners. The program aims to deliver transformative education to children to make them educated, confident, responsible and self-reliant citizens with a deep sense of commitment to their society.

Activities within and outside the classrooms are given equal importance to allow students to learn 'from life, for life'; thereby inculcating the right values, attitudes, life-skills, and confidence. Parents, community and like-minded organizations are

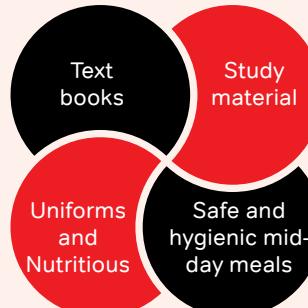
Satya Bharti School Students  
- Joyous and Confident



active partners in the schools and all the Satya Bharti Schools uphold this way of functioning.

#### Free Quality Education

Satya Bharti Schools provide students free education including:



**6**  
States

**192**  
Schools

**39,489^**  
Students

**50%**  
Girls

**75%**  
Students from SC/ ST/ OBC communities

**1,359**  
Teachers

**73%**  
Female Teachers

All data as of March 31, 2020

<sup>^</sup> data as of February 29, 2020 due to school closure since mid-March, due to nationwide lockdown for containing COVID-19

# AIRTEL'S QUEST FOR CARE

## Key Achievements (2019-20)

Satya Bharti Schools emphasize holistic development that helps develop 21st-century life skills. As a result, co-scholastic activities are given as much importance as scholastic activities. Students are encouraged to participate in a range of activities within the school as well as in external competitions at the cluster, block, district, state, national as well as international level.

- 117 Satya Bharti School students secured **merit-based admissions** for elementary/ higher secondary education in schools such as Navodaya, Aarohi, Dr. BR Ambedkar, Sewa Bharti, KGBV and Punjab Meritorious schools.
- 11 Satya Bharti Schools featured among the 'Top 100' in '**Design for Change (DFC)**'. Of these, three schools (Satya Bharti Schools, Cheema and Jijjeani, and Satya Bharti Adarsh Senior Secondary School, Jhaneri, Punjab) featured in the 'Top 20'.
- Two students from Satya Elementary schools Balliyewal and Dhulka, Punjab, won Individual Silver and Bronze at '**Pramerica Spirit of Community Award**' for making a positive difference in their communities.



▲ Brainfeed School Excellence Award 2019

### Road Safety Project by Satya Bharti School Cheema, Punjab - DFC Top 20 winner

A student lost her uncle in a road accident due to fog and absence of lights on the village road. Determined to find a solution, she, together with a group of students, pasted 'reflectors' on roadside poles and trees, fixed broken poles and installed convex mirrors on turns, blind spots and crossings.



### Pramerica Spirit of Community award Bronze medal for students of Satya Elementary School Balliyewal, Punjab

Students undertook rallies in the village to raise awareness about the menace of polythene bags. They stitched hundreds of cloth bags in a span of 2-3 months with unused pieces of cloth, collected from households. The villagers supported this initiative wholeheartedly and switched to using cloth bags.



- Satya Bharti School, Umarpura, Amritsar, Punjab has won 'India Country Prize' for Best Business Plan' at internationally acclaimed '**School Enterprise Challenge run**' by the educational charity Teach a Man to Fish.
- All five Senior Secondary Schools were awarded 'Top 500 Schools'

in India by the '**Brainfeed School**

**Excellence Awards 2019**' for excellence in providing quality education.

- 10 students of Satya Bharti Adarsh Secondary Schools (eight from Sherpur Kalan and two from Rauni) won Science Talent Search competition conducted by '**Vidyarthi Vigyan Manthan**', a national competition in collaboration with Dept. of Science & Technology.
- 67 students won '**Saksham National Competition 2019**' in Painting organized by Petroleum Conservation Research Association (PCRA), under the aegis of Ministry of Petroleum & Natural Gas, GOI.
- Satya Elementary School, Bagga Khurd (Ludhiana) ranked 2nd while Satya Bharti Adarsh Sr. Secondary Schools Chogawan and Rauni ranked 3rd. Both schools earned a 'special recognition' in the '**Design Awards 2019**' conducted by IGenPlus, a nation-wide competition recognizing students of grade VIII-XII for design thinking, to generate innovative ideas for overcoming real-life problems.
- 27 students featured in 'Top 100' and one student from Satya Bharti Adarsh Senior Secondary School, Sherpur Kalan secured the first state rank in level 2, in the '**Green Olympiad examination**' conducted by Tata Energy Research Institute (TERI).
- Over 5,400 students participated in '**Bricsmath 2019**', an online mathematics competition for BRIC countries, organized for classes I-XII. More than 1,900 students were declared 'winners' and over 2,000 were graded as 'achievers'.
- Four schools received the 'Green' certificate under the '**Green School Program Audit**' conducted by the Center for science environment (CSE).
- 29 students emerged winners of '**Inspire Aspire**' (Inspiring Purpose, supported by the John Templeton Foundation) poster-making competition.
- Eight students secured honorable mentions in '**Khula Aasmaan**' painting competition organized by India Art Foundation.

The Foundation believes in continuous capacity building for teachers through training as well as on-the-job mentoring. Teachers are recruited locally for their passion and commitment towards teaching and development of underprivileged children. A few salient teachers' achievements at the national level included:

- Three teachers awarded 'Centre for Teacher Accreditation (CENTA)' – an olympiad for Teaching Professionals – one each for 'Subject Toppers – Primary Hindi Medium', 'Regional Toppers – Middle School Maths' and 'Subject Toppers – Secondary School Maths' category.
- 17 teachers declared winners in the 'Zero Investment Innovation for Education Initiatives' (ZIEI) award for creating zero cost innovation TLM conducted by Sri Aurobindo Society.
- One teacher was selected among top 25 national level awardees for 'Edustar', organized by Teachershelp Teachers, for making a difference.

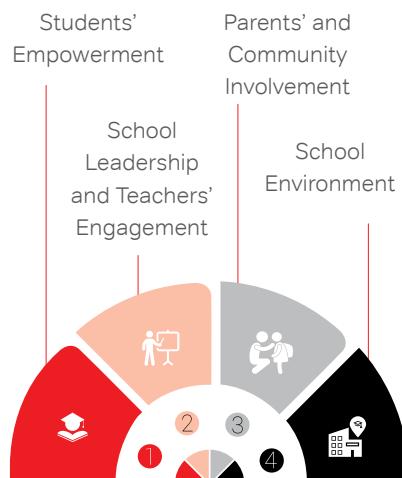


## SATYA BHARTI QUALITY SUPPORT PROGRAM

The Satya Bharti Quality Support Program aims to improve the overall education quality in Government schools in partnership with the State Governments. It supports children, teachers, parents and administrators to transform schools into vibrant and integrated institutions of learning, ensuring holistic development through the introduction of co-scholastic interventions. While the program framework revolves around engaging students, parents, communities and motivating teachers, the school's leadership also receives support to prioritize areas of improvement and create goals for further development. The core philosophy of the Program focuses on making schools engaging and happy spaces. This has resulted in the holistic development of students, as they acquire leadership, communication, collaboration, and other 21st Century skills along with learning.

Since its inception, the Program has rapidly grown its footprints in 14 states/ UTs, swiftly leaving a mark on school leadership, teachers, parents, communities and most importantly, on students of partner government

schools. Each school decides the place and trajectory depending on the School's leadership vision for bringing about a sustainable change.



**804**  
Schools (in 14 states/ UTs)

**234,570<sup>A</sup>**  
Students

**50%**  
Girls

All data as of March 31, 2020

<sup>A</sup> data as of February 29, 2020 due to school closure since mid-March, due to nationwide lockdown for containing COVID-19

**58%**

Children from SC/ ST/ OBC communities

**9,815**  
Teachers

### Key initiatives and achievements

#### Student Empowerment

The interventions focused on students' all-round development by instilling life-skills and leadership spirit. It also sensitized them towards the society and the environment. The initiatives also focused on the creation of student clubs and leadership groups to secure opportunities for holistic growth; building aspirations & exposure through lectures, participation in competitions, etc.

**Over 4,400**

Awards won by students at different levels

**5+**

Average number of awards received by each school in FY 2019-20 (up from 2.5 in FY 2018-19)

## AIRTEL'S QUEST FOR CARE

Overall, girls held 52% of leadership\* positions in student clubs and houses formed in partner co-educational government schools.

A range of thematic workshops benefitted thousands of students in hundreds of partner government schools on topics ranging from Science, Stress Management and Career Planning to Electrocution, and Lightening. These workshops were organized independently or in partnership with industry experts for augmenting students' cognitive abilities. The interventions focused on students' all-round development by instilling life-skills and leadership spirit, while sensitizing them towards the society and environment.

### School Leadership and Teachers' Engagement

A joint vision for the school's journey towards excellence is created with the school leadership; encouraging them to believe in their ability to bring about a change; motivating teachers to innovate, be more involved with students and to institutionalize new processes in schools, teachers are given need-based support and opportunities to showcase their expertise with creative teaching-learning material and processes.

Annual Satya Bharti Education Rockstar Achievers (SBERA) award 2019 saw 600 teachers participate from nine states (Assam, Delhi, Jharkhand, Karnataka, Meghalaya, Rajasthan, Telangana, and Uttar Pradesh) and 60 teachers were selected as block and district level winners. SBERA awards are instituted to recognize teachers for creating Innovative TLMs.

In addition, six teachers were awarded the 'Teacher Innovation Award' for 'Zero Investment Innovative Ideas in

Education Initiatives' (ZIEI) hosted by Sri Aurobindo Society. One teacher qualified for CENTA, the teaching professionals' Olympiad.

Empowered students in the company of an engaged teacher- Satya Bharti Quality Support Program



### Parents' and Community Involvement

The program encourages structured parent-teacher interactions (PTMs) and creates initiatives around involving the community to support the school by bringing in resources as well as ensuring SMC contribution in the school's development. The community support system was further strengthened and the school leadership was trained to increase community involvement in the form of volunteering, material contributions as well as financial support. Home Mentor program was piloted for nine schools under the Department of Education (DOE), Delhi with the objective of

involving parents in the education of their children. Under this program, parents were oriented on how-to guide and supervise a child's time spent on studies along with games/ outdoor activities. The program received encouraging feedback not only from the parents but, teachers as well.



### School Environment

A safe, warm and vibrant learning environment is facilitated by encouraging optimal utilization of the existing school infrastructure through initiatives such as cleanliness, plantation, energizing labs/ libraries, formalizing child safety processes and enabling colorful spaces for displaying students' creative work.



\*Top two positions in clubs and houses are considered as leadership positions.

<sup>^</sup>TLM- Teaching Learning Material.

**5+**

Avg awards per school

**19+**

Avg no. of events per school

**2500+**

Days of deployed teacher training

**3+**

Avg no. of PTMs Held per school

**64%**

of schools received community contribution

### Partnering with non-government schools

Bharti Foundation organized and supported a number of workshops, activities and competitions for students, in partnership with respective state education departments. Bharti Foundation led Satya Bharti Spell Wizard\*, initiated in 2018, reached out to over 14,000 students from more than 600 partner government schools. In addition, around 20,000 students from over 1,200 non-partner government schools across nine states/ UTs (Assam, Delhi, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Meghalaya, Rajasthan and Telangana) participated in the competition.

The Satya Bharti Math Wizard\*\*, initiated in 2019, saw participation from around 2,500 students from 160 partner government schools and more than 16,000 students from 1,000 non-partner government schools from the states of Rajasthan and Uttar Pradesh.

\*An English language spelling competition for improving vocabulary and spelling competencies

\*\* A competition to improve numeracy skills

### Words of Encouragement

**“As per my observation during inspection and responses received from schools, commendable progress has been noted due to Satya Bharti Quality Support Program on certain aspects such as teachers’ orientation, formation of students’ houses, workshops on life skills, participation in external competition and various social campaigns, school development plan and annual calendar.”**

- **Shri Shyam Sunder Solanki**  
Chief District Education Officer,  
Samagra Shiksha Abhiyan, Pali,  
Rajasthan

**“I would like to offer my heartiest thanks to Bharti Foundation for their collaborative approach with RMSA, Kamrup.”**

- **Shri Prasanna Borah**  
Inspector of schools, KDC cum  
District Program Coordinator,  
RMSA, Kamrup, Assam

**“Samagra Shiksha has entered into a MoU with Bharti Foundation on October 16, 2018 and during this period (up to December 2019), Bharti Foundation has done some very appreciable work including guidance and counselling of students of 10th and 12th of partnered schools (30 schools), organized Satya Bharti Spell Wizard Competition and exposure visits along with many more productive activities.”**

- **Shri Ashish Kohli**  
State Project Director, Samagra Shiksha Abhiyan, Himachal Pradesh, Shimla



Advisor to the Governor of J&K acknowledged Bharti Foundation's contribution for promoting quality education in the Union Territory at a felicitation function on October 02, 2019



## AIRTEL'S QUEST FOR CARE

### Awards

- Nine schools selected among 'Top 100', of which three are ranked among the 'Top 20' in the prestigious 'Design for Change' contest.
- Two student groups from schools in Pakur and Dumka in Jharkhand, respectively, won a silver and a bronze in the 'Pramerica Spirit'
- 46 students declared winners of 'Inspire-Aspire' (Inspiring Purpose, supported by the John Templeton Foundation) poster-making competition. One student secured an honourable mention in 'Khula Aasmaan,' painting competition by India Art Foundation.
- 32 students from schools in Telangana, Karnataka, Haryana and Delhi qualified for 'National Means cum Merit Scholarship'.
- Five students qualified for 'INSPIRE' (Innovation in Science Pursuit for Inspired Research), an initiative by the Department of Science & Technology for attracting talent.

**of Community Awards 2020** for voluntary community service.

■ Two schools (one each from Haryana and Telangana) have been selected for establishing '**Atal Tinkering Lab**' (ATL) by Atal Innovation Mission (AIM) under NITI Aayog to foster curiosity and innovation in students.

■ Two schools in Karnataka have been certified Green under the Centre for Science and Environment (CSE)'s '**Green School Program Audit**'.

■ Six students won '**Saksham National Competition 2019**' in Karnataka and Rajasthan for Painting, organized by Petroleum Conservation Research Association (PCRA), under the aegis of Ministry of Petroleum & Natural Gas, Gol.

## Reducing the Impact of COVID-19 on Education

As the education sector battles school closures due to the nationwide lockdown to contain COVID-19, the Foundation's school education programs have supported teachers to continuously engage students with education, while remaining at home. The Satya Bharti Schools' teachers worked with parents to ensure optimum learning during the lockdown. Special attention was given to students appearing for Board exams.

In rural households, most of the parents are not equipped to teach. For the majority, the only digital device is one smartphone available for the entire family, or in some cases, none. Non-availability of books for new sessions also added to the challenge. However, Satya Bharti teachers have reached out to the students and have connected with them over phone through class-wise WhatsApp groups or voice calls.

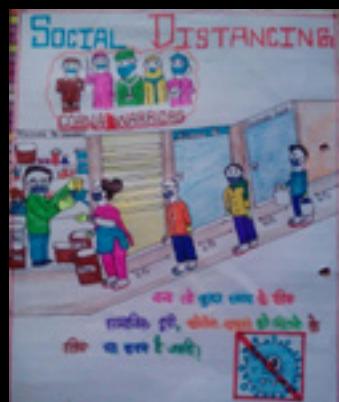
Teaching-learning has continued with the help of worksheets, activity-based assignments, videos and voice notes by teachers as well as one-to-one phone calls with students, who do not have access to a smartphone. Two

key initiatives with parents, which started last year, supported this outreach:

- (i) training of parents on how to access recommended free education apps on the phone; and
- (ii) initiating the 'home-mentoring' process, which prepares them for supporting their child create a study plan while balancing the time between studying and playing.

The Satya Bharti Quality Support Program team has been working with government school teachers and Principals for reaching out to students and parents, and are also helping in implementing many government-led initiatives. The key initiatives that are being undertaken are to help government school teachers use technology for teaching as well as to stay connected with their students. A detailed guidance, training and content module has been shared with them. Government schools are also being encouraged to hold virtual Summer Camps to keep students occupied with meaningful activities leading to skill-development. Programs around creative writing,

public speaking, art and craft using waste material are being organized virtually, with students sharing their work with teachers over phone-based groups. A Teachers' training module, especially on the use of technology and virtual pedagogy is being organized for the government school teachers as well.



Drawn by students during Summer Skill Fest

## HIGHER EDUCATION PROGRAMS

### Partnerships with Indian Education Institutions

**The Bharti School of Telecommunication, Technology and Management** was set up through a joint initiative of IIT Delhi and Bharti Enterprises, with a vision "to develop telecom leaders through excellence in education and research". The school has emerged as a premier education center in the country, offering specialized courses in telecommunications. The school has also evolved as a focal point for telecom-related activities in IIT Delhi.

The school is adding Artificial Intelligence, Machine Learning and Cyber Security in its M. Tech curriculum

to meet the needs of emerging technologies and associated research. Eminent professionals and faculty from leading global institutions delivered lectures, workshops, and talk sessions on topics such as 5G technology, machine learning and future networks. An 'Open Technology Festival' was also organized for intellectual and academic exchange. During the year, there were several workshops conducted in collaboration with leading technology institutes on topics related to future and next-generation technologies. In addition, lecture series were organized, inviting renowned professors from the field of telecom and management, to guide students on latest trends.

**135**

Students enrolled in the M.Tech, MS(R), MBA, and PhD program



BITS Seminar- Bharti School of Communication, IITB

### The Bharti Institute of Public Policy (BIPP)

(**BIPP**) is an integral part of the ISB's Mohali campus. Functioning as an independent think-tank, the institute engages with policymakers by providing them with critical, evidence-based analysis of public policy. The institute works on policy challenges across diverse domains, including Agriculture and Food, Environment, Education, Financial Policy, Governance and Digital identity.

The institute partners with Fletcher School of Law and Diplomacy at Tufts University and apart from its flagship program, the Advanced Management Program in Public Policy offers specialization in public policy through ISB's flagship Post-Graduate Program.

### Bharti Centre for Communication,

### Indian Institute of Technology,

**Bombay** nurtures knowledge in telecommunication and allied systems. The centre hosted 18 research students and seven eminent speakers from across the world and has published 15 papers in international conferences and journals in the reporting year.

Bharti Enterprises now intends to establish **Satya Bharti Institute of Technology (Satya Bharti)** sponsored by the Satya Bharti Foundation as a world-class institute, which will be accessible to all. Satya Bharti will focus on future technologies, promote innovation and equip students with tools to face the challenges of a new world.

Ministry of Human Resource Development has issued the letter of intent to set up Satya Bharti as a Greenfield Institute of **Eminence**.

The Institute intends to attain global recognition through its eminent faculty, research opportunities, world-class infrastructure and amenities comparable to the top 500 institutes of the world. In the long run, it aspires to be amongst the top 100 institutions attracting talent from across the world.

## AIRTEL'S QUEST FOR CARE

### Research

**University of Cambridge** and Bharti Foundation signed an MoU in 2016 for conducting a corn/ baby corn crop

improvement research program in India. Cambridge's Department of Plant Sciences and the Cambridge Centre for Crop Science, Punjab Agricultural University, and Field Fresh Foods Pvt Ltd are currently working on the joint research.

**Newcastle University** and Bharti Foundation are collaboratively working since 2016 and signed an MoU in 2018 for students' internship and joint academic research. In 2019, four

undergraduate students completed research oriented group projects on school education programs, whose outcomes are expected to add value to the programs.

**Manmohan Singh Bursary Fund** has offered scholarships to 15 meritorious students for studying at the University of Cambridge, since 2010.

### Sanitation

#### SATYA BHARTI ABHIYAN

The Satya Bharti Abhiyan is supporting the government's Swachh Bharat Mission for Clean and Open Defecation Free India, since 2014. The program has been operational in Ludhiana, the second largest and the most populous district, and in rural Amritsar, a district of Punjab. The Abhiyan has contributed to the government's efforts by providing access to individual toilets to households in Ludhiana and rural Amritsar, separate toilets for girls in government schools in rural Ludhiana, and ladies' toilets for staff and visitors to various police premises under Ludhiana Police Commissionerate.

The construction of toilets was outsourced to experienced partners in Ludhiana whereas, in Amritsar, beneficiaries are constructing toilets in accordance with procedures laid down by the government of Punjab. The provision for toilets is complemented with activities for fostering behavioural change to promote proper usage and maintenance of toilets. Information, Education, and Communication (IEC) was implemented through partners and reinforced through the government and the Foundation. The Abhiyan has enabled the government to achieve its mandate of improving sanitation conditions by ending open defecation in Ludhiana and rural Amritsar.

**17,628 + 774**  
Toilets (rural + urban Ludhiana)

**7,353**  
Toilets (rural Amritsar)

**37**  
Ladies' toilets constructed in FY 2019-20 (Ludhiana Police Commissionerate)

**14**  
Girls' Toilets in government schools (across rural Ludhiana)

**186,461**  
Total Beneficiaries (including 56,031 annual beneficiaries of ladies toilets in Police Stations)

Data as of March 31, 2020



◀ Ladies' toilet for staff and visitors in Ludhiana Police Station

## Ensuring sanitation for people in need

### Hartej Singh, Village Pakhowal, Ludhiana



Hartej, who lives with his mother, has an amputated leg since childhood. He has learned to walk with the support of a bamboo stick. Hartej is now a trained electrician and works on call-basis. Going out for open defecation was a huge struggle for him. Moreover, since children from his community defecated near roads, walking on those roads was particularly difficult.

"When I was a child, my mother had to carry me over her back for defecation. I earn only ₹ 50 a day, and could not save enough to construct a toilet. Our life has changed ever since Bharti Foundation constructed a toilet in our house. We don't have a properly constructed kitchen and thus my mother cooks in the open, but we own a well-constructed toilet. Defecation is no more a struggle for me. Since no one else in the community defecates in the open anymore, the roads are cleaner, making it a lot easier for me to move around for work", shares Hartej.

Hartej's mother is now very happy and she plans to get him married. The family looks forward to a better future.

#### Key Highlights

- Department of Water Supply and Sanitation (DWSS) and Bharti Foundation jointly organized a Poster Making Competition for school children to mark 'Swachhata Hi Seva' movement and for instilling healthy sanitation habits. They also organized a competition for DWSS staff for acknowledging and celebrating their efforts.



▲ Swachhta hi seva – Winners – Students and DWSS staff

■ Bharti Foundation team was invited to participate in the World Bank review of the 'Surface Water Supply Project' in September 2019 to seek inputs for strengthening their behavioural change initiatives towards improving uptake of services and community mobilization.

■ Department of Water Supply and Sanitation, Moga, invited Bharti Foundation as a member in 'District Swachh Bharat Mission' and 'District Swachh Bharat Mission Management Committee', for seeking advice on implementation of the Swachha Bharat Mission (Gramin) in the district.

#### ACT

ACT - (A Caring Touch) is an employee engagement program involving employees from Group companies to contribute their time, skills, money or knowledge. ACT campaigns are planned and implemented in coordination with the communication and key team members of each Airtel circle with the objective to actively create awareness and engage as many employees as possible.

#### Volunteering

Employees from the Group companies are invited as volunteers for adding value to Bharti Foundation's various programs, especially the flagship Satya Bharti School Program, to visit and interact with students. In the reporting year, volunteers from Airtel engaged and added value to the educational experience of underprivileged children by conducting sessions on life skills, conversational activities and other educational interventions. A predefined schedule for the volunteers is designed, matching their skills with the requirements of the school.

## AIRTEL'S QUEST FOR CARE

### AFRICA

We believe that aligning our CSR initiatives with our core business is the best way to drive change. Our sustainability framework is focused on the areas where we can have the greatest impact. In our endeavour to create possibilities for the future, we are making a distinctive and positive contribution to the world we live in. Airtel Africa continues to delight its consumers while driving the ambitions of the broader community. Our focus areas include:



#### Creation of Educational Opportunities



#### Health Improvement



#### Increasing Internet Access



#### Assistance during crisis/ disasters

We have partnered with leading government and non-government institutions in Africa to achieve our socio-economic goals. They include:

- Kenya Wildlife Service
- United Nations Educational Scientific and Cultural Organisation

- Ministry of Health in Nigeria, Uganda and Madagascar
- Unicef Rwanda
- Vocational Educational and Training Authority (VETA) in Tanzania
- Adopt a school



### Education



Education is one of our core programmes set out in our sustainability charter. In the sub-saharan African region, at least 10 Mn children drop out of primary school every year. In addition, 38% of the region's adults, about 167 Mn people, still lack basic literacy and educational skills. We endeavour to create long-term value for the communities through multiple educational programmes and aim to engage better with our stakeholders.

### Adopt a school

Our flagship program, 'Adopt a school' connects 58 schools across Africa, empowering more than 320,000 underprivileged children with education. Of the total students, around 49% are girls, thereby promoting gender balance and equality. Under the program, we undertake activities like providing books/ reading materials, stationery, feeding programs in schools and mentorship events. We also actively participate in renovating classrooms, dormitories and donation of school furniture to partner schools.



▲ Adopt a school

.....

### Digital education

We continue to empower children across the African continent with 'free internet' program to enhance the quality of education. We took this initiative across Kenya, Uganda, Chad, Zambia, Nigeria and Madagascar. We partnered with schools, libraries, universities, hubs and community centres in these regions to provide internet access to more than 4 lac students across all countries.

**400,000+**

Students provided access to free internet in six countries

### Touching Lives

Airtel Nigeria has been conscious of the inequalities within the population and in 2015 made a decision to touch the lives of as many Nigerians as possible with one of the most ambitious Corporate Social responsibility projects ever undertaken in Nigeria - Airtel Touching Lives.



**Over 3 Mn**

People indirectly impacted

**27**

Families of 4 to 8 people

**15**

NGOs reaching out to nearly 190 people

**18**

Communities of 150 people

**10**

Communities of over 2,500 people

**2**

IDP communities of over 60,000

## Employee volunteering

The success of our social responsibility initiatives can be attributed to the efforts of our employees. Their active participation and continuous monitoring of activities helps re-establish our community engagement initiatives. During the fiscal, the team contributed to different causes:

- ≡ **2,800 Meals** delivered to the underprivileged during Xmas in Kenya.
- ≡ **423 units** blood donated to Uganda blood bank.
- ≡ Staff donated equipment & insurance to children at Mkwanga District hospital in Tanzania.
- ≡ Gift a child scheme by employees for 10 orphanages, touching **400 children** in Zambia.
- ≡ Donation of **basic necessities** by staff to Ambohibao orphanage over Xmas in Madagascar.
- ≡ Staff donation of **food and clothing** to CHUCK hospital in Rwanda.
- ≡ Payment of School fees for **8 year old blind boy** and surgical expenses of medical preterm twins with a hole in the heart, in Nigeria.

## Health Improvement

With an objective to provide adequate information about health utilizing technology, especially by phone, Malawi Chipatala Ch Pa Foni (Health Centre by Phone), a m-health initiative was launched to bridge the healthcare information gap and provide relevant and trustworthy information on health related topics. Here's what it included:

- ≡ With a phased regional approach, the nationwide project was transitioned from Village Reach (NGO) to the Ministry of Health.
- ≡ Over **75%** of calls to CCPFs hotlines are resolved without referral to a health facility.
- ≡ Annual call volume of **31,433**, representing monthly average of 5,000.

# COVID-19 support

## Zambia

The Zambian Ministry of Health (provincial office) was in need of 10 ULCH handsets to follow-up/ track possible COVID-19 patients; Airtel provided phones with talktime to assist communication.

## Tanzania

On request from the Government, Airtel Tanzania provided 20 Wi-Fi routers and 20 sim cards to the Ministry of Health and the Wi-Fi devices have been allocated to different hospitals to enable flow of information.

## Kenya

- ≡ Airtel Kenya partnered with Longhorn Publishers to offer free internet access to Airtel users, enabling students to continue learning through the Longhorn e-learning Platform.
- ≡ In partnership with the government, Airtel Kenya set up a toll free line, where customers can now access information and updates on COVID-19.

## Nigeria

≡ Nigerian Port Health Authority: 40 phones, sim cards and 40 CUG lines were offered to the staff to support verification of Passenger information at the five international airports across the nation during the Coronavirus Screening process to reach out to passengers from incoming flights from affected countries, to ensure further medical checks and quarantine, wherever necessary.

## Madagascar

In partnership with the government, Airtel Madagascar set up 3 toll free lines, where customers can now access information and updates on COVID-19.

≡ National Centre for Disease Control (NCDC): 50 phones, 45 CUG lines for the NCDC staff and 5 toll free lines for 3 months for the public.

≡ Lagos State Government: Financial support from Airtel Employee Volunteer Scheme to provide relief materials during the pandemic for the most-hard hit and impoverished families.

## AIRTEL'S QUEST FOR CARE

### Vocational training

Our VSOMO program is a vocational education program in Tanzania, with the objective to perfect youth skills and enable self-employment. A mobile application, VSOMO was widely accepted among the youth who enrolled for several courses on the portal.



### Highlights

- More than **34,000** VSOMO application downloads.
- **~9,934** registered students with 93 enrolled for different courses and 60 received certificates.
- The application offers courses in local (Swahili) and English language for multiple courses.



Vocational training

### Community engagement

Airtel Tanzania partnered with UNESCO for installation of transmitters on telecom towers to provide free power to community radio operations in areas where without electricity. This

empowered the region with better communication, provided access to timely information, particularly in rural areas and in challenging topographies. The information covered topics like health, agriculture, education, water management and entrepreneurship through programs like broadcasts, interviews and call-ins and listener groups.



**1.6 Mn**  
People indirectly impacted

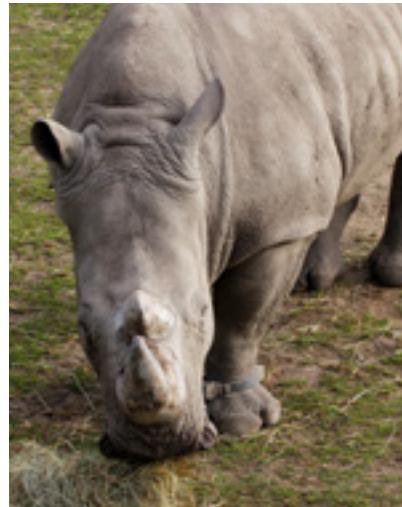
**24 hrs**  
Daily coverage with emphasis on local issues

### Protecting wildlife



**Project Ngulia** is a ‘tech-for-conservation’ initiative that aims to develop and deploy technology such as long-range radar, motion and heat tracking sensors, combined with Artificial Intelligence (AI) to assist animal conservation.

Tragically, rhinos are endangered species and are in danger of extinction, globally. In the **1970s**, Rhino Valley,



in the Ngulia Rhino Sanctuary, was home to around **10,000 black rhinos**, constituting half of Kenya's rhino population. In 2019, there are just about **100 rhinos**, representing about **13% of Kenya's rhino population**.

### We undertook the following key measures to conserve the rhino population in the region.

- Public-Private Partnership in conjunction with the Kenya Wildlife Service (KWS) and Linköping University (LiU), Airtel Kenya, and Kolmården Wildlife Park.
- 3G H+ coverage due to contributions from NOKIA and Airtel.
- All reports completed with a smartphone app offering real-time GPS- and time-tagged reports with photo and annotations.
- Dashboard for commanders and officers for real-time monitoring and automatic report generation.
- Only 1 rhino has been lost to poaching since 2016.

### Awards and recognition

- Marion Wambua, Senior Communication and CSR Executive Airtel Kenya was 3rd Runner up at the UN Global Impact SDG pioneer Event.
- Nigeria Regional Operations Director North west, Mr.ThankGod Otorkpa, received the Red Ribbon award for fight against HIV/ AIDS, at the NACA Awards (National Action for the Control of Aids).
- Airtel Nigeria received an award for best use of Story Telling in CSR, at the SERAs Awards (Sustainability, Enterprise and Responsibility Awards).
- Airtel Zambia received a CSR Award, in recognition of the Organization's Corporate Social Responsibility efforts, from the Zambia CSR Network.

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# BUSINESS RESPONSIBILITY REPORT

## Section A

### General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1995PLC070609	
Name of the Company	Bharti Airtel Limited	
Registered Address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110070	
Website	<a href="http://www.airtel.com">www.airtel.com</a>	
Email ID	<a href="mailto:compliance.officer@bharti.in">compliance.officer@bharti.in</a>	
Financial Year reported	2019-20	
Sector(s) that the Company is engaged in (Industrial activity code-wise)	<ol style="list-style-type: none"> <li>Telecommunication Services – mobile telecommunication, fixed line services and telecommunication enterprise solutions</li> <li>Direct-to-Home Services (through subsidiary company)</li> <li>Payments Bank (through subsidiary company)</li> </ol>	
Key products / services that the Company manufactures / provides (as in balance sheet)	<ol style="list-style-type: none"> <li>Mobile Services</li> <li>Airtel Business</li> <li>Tower Infrastructure Services</li> <li>Home Services</li> <li>Digital TV Services</li> </ol>	
Total number of locations where business activity is undertaken	Number of international locations (major 5)	Operations in 18 countries including India and Sri Lanka
	Number of national locations	Headquartered in New Delhi, the Company has business in all 22 licensed telecom service areas
Markets served by the Company – Local/State/ National/International	Besides India, operations in Africa and South Asia	

## Section B

### Financial Details of the Company

1. Paid up capital (₹ Mn)	27,278
2. Total turnover (₹ Mn)	543,171
3. Total profit / (loss) after taxes (₹ Mn)	(360,882)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial Years	N.A.*
5. List of activities in which expenditure in point (4 above) has been incurred	Education promotion Higher and technical education Employability enhancing vocation skills

\* In view of losses, percentage is not ascertained. However, the Company has made voluntary CSR contribution of ₹316.19 Mn during the fiscal year 2019-20.

**Section C****Other Details****1. Does the Company have any Subsidiary Company/ Companies?**

Bharti Airtel Limited (hereinafter referred as Airtel) has 101 direct and indirect subsidiary companies, as on March 31, 2020.

**2. Does the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the parent company?**

Nearly all subsidiary companies, either directly themselves or jointly with Airtel, participate in the BR initiatives.

**3. Do any other entity / entities (e.g. suppliers and distributors, among others) that the Company does business with participate in the BR initiatives of the Company?**

Airtel supports and encourages its partners to undertake sustainability and CSR initiatives. At present, Airtel's infrastructure and facility management partners support its drive towards environment protection, which represents less than 30% of all its partners.

**2. Principle-wise (as per NVGs) BR Policy / Policies****Principle 1****Ethics, Transparency and Accountability:**

Businesses should conduct and govern themselves with ethics, transparency and accountability.

**Principle 2****Products Lifecycle Sustainability:**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life.

**Principle 3****Employees' Well-being:**

Businesses should promote the well-being of all employees.

**Principle 4****Stakeholder Engagement:**

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

**Principle 5****Human Rights:**

Businesses should respect and promote human rights.

**Principle 6****Protection of the Environment:**

Businesses should respect, protect and make efforts to restore the environment.

**Principle 7****Responsible Policy Advocacy:**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**Principle 8****Support Inclusive Growth:**

Businesses should support inclusive growth and equitable development.

**Principle 9****Providing Customer Value:**

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**Section D****Business Responsibility Information****1. Details of Director / Directors responsible for BR****(A) Details of Director / Directors responsible for the implementation of BR policy / policies**

DIN Number	00042494
Name	Mr. Rakesh Bharti Mittal
Designation	Director

**(B) Details of the BR head**

DIN Number	N.A.
Name	Mr. Sameer Chugh
Designation	Group General Counsel
Telephone Number	+91 114 6666100
E-mail ID	sustainability@airtel.com

## Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (A)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) (A)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director? (B)	Y	N	N	Y	N	Y	N	N	N
5.	Does the Company have a specified committee of the Board/ Director / Official to oversee the implementation of the policy? (B)	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? (C)	Y	N	N	Y	Y	Y	N	N	N
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? (D)	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies? (E)	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redress mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? (F)	Y	-	Y	Y	Y	-	-	-	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? (G)	Y	Y	Y	N	N	Y	Y	N	Y

(A) The policies are formulated through detailed consultation with relevant stakeholders and benchmarking across the industry. These are developed and aligned to applicable legal and regulatory requirements and guidelines, SEBI listing regulations and its internal mandates.

(B) All policies are administered under the overall supervision of the Airtel Management Board (AMB) of the Company, headed by the Managing Director and Chief Executive Officer. The Audit Committee of the Board along with other Board Committees regularly reviews implementation of policies.

(C) The following policies can be viewed on its website [www.airtel.com](http://www.airtel.com) and [www.bharti.com](http://www.bharti.com)

1. Code of Conduct Policy
2. Code of Conduct Policy for Partners
3. CSR Policy
4. Ombudsperson Policy and Process
5. Stakeholder Engagement Framework
6. Human Rights Policy
7. Environment Health and Safety Policy

(D) Except policies listed above, all other policies are meant for internal consumption of employees and are available on the Company's intranet. All policies have been

periodically communicated to the relevant internal and external stakeholders.

(E) All policies are owned by the respective AMB member and their senior leadership teams are responsible for the effective implementation of the policies.

(F) Any clarifications for grievances related to either of the policies are addressed by the respective leadership audit team member and if not addressed to satisfaction, can be escalated to the Ombudsperson.

(G) All policies and their implementation are audited by an independent internal audit team who in turn reports issues, if any, to the Board / Audit Committee.

## Governance related to BR

**1. Performance assessment frequency of BR:** The CSR Committee and Board assess and review the BR performance annually and give a strategic direction to Airtel's BR initiatives, as required.

**2. Details of BR and Sustainability Report:** Airtel publishes an annual Integrated Report in accordance with the International <IR> Framework as developed by IIRC. The report has been uploaded on Airtel's website and can be viewed at [www.airtel.in](http://www.airtel.in).

## Section E

### Principle Wise Performance\*

#### Principle 1

##### Ethics, Transparency and Accountability:

Airtel believes that a strong and robust foundation of ethics and responsibility is absolutely necessary to sustain economic value. With its legacy of fair, transparent and ethical governance practices, the Company's Code of Business Conduct reinforces its commitment to operate with the highest degree of integrity. It lays a framework for expected standards of ethical conduct and behaviour, extending to employees and other individuals working with the Company. It outlines principles against discrimination, anti-competitive practices, insider trading and prohibits bribes, kickbacks and improper payments. It remains applicable to subsidiaries, suppliers, contractors, service providers and channel partners as well. Employees are also required to undergo an annual e-certification on the Code of Conduct to acknowledge their understanding of the same and to commit to inculcate the principles defined in it.

To avoid any conflict of interest, the Company has placed necessary safeguards as part of its corporate governance structure and the Code of Conduct.

To ensure effective implementation of its Code of Conduct, Airtel's Ombudsman policy allows employees, contractors and vendors to raise a complaint without any fear of reprisal. The Company undertakes a formal procedure to address and investigate such concerns and takes suitable action in accordance with the Consequence Management Policy. Such misconduct is periodically reported to the Audit Committee. In FY 2019-20, 29 allegations of corruption and bribery were received, and investigations were completed in 13 cases. The remaining 16 cases are under various stages of investigation. Allegations were substantiated in 5 cases and suitable actions were initiated as per the Consequence Management Policy, which led to the separation of the involved employees from the organization.

#### Principle 2

##### Product Lifecycle Sustainability:

The Company constantly aims to ensure safety and optimal resource utilization across the entire life cycle of its products, from design to disposal. Airtel proactively aims to reduce its ecological footprint across the value chain including its business operations, supply chain and delivery of services, to contribute towards sustainable development.

The Company is providing basic life services through its existing products and offerings including Mobile, DTH, Payments Bank, Fixed line and Broadband and Enterprise solutions. It has undertaken initiatives to enhance financial

inclusion, health and education along with raising awareness around agriculture. To minimise adverse environmental impact, the Company has undertaken several initiatives across the value chain. This includes initiatives around reduced energy consumption, waste minimisation and innovative solutions to ensure environmental sustainability. In keeping with its objectives, the Company has formulated and implemented procurement guidelines to ensure adherence to a set of ESG (environmental, social and governance) standards by its suppliers. It calls for compliance to energy, resource and water conservation, waste minimisation, employee health and safety, prohibition of child labour, adherence to local labour laws and respecting human rights. Airtel also adheres to existing regulations around procedures for waste disposal and gives primary importance to community health and safety.

Airtel acknowledges the growing concern over exposure to electromagnetic fields (EMF) and maintains complete transparency in its position. To allay any concerns, it shares extensive research-based information on this matter with its employees, partners, customers and the community at large. As per DoT guidelines, the Company's operational sites are subject to random selection and audit by the DoT's Telecom Enforcement Resource and Monitoring (TERM) Cells. In FY 2019-20, over 99% of the base stations audited by DoT on a sample basis, were found to be compliant with the emission norms. Moreover, to build awareness around the issue, the Company in partnership with the Cellular Operators Association of India (COAI) conducts numerous programmes, workshops and seminars.

As a business priority, Airtel declared a 'War on Waste' where the initiative intends to improve the Company's operating efficiency by eliminating waste. The Company is undertaking measures to optimize resources and reduce waste generation in its operations. More details on waste management can be found in the Natural Capital section of the Integrated Report.

Owing to its nature of business, e-waste is the most substantial waste generated by the Company. It has adopted a focused approach on e-waste management as a part of its continual efforts to reduce the ecological impact of its operations. Airtel, therefore, not only endeavours to minimise waste but, also ensures its proper disposal and recycling. The Company is also generating awareness around promoting the extended use of network and IT based equipment to reduce waste. It also adheres to the Government of India's (GoI) guidelines to recycle waste at source, which is carried out through authorised recycling partners. Details around the same can be found in the Natural Capital Section of the Integrated Report.

Airtel leverages its extensive platforms to serve a wide customer base and therefore, constantly strives to ensure that it does not have any adverse environmental or social impact through its sourcing, production or distribution activities. Further, the Company is dedicated to building a responsive and sustainable value chain, that ensures conservation of natural resources, as well as community safety and well-being.

\*The data reported under the Principles in Business Responsibility Report, covers information from India operations excluding Bharti Infratel Limited and Airtel Payments Bank Limited, except for Principle 8

**Principle 3****Employees' Well-being:**

Airtel strives to foster a culture that supports each employee to realize their highest potential. The Company believes its employees are its key assets and are crucial for sustained business growth. It strives to create an environment where employees can continually enhance their knowledge, skills and expertise. Moreover, it encourages well-being programs to keep the workforce engaged and productive. Promoting a safe and empowered workplace with a culture that emphasizes equal opportunity, non-discrimination, meritocracy and freedom of expression is paramount to the Company. This serves to ensure that the Company's strong workforce of 14,485 employees are both efficient and engaged. It has also become the cornerstone of attracting and retaining the best talent.

The Company aims to build an inclusive organisation where diversity is celebrated. It strongly believes that employees from diverse backgrounds bring unique perspectives, experience, knowledge and skills, which when properly harnessed, can significantly increase the Company's ability to proactively respond to a dynamically changing business environment. During the year under review, there were 1,288 permanent women employees, representing around 8.89 % of the total workforce, while 10.8 % of the management workforce comprised of women. Besides, a total of 26 people with special abilities were also employed at various Company locations.

The Company had 61,164 contractual employees in FY 2019-20. In the reporting period, Company did not engage any temporary or casual staff. Employees at Airtel have the full freedom to become members of any trade union or indulge in collective bargaining. However, as on March 31, 2020, none of the employees of Bharti Airtel Limited were part of any independent trade union or collective bargaining agreements. The Company provides full freedom to its employees to escalate their grievances to the management without fear of repercussion and issues are immediately addressed and resolved to mutual satisfaction.

Airtel aims to incorporate initiatives that revolve around the philosophy of building a learning culture for employees throughout their employment with the Company. As a responsible and employee-oriented organization, the Company provides employees opportunities to enhance their behavioural, functional and technical competencies through various interventions like on-the-job exposure, projects, coaching, mentoring and classroom trainings. An average of 7.07 hours of training was provided per employee in FY 2019-20.

Airtel's stringent workplace health and safety policies are driven by its commitment to ensure health and safety for all its employees. It provides a comprehensive framework for ensuring a safe and incidence-free workplace, effective investment in health promotion and disease prevention at all levels of the business. A dedicated safety team, led by a Safety officer, was set up to ensure occupational health and safety across operations. In FY 2019-20, 14,963 employees attended the safety trainings including 25 specially abled employees.

Additionally, various employee-friendly policies allow the employees to valuably contribute to the Company while maintaining work-life balance. Flexible work hours, work from home arrangements, maternity and paternity leave more than that mandated by law, helps to promote employee well-being. The Company also organises regular medical check-ups, fitness challenges and awareness programmes on maintaining a healthy lifestyle.

Airtel also promotes policies to safeguard the security and well-being of its employees through its Workplace Safety Policy, Domestic Travel Safety and Security Policy, and Policy for Safety of Women. In the previous reporting year, we had launched an app for Women Safety. It was designed to enable them to reach out to a family member or friend who could help them in an emergency, through real-time location tracking. Further, to ensure a safe workplace free from any sexual harassment, the Company has put stringent procedures in place to prevent and address such issues.

The Bharti Code of Conduct strives to build a workplace culture that is an appropriate reflection of Bharti's values of trust, mutual respect and inclusive growth for all. Within its purview, a wide array of issues pertaining to harassment, workplace conduct, labour conditions, and community responsibility are covered, which are dealt in line with our Consequent Management Policy. In FY 2019-20, 10 cases regarding sexual harassment at the workplace were reported and investigated. Allegations were substantiated in 9 of these cases, and the accused personnel were separated from their association with Airtel i.e. their services were terminated. No complaints regarding child labour, forced labour and discriminatory employment were received during the year under review.

**Principle 4****Stakeholder Engagement:**

Airtel believes in creating value for each stakeholder. Accordingly, the Company assesses the impact of its business activities on its stakeholders and takes necessary actions to engage with them, understand their concerns and meet their expectations. Airtel realizes that coping with multiple and competing stakeholder interests calls for a strategic approach wherein the right stakeholders are identified and apprised with relevant information through suitable engagement channels. It also has a Stakeholder Engagement Framework which is applicable to all operating entities and functions at a corporate and regional level, guiding its activities towards effective stakeholder engagement.

Regular engagement with internal as well as external stakeholders allows the Company to stay apprised of any pressing concerns. It helps the Company to prioritize key sustainability issues in terms of relevance to its business and stakeholders, including society and the environment. The Company also conducts a detailed materiality-assessment, enabling it to map stakeholder expectations along with its business priorities, risks and opportunities.

Every two years, Airtel conducts a materiality assessment exercise to re-evaluate the material topics, which guide its corporate sustainability strategy. A comprehensive exercise was undertaken in FY 2017-18 through extensive stakeholder surveys to understand the expectations of internal as well as external stakeholders and identify materiality topics / sustainability concerns with the highest relevance and impact. As per this exercise, key stakeholders identified included: Customers, Employees, Business Partners (Suppliers and Vendors), Community, Investors, Government Bodies, Industry Associations, Non-governmental Organizations (NGOs) and Academic Institutions. Stakeholder engagement activities were carried out with the help of questionnaires. Similar exercise was performed with the Airtel Management Board to delineate business priorities, which when mapped with stakeholder concerns, helped in identifying the sustainability issues that demanded enhanced strategic and operational attention.

Through Bharti Foundation, the philanthropic arm of Bharti Enterprises, the Company has identified disadvantaged, vulnerable and marginalised stakeholders. Economically weak and disadvantaged groups, especially girls, are the targeted beneficiaries of the Company's CSR activities. Bharti Foundation touches all aspects of stakeholder empowerment through multiple community initiatives in the realm of education, employment generation and sanitation. Further information on Company's CSR interventions can be found in the CSR section of the Annual Report.

There are several channels through which the Company connects with its stakeholders and provides them the opportunity to share feedback or report grievances. The primary channel is its call centers - an independently managed hotline accessible to all stakeholders including customers, community members, partners and government authorities to raise any complaints / issues, which are then appropriately addressed.

## Principle 5

### Human Rights:

The Company's core priorities include respecting human rights of each and every stakeholder, across the value chain. As a responsible organization, it aims to limit adverse impacts of its business activities on internal and external stakeholders including employees, suppliers, partners, customers and the wider community.

Airtel's commitment to human rights is reinforced through its Code of Conduct (COC) and Human Rights Policy. The Company complies to all local labour laws and regulations applicable in each operating location. The Company's Human Rights policy is applicable to all employees across the organization, while the COC for business associates and Vendor Compliance Policy details the requirements for partners and suppliers to uphold and respect human rights. Compliance to the Code, the relevant labour laws and human rights regulations applicable in their geographies of operation is a major part of associating with Airtel.

The Company has established committees / processes such as the Ombudsman process, Prevention of Sexual Harassment Committee, Audit / Risk committees to review progress and formulate strategies to address material issues pertaining to compliance, employee well-being and safety, and ensuring a harassment-free workplace. The employees are constantly informed about these processes to provide a medium for them to report any grievances.

## Principle 6

### Protection of the Environment:

The carbon footprint of the telecom industry is likely to increase as developing markets continue to grow, network traffic increases, and companies move towards 5G. Airtel is conscious about the impact of its operations on the environment and is taking pre-emptive measures to address this through an extensive range of initiatives aimed at increasing the use of renewable energy sources and optimising energy consumption to move towards cleaner operations and energy efficient networks.

The Company is committed to operate and deliver products and services in an environmentally responsible and sustainable manner. Its Environment, Health and Safety (EHS) Policy specifies the approach towards protection of the environment; and is applicable for all employees of the Company and its subsidiaries.

Airtel has undertaken various initiatives towards emission reduction including the deployment of renewable energy solutions in network towers, installation of rooftop solar panels at Main Switching Centres (MSCs) and captive green energy generation through solar/wind energy during the year under review. It has also entered into Open Access contracts for procuring power through renewable energy sources, to further reduce emissions.

To enhance its environmental performance, the Company implemented ISO 14001:2015 Environment Management System at all its data centres. Additionally, other initiatives like deployment of shared sites, conversion of indoor base transceiver stations to outdoor and implementation of solar hybrid solutions have been undertaken in collaboration with its network infrastructure partners. To reduce energy consumption in Airtel's facilities, the Company has deployed energy efficient equipment, initiated facility consolidation, undertaken optimum space utilisation and excess demand surrender. These initiatives have significantly curtailed its diesel and electricity consumption, contributing to the promotion of a low carbon economy.

Airtel's greatest contribution in adapting to climate change comes from increased digitalisation initiatives, supported by a network that runs on green energy and solutions that are already responding to environmental challenges. It not only enables customers to reduce their carbon footprint but is also contributing to increase the resilience of communities in which it operates. For instance, its IoT and B2B services are designed to improve customer mobility and energy efficiency; and its

cloud and video-conferencing services prevent greenhouse gas emissions through reduction of fuel usage. The energy efficient data centers are also significantly avoiding carbon emissions by hosting IT applications for other parties.

To reduce resource consumption and transition to more sustainable production, Airtel is taking concrete steps through measures such as recycling of paper and E-waste, introduction of e-bills, take-back and refurbishing of DTH set top boxes, and tower sharing to save resources like steel, cement, concrete, zinc and land. During the reporting year, emissions and waste generated by the Company were within permissible limits set by the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs). As on March 31, 2020, there were no notices / cases received by the organization from pollution control boards.

Further details of the Company's environmental initiatives are available in the Natural Capital section of this report.

## Principle 8

### Support Inclusive Growth:

The Company considers organisational success and welfare of communities as inter-dependent. It understands the importance of inclusive growth for developing the economy as a whole, so that the Company's services can be accessed by all its customers, including those at the Bottom of the Pyramid (BoP). Airtel is cognisant of this responsibility and has been taking continued efforts to ensure value creation and sustainable growth of communities.

Through its exhaustive suite of innovative services and products that help enhance the quality of lives, Airtel has played a role in empowering millions across the country. This has been possible through continued engagement with communities and relentless efforts to expand the reach of its network. Furthermore, Airtel is leveraging the power of Information and Communication Technology (ICT) to drive development in rural communities through special products for rural customers, based on health, education, financial inclusion and agriculture. For instance, through its IFFCO Kisan Sanchar Limited (IKSL) mobile app, Airtel has empowered nearly four million farmers to improve their productivity and income by enhancing their knowledge on commodity prices, weather, agronomy, horticulture and government schemes.

Since internet accessibility can play a vital role in enhancing the socio-economic well-being of a society, Airtel is proactively supporting the Indian government's flagship 'Digital India' initiative, in pursuit of digital inclusion of rural population and ensuring last mile connectivity. Therefore, Airtel is striving to expand its services in the rural markets.

Airtel is actively engaged in philanthropic activities and encourages its employees to volunteer for social causes and community outreach programs. This reflects its desire to be a trusted partner for holistic development of the communities that it operates in. Spearheaded by Bharti Foundation, these initiatives are also supported through its own telecom circle offices at the regional level. Through Bharti Foundation, the Company implements and supports programs in the fields of primary, secondary and higher education as well as sanitation.

The flagship program of Bharti Foundation, Satya Bharti School Program, involves communities in the operation of schools. It aims to provide a platform for rural children to access quality education and paves the way to help them lead responsible lives that are inspired by the principles of commitment, integrity and a desire to make a difference.

Amidst the recent COVID-19 outbreak, Bharti Foundation supported teachers to continuously engage and reach out to students as well as parents, to carry out educational endeavours during the countrywide lockdown. The Foundation also worked with government schools to initiate programs that enabled the use of technology for teaching.

Further details about the initiatives undertaken by Bharti Foundation and by Airtel's regional circle offices are available in the CSR section of the Company's Annual Report.

## Principle 7

### Responsible Policy Advocacy:

As one of India's largest Telecommunication operators, Airtel assumes significant responsibility to contribute to the development of public policy, which will facilitate the transition to a more sustainable and equitable world. Airtel works closely with all industry associations and trade chambers to ensure that its public policy positions complement and advance its objectives of social and environmental stewardship.

The Company also strives to shape policy that drives digital inclusion, advances innovation, enhances competitiveness, promotes green telecom, and spurs economic growth to increase job opportunities. Its policy agenda focuses on promoting last mile connectivity of network, affordable access to customers, digital literacy and transparency and awareness around EMF radiations.

Moreover, it deals with creating adaptability of internet, easing and automating subscriber acquisition, enhancing the quality of service offerings, tariff regulations and environment protection among others. As these issues continue to be thoroughly scrutinised and deliberated upon by government bodies, they are likely to have a material impact on the lives of millions.

The Company's policy positions are generally conveyed through its membership with the Cellular Operators Association of India (COAI). Airtel is also a member of apex industry bodies engaged in policy advocacy such as the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI). Internationally, Airtel is a member of the International Telecommunication Union (ITU) and GSM Association (GSMA).

Airtel tries to influence policies that are in the best interest of its customers and the community at large. With an objective to balance the interests of diverse stakeholders, it operates with the highest values of ethics, integrity, transparency and accountability in all its advocacy endeavours.

During FY 2019-20, Airtel made significant contributions towards various philanthropic projects, including:

**₹ 2.15 Mn**

To Bharti Foundation towards furtherance of its objectives

**₹ 316.19 Mn**

Other contributions

### Principle 9

#### Providing Customer Value:

Customers are pivotal to Airtel's success and it believes in providing best-in-class telecommunication products and services to them. One of the key themes and business priorities for the Company is 'Win with Customers'. Through its world-class network, innovative yet affordable services and an exceptional customer experience, the Company aims to win customers for life. The Company's business goal is to innovate and deliver a wide range of cost-effective, secure, timely, and customized services with best-in-class technology. Over the last few years, the Company has been striving to improve its network quality through increased investment to strengthen its network infrastructure and to enhance spectrum efficiency.

At the heart of Airtel lies innovation. Every year, the Company comes up with innovative products and services, leveraging latest technologies, strong R&D, and effective collaborations to create an advanced solution for its customers. From enabling customers through digitalization and self-care and facilitating convenience by providing affordable and value-added ICT solutions, the Company endeavours to constantly innovate in every aspect of its operations. Apart from telecom, Airtel also provides innovative technology solutions based on basic life services such as health, education, financial inclusion and agriculture.

At Airtel, its customers are also its business partners, helping to greatly improve and evolve the services it offers. Their ongoing feedback and inputs provide the greatest stimulus to improve its products, services and processes. Through an integrated end-to-end experience, improvement of overall retail store experience and impeccable voice and internet services, the Company strives to enhance customer experience and increase customer retention. The Company has a dedicated Customer Experience team that actively seeks and responds to customer feedback and queries so as to be able to continuously improve upon its products, services and processes. Measuring customer satisfaction and loyalty is a key consideration for the Company. To do this, Airtel employs multiple tools such as the Net Promoter Score

(NPS), social media mentions, and feedback over call/ point of sale, customer grievances, complaint management and exit surveys. Holistic tools such as the NPS enable it to gather feedback and capture customers' perceptions.

Airtel empowers its users by offering transparency in services, enabling them to manage their own Airtel products & services with ease. Airtel has consistently made efforts in this direction through its Open Network Initiative and enriched self-care through the powerful MyAirtel App, which was revamped to airtelThanks app in the reporting year. In the past few years, Airtel has successfully implemented various initiatives to increase transparency for its customers and/or reduce the surprises arising due to bill shock during international roaming and lack of awareness about services. Airtel has been communicating mandatory usage information (as specified by the law) regarding enrolment and deactivation, tariff, usage, contact and grievance on its welcome kits, periodic bills, enrolment forms, booklets, websites and point of sale displays.

Airtel works closely with the industry, government, law enforcement agencies and community organizations to help customers understand and manage the risks associated with the online world. To this effect, Airtel supports a range of government initiatives to raise awareness, and provides online education and guidance. Some of the measures undertaken in the last few years include:

1. Proactively filtering offensive content available online, which is not compliant with the state laws.
2. Constantly upgrading technology to reduce threat exposures.
3. Associating with Law Enforcement Agencies (LEA) to support investigations by providing customer information and complying with all requests as per regulatory norms.

In addition to this, Airtel also takes prior consent of all customers at the time of acquisition on collection, transfer and disclosure of personal data, details of which can be found in our privacy policy (<https://www.airtel.in/forme/privacy-policy>). All subscribers have an option to opt out of usage of customer information for promotional purposes and they can readily opt out at any time through our website/application, at customer acquisition stage or through a single SMS.

In FY 2019-20, no cases have been filed against the company before the Competition Commission of India for anti-competitive behaviour and no cases were pending resolution as on March 31, 2020. However, 2 complaints were filed against the Company before ASCI (Advertising Standards Council of India) in the reporting period and both have been resolved successfully.

# INDEPENDENT ASSURANCE STATEMENT

## ON SUSTAINABILITY DISCLOSURES

To

**Bharti Airtel Limited**

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

**Independent Assurance Statement  
on sustainability disclosures in the  
Integrated Report and Annual Financial  
Statements 2019-20**

**Introduction and objective of engagement**

Thinkthrough Consulting Private Limited (TTC) was engaged by Bharti Airtel Limited (the 'Company') to provide independent assurance on its sustainability disclosures in the Integrated Report and Annual Financial Statements 2019-20 (the 'Report') that includes the Company's sustainability performance for the period 1st April 2019 to 31st March 2020.

The Company has developed its Report based on the applicable accounting standards and has incorporated the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). Its sustainability performance reporting criteria has been derived from Business Responsibility Reporting Framework based on the principles of National Voluntary Guidelines of India (NVG), and Accountability's AA1000APS 2008 (Principles of Inclusivity, Materiality and Responsiveness).

**Respective responsibilities**

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

TTC's responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope of assurance and methodology' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

**Assurance standard**

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (2008) Type 2 assurance<sup>1</sup>. We applied a moderate<sup>2</sup> level of assurance.

**Scope of assurance and methodology**

The scope of assurance engagement was limited to review of sustainability data and information in the Report, pertaining to environmental and social performance for the period 1st April 2019 to 31st March 2020. The sustainability disclosures covered in our sample review included: Energy; Waste; GHG (carbon) emissions and intensity; Employee training and education.

We conducted review and verification of data collection, collation and calculation methodologies and general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review was limited to:

- Evaluating the appropriateness of the quantification methods used to arrive at the sustainability disclosures presented in the Report;
- Review of consistency of data/information within the report as well as between the report and source;
- Execution of an audit trail of claims and data streams, on selective basis, to determine the level of accuracy in collection, transcription and aggregation;
- Review of sustainability data collection and management procedures.

**Limitations of our engagement**

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2019 to 31st March 2020);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

*Due to the outbreak of the COVID-19 pandemic, and the resultant travel and meeting restrictions, data assurance was*

<sup>1</sup> Type 2 Assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality and Responsiveness, and verifies the reliability of specified sustainability performance information AA1000AS (2008) Standard.

<sup>2</sup> A moderate level of assurance as per AA1000AS (2008) Standard is commensurate with "limited" assurance as defined in the International Standard on Assurance Engagements (ISAE) 3000

*done through remote assessments using appropriate web-enabled tools. We did not conduct any physical verification at locations or offices of the Company. Audit trails and review were conducted through remote discussion with officials of the Company, and gathering of evidences on sample basis.*

### **Our assurance team and independence**

TTC is a professional services firm that specializes in accountability on sustainability issues. The assurance was performed by our multi-disciplinary competent team of experts across domains of sustainability as well as global sustainability reporting standards and AA1000 Assurance Standard. This team has extensive experience in conducting independent assurance of sustainability data, systems and processes across sectors and geographies. We have implemented measures to ensure that we follow the applicable independence procedures.

### **Our observations**

While the sustainability disclosures of the Company as defined under the scope of assurance are fairly reliable, the Company has a scope to augment the robustness of its data management system, including internal review mechanism, to further enhance the accuracy of reporting.

### **Our conclusion**

Based on the scope of our review, our conclusions are outlined below:

- Inclusivity: We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with the key stakeholder groups;
- Materiality: Nothing has come to our attention that causes us to believe that any material topic has been excluded from the Report;
- Responsiveness: Nothing has come to our attention that would lead us to conclude that the Company has not applied the principle of responsiveness for communicating with stakeholders on material topics covering its sustainability performance.

**Dipankar Ghosh, Partner**

New Delhi

20 July 2020

# BOARD'S REPORT

## Dear Members,

Your Directors have pleasure in presenting the 25th Board Report on the Company's business and operations, together with audited financial statements for the financial year ended March 31, 2020.

## Company Overview

Bharti Airtel is one of the world's leading providers of telecommunication services with operations in 18 countries across Asia and Africa. The Company's diversified service range includes mobile, voice and data solutions, using 2G, 3G and 4G technologies. We provide telecom services under wireless and fixed line technology, national and international long distance connectivity, broadband services, Digital TV; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand 'Airtel' either directly or through subsidiary companies. Airtel Money (known as 'Airtel Payments Bank' in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa.

The Company also deploys and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel Limited, which also owns 42% of Indus Towers Limited. Together, Bharti Infratel Limited ('Infratel') and Indus Towers Limited ('Indus') are the largest passive infrastructure service providers in India. The Hon'ble National Company Law Tribunal, Chandigarh Bench, vide its order dated May 31, 2019 had sanctioned the Scheme of Amalgamation of Indus with and into Infratel. The decision to implement the Scheme will be taken by Infratel, keeping in mind the best interest of its stakeholders.

25 years ago, the Company started its journey as a telecom service provider and year after year, deepened its roots to establish a strong foothold in this space. Over the years, Airtel has become synonymous with quality telecom connectivity in India. With a constant motivation to strengthen its innovative core, the Company cemented its position to lead change in a fast paced and ever evolving digital landscape. Since the first mobile service launch in New Delhi on September 27, 1995, Airtel has transpired transformation in the wireless telecom sector in the last two and a half decades. The desire to be recognized as the most admired brand helped Airtel to successfully forge a deep emotional connect with its customers in India and abroad.

## Financial Results

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the

Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards ('Ind AS') for the FY 2019-20. The standalone and consolidated financial highlights of the Company's operations are as follows:

## Standalone Financial Highlights

Particulars	FY 2019-20		FY 2018-19	
	₹ Mn	USD Mn*	₹ Mn	USD Mn*
Gross revenue	543,171	7,680	496,060	7,101
EBITDA before exceptional items	206,315	2,917	128,182	1,835
Cash profit from operations	109,130	1,543	70,714	1,012
Earnings before taxation	(510,209)	(7,214)	(52,439)	(751)
Net income/ (loss)	(360,882)	(5,103)	(18,692)	(268)

\*1 USD = ₹ 70.73 Exchange Rate for financial year ended March 31, 2020  
(1 USD = ₹ 69.86 Exchange Rate for financial year ended March 31, 2019)

(FY 2018-19\* has been reclassified to take Tikona Merger impact for Y-o-Y comparison)

## Consolidated Financial Highlights

Particulars	FY 2019-20		FY 2018-19	
	₹ Mn	USD Mn*	₹ Mn	USD Mn*
Gross revenue	875,390	12,377	807,802	11,567
EBITDA before exceptional items	371,053	5,246	262,937	3,768
Cash profit from operations	254,951	3,605	167,777	2,406
Earnings before taxation	(428,466)	(6,058)	(17,318)	(253)
Net Income / (Loss)	(321,832)	(4,550)	4,095	59

\*1 USD = ₹ 70.73 Exchange Rate for financial year ended March 31, 2020  
(1 USD = ₹ 69.86 Exchange Rate for financial year ended March 31, 2019)

Note: With the adoption of IndAS 116, effective April 01, 2019, the results of periods commencing April 01, 2019 are not comparable with previous periods.

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

## Change in the nature of business

There was no change in nature of the business of the Company during the financial year ended on March 31, 2020

## COVID update

These are unprecedented times, as our country and the entire world struggles to contain and combat the COVID-19 pandemic. Amidst such rampant uncertainties, Airtel has aligned itself with the national priorities of the moment, by committing ₹ 100 crores from Bharti Group to the PM CARES relief fund, in an effort to help our country coast through these tough times. We have abided by every safety and social distancing norm and have been consistently communicating the same to both our employees and customers. We stand in solidarity with the Government of India and all our citizens, and our efforts towards the betterment of one and all will continue, unabated.

## Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

## Share Capital

During the FY 2019-20, the Authorized share capital of the Company has been increased to ₹ 147,780,000,000 divided into 29,555,980,000 equity shares of face value of ₹ 5/- each and 1,000 preference shares of ₹ 100/- each.

During the FY 2019-20, the Company has made the following allotments:

- ≡ 1,133,591,075 equity shares of face value of ₹ 5/- each on May 24, 2019 pursuant to Rights Issue aggregating to ₹ 5,667,955,375 /-.
- ≡ 487, 10% fully paid-up redeemable, non-participating, non-cumulative preference shares of face value of ₹ 100/- each on July 26, 2019, pursuant to composite scheme of arrangement among Tata Teleservices Limited ('TTS'L), Bharti Hexacom Limited and the Company and their respective shareholders and creditors, aggregating to ₹ 48,700 to equity share holders, CCPS holders and OCPS holder of TTS'L.
- ≡ 9,70,668 equity shares of face value of ₹ 5/- each on July 26, 2019, pursuant to scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') and the Company and their respective shareholders and creditors, aggregating to ₹ 4,853,340/- to the equity shareholders of TTML.
- ≡ 10, 10% fully paid-up redeemable, non-participating, non-cumulative preference Shares of face value of ₹ 100/- each on July 26, 2019, pursuant to scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') aggregating to ₹ 1000/- to the Preference shareholders of TTML.
- ≡ 323,595,505 equity shares of face value of ₹ 5/- each on January 15, 2020 pursuant to Qualified Institutions Placement aggregating to ₹ 1,617,977,525/-.

Consequent to the above mentioned allotments, the paid-up share capital of the Company has increased to ₹ 27,277,836,475 divided into 5,455,557,355 equity shares of face value of ₹ 5/- each and 497 preference shares of ₹ 100/- each.

During the year under review, the Company has neither issued any shares with differential voting rights nor any sweat equity shares.

## Reserve

During the year, the Company has transferred ₹ 141 Mn into General Reserve from the Share Based Payment Reserve pertaining to gain / loss on exercise / lapse of vested options.

## Dividend

Your Directors have recommended a final dividend of ₹ 2.00 per equity share of ₹ 5 each fully paid-up (40.00 % of face value) for FY 2019-20. The total final dividend payout will amount to ₹ 10,911.11 Mn.

The record date for the purpose of payment of final dividend for the FY 2019-20, will be Friday, August 07, 2020.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

## Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 500 listed companies are required to formulate a dividend distribution policy. Accordingly, the Company had adopted the dividend distribution policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Policy is enclosed as **Annexure A** to the Board's Report and is also available on the Company's website at [https://assets.airtel.in/teams/simplycms/web/pdf/Airtel-Dividend\\_Distribution\\_Policy-Kick-Off-14052020.pdf](https://assets.airtel.in/teams/simplycms/web/pdf/Airtel-Dividend_Distribution_Policy-Kick-Off-14052020.pdf)

## Transfer of amount to Investor Education and Protection Fund

During the FY 2019-20, the Company has transferred the unpaid/ unclaimed dividend pertaining to FY 2011-12 amounting to ₹ 1.29 Mn., to the Investors Education and Protection Fund ('IEPF') Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 14, 2019 (date of last Annual General Meeting) on the Company's website [www.airtel.com](http://www.airtel.com).

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund ('IEPF') after giving due notices to the concerned shareholders. Accordingly, the Company has transferred 16,729 equity shares to the IEPF during the FY 2019-20. The details of equity shares transferred are also available on the Company's website [www.airtel.com](http://www.airtel.com).

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed Form No. IEPF-5 for claiming the unpaid dividend / shares out of the IEPF. The process for claiming the unpaid dividend / shares out of the IEPF is also available on the Company's website at <http://www.airtel.in/about-bharti/equity/shares>.

## Deposits

The Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet closure date.

## Significant Developments

### Mergers / amalgamations / demergers under Sections 230 to 232 of the Companies Act, 2013 completed during the year:

- Scheme of amalgamation between Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited) ('Bharti Digital'), a wholly-owned subsidiary company and Bharti Airtel Limited**

During the year, the scheme of amalgamation between Bharti Digital, a wholly-owned subsidiary company and the Company has become effective on May 29, 2019 pursuant to which Bharti Digital has been amalgamated with the Company.

- Composite scheme of arrangement between Tata Teleservices Limited ('TTS'L), Bharti Hexacom Limited ('Bharti Hexacom'), a subsidiary company and Bharti Airtel Limited ('TTS'L Scheme) and Scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') and Bharti Airtel Limited ('TTML Scheme')**

During the year, the Company completed the acquisition of the consumer mobile business of TTML and TTS'L under the TTML Scheme and TTS'L Scheme, made effective from July 01, 2019.

For details of securities issued under TTML Scheme and TTS'L Scheme, please refer 'Share Capital' section of this report.

- Scheme of arrangement between Telesonic Networks Limited ('Telesonic'), a subsidiary company and Bharti Airtel Limited**

During the year, the scheme of arrangement between the Company and Telesonic, a subsidiary company and their respective shareholders and creditors for the transfer of optical fibre cable business of the Company to Telesonic, has become effective on August 03, 2019.

### Mergers/ amalgamations/ demergers under Sections 230 to 232 of the Companies Act, 2013 pending sanction of the appropriate authorities:

### Composite scheme of arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, a wholly-owned subsidiary company, Hughes Communications India Limited (now known as Hughes Communications India Private Limited) and HCIL Comtel Limited (now known as HCIL Comtel Private Limited)

Pursuant to the approval dated May 06, 2019 of the Board of Directors of the Company, the Company had entered into the Scheme, inter-alia proposing for transfer of the VSAT Undertaking (defined under the Scheme) of the Company and vesting of the same with Hughes Communications India Private Limited on a going concern basis by way of a slump sale for a lump sum cash consideration of ₹ 663,210,000 (Indian Rupees Six Hundred Sixty Three Million Two Hundred Ten Thousand). As on the date of this report, the Scheme is subject to requisite regulatory/ statutory approvals and other closing conditions.

## Rights Issue

During the year, the Company has allotted 1,133,591,075 equity shares of face value of ₹ 5/- each by way of a rights issue at a price of ₹ 220 per rights equity share (including a premium of ₹ 215 per rights equity share) aggregating to ₹ 249,390.04 Mn on a rights basis to the eligible equity shareholders on May 24, 2019 in the ratio of 19 rights equity shares for every 67 equity shares held by the eligible equity shareholders on the record date i.e. April 24, 2019.

## Qualified Institutions Placement

During the year, the Company has allotted 323,595,505 equity shares of face value of ₹ 5/- each by way of a Qualified Institutions Placement at a price of ₹ 445 per equity share (including a premium of ₹ 440 per rights equity share) aggregating to ₹ 144,000 Mn to the eligible investors on January 15, 2020.

## Foreign Currency Convertible Bonds

During the year, the Company has issued 1.50% foreign currency convertible bonds due 2025 ('FCCBs') of USD 1,000 Mn at par, convertible into fully paid-up equity shares of face value of ₹ 5/- each of the Company at an initial conversion price of ₹ 534/- per equity share, on or after February 27, 2020 and

up to the close of business hours February 07, 2025, at the option of the FCCB holders. As per the terms and conditions of the issue, the initial conversion ratio and initial conversion price are subject to certain adjustments. FCCBs, which are not converted to equity shares during such specified period, will be redeemable at 102.66% of their principal amount on February 17, 2025.

## Capital Market Ratings

As on March 31, 2020 the Company was rated by two domestic rating agencies, namely CRISIL and ICRA and three international rating agencies, namely Fitch Ratings, Moody's and S&P.

As on March 31, 2020, CRISIL and ICRA rated their long-term ratings of the Company to [CRISIL] AA / [ICRA] AA-, with a stable outlook. Short-term ratings were maintained at the highest end of the rating scale at [CRISIL] A1+ / [ICRA] A1+. Fitch maintained the rating at BBB-/ Stable. S&P and Moody revised its outlook and rating to BBB-/ Negative and to Ba1/ Negative, respectively during the year.

## Employee Stock Option Plan

At present, the Company has two Employee Stock Options (ESOP) schemes, namely the Employee Stock Option Scheme 2001 and the Employee Stock Option Scheme 2005. Besides attracting talent, the schemes also helped retain talent and experience. The HR and Nomination Committee administers and monitors the Company's ESOP schemes.

Both the ESOP schemes are currently administered through Bharti Airtel Employees Welfare Trust (ESOP Trust), whereby shares held by the ESOP Trust are transferred to the employee, upon exercise of stock options as per the terms of the Scheme.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a disclosure with respect to ESOP Scheme of the Company as on March 31, 2020 has been uploaded on Company's website at <https://www.airtel.in/about-bharti/equity/results>.

During the previous year, there were no material changes in the aforesaid ESOP Schemes of the Company and the ESOP Schemes are in compliance with ESOP regulations. The Company has received a certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, of the Company certifying that the schemes are implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The certificate is available for inspection by members in electronic mode.

## Material changes and commitments affecting the financial position between the end of financial year and date of report after the balance sheet date

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

## Debentures

During the financial year, the Company has not issued any debentures. The details of outstanding debentures as on the date of this report are as under:

- 15,000 Series II debentures having a face value of ₹ 1 Mn per debenture at a coupon rate of 8.35% per annum.

The aforesaid debentures are listed on National Stock Exchange of India Limited.

Further, the following debentures were redeemed after the closure of financial year 2019-20:

- 15,000 Series I debentures having a face value of ₹ 1 Mn per debenture at a coupon rate of 8.25% per annum.

## Directors and Key Managerial Personnel

### Inductions, Re-appointments, Retirements & Resignations

Pursuant to the provisions of the Companies Act, 2013, Mr. Gopal Vittal, Managing Director & CEO of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Mr. Shishir Priyadarshi had completed his present term as Independent Director of the Company on February 03, 2020. On the recommendation of the HR and Nomination Committee, the Board, subject to the approval of the shareholders, has re-appointed him as Independent Director for a further term of five consecutive years i.e. upto February 03, 2025.

In the opinion of the Board, Mr. Shishir Priyadarshi fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and under Listing Regulations and is independent to the management and accordingly, the Board recommends his re-appointment.

Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

### Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013, rules made there under and Regulations 16 & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

### Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which

is necessary for achieving sustainable and balanced development. The Board has adopted a policy on 'Nomination, Remuneration and Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Draft-Remuneration-Nomination-and-Board-Diversity-Policy-4-0-Aug-01-2019\\_B8BCCA328A3ABAEDC2A5FF6E747B0D8D.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Draft-Remuneration-Nomination-and-Board-Diversity-Policy-4-0-Aug-01-2019_B8BCCA328A3ABAEDC2A5FF6E747B0D8D.pdf) and is also annexed as **Annexure B** to this report.

### **Annual Board Evaluation and Familiarisation Programme for Board Members**

The HR and Nomination Committee has put in place a robust framework for evaluation of the Board, Board Committees and individual Directors including Chairman. Customised questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively to further enhance its effectiveness. A detailed update on the Board Evaluation is provided in the report on Corporate Governance which forms part of this report.

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Report.

### **Committees of Board, Number of Meetings of the Board and Board Committees**

The Board of Directors met seven (7) times during the previous financial year. As on March 31, 2020, the Board has ten committees, namely, the Audit Committee, the Risk management Committee, the HR and Nomination Committee, the Corporate Social Responsibility ('CSR') Committee, the Stakeholders' Relationship Committee, the Committee of Directors, the Airtel Corporate Council, the Special Committee of Directors (for Monetization of stake in Bharti Infratel Limited), the Special Committee of Directors (for Restructuring of overseas holding structure) and Special Committee of Directors (for fund raising).

All the recommendations made by committees of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2019-20 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

### **Subsidiary, Associate and Joint Venture Companies**

As on March 31, 2020, your Company has 101 subsidiaries, 8 associates and 7 joint ventures.

During FY 2019-20, Network i2i (Kenya) Limited became subsidiary of the Company and RedDot Digital Limited became associate of the Company.

During FY 2019-20, Bharti Digital Networks Private Limited merged with the Company and Mobile Financial Services Limited ceased to be joint venture of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies forms part of the Annual Report. The statement also provides the details of performance and financial position of each of the subsidiary, associate and joint venture and their contribution to the overall performance of the Company.

The audited financial statements of each of its subsidiary, associate and joint venture companies are available for inspection at the Company's registered office and also at registered offices of the respective companies and pursuant to the provisions of Section 136 of the Companies Act, 2013. The financial statements of each of its subsidiary companies are also available on the Company's website [www.airtel.com](http://www.airtel.com). A copy of the same will also be available electronically for inspection by the members during the AGM.

The copies of annual financial statements of the subsidiary, associate and joint venture companies will also be made available to the investors of the Company and those of the respective companies upon request.

### **Auditors and Auditors' Report**

#### **Statutory Auditors**

In terms of the provisions of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27th AGM.

The Board has duly examined the Statutory Auditors' Report to the financial statements, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to financial statements section of the Annual Report

As regards the comments under para i(a) of the Annexure B to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets, the Company as per the program of physical verification of fixed assets to cover all the items over a period of three years, conducted physical verification of fixed assets during the quarter ended March 31, 2020. The Company is in the process to update quantitative and situation details relating to certain fixed assets which were identified during the physical verification exercise. This same is expected to be completed by December 2020.

As regards the comments under para i(b) of the Annexure B to the Independent Auditors' Report regarding no physical verification of customer premises equipment and certain assets due to their nature or location; the customer premises equipment are located at subscriber's premises and physical check of the equipment is generally not possible. In such cases, the Company uses indirect evidences to check existence of the assets.

As regards the comments under para i(c) of the Annexure B to the Independent Auditors' Report regarding transfer of title deed in the name of the Company, the ownership of these properties is transferred and vested in the name of the Company through merger scheme. Company is in the process of getting the title deeds transferred in name of the Company. The entire process is getting delayed on account of lock-down in various areas due to COVID-19. The same is expected to be completed by December 2020.

Further, the auditors have not reported any fraud u/s 143(12) of the Act.

### **Internal Auditors and Internal Assurance Partners**

The Company has in place a robust Internal Assurance Group (IAG) which is headed by the Chief Internal Auditor and ably supported by reputed independent firms i.e. Ernst & Young LLP, Chartered Accountants, Gurugram and ANB & Co, Chartered Accountants, Mumbai as the internal assurance partners. The audit conducted by the Chief Internal Auditor and Internal Assurance Partners is based on an internal audit plan, which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Assurance Partners share their findings on an ongoing basis during the year for corrective action.

The Board, on the recommendation of the Audit Committee, has re-appointed Ernst & Young LLP, Chartered Accountants, Gurugram and ANB & Co. Chartered Accountants, Mumbai as the internal assurance partners for the FY 2020-21.

Report of the Internal Auditors and Internal Assurance Partners for the FY 2019-20 does not contain any qualification, reservation, disclaimer or adverse remark.

### **Cost Auditors**

The Board, on the recommendation of the Audit Committee has approved the appointment of Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2020. The Cost Auditors will submit their report for FY 2019-20 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

Cost Audit report for the FY 2018-19 does not contain any qualification, reservation, disclaimer or adverse remark.

### **Cost records**

Maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and the prescribed cost records have been made and maintained by the Company.

### **Secretarial Auditors**

The Company had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2020. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

The Secretarial Audit Report is annexed as **Annexure C** to this report.

The Board has re-appointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for FY 2020-21.

### **Sustainability Journey**

We, at Bharti Airtel, strongly believe that the Information and Communications Technology (ICT) is playing a pivotal role in shaping the future, by helping to advance towards a low carbon economy, sustainable growth and community development. As one of the leading global telecommunication services company, our services leverage the power of ICT to help elevate the quality of lives for people, by providing them with the connectivity they need to function in a dynamically advancing world. Our business model is evolving to consistently innovate and thereby, contribute in creating an inclusive and empowered society. To continue progressing towards this objective, we are striving to adopt best practices, in order to better integrate sustainability in our strategies and operations.

Our Vision defines what we aim to do, whereas our Core Values - Alive, Inclusive and Respectful - expound how we aim to embrace these responsible business practices. We owe our sustained business growth to our stakeholders and hence, continue to improve and strengthen our sustainability approach through systematic engagement with our stakeholders worldwide. We relentlessly strive to provide long-term sustainable value to all our stakeholders including investors, customers, employees, business partners and suppliers, government and regulators and communities. This is ensured through ongoing engagement with our stakeholders through multiple channels to gauge their expectations, understand their concerns and, apprise them of our sustainability priorities, practices and performance, all the while seeking to collaborate with them for creating sustainable and shared value. Our sustainability initiatives towards topics that are material to our stakeholders and to the company, have been reported in our Integrated Report, as well as on our website <http://www.airtel.in/sustainability>.

### **Corporate Social Responsibility ('CSR')**

Since the Company did not have profits (average net profits for the last three financial years), it was not obligated to contribute towards CSR activities during FY 2019-20. However, the Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

Accordingly, despite the unprecedented challenges and pressure on the telecom industry, the Company has made voluntary CSR contribution of ₹ 316.19 Mn. during the financial year 2019-20. Additionally, the Company has also contributed ₹ 2.35 Mn. towards various other charitable causes which are not covered within the ambit of the provisions of Section 135 of the Companies Act, 2013. The aggregate CSR spending of the Company for FY 2019-20 (including other contributions) is ₹ 318.54 Mn.

A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility Report, which forms part of the Annual Report.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as **Annexure D** to this Report.

## Integrated Reporting

The Securities and Exchange Board of India ('SEBI') vide circular no: SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 06, 2017 had recommended voluntary adoption of 'Integrated Reporting' (IR) from 2017 - 2018 by the top 500 listed companies in India. We continue with our integrated reporting journey in the current fiscal aligning with our philosophy of being a highly transparent and responsible company. This is our third Integrated Report wherein we are guided by the principles of International Integrated Reporting Framework developed by the International Integrated Reporting Council ('IIRC'). The Board acknowledges its responsibility for the integrity of report and information contained therein.

## Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report.

## Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations the Management Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

## Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report.

A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under the Listing Regulations is annexed as **Annexure H** to this report.

## Statement containing additional information as required under Schedule V of the Companies Act, 2013

A statement containing additional information as required under Clause IV of Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the Report on Corporate Governance, which forms part of this Annual Report.

## Risk Management

Risk management is embedded in Bharti Airtel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a process in place to identify key risks across the group and prioritise relevant action plans to mitigate these risks.

To have more robust process, the Company had constituted a separate Risk Management Committee to focus on the risk management including determination of company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

Risk management framework is reviewed periodically by the Board and Risk Management Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the short and foreseeable future. The policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The Internal Audit function is responsible to assist the Audit Committee (erstwhile Audit & Risk Management Committee) / Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

Operationally, risk is being managed at the top level by Management Boards in India and South Asia and in Africa (AMB and Africa Exco) and at operating level by Executive Committees of circles in India and operating companies in the international operations.

Detailed discussion on risk management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

## Internal Financial Control and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate

controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

## Other Statutory Disclosures

### Vigil Mechanism

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's website at [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Code-of-Conduct-applicable-to-Directors-and-Senior-Management-of-the-com\\_B30F70736F8A8DEE6203908A7988580D.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Code-of-Conduct-applicable-to-Directors-and-Senior-Management-of-the-com_B30F70736F8A8DEE6203908A7988580D.pdf).

A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

### Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in form MGT-9 is annexed herewith as **Annexure E** to this report.

The extract of Annual Return is available on the Company's website at <https://www.airtel.in/about-bharti/equity/results>.

### Prevention of Sexual Harassment of Women at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at work place. Details of the same including the details of the complaints received and disposed off are provided in the Report on Corporate Governance, which forms part of this Integrated Report.

### Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future other than the orders passed by tribunal w.r.t. various scheme of merger/arrangements mentioned earlier in this report and the judgement of Honorable Supreme Court of India dt. October 24, 2019 in relation to a long outstanding industry wide case upholding the view of the Department of Telecommunications, Union of India, in respect of the definition of Adjusted Gross Revenue ('AGR').

### Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of Note no. 7, 9 and 22 respectively to the financial statements provided in the full version of the Annual Report.

### Disclosure under Section 197(14) of the Companies Act, 2013

The Chairman or the Managing Director & CEO (India and South Asia) does not receive any such remuneration or commission from the Company or its holding company or subsidiary company which requires disclosure under Section 197(14) of the Companies Act, 2013.

### Related Party Transactions

A detailed note on the procedure adopted by the Company in dealing with contracts and arrangements with related parties is provided in the Report on Corporate Governance, which forms part of this Annual Report.

All arrangements / transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions read with the Listing Regulations and accordingly, the disclosure of related party transactions in Form AOC - 2 is not applicable. However, names of related parties and details of transactions with them have been included in Note no. 33 to the financial statements provided in the Annual Report under Indian Accounting Standards 24.

The Policy on the related party transactions is available on the Company's website at [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-on-Related-Party-Transactions\\_2E9BFE0648B2C56BAC33CAF5676D6BC1\\_1566305301148.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-on-Related-Party-Transactions_2E9BFE0648B2C56BAC33CAF5676D6BC1_1566305301148.pdf).

### Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as **Annexure F** to this report.

### Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 ('the Act') read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure G** to this report.

Particulars of employee remuneration as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 forms part of this report. In terms of the provisions of the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the shareholders excluding the aforementioned information. The information will be available on the Company's website at <https://www.airtel.in/about-bharti/equity/results> and will also be available 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. upto the date of AGM and a copy of the same will also be available electronically for inspection by the members during the AGM. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

## **Directors' Responsibility Statement**

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- b) the Directors had 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 and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Acknowledgements**

The Board wishes to place on record their appreciation to the Department of Telecommunications ('DoT'), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 14 countries in Africa, Company's bankers and business associates, for the assistance, co-operation and encouragement extended to the Company.

The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz., Bharti Telecom Limited, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

## **For and on behalf of the Board**

**Sunil Bharti Mittal**

Chairman

DIN: 00042491

Date: May 18, 2020

Place: New Delhi

## ANNEXURE A

# DIVIDEND DISTRIBUTION POLICY

### 1. Preamble, Objective and Scope

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the company is required to formulate a Dividend distribution policy which shall be disclosed in its Annual Report and on its website.

To comply with the above requirement and with an endeavor to maintain a consistent approach to dividend pay-out plans, the Board of Directors ('Board') of Bharti Airtel Limited ('the Company') adopts this Dividend Distribution Policy ('Policy').

The objective of this Policy is to:

- (i) specify the parameters (including internal and external factors) that shall be considered while declaring the dividend;
- (ii) lay down the circumstances under which the shareholders of the Company may or may not expect dividend; and
- (iii) provide for the manner of utilization of retained earnings.

### 2. Dividend Philosophy

The Dividend philosophy of the Company is enshrined in the principle that along with maintaining a reasonably conservative policy in respect of liquidity and leverage, 'surplus' cash in the Company shall be returned to its shareholders when it is concluded by the Board that:

- ≡** The Company doesn't/ wouldn't have avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself; or
- ≡** By returning such 'surplus', the Company would be able to improve its return on equity, while simultaneously maintaining prudent & reasonably conservative leverage in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt : Equity etc.

The Company aims to distribute to its shareholders, the entire dividend income (net of taxes) it receives from its subsidiary/ associate companies.

### 3. Parameters/Factors considered by the Company while declaring dividend

In line with the philosophy stated in clause 2 above, the Board of Directors of the Company shall consider the following parameters before declaring or recommending dividend to shareholders:

#### A) Financial Parameters / Internal Factors:

- (a) Financial performance including profits earned (standalone), available distributable reserves etc;
- (b) Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt: Equity, including maintaining a targeted rating – domestically and internationally;
- (c) Alternate usage of cash viz. acquisition/Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to generate significantly higher returns for shareholders;
- (d) Debt repayment schedules;
- (e) Fund requirement for contingencies and unforeseen events with financial implications;
- (f) Past Dividend trend including Interim dividend paid, if any; and
- (g) Any other factor as deemed fit by the Board.

#### B) External Factors:

- (a) **Macroeconomic conditions:** In the event of uncertain or recessionary economic and business conditions, the Board may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances;
- (b) **Statutory requirements:** Statutory requirements, regulatory conditions or restrictions as applicable including tax laws, The Companies Act, 2013 and SEBI regulations etc;
- (c) **Agreements with Lending Institutions:** The Board may consider protective covenants in a bond indenture or loan agreement that may include

leverage limits & restrictions on payment of cash dividends in order to preserve the Company's ability to service its debt; and

- (d) **Capital Markets:** In favorable market scenarios, the Board may consider for liberal pay – out. However, it may resort to a conservative dividend pay-out in case of unfavorable market conditions.

#### **4. Circumstances under which the shareholders of the Company may or may not expect dividend**

In line with Dividend Philosophy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including the circumstances where:

- (a) The Company has sufficient avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself;
- (b) The Company is in higher need of funds for acquisition/diversification/expansion/investment opportunities/deleveraging or capital expenditures;
- (c) The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities; or
- (d) The Company has incurred losses or in the stage of inadequacy of profits.

#### **5. Utilization of retained earnings**

The profits retained by the Company (i.e. retained earnings) shall either be used for business purposes/ objects mentioned in its Memorandum & Articles of Association or shall be distributed to the shareholders.

#### **6. Parameters with regard to various classes of shares**

Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

#### **7. General**

This Policy shall be reviewed at least once every 3 years. The Chief Investor Relations Officer/ Corporate Chief Financial Officer and the Company Secretary are jointly authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at [compliance.officer@bharti.in](mailto:compliance.officer@bharti.in).

## ANNEXURE B

# POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY

### Preamble

The Board of Directors (the "Board") on the recommendation of the HR & Remuneration Committee (the "Committee") has approved and adopted this Nomination, Remuneration and Board Diversity Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Objectives

The main objectives of this Policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in Senior Management positions.
- To lay down criteria for determining the Company's approach to ensure adequate diversity in its Board.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine remuneration of Directors, KMPs and other senior management personnel's, keeping in view all relevant factors including industry trends and practices.
- To provide for rewards linked directly to their effort, performance, dedication and achievement of the Company's target.

### A. Attributes, qualifications and diversity

#### Directors and Key Managerial Personnel

The Committee shall be responsible for identifying a suitable candidate for appointment as Director or as KMP of the Company.

The Board shall consist of such number of Directors as is necessary to effectively manage the Company of the size and nature as of Bharti Airtel, subject to a minimum of 3 and maximum of 15, including woman Directors. The Board

shall have an appropriate combination of Executive, Non-Executive and Independent Directors. The Board shall appoint a Chairman and a Managing Director or CEO and the roles of Chairman and Managing Director or CEO shall not be exercised by the same individual.

The Company recognizes the importance of truly diverse board in its success and believes that diverse board brings different set of expertise and perspectives. Therefore, while evaluating a person for appointment / re-appointment as Director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, nationality, gender, age, experience and understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business. The Committee might consider such other factors, relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the proposed Director satisfies the following additional criteria:

- Eligible for appointment as a Director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Companies Act, 2013, and the Listing Regulations.
- Has attained minimum age of 25 years and is not older than 70 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India and seven Indian listed companies.
- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of "independence" as set out in Section 149 of the Companies Act, 2013 and the Listing Regulations and other applicable laws.

- Should not hold the position of Independent Director in more than seven Indian listed companies and if serving as Whole-time Director in any Indian listed company then in not more than three Indian listed companies.
- Should not hold any Board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.

The re-appointment / extension of term of any Board members shall be on the basis of their performance evaluation report.

## **Senior Management**

While evaluating a person for appointment / re-appointment in a senior management position, the management shall consider various factors including individual's background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

"Senior Management", for the purpose of this Policy, means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the Management one level below the chief executive officer/managing director/whole time director/manager and shall specifically include company secretary and chief financial officer.

## **B. Remuneration Policy**

### **Board Members**

The overall limits of remuneration of the Board members including Executive Board members (i.e. Managing Director, Whole-time Director, Executive Directors etc.) are governed by the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc.

### **Non-Executive Directors including Independent Directors**

Pursuant to the provisions of Section 197 of the Companies Act, 2013, rules made thereunder and the shareholders' approval, the Board has approved the following remuneration for Non-Executive Directors (including Independent Directors):

### **i. Commission on Net Profit (Calculated as per Section 198 of the Companies Act, 2013)**

#### **Amount of Commission per annum:**

Subject to availability of sufficient profits and within an overall ceiling of 1% of the net profits for all non-executive directors in the aggregate, the amount of commission payable to:

#### **A. Non-Independent Non-executive directors:**

- USD 60,000 for directors not residing in India
- ₹ 3,000,000 for directors residing in India

#### **B. Independent non-executive directors:**

- USD 100,000 for directors not residing in India
- ₹ 5,000,000 for those residing in India

The Independent Directors shall also be entitled to following additional commission:

#### **i. Audit Committee:**

##### **Chairmanship:**

- Not residing in India: USD 50,000/- per annum
- Residing in India: ₹ 3,000,000/- per annum

##### **Membership:**

- Not residing in India: USD 10,000/- per annum
- Residing in India: ₹ 500,000/- per annum

#### **ii. HR and Nomination Committee:**

##### **Chairmanship:**

- Not residing in India: USD 50,000/- per annum
- Residing in India: ₹ 3,000,000/- per annum

##### **Membership:**

- Not residing in India: USD 10,000/- per annum
- Residing in India: ₹ 500,000/- per annum

#### **iii. Risk Management Committee:**

##### **Chairmanship:**

- ₹ 2,000,000/- per annum

Independent Directors will also be entitled to Travel fee of USD 10,000 per meeting if not residing in India.

#### **Frequency of Payment:**

The commission is payable annually after the approval of the financial results.

## **ii. Sitting Fees**

In addition to the profit linked commission, the Independent Directors will also be entitled to sitting fee of ₹ 100,000/- per Board meeting or Committee meeting (attended in person or through video conference). If the Board appoint any person as an alternate Director to an Independent Director, such person will be entitled to sitting fee for the relevant meeting.

### **Executive Board Members (Managing Director, Whole-Time Director, Executive Directors etc.)**

The remuneration (including revision in the remuneration) of Executive Board members shall be approved by the Board on the basis of the recommendation of the HR and Nomination Committee.

The remuneration payable to Executive Board members shall consist of (a) Fixed Pay, which is payable monthly, and shall include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against predetermined KRAs), his / her respective Business Unit and the overall Company's performance (c) Long term incentive / ESOPs as may be decided by the HR & Nomination Committee from time to time.

### **Remuneration to Key Managerial Personnel (other than Managing Director and Whole-Time Director), Senior Management and other employees**

The remuneration of Key Managerial Personnel (other than managing director and whole time director), shall be as per the compensation and appraisal policy of the Company.

### **Remuneration to Key Managerial Personnel (other than Managing Director and Whole-time Director), Senior Management and other employees**

The remuneration of Key Managerial Personnel (other than Managing Director and Whole-time Director), shall be as per the compensation and appraisal policy of the Company.

The remuneration payable to key managerial personnel (other than Managing Director and Whole-time Director), senior management and other employees shall consist of (a) Fixed Pay, which is payable monthly and include basic pay, contributions to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual employee (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company performance (c) Long term incentive / ESOPs as may be decided by the Committee from time to time.

The HR and Nomination Committee shall recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

### **Disclosures by the Company**

This Policy shall be disclosed in the Company's annual report.

### **General**

The Company Secretary is authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or Securities and Exchange Board of India w.r.t. Directors' any matter covered by this policy. The amended policy shall be placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti.in.

## ANNEXURE C

# SECRETARIAL AUDIT REPORT

**For the financial year ended March 31, 2020**

The Members,

**Bharti Airtel Limited**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharti Airtel Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not Applicable

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their Sectors/ Businesses are:

- a) The Indian Telegraph Act, 1885
- b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made thereunder
- c) The Indian Wireless Telegraphy Act, 1933

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- i. Hon'ble Supreme Court of India has delivered a judgement vide its order dated October 24, 2019 in relation to a long outstanding industry-wide case between the Department of Telecommunication (DoT) and Mobile operators on the definition of Adjusted Gross Revenue ("AGR") and uphold the view considered by Department of Telecommunications ("DoT") in respect of the definition of AGR and directed the company to pay the outstanding dues to DoT in this regard.
- ii. Approval of Composite Scheme of Arrangement between Bharti Airtel Limited ('Transferor Company 1'), Bharti Airtel Services Limited ('Transferor Company 2'), Hughes Communications India Private Limited (formerly known as Hughes Communications India Limited) ('Transferee Company 1') and HCIL Comtel Private Limited (formerly known as HCIL Comtel Limited) ('Transferee Company 2').

- iii. Approval of Transfer of submarine cables to Network i2i Ltd by way of slump sale for total minimum consideration of ₹491 Crores.
- iv. Pursuant to the approval of shareholders, Board of Directors has approved the issuance and allotment of 1,133,591,075 fully paid-up equity shares of face value of ₹ 5 each ('rights equity shares') of our company for cash at a price of ₹ 220 per rights equity share (including a premium of ₹ 215 per rights equity share) aggregating up to ₹ 249,390.04 Mn.
- v. Company has outstanding balance of unsecured commercial papers of ₹ 1025 crores at the end of period under review.
- vi. Scheme of arrangement between Telesonic Networks Limited and the Company was approved by Hon'ble National Company Law Tribunal.
- vii. Pursuant to the approval of shareholders, Board of Directors has approved the issuance and allotment of 323,595,505 equity shares of face value ₹ 5 each (the "Equity Shares") at a price of ₹ 445 per Equity Share, including a premium of ₹ 440 per equity share aggregating to ₹ 144,000 Mn to qualified institutional buyers.
- viii. Pursuant to the approval of shareholders for the issuance of Foreign Currency Convertible Bonds and/or secured/unsecured redeemable Non-Convertible Debentures along with or without warrants, each for an aggregate amount up to and not exceeding USD 1 Bn (US Dollars one billion only) or its equivalent in Indian rupees, Board of Directors has approved the issuance and allotment of Foreign Currency Convertible Bonds of USD 1,000 Mn 1.50% foreign currency convertible bonds due 2025 ("FCCBs"), convertible into fully paid-up equity shares of face value of ₹ 5 each of the Company.

Chandrasekaran Associates  
Company Secretaries

**Dr. S. Chandrasekaran**

Senior Partner

Membership No. FCS No.: 1644

Certificate of Practice No.: 715

UDIN : F001644B000234074

Date: 13.05.2020  
Place: Delhi

#### Notes:

- i. This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.
- ii. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The

management has confirmed that the records submitted to us are the true and correct.

- iii. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-2020. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances

# ANNEXURE-A TO THE

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## SECRETARIAL AUDIT REPORT

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The Members

**Bharti Airtel Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 13.05.2020

Place: Delhi

Chandrasekaran Associates  
Company Secretaries

**Dr. S. Chandrasekaran**

Senior Partner

Membership No. FCS No.: 1644

Certificate of Practice No.: 715

UDIN : F001644B000234074

## ANNEXURE D

# THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### **1. Brief Outline of Company's CSR Policy**

At Bharti Airtel, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just meet, but try and exceed the expectations of the communities in which we operate.

The CSR policy of the Company, which is available on its website, was adopted by the Board of Directors on April 29, 2014. The Company's CSR activities focus on promoting education for the underprivileged with special emphasis on girl child, livelihood enhancement education programs, eradicating hunger, promoting preventive health care and sanitation. Bharti Airtel's CSR activities are committed to create and support programs that bring about sustainable changes through education.

The detailed CSR Policy of the Company is available on Company's website at [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/CSR\\_Policy\\_10ACFEC1415DDCD4D533867DE5B8642D.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/CSR_Policy_10ACFEC1415DDCD4D533867DE5B8642D.pdf)

The overview of various CSR projects and programs undertaken by the Company has been provided in the Corporate Social Responsibility Report section of this Annual Report.

### **2. Composition of CSR Committee**

Name	Category
Rakesh Bharti Mittal, Chairman	Non-Executive Director
Dinesh Kumar Mittal	Independent Director
Gopal Vittal	Managing Director & CEO (India & South Asia)

(₹ Mn)

**3. Average net profit before tax of the Company for last three financial years** (15,090)

**4. Prescribed CSR Expenditure (2% of the amount as above)** Nil

### **5. Details of CSR spent during the year**

a) Total amount to be spent for the financial year	Nil
i) Amount spent towards CSR activities	316.19
ii) Amount spent towards other charitable activities	2.35
b) Amount Unspent	N.A.
c) Manner in which the amount spend during the financial year is detailed below:	

\*The Company has voluntarily contributed ₹ 316.19 Mn. as CSR contribution of under Section 135 of Companies Act, 2013. In addition to the above, the Company has also contributed ₹ 2.35 Mn. to various other charitable institutions. The consolidated contribution of the Company towards various CSR program during the financial year 2019-20 is ₹ 318.54.

S. CSR project or No. activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs\ wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
<b>Eligible CSR Programs/ Projects</b>						
1. Education programs	Promotion of education	Specified below*	88.00	2.15	1418.67	Bharti Foundation
2. Crop science research and development program	Livelihood enhancement Program	Punjab	12.00	-	34.30	Bharti Foundation
3. Magic Bus Foundation	Promotion of education	Delhi and Mumbai	2.50	2.26	6.56	Direct
4. Anubandh - Old Age Home	Setting up and supporting old age homes	Jodhpur, Rajasthan	3.00	3.00	14.00	Direct
5. Satya Bharti Foundation	Setting up of Satya Bharti University	NCR	300.00	300.00	600.00	Direct
6. Skill development program for youth and vocational skills for women	Employment enhancing vocation skills	Chhindwara, Madhya Pradesh	10.00	8.78	53.21	Centum Foundation
7. The Energy and Resources Institute (TERI)	Information and Communications Technologies (ICT) based solutions for education, healthcare, nutrition, financial inclusion and governance etc.	Telangana, Maharashtra, Uttar Pradesh	26.00	-	25.99	Direct
<b>Total (A)</b>			<b>441.50</b>	<b>316.19</b>	<b>2,152.73</b>	
<b>Other Contributions</b>						
8. Miscellaneous	Miscellaneous	Miscellaneous	2.35	2.35	39.60	Direct
<b>Total (B)</b>			<b>2.35</b>	<b>2.35</b>	<b>39.60</b>	
<b>Grand Total (A+B)</b>			<b>443.85</b>	<b>318.54</b>	<b>2,192.33</b>	

The programs where the Company had not made any budget/outlay or contribution during the FY 2019-20 have not been disclosed above.

\*Satya Bharti Schools Program – 6 states – Rajasthan: Jodhpur; Punjab: Amritsar, Ludhiana, Sangrur; Haryana: Kaithal, Kurukshetra, Rewari, Mahendergarh, Jhajjar; Uttar Pradesh: Farrukhabad, Shahjahanpur; West Bengal: Murshidabad; Tamil Nadu: Sivaganga

Satya Bharti Quality Support Program – 11 states/3 UTs – Rajasthan: Jodhpur, Barmer, Tonk, Ajmer, Pali; Punjab: Bathinda, Fazilka; Haryana: Gurgaon, Karnal, Kurukshetra, Mahendargarh, Rewari; Uttar Pradesh: Ghazipur; Telangana: Rajanna Sircilla; J&K: Jammu, Kashmir; Delhi: N-W Delhi, North Delhi, S-W Delhi, West Delhi; Goa: North Goa, South Goa; Jharkhand: Dumka, Deoghar, Godda, Pakur; Meghalaya: East Jaintia Hills, West Jaintia Hills; Assam: Majuli, Jorhat, Biswanath, Kamrup; Karnataka: Ramanagara; Himachal Pradesh: Shimla; Ladakh: Leh, Kargil

## 6. Reason for not spending the prescribed 2% amount

Since the Company did not have profits (average net profits for the last three financial years), it was not obligated to contribute towards CSR activities during FY 2019-20. However, the Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

Accordingly, despite the unprecedented challenges and pressure on the telecom industry, the Company has made voluntary CSR contribution of ₹ 316.19 Mn during the financial year 2019-20. Additionally, the Company has also contributed ₹ 2.35 Mn. towards various other charitable causes (disclosed as 'other contributions' in the above mentioned table) which are not covered within the ambit of the provisions of Section 135 of the Companies Act, 2013. The aggregate CSR spending of the Company for FY 2019-20 (including other contributions) is ₹ 318.54 Mn. The above voluntary contribution reflects the Company's commitment to pursue socio economic and cultural objectives for benefit of society at large.

### **Responsibility statement of the CSR Committee**

The Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

#### **Gopal Vittal**

Managing Director & CEO (India & South Asia)  
DIN: 02291778

#### **Rakesh Bharti Mittal**

Chairman, CSR Committee  
DIN: 00042494

## ANNEXURE E

# EXTRACT OF ANNUAL RETURN

**Form No. MGT-9**

**as on the financial year ended on March 31, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and Other Details:

CIN	L74899DL1995PLC070609
Registration Date	July 07, 1995
Name of the Company	Bharti Airtel Limited
Category of the Company	Limited by shares
Sub-Category of the Company	Indian Non - Government Company
Address of the Registered office and contact details	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070. Phone : +91 11 4666 6100
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent	KFin Technologies Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India. Phone : +91 040 6716 2222

### II. Principal Business Activities of the Company

Businesses contributing 10% or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products/services	NIC Code of the product/service*	% to total turnover of the company
1	Wireless telecommunications activities	612	85.83

**Note:**\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation.

### III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name of the Company	Address	CIN/Registration No.	Effective % of shares held
<b>Holding Company u/s 2(46) of the Companies Act, 2013</b>				
1.	Bharti Telecom Limited	Airtel Centre, Plot No. 16, Udyog Vihar, Phase - IV, Gurugram, Haryana – 122001	U32039HR1985PLC032091	38.79
<b>Subsidiary Companies u/s 2(87)(ii) of the Companies Act, 2013</b>				
1.	Bharti Airtel Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U64201DL1997PLC091001	100.00
2.	Bharti Hexacom Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U74899DL1995PLC067527	70.00
3.	Bharti Infratel Limited	901, Park Centra, Sector 30, NH-8, Gurugram, Haryana - 122001	L64201HR2006PLC073821	53.51
4.	SmarTx Services Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U64202DL2015PLC285515	53.51
5.	Indo Teleports Limited (Formerly known as Bharti Teleports Limited)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U32204DL2008PLC183976	99.99

S. No.	Name of the Company	Address	CIN/Registration No.	Effective % of shares held
6.	Bharti Telemedia Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U92200DL2006PLC156075	80.00
7.	Airtel Payments Bank Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U65100DL2010PLC201058	80.10
8.	Telesonic Networks Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U64200DL2009PLC325406	100.00
9.	Nxtra Data Limited	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U72200DL2013PLC254747	100.00
10.	Airtel Digital Limited (formerly known as Wynk Limited)	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi- 110 070	U74140DL2015PLC275325	100.00
11.	Nettle Infrastructure Investments Limited	3rd Floor, Worldmark 2 Asset 8, Aerocity, NH- 8, New Delhi	U93000DL2010PLC301236	100.00
12.	Bharti Airtel (France) SAS	88 ter, avenue du Général Leclerc – 92100 Boulogne, Billancourt, France	RCS Nanterre 523 035 426	100.00
13.	Bharti Airtel (Hong Kong) Limited	4th Floor, Cheung Hing Industrial Building, 12P, Smithfield Road, Kennedy Town, Hong Kong	1080074	100.00
14.	Bharti Airtel (Japan) Private Limited	Shinjuku Park Tower N, 30th Floor, 7-1, 0111-01-055989 Nishishinjuku 3-chome, Shinjuku-ku, Tokyo		100.00
15.	Bharti Airtel (UK) Limited	10, Queen Street Place, London, United Kingdom EC4R 1AG	05917314	100.00
16.	Bharti Airtel (USA) Limited	80 River Street, Suite 2B, Hoboken, NJ 07030	F-060912000-217	100.00
17.	Bharti Airtel International (Mauritius) Limited	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	094380 C1/GBL	100.00
18.	Bharti Airtel International (Netherlands) B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34387410	56.01
19.	Bharti Airtel Lanka (Private) Limited	Level 11, West Tower, World Trade Centre, Echelon Square Colombo 1, Sri Lanka	PV10652	100.00
20.	Bharti International (Singapore) Pte. Ltd.	150, Orchard Road, #08-01, Orchard Plaza, Singapore-238841	2010-05788-R	100.00
21.	Bharti Airtel International (Mauritius) Investments Limited	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	154803 C1/GBL	100.00
22.	Network i2i Limited	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	25951/6339	100.00
23.	Africa Towers N.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	50979965	56.01
24.	Airtel (Seychelles) Limited	Emerald House, P.O. Box 1358, Providence, Mahe, Seychelles	841930-1	56.01
25.	Airtel Congo S.A.	2ème Etage de L'Immeuble SCI Monte Cristo, Rond-Point de la Gare, Croisement de l'Avenue Orsy et de Boulevard Denis Sassou Nguesso, Centre Ville, B.P. 1038, Brazzaville, Congo	CG/BZV/07 B299	50.41
26.	Airtel Gabon S.A.	Immeuble Libreville, Business Square, Rue Pecqueur, Centre-Ville, B.P. 9259 Libreville, Gabon	2001/B01 000	54.86
27.	Airtel Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	1997B00392	56.01
28.	Airtel Malawi plc	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	TMBRS 1011981	44.81
29.	Airtel Mobile Commerce BV.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34375413	56.01
30.	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34381129	56.01
31.	Airtel Mobile Commerce (Kenya) Limited	Parkside Towers, Mombasa Road, P. O. Box, 73146-00200, Nairobi, Kenya	C 169576	56.01

<b>S. No.</b>	<b>Name of the Company</b>	<b>Address</b>	<b>CIN/Registration No.</b>	<b>Effective % of shares held</b>
32.	Airtel Mobile Commerce Limited	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	9831	56.01
33.	Airtel Mobile Commerce Madagascar S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	2011B00235	56.01
34.	Airtel Mobile Commerce (Rwanda) Limited	Remera, Gasabo, P.O. Box 4164, Kigali, Rwanda	102933620	56.01
35.	Airtel Mobile Commerce (Seychelles) Limited	Emerald House, P.O. Box 1358, Providence, Mahe, Seychelles	8412656-1	56.01
36.	Airtel Mobile Commerce (Tanzania) Limited	Airtel House, Block 41 Corner of Ali Hassan Mwinyi Road/ Kawawa Road, Kinondoni District P.O. Box 9623, Dar es Salaam, Tanzania	79802	56.01
37.	Airtel Mobile Commerce Tchad S.a.r.l.	Immeuble du Cinéma Etoile, Rue du Commandant Galyam Négal, B.P. 5665, N'Djaména, Tchad	TC/NDJ/10B 183	56.01
38.	Airtel Mobile Commerce Uganda Limited	Airtel Towers, Plot 16-A Clement Hill Road, Kampala, Uganda	123833	56.01
39.	Airtel Mobile Commerce Zambia Limited	Airtel House, Stand 2375, Addis Ababa Drive, P.O. Box 320001, Lusaka, Zambia	80052	56.01
40.	Airtel Money (RDC) S.A.	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	CD/KIN/RCCM/14-B-6552	55.17
41.	Airtel Money Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	RCCM-NI-NIA 2009-B-1848	50.41
42.	Airtel Money S.A.	Avenue du Colonel Parrant, B.P. 23 899, Libreville, Gabon	RG LBV 2001 B 09955	56.01
43.	Airtel Networks Kenya Limited	Parkside Towers, Mombasa Road, P. O. Box 73146-00200, Nairobi, Kenya	C. 140223	56.01
44.	Airtel Networks Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	RC398557	51.38
45.	Airtel Networks Zambia plc	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	38136	53.97
46.	Airtel Rwanda Limited	Airtel Building, Remera, KG 17Ave, P.O. Box 4164, Kigali, Rwanda	102437818	56.01
47.	Airtel Tanzania plc	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	41291	28.57
48.	Airtel Tchad S.A.	Rue du Commandant Galyam Négal, Immeuble du Cinéma Etoile, B.P. 5665, N'Djaména, Tchad	TC/NDJ/10B127	56.01
49.	Airtel Uganda Limited	Airtel Towers, Plot 16 -A, Clement Hill Road, P.O. Box 6771, Kampala, Uganda	V-232-36	56.01
50.	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	08076497	56.01
51.	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34125184	56.01
52.	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	08077621	56.01
53.	Bharti Airtel Developers Forum Limited	Stand No. 2375 Corner of Great East/ Addis Ababa Road, Lusaka, Zambia	82795	53.97
54.	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	08078528	56.01
55.	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	38023926	56.01
56.	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34164357	56.01
57.	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34204848	56.01
58.	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	08077659	56.01

S. No.	Name of the Company	Address	CIN/Registration No.	Effective % of shares held
59.	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, 34164359 the Netherlands		56.01
60.	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, 34143743 the Netherlands		56.01
61.	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, 34164360 the Netherlands		56.01
62.	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, 08077623 the Netherlands		56.01
63.	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, 34125193 the Netherlands		56.01
64.	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, 08077657 the Netherlands		56.01
65.	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, 08078747 the Netherlands		56.01
66.	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, 08078530 the Netherlands		56.01
67.	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, 08076501 the Netherlands		56.01
68.	Celtel (Mauritius) Holdings Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th floor, Tower A, 1 Cybercity, Ebene, 72201 Republic of Mauritius	C18259/3238 C/GBL	56.01
69.	Airtel Congo (RDC) S.A.	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	CD/KNG/RCCM/13-B-01054	55.17
70.	Celtel Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	RCCM-NI-NIM-2004-B 768	50.41
71.	Channel Sea Management Company (Mauritius) Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th floor, Tower A, 1 Cybercity, Ebene, 72201 Republic of Mauritius	C18258/3237 C1/GBL	56.01
72.	Congo RDC Towers S.A.	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	CD/KIN-RCCM/14-B 4040	56.01
73.	Indian Ocean Telecom Limited	28 Esplanade, St. Helier, Jersey JE2 3QA, Channel Islands	70138	56.01
74.	Madagascar Towers S.A.	Immeuble Kube B, Zone Galaxy, Andraharo, Antananarivo 101, Madagascar	2011 B 00184	56.01
75.	Malawi Towers Limited	Airtel Complex, Off Convention Drive, P.O. Box 57, Lilongwe, Malawi	10995	56.01
76.	Mobile Commerce Congo S.A.	2ème Etage de L'Immeuble SCI Monte Cristo, Rond-Point de la Gare, Croisement de l'Avenue Orsy et de Boulevard Denis Sassou Nguesso, Centre Ville, B.P. 1038, Brazzaville, Congo	CG/BZV/09 B 1796	56.01
77.	Montana International	C/o Ocorian Corporate Services (Mauritius) Limited, 6th floor, Tower A, 1 Cybercity, Ebene, 72201 Republic of Mauritius	6/97/2593 C2/GBL	56.01
78.	Partnership Investments S.a.r.l	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	CD/KIN/RCCM/14-B-4497	56.01
79.	Société Malgache de Téléphone Cellulaire S.A.	C/o Ocorian Corporate Services (Mauritius) Limited, 6th floor, Tower A, 1 Cybercity, Ebene, 72201 Republic of Mauritius	C19022/3479 C1/GBL	56.01
80.	Tanzania Towers Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	82086	28.57
81.	Bharti Airtel Rwanda Holdings Limited	c/o Ocorian Corporate Services (Mauritius) Ltd, 6th floor, Tower A, 1 Cybercity, Ebene, Mauritius	C083311 C1/GBL	56.01
82.	Airtel Money Transfer Limited	Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	CPR/2015/199517	56.01

S. No.	Name of the Company	Address	CIN/Registration No.	Effective % of shares held
83.	Airtel Money Tanzania Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District P.O.Box 9623, Dar es Salaam, Tanzania	127040	28.57
84.	Airtel Mobile Commerce (Nigeria) Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	1435923	51.38
85.	Airtel International LLP	Plot No. 5, Sector 34,Gurgaon, Haryana,122001, India	AAO-6642	56.01
86.	Airtel Africa Mauritius Limited	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	157279 C1/GBL	100.00
87.	Bharti Airtel Overseas (Mauritius) Limited	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	157278 C1/GBL	100.00
88.	Bharti Airtel Holding (Mauritius) Limited	C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius	157239 C1/GBL	100.00
89.	Airtel Africa plc	53/54 Grosvenor Street, London, United Kingdom, W1K 3HU	11462215	56.01
90.	Airtel Mobile Commerce Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73275166	56.01
91.	Airtel Mobile Commerce Congo B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837342	56.01
92.	Airtel Mobile Commerce (Seychelles) B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837652	56.01
93.	Airtel Mobile Commerce Madagascar B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837938	56.01
94.	Airtel Mobile Commerce Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837768	56.01
95.	Airtel Mobile Commerce Rwanda B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837326	56.01
96.	Airtel Mobile Commerce Malawi B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837814	56.01
97.	Airtel Mobile Commerce Uganda B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73838128	56.01
98.	Airtel Mobile Commerce Tchad B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73837555	56.01
99.	Airtel Mobile Commerce Zambia B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	73838004	56.01
100.	Network I2I (Kenya) Limited	The Oval, Junction of Ring Road Parklands and Jalaram Road Westlands, P.O. Box 962-00100 - G.P.O Nairobi	PVT-7LU62AL	100.00
101.	Gabon Towers S.A. (under liquidation)	124 Avenue Bouët, B.P. 23 899, Libreville, Gabon	RG LBV 2011B11106	54.86

**Associates u/s 2(6) of the Companies Act, 2013**

1	Seynse Technologies Private Limited	Villa No. 4, House No. 22/296 Naroo Heights, Opp. Manipal Hospital Dona Paula, North Goa	U74999GA2015PTC007655	22.54
2	Aban Green Power Private Limited	Janpriya Crest 113, Pantheon Road Egmore, Chennai, Tamil Nadu	U40103TN2013PTC090446	24.88
3	Juggernaut Books Private Limited	No. C-1-128, First Floor, Sangam Vihar Near Holi Chowk New Delhi South Delhi DL 110080 IN	U22219DL2015PTC280186	18.75
4	Greenergy Wind Corporation Private Limited	No.3, 2nd Floor Queens Road Cross Near Congress Committee Office Bangalore KA 560052	U40104KA2012PTC062414	20.33
5	Editorji Technologies Private Limited (w.e.f. August 29, 2018)	Third Floor, Plot B Khasra No. 360, Sultanpur, M G Road New Delhi South Delhi DL 110030 IN	U74999DL2018PTC328540	19.99
6	Seychelles Cable Systems Company Limited	Caravelle House, 3rd floor, Victoria, Mahe, Seychelles	846498-1	14.56

S. No.	Name of the Company	Address	CIN/Registration No.	Effective % of shares held
7	Robi Axiata Limited	53 Gulshan South Avenue, Gulshan-1, C29552 Dhaka-1212, Bangladesh		25.00
8	RedDot Digital Limited	53 Gulshan South Avenue Gulshan-1 C-156774/2019 Dhaka-1212, Bangladesh		25.00
<b>Joint Venture Companies u/s 2(6) of the Companies Act, 2013</b>				
1	Indus Towers Limited	Building No. 10, Tower A, 4th Floor, DLF Cyber City, Gurugram, Haryana - 122002	U92100HR2007PLC073822	22.47
2	Bridge Mobile Pte Limited	750 Chai Chee Road, Technopark@ ChaiChee, The Oasis, #03-02/0, Singapore 469000	200413856E	10.00
3	Firefly Networks Limited	A-19, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi, 110044	U74999DL2014PLC264417	50.00
4	Bharti Airtel Ghana Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, the Netherlands	34204633	50.00
5	Airtel Ghana Limited	Millicom Place, Barnes Road, PMB-TUC, Accra, Ghana	CS653052015	49.95
6	Millicom Ghana Company Limited (under liquidation)	Millicom Place, Barnes Road, PMB TUC, Accra, Ghana	CS417992014	49.95
7	Airtel Mobile Commerce (Ghana) Limited	Millicom Place, Barnes Road, PMB TUC, Accra, Ghana	CS050612017	49.95

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
		(II)	(III)	(IV)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A) PROMOTER AND PROMOTER GROUP</b>										
-1	<b>INDIAN</b>									
(a)	Individual /HUF	0	0	0	-	0	-	0	-	-
(b)	Central Government/ State Government(s)	0	0	0	-	0	-	0	-	-
(c)	Bodies Corporate	2,002,818,452	-	2,002,818,452	50.10	2,116,236,438	-	2,116,236,438	38.79	(11.31)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1) :</b>		<b>2,002,818,452</b>	-	<b>2,002,818,452</b>	<b>50.10</b>	<b>2,116,236,438</b>	-	<b>2,116,236,438</b>	<b>38.79</b>	<b>(11.31)</b>
-2	<b>FOREIGN</b>									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	680,963,103	-	680,963,103	17.04	1,101,344,767	-	1,101,344,767	20.19	3.15
(c)	Institutions	-	5	5	-	-	5	5	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(2) :</b>		<b>680,963,103</b>	5	<b>680,963,108</b>	<b>17.04</b>	<b>1,101,344,767</b>	5	<b>1,101,344,772</b>	<b>20.19</b>	<b>3.15</b>
<b>Total A=A(1)+A(2)</b>		<b>2,683,781,555</b>	5	<b>2,683,781,560</b>	<b>67.14</b>	<b>3,217,581,205</b>	5	<b>3,217,581,210</b>	<b>58.98</b>	<b>(8.16)</b>
<b>(B) PUBLIC SHAREHOLDING</b>										
-1	<b>INSTITUTIONS</b>									
(a)	Mutual Funds /UTI	332,166,717	-	332,166,717	8.31	576,882,430	-	576,882,430	10.57	2.26
(b)	Financial Institutions / Banks	3,386,527	-	3,386,527	0.08	4,338,450	-	4,338,450	0.08	(0.01)
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	193,815,581	-	193,815,581	4.85	265,349,594	-	265,349,594	4.86	0.02

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR (XI)
		DEMAT (III)	PHYSICAL (IV)	TOTAL (V)	% OF TOTAL SHARES (VI)	DEMAT (VII)	PHYSICAL (VIII)	TOTAL (IX)	% OF TOTAL SHARES (X)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(f)	Foreign Institutional Investors	703,956,986	-	703,956,986	17.61	1,106,820,441	-	1,106,820,441	20.29	2.68
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	345,239	-	345,239	0.01	16,916,333	-	16,916,333	0.31	0.30
<b>Sub-Total B(1) :</b>		<b>1,233,671,050</b>	-	<b>1,233,671,050</b>	<b>30.86</b>	<b>1,970,307,248</b>	-	<b>1,970,307,248</b>	<b>36.12</b>	<b>5.25</b>
<b>-2 NON-INSTITUTIONS</b>										
(a)	Bodies Corporate	18,463,268	5,444,250	23,907,518	0.60	16,760,767	8	16,760,775	0.31	(0.29)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	22,488,756	4,071	22,492,827	0.56	26,739,036	3,614	26,742,650	0.49	(0.07)
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	11,424,085	-	11,424,085	0.29	11,312,577	-	11,312,577	0.21	(0.08)
(c)	Others									
	CLEARING MEMBERS	7,671,705	-	7,671,705	0.19	6,112,681	-	6,112,681	0.11	(0.08)
	FOREIGN BODIES	2,182,710	-	2,182,710	0.05	152,740,765	-	152,740,765	2.80	2.75
	FOREIGN NATIONALS	-	-	-	-	1,598	-	1,598	-	-
	INVESTOR EDUCATION AND PROTECTION FUND	49,273	-	49,273	-	120,039	-	120,039	-	-
	NBFC	900	-	900	-	7,548	-	7,548	-	-
	NON RESIDENT INDIANS	1,114,291	-	1,114,291	0.03	1,697,955	2	1,697,957	0.03	-
	NRI NON-REPATRIATION	608,025	-	608,025	0.02	885,332	-	885,332	0.02	-
	Qualified Institutional Buyer	27	-	27	-	26,015,319	-	26,015,319	0.48	0.48
	EMPLOYEES ESOP TRUST	140,000	-	140,000	-	2,219,033	-	2,219,033	0.04	0.04
	TRUSTS	10,356,136	-	10,356,136	0.26	23,052,623	-	23,052,623	0.42	0.16
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(2) :</b>	<b>74,499,176</b>	<b>5,448,321</b>	<b>79,947,497</b>	<b>2.00</b>	<b>267,665,273</b>	<b>3,624.00</b>	<b>267,668,897</b>	<b>4.91</b>	<b>2.91</b>
	<b>Total B=B(1)+B(2) :</b>	<b>1,308,170,226</b>	<b>5,448,321</b>	<b>1,313,618,547</b>	<b>32.86</b>	<b>2,237,972,521</b>	<b>3,624.00</b>	<b>2,237,976,145</b>	<b>41.02</b>	<b>8.16</b>
	<b>Total (A+B) :</b>	<b>3,991,951,781</b>	<b>5,448,326</b>	<b>3,997,400,107</b>	<b>100.00</b>	<b>5,455,553,726</b>	<b>3,629.00</b>	<b>5,455,557,355</b>	<b>100.00</b>	<b>-</b>
(C)	Shares held by custodians, against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
-1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
-2	Public	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>3,991,951,781</b>	<b>5,448,326</b>	<b>3,997,400,107</b>	<b>100.00</b>	<b>5,455,553,726</b>	<b>3,629.00</b>	<b>5,455,557,355</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters / Promoter Group**

SI No.	Name of the Share Holder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Bharti Telecom Limited	2,00,28,18,452	50.10	-	2,11,62,36,438	38.79	-	(11.31)
2	Pastel Limited	59,13,19,300	14.79	-	75,90,06,862	13.91	-	(0.88)

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
3	Indian Continent Investment Limited	8,11,50,803	2.03	-	33,14,36,443	6.08	-	4.05
4	Viridian Limited	84,93,000	0.21	-	1,09,01,462	0.20	-	(0.01)
<b>Total</b>		<b>2,68,37,81,555</b>	<b>67.13</b>	-	<b>3,21,75,81,205</b>	<b>58.98</b>	-	<b>(8.15)</b>

**Notes:**

1. Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
2. Pastel Limited is a member of Promoter Group of Bharti Airtel Limited in accordance with Regulation 2(1)(t) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and is neither Promoter nor a person acting in concert with Promoter, Bharti Telecom Limited, under Regulation 2(1)(q) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
3. Indian Continent Investment Limited is person acting in concert with Bharti Telecom Limited, Promoter of Bharti Airtel Limited.
4. Viridian Limited is person acting in concert with Pastel Limited, member of Promoter Group of Bharti Airtel Limited as mentioned above.

**(iii) Change in Promoter's / Promoters' Group Shareholding**

Sl. No.	Name of the Promoter	Shareholding at the beginning of the Year		Date	Increase/Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of the Year #	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Bharti Telecom Limited	2,00,28,18,452	50.10		11,34,17,986		2,11,62,36,438	38.79
2	Pastel Limited	59,13,19,300	14.79		16,76,87,562		75,90,06,862	13.91
3	Indian Continent Investment Limited	8,11,50,803	2.03	29-May-2019	25,02,85,640	Rights Issue	33,14,36,443	6.08
4	Viridian Limited	84,93,000	0.21		24,08,462		1,09,01,462	0.20
<b>Total</b>		<b>2,68,37,81,555</b>	<b>67.13</b>	-	<b>53,37,99,650</b>	-	<b>3,21,75,81,205</b>	<b>58.98</b>

**Notes:**

1. Bharti Telecom Limited is promoter of Bharti Airtel Limited as prescribed in its IPO Prospectus dated February 07, 2002.
2. Pastel Limited is a member of Promoter Group of Bharti Airtel Limited in accordance with Regulation 2(1)(t) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 read with Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and is neither Promoter nor a person acting in concert with Promoter, Bharti Telecom Limited, under Regulation 2(1)(q) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
3. Indian Continent Investment Limited is person acting in concert with Bharti Telecom Limited, Promoter of Bharti Airtel Limited.
4. Viridian Limited is person acting in concert with Pastel Limited, member of Promoter Group of Bharti Airtel Limited as mentioned above.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1 Life Insurance Corporation of India (through various Schemes)</b>					
	At the beginning of the year	14,85,34,049	3.72	14,85,34,049	3.72
	Bought during the year	3,75,07,265	0.69	18,60,41,314	3.41
	Sold during the year	3,73,23,644	0.68	14,87,17,670	2.73
	At the end of the year	14,87,17,670	2.73	14,87,17,670	2.73
<b>2 ICICI Prudential Mutual Fund (through various Schemes)</b>					
	At the beginning of the year	13,78,20,895	3.45	13,78,20,895	3.45
	Bought during the year	8,79,59,940	1.61	22,57,80,835	4.14
	Sold during the year	6,89,94,279	1.26	15,67,86,556	2.87
	At the end of the year	15,67,86,556	2.87	15,67,86,556	2.87

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>3</b>	<b>Government of Singapore</b>				
	At the beginning of the year	1,44,42,037	0.36	1,44,42,037	0.36
	Bought during the year	18,52,51,421	3.40	19,96,93,458	3.66
	Sold during the year	8,05,05,610	1.48	11,91,87,848	2.18
	At the end of the year	11,91,87,848	2.18	11,91,87,848	2.18
<b>4</b>	<b>State Bank of India (through various Schemes)</b>				
	At the beginning of the year	6,08,62,081	1.52	6,08,62,081	1.52
	Bought during the year	8,46,25,084	1.55	14,54,87,165	2.67
	Sold during the year	3,71,32,813	0.68	10,83,54,352	1.99
	At the end of the year	10,83,54,352	1.99	10,83,54,352	1.99
<b>5</b>	<b>Europacific Growth Fund</b>				
	At the beginning of the year	0	0	0	0
	Bought during the year	5,01,94,098	0.92	5,01,94,098	0.92
	Sold during the year	-	-	-	-
	At the end of the year	5,01,94,098	0.92	5,01,94,098	0.92
<b>6</b>	<b>Franklin India (through various Schemes)</b>				
	At the beginning of the year	4,70,21,930	1.18	4,70,21,930	1.18
	Bought during the year	6,23,84,653	1.14	10,94,06,583	2.01
	Sold during the year	6,88,39,991	1.26	4,05,66,592	0.74
	At the end of the year	4,05,66,592	0.74	4,05,66,592	0.74
<b>7</b>	<b>Aditya Birla Sun Life Trustee Private Limited (through various Schemes)</b>				
	At the beginning of the year	83,11,702	0.21	83,11,702	0.21
	Bought during the year	4,38,58,710	0.80	5,21,70,412	0.96
	Sold during the year	76,62,286	0.14	4,45,08,126	0.82
	At the end of the year	4,45,08,126	0.82	4,45,08,126	0.82
<b>8</b>	<b>Franklin Templeton Investment Funds</b>				
	At the beginning of the year	4,25,19,007	1.06	4,25,19,007	1.06
	Bought during the year	1,38,01,982	0.25	5,63,20,989	1.03
	Sold during the year	4,42,15,170	0.81	1,21,05,819	0.22
	At the end of the year	1,21,05,819	0.22	1,21,05,819	0.22
<b>9</b>	<b>Fort Canning Investments Pte. Ltd.</b>				
	At the beginning of the year	40,660,199	1.02	40,660,199	1.02
	Bought during the year	1,09,88,094	0.20	5,16,48,293	0.95
	Sold during the year	1,60,39,084	0.29	3,56,09,209	0.65
	At the end of the year	3,56,09,209	0.65	3,56,09,209	0.65
<b>10</b>	<b>Unit Trust of India (through various Schemes)</b>				
	At the beginning of the year	1,89,31,773	0.47	1,89,31,773	0.47
	Bought during the year	2,40,97,824	0.44	4,30,29,597	0.79
	Sold during the year	45,29,871	0.08	3,84,99,726	0.71
	At the end of the year	3,84,99,726	0.71	3,84,99,726	0.71
<b>11</b>	<b>ICICI Prudential Life Insurance Company Limited</b>				
	At the beginning of the year	3,02,80,645	0.76	3,02,80,645	0.76
	Bought during the year	4,48,66,268	0.82	7,51,46,913	1.38
	Sold during the year	1,99,19,460	0.37	5,52,27,453	1.01
	At the end of the year	5,52,27,453	1.01	5,52,27,453	1.01

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>12 Templeton Growth Fund, Inc.</b>					
	At the beginning of the year	2,91,69,885	0.73	2,91,69,885	0.73
	Bought during the year	8272056	0.15	3,74,41,941	0.69
	Sold during the year	3,74,41,941	0.69	0	-
	At the end of the year	0	0.00	0	0.00
<b>13 Reliance Capital Trustee Co. Limited (through various Schemes)</b>					
	At the beginning of the year	2,37,50,938	0.59	2,37,50,938	0.59
	Bought during the year	4,95,25,377	0.91	7,32,76,315	1.34
	Sold during the year	4,68,19,283	0.86	2,64,57,032	0.48
	At the end of the year	2,64,57,032	0.48	2,64,57,032	0.48
<b>14 Platinum International Fund</b>					
	At the beginning of the year	2,32,81,472	0.58	2,32,81,472	0.58
	Bought during the year	3,64,85,888	0.67	5,97,67,360	1.10
	Sold during the year	4,86,14,450	0.89	1,11,52,910	0.20
	At the end of the year	1,11,52,910	0.20	1,11,52,910	0.20

**Note:** The details of shareholding are maintained by respective Depositories and it is not feasible to provide daily change in the shareholding of top ten shareholders. Therefore, consolidated changes during the year 2019-20 has been provided.

#### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director or KMP	Shareholding at the beginning of the Year		Date	Increase/ Decrease during the year	Reasons	Cumulative Shareholding during the year / Shareholding at the end of the Year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>Key Managerial Personnel</b>								
1	Mr. Gopal Vital Managing Director & CEO (India & South Asia)	5,22,664	0.01	18-Apr-2019	79,214	Share allotted under ESOP	601,878	0.01
				29-May-2019	170,881	Share allotted under Rights Issue	772,559	0.01
				25-Oct-2019	70,000	Share allotted under ESOP	842,559	0.01
2	Mr. Badal Bagri, CFO	10,531	0.00	28-May-2019	2,000	Market Sale	8,531	0.00
		0.00	29-May-2019	2,986	Share allotted under Rights Issue	11,517	0.00	
		0.00	03-Jun-2019	1,517	Market Sale	10,000	0.00	
		0.00	06-Aug-2019	5,000	Market Sale	5,000	0.00	
		0.00	20-Nov-2019	1,000	Market Sale	4,000	0.00	
		0.00	25-Nov-2019	1,000	Market Sale	3,000	0.00	
		0.00	03-Mar-2020	4,863	Share allotted under ESOP	7,863	0.00	
		0.00	31-Mar-2020	1,863	Market Sale	6,000	0.00	
3	Mr. Pankaj Tewari, Company Secretary	Nil	0.00	23-Apr-2019	1,162	Share allotted under ESOP	1,162	0.00
		0.00	29-May-2019	329	Share allotted under Rights Issue	1,491	0.00	

**Note:** No other Director holds shares as on March 31, 2020

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Mn)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>				
i) Principal Amount	10	837,515	-	837,525
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	29,221	-	29,221
<b>Total (i+ii+iii)</b>	<b>10</b>	<b>866,736</b>	<b>-</b>	<b>866,746</b>
<b>Change in indebtedness during the financial year</b>				
Addition	-	545,440	-	545,440
Reduction	9	559,324	-	559,333
<b>Net Change</b>	<b>(9)</b>	<b>(13,884)</b>	<b>-</b>	<b>(13,893)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1	823,631	-	823,632
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	30,133	-	30,133
<b>Total (i+ii+iii)</b>	<b>1</b>	<b>853,764</b>	<b>-</b>	<b>853,765</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of Managing Director / Whole-time Director / Manager</b>		<b>Total Amount</b>
		<b>Mr. Sunil Bharti Mittal, Chairman</b>	<b>Mr. Gopal Vittal, Managing Director &amp; CEO (India &amp; South Asia)</b>	
(1) Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	269.78	135.30	405.08	
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	9.98	1.37	11.35	
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
(2) Stock Option**	-	51.29	51.29	
(3) Sweat Equity	-	-	-	
(4) Commission	-	-	-	
-as % of profit	-	-	-	
-others, specify...	-	-	-	
(5) Others – PF Contribution	21.57	7.00	28.57	
<b>Total (A)</b>	<b>301.33</b>	<b>194.96</b>	<b>496.29</b>	
Ceiling as per the Act***	98.16	120.29		

#### Notes:

- During the year, Mr. Gopal Vittal was granted 1,83,252 stock options on August 08, 2019 under ESOP Scheme 2005 at an exercise price of ₹ 5 per option, with a vesting period spread over 3 years and 30,000 stock options on August 08, 2019 under ESOP Scheme 2001 at an exercise price of ₹ 5 per option, with a vesting period of one year.
  - Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2019-20 and will get paid basis actual performance parameters in the next year.
- \* Value of perquisites u/s 17 (2) Income Tax Act, 1961 does not include perquisite value of ₹ 51.29 Mn towards stock options exercised by Mr. Gopal Vittal during FY 2019-20. The same has been shown separately in point no. (2).
- \*\* In accordance with the definition of perquisite under the Income Tax Act, 1961, the value of stock options only on those shares that have been exercised during the period is provided. Accordingly, the value of stock options granted during the financial year is not included.
- \*\*\* The ceiling limits are based on effective capital as per Schedule V of the Companies Act, 2013.

## B. Remuneration to Non-Executive Directors including Independent Directors:

(₹ Mn)

Independent Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Craig Ehrlich	0.60	-	0.60
Mr. D.K. Mittal	2.80	-	2.80
Mr. Manish Kejriwal	1.20	-	1.20
Mr. Shishir Priyadarshi	0.90	-	0.90
Mr. V.K. Viswanathan	1.20	-	1.20
Ms. Kimsuka Narasimhan	1.10	-	1.10
<b>Total B1</b>	<b>7.80</b>	-	<b>7.80</b>
Other Non-Executive Directors	Fee for attending board / committee meetings	Commission	Total
Mr. Rakesh Bharti Mittal	-	-	-
Ms. Chua Sock Koong	-	-	-
Ms. Tan Yong Choo	-	-	-
<b>Total B2</b>	<b>-</b>	-	<b>-</b>
<b>TOTAL B = (B1+B2)</b>	<b>7.80</b>	-	<b>7.80</b>
<b>Ceiling as per the Act</b>	N.A.		
<b>Total Managerial Remuneration (A+B)</b>	504.09 Mn		
<b>Total ceiling as per the act (11%)</b>		In view of inadequate profits as computed under Section 198 of the Companies act, 2013, ("the Act") no Commission is payable to Non-Executive Directors (including Independent Directors) for the financial year 2019-20. The ceiling limits for Executive Directors mentioned in (A) above are based on effective capital as per Schedule V of the Act.	

## C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager:

(₹ Mn)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Badal Bagri CFO	Mr. Pankaj Tewari Company Secretary	
1	Gross Salary			
	As per Sec 17(1) of Income Tax Act, 1961	25.38	11.22	36.60
	Value of perks as per Sec 17(2) of Income Tax Act, 1961	1.24*	-	1.24
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options@	6.10*	0.40*	6.50
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	others - PF Contribution	1.43	0.58	2.01
	<b>TOTAL</b>	<b>34.15</b>	<b>12.20</b>	<b>46.35</b>

### Notes:

Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2019-20 and will get paid basis actual performance parameters in the next financial year.

\* Value of perquisites u/s 17(2) Income Tax Act, 1961 does not include perquisite value of ₹ 6.10 Mn. and ₹ 0.40 Mn. towards stock options exercised by Mr. Badal Bagri and Mr. Pankaj Tewari respectively, during FY 2019-20. The same has been shown separately in point no. (2).

@ In accordance with the definition of perquisites under the Income Tax Act, 1961, the value of stock options only on those shares that have been exercised during the period is provided. Accordingly, the value of stock options granted to KMPs during FY 2019-20 viz. 53,934 stock options to Mr. Badal Bagri and 7,272 stock options to Mr. Pankaj Tewari, Company Secretary, is not included.

## VII. Penalties / Punishment/ Compounding of Offences

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any during the year.

# ANNEXURE F

## Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

### (A) Conservation of energy

#### (i) The Company undertook various initiatives to reduce and conserve energy:

##### a. On Network side:

- Maximizing outdoor BTS – In FY 2019-20, 3801 indoor BTS sites were converted into outdoor sites (with no air conditioner usage and reduced diesel consumption). This resulted in lower demand for electricity and led to 25% reduction in energy consumption.
- Sites on shared basis – Airtel constantly strives to promote infrastructure sharing with its partners to optimise energy and resource consumption. This has not only enabled the effective utilisation of passive infrastructure but has also helped us reduce carbon emissions significantly. Besides optimal use of resources, it has also led to reduction of operational cost for the service providers through elimination of operational waste. In FY 2019-20, over 33% sites were deployed as shared sites and it helped to reduce energy consumption in comparison to standalone sites.
- In FY 2019-20, 1137 sites were installed with advance VRLA batteries and Lithium-ion battery based solutions to optimize energy consumption. Total cumulative sites installed with advanced batteries and Li-ion battery solutions stood at 40456 till March-2020. This led to a substantial reduction in diesel consumption, about 100 litre/site/ quarter for FY 2019-20.
- Lean Towers – In FY 2019-20, 4287 towers were deployed as Lean Towers i.e. towers that do not consume diesel to fulfil their energy requirement. This led to 40% reduction in energy consumption by these towers, thereby contributing to significant reduction in carbon ( $\text{CO}_2$ ) emissions.
- Auto-resource shutdown feature was implemented in around 20,000 sites including all 4G sites. It reduced the energy requirement at non-peak hours.

##### b. Energy efficiency across Data Centres:

Airtel undertakes various measures to optimize data centre facilities to ensure cost efficiency, improve operations for energy conservation, boost performance and enhance space utilization. To ensure energy efficiency across data centres, following are some of the initiatives undertaken in FY 2019-20:

- Installation of energy efficient equipment and process improvisations have resulted in effective

power savings, cost optimisation and reduced greenhouse gas emissions.

- Lighting optimization through installation of LED lights across various data centres, enabled the company to save 422,551 kWh.
- Cooling optimization across various data centers enabled in savings of 6,152,937 kWh energy.
- Introduction of UPS and SPMS optimization technology enabled the company to save 3,694,957 kWh of energy.
- Cold aisle/hot aisle containment at various locations contributed in saving 711,790 kWh of energy, while power factor correction enabled the company to save 5,179,498 kWh of energy.

##### c. Energy efficiency in Airtel facilities:

- Installation of UPS optimisation technology across various Airtel facilities (offices) helped the Company to save 121,806 kWh energy in FY 2019-20.
- Installation of EC fans across various Airtel facilities (offices) assisted the Company to save 534,023 kWh energy.

#### ii) Utilisation of green energy:

- **Rooftop Solar Plants:** By the end of FY 2019-20, Airtel installed rooftop solar PV plants at 27 locations including Main Switching Centers (MSCs) and Data Centers, expanding the total installed capacity to 1.47 MWp.
- **Green Power Wheeling for MSC and Data Centres:** During the year under review, the Company signed open access contracts or power wheeling agreements for procuring 13,794.6 MWh of green energy in MSCs and 59,524.9 MWh of green energy in Data Centers. Therefore, the company procured a total of 73,319.5 MWh green energy through various wheeling arrangements in FY 2019-20, which considerably helped to reduce carbon emissions.
- **Solar-DG hybrid solution:** In FY 2019-20, Solar DG Hybrid models were installed across 77 sites in India. This has reduced diesel consumption by more than 550 litres per month, for each site.
- Project Green City was launched with Indus and Infratel few years back; and over 63,843 sites have been tagged as green sites till March 2020, i.e. sites that consume less than 100 litres of diesel per quarter.

**iii) The capital investment on energy conservation equipment is shown below:**

Sr. No	Location	Capex (₹ Mn)	Remarks
1	Own sites (Hexacom)	11.9	ID OD and Battery Bank (Amount derived from issued purchase orders)
2	ToCo (Indus, Infratel & American Tower Corporation) & SP (Ericsson & Nokia)	251.8	1) ID-OD to conversion 2) From ToCo: cost of solution to be paid in 60 Instalments, which will be built in monthly site rental 3) BTS and MW IP 55 cabinet is procured against purchase orders to service partners
<b>TOTAL</b>		<b>263.7</b>	

**B. Technology absorption**

**1. The efforts made towards technology absorption:**

India has the 2nd highest number of internet users in the world, with 687.62 Mn subscribers till the end of September 2019. Out of these, number of wired internet subscribers are 22.26 Mn and number of wireless subscribers are 665.37 Mn.

With an objective to provide best in class mobile broadband experience to our customers, Airtel added 86,270 4G Base stations in the last year. An additional 23,000 Km of fibre was deployed across India for managing the 4G growth. We now connect 7,851 towns and 7,18,781 villages with high speed broadband. Airtel covers 91.4% of India's population on 4G. This not only helped to expand Airtel's reach in rural areas, it also improved indoor experiences.

Data consumption increased by a staggering 230%, and this data demand was met through deployment of more base stations in the capacity bands, improvement in spectrum efficiency through planned measures like re-farming of 900 MHz & 2,100 MHz spectrum for 4G, and usage of cutting edge technologies like massive MIMO deployments. 3G technology has been shut down in majority of the circles and the 2,100 MHz band spectrum has been re-farmed to 4G for meeting ever increasing 4G data demands.

Airtel focuses on improving customer experience by widening and deepening the coverage. Airtel aims to expand in new towns, strengthen its service in existing places through the addition of more sites and small cells in hotspot areas.

Airtel strives to simplify Network operations through investments in digitization and automation. To enable real time monitoring and rectification, network planning and operational processes have been transformed to support best-in-class network facilities. A large suit of tools have been created for data analytics and to ensure commendable control over network elements to facilitate better response for customer requirements. Network experience has improved by the adoption of new tools, technologies and various advanced features. This has

resulted in reduced customer complaints by more than 15% during last year.

To improve configuration and service provisioning, Airtel is leveraging its automation capacities to expand its B2B business exponentially and improve customer experiences significantly.

The new platforms have enabled automatic optimization of multi-layered networks, thereby reducing drop calls, network blocking, and increasing data throughputs for setting new benchmarks in end-user experience.

To enable seamless adoption of cutting-edge technology, Airtel has aimed its network investments towards the creation of a 5G ready network. Airtel is conceptualizing 5G Trials in association with OEMs, various ODMs and application developers. Preparation for execution of trials has been in full swing for smooth and effective trial execution when the spectrum is available for the same. Purpose of these trials is to showcase the 5G capability through various eMBB and industrial use cases and applications.

Airtel is a member of O-RAN Alliance, and is also engaging with Disruptive Telecom Equipment Vendors to developed innovative solutions customized to Airtel's requirements. As a TSDSI Member, Airtel has proposed a new study Item on "Adoption of O-RAN Specification by TSDSI and contribution towards development of India Specific use cases" within the TSDSI Network Study Group (SG-N). Airtel will be submitting contributions in the form of a Study Report on O-RAN in SGN, and will also be collaborating with industry partners on the subject.

**2. The benefits derived like product improvement, cost reduction, product development or import substitution**

Last year, Airtel became the first telecom company to launch VoWiFi and we have about 2 Mn daily active VoWiFi subscribers. Launch of VoWiFi and deep penetration of VoLTE has helped us to improve subscriber experience significantly. Airtel VoWiFi works for Airtel as well as other broadband providers.

The Mobile core network has been decentralized to Edge and it is bringing content closer to the user. Airtel has been working closely with OTT partners like Google, Facebook, Amazon & Apple for optimizing peering of packet core network and caching engines from these OTT partners. This has helped in reducing latency and improving user experience and download speeds, thereby contributing towards the making of a more agile network. Airtel has been ranked #1 by OpenSignal, Tutela & Ookla for video experience, lower latency & highest downlink throughputs.

Additionally, virtualized cloud infrastructure was implemented in IMS & PACO Network with the deployment of Cloud based IMS, MME and PGW. Airtel is one of the first operators in the world to deploy Google's native cloud based EPC in its network. This virtualization will be a stepping stone for enabling Automation of Network in the coming years.

Airtel has also developed its own small cell for homes and enterprise usage, which helps to optimize costs to a large extent. Similar work is being undertaken with Open RAN partners for outdoor small cells and for macro sites for bringing in better technology and better costs.

This technology adoption and innovation helped us to efficiently improve the spectrum and make the network more agile to future subscriber demands, hence developing a concrete ground for providing a great broadband experience to our customers now and in the coming years.

**3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

a. the details of technology imported;

Only telecom equipment is imported, no technology is imported.

b. the year of import;

NA

c. whether the technology been fully absorbed;

NA

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

NA

**4. The expenditure incurred on Research and Development.**

Nil

Airtel continues to set new benchmarks with its innovative solutions, exceptional service and outstanding customer relationships, to enable the future of digital experiences. During the year, we introduced another industry first initiative with launch of Airtel VoWiFi, that allowed users to make voice over calls on Wi-Fi connectivity. The transformation of Airtel TV to Airtel Xstream was another major highlight of the FY 2019-20, offering enriched content and entertainment to our users.

Airtel X Labs continued to excel with new innovations with the changing industry dynamics. Digital innovations like IoT, Artificial Intelligence, Airtel Enterprises Hub and Airtel Connectivity Management Platforms excelled to enrich customer experiences while also driving new customer acquisition process. The detailed report on various digital initiatives of the Company are given in section "Intellectual Capital" of this report.

**C. Foreign Exchange Earnings and Outgo**

Activities relating to initiatives taken to increase exports; development of new export markets for products and services, and export plans.

Total foreign exchange used and earned for the year:

(a) Total Foreign Exchange Earnings ₹ 45,060 Mn

(b) Total Foreign Exchange Outgo ₹ 119,694 Mn

## ANNEXURE G

### Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during FY 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2019-20 are as under:

S. No. Name of the Director	Remuneration of Director / KMP for FY 2019-20 (in ₹)	Percentage increase in remuneration in FY 2019-20	Ratio of remuneration of each Director to median remuneration of the employees of the Company <sup>1-4</sup>
<b>Executive directors</b>			
1. Mr. Sunil Bharti Mittal, Chairman	301,327,308	(2.81)	428.94
2. Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)	143,665,434*	5.97	204.51
<b>Non-executive directors</b>			
3. Mr. Rakesh Bharti Mittal	Nil	N.A.	N.A.
4. Ms. Chua Sock Koong	Nil	N.A.	N.A.
5. Ms. Tan Yong Choo	Nil	N.A.	N.A.
<b>Independent Directors</b>			
6. Mr. Craig Ehrlich	600,000	N.A.	0.85
7. Mr. D.K. Mittal	2,800,000	N.A.	3.99
8. Mr. Manish Kejriwal	1,200,000	N.A.	1.71
9. Mr. Shishir Priyadarshi	900,000	N.A.	1.28
10. Mr. V.K. Viswanathan	1,200,000	N.A.	1.71
11. Ms. Kimsuka Narasimhan	1,100,000	N.A.	1.57
<b>Key Managerial Personnel other than Executive Directors</b>			
12. Mr. Badal Bagri, CFO (India & South Asia)	28,053,705 <sup>#</sup>	0.98	39.93
13. Mr. Pankaj Tewari, Company Secretary	11,805,555 <sup>^</sup>	15.89	16.81

#### Notes:

- The value of performance linked incentive (PLI) in remuneration of Key Managerial Personnel (KMPs) represents incentive @ 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2018-19 has also been considered @ 100% performance level.
- There has been no change in the remuneration of Sunil Bharti Mittal, Chairman since FY 2016-17; the insignificant change (in negative) since last year reflecting above is due to change in the perquisite value.
- Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during the FY 2019-20.
- In view of inadequate profits as computed under Section 198 of the Companies act, 2013, ('the Act') for the financial year 2019-20, no commission is paid / payable to Non-Executive (including Independent) Directors for the financial year 2019-20. Accordingly, the percentage increase in the remuneration for financial year 2019-20 w.r.t. Non-Executive (including Independent) Directors is not given in the table above.

\* The remuneration of Mr. Gopal Vittal excludes perquisite value of ₹ 51,292,580 towards exercise of stock options during FY 2019-20.

<sup>#</sup> The Remuneration of Mr. Badal Bagri excludes perquisite value of ₹ 6,099,065 towards exercise of stock options during FY 2019-20.

<sup>^</sup> The Remuneration of Mr. Pankaj Tewari excludes perquisite value of ₹ 397,055 towards exercise of stock options during FY 2019-20.

- ii. The percentage increase in the median remuneration of the employees in the financial year:** The percentage increase in the median remuneration of employees in FY 2019-20 is 4%.
- iii. The number of permanent employees on the roll of the Company:** There were 9,958 employees on the rolls of the Company as on March 31, 2020.
- iv. Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2019-20 and its comparison with the percentage increase in the managerial remuneration and justification thereof:** The average increase in the remuneration of employees, excluding remuneration of KMPs, during FY 2019-20 was 7% and the average increase in the remuneration of KMPs and managerial personnel was 5.71%. The compensation structure and revision in the remuneration of the employees and the KMPs is guided by our reward philosophy, external competitiveness and benchmarking and is as per the compensation and appraisal policy of the Company. While there has been no change in the remuneration of Chairman since FY 2016-17, the revision in the remuneration of Managing Director & CEO is approved by the Board in the recommendation of HR and Nomination Committee and is within the limits approved by the shareholders of the Company. The increase in the remuneration of KMPs also reflect the market practice.
- v. Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration of Directors was as per the policy on nomination, remuneration and Board diversity of the Company.

For and on behalf of the Board

**Sunil Bharti Mittal**

Chairman

DIN: 00042491

Date: May 18, 2020

Place: New Delhi

# ANNEXURE H

## Independent Auditor's Certificate on Corporate Governance

To

### The Members of Bharti Airtel Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. NHL/19-20/001 dated October 25, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharti Airtel Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance

Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

**Nilesh H. Lahoti**

Partner

Membership No: 130054

New Delhi

May 18, 2020

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

Telecom sector, which is the backbone of any economy, is going through a transformational change. Post the phase of aggressive price competition, last few years have been marked by consolidation in the industry, with the structure changing from more than 8 value players to now a structure of three private and one government operator. The sector has gone through turbulent times for past 30 months with industry revenue collapsing, unprecedented capex by the surviving players, and explosion of data and voice usage. India's internet user base has grown rapidly over this period, propelled by the decreasing cost and increasing availability of smartphones and high-speed connectivity at affordable prices. With this, India has become the second largest telecommunication market and has the second highest number of internet users in the world.

During this period of turbulence, Bharti Airtel has been able to defend its ground by holding on to its market share. This can be attributed to the Airtel's strategy of not simply being a pipe providing connectivity but being an ecosystem of digital services with an aim to win quality customers across verticals and offer them brilliant experience across all touch points. Equally, very strong network investments and a reliable trustworthy brand has held the company very well even in testing times.

The year gone by was an eventful year during which the sector was at an inflection point; having seen the much needed repair initiatives besides certain unfortunate judiciary outcomes. The industry took a long awaited move of taking tariff upwards for prepaid mobile customers. Telecom players faced an unfavourable verdict on the AGR definition case from the Hon'ble Supreme Court. The government continues to be cognizant of the stress faced by the sector and approved the option for the telcos to defer the payment of the annual spectrum auction instalments due for next two financial years while keeping the overall tenure of payments unchanged. Also, based on the plea from the industry seeking a floor tariff on data; TRAI floated a consultation paper during the year.

During the last quarter of the financial year, the whole world struggled with the coronavirus pandemic. India witnessed the impact of the pandemic in the month of March, when the government proactively decided a country wide lockdown to reduce the spread of the virus. During the lockdown, importance of the telecom sector was yet again underscored. Telecom infrastructure acted as the backbone of the economic activity during the challenging time when every business was operating from remote location. Airtel demonstrated its commitment to keep all its customers connected all the time by undertaking special measures to assist low income group customers impacted by the COVID-19 crisis. The Company

extended the pre-paid pack validity for the customers who were not able to recharge during the lockdown. Airtel also extended an additional ₹ 10 of talk time in the pre-paid accounts of 80 Mn customers to enable them to make calls or send SMS and therefore stay connected with their loved ones. In addition, to facilitate recharges, Airtel navigated customers to digital channels and the offline channels which were open. Several new channels were also activated including bank ATMs, pharmacies as well as grocery stores. Self-care through IVR and Thanks app was doubled down, given call centers were operating at a significantly lower capacity. Network investments were advanced to boost network capacity in order to tackle the upsurge in data consumption and ensure uninterrupted mobile broadband connectivity to its retail and enterprise customers.

During the year, Airtel continued its focus on quality customers and maintained its obsession with superior networks and seamless experience to the customers. airtelThanks program was enhanced to offer a differentiated experience through owned and partner ecosystem. By putting customers at the heart of the strategy, the company invested heavily into the networks and was able to provide best video experience and download speed experience.

Financial discipline being the other focus area yielded various deleveraging efforts to enhance the balance sheet strength. The Company maintained a healthy leverage position through a mix of strategic and organic initiatives. The deleveraging initiatives included one of the largest rights issue in India and the largest QIP by a private player in India.

Operational and financial strength makes the Company truly well poised to capitalize on this once in a lifetime transformation in the Indian telecom industry.

Africa's favourable market dynamics provide Airtel significant mobile data and mobile money opportunities to capitalize on. With presence in underpenetrated geographies with promising macroeconomics, demographics and tele-density, Airtel stands to gain from its African operations.

## Economic Review

Global GDP continued its trend with a growth of 2.9% in 2019 vs. 3.6% last year, despite weakness in global trade and investment. This weakness was widespread, affecting both advanced economies – particularly the Euro Area – and Emerging Market & Developing Economies (EMDEs). The year saw heightened policy uncertainty and weighed on international trade, confidence, and investment due to the prolonged period of rising trade disputes between United

States and China. With the agreement for partial rollback of tariffs, the financial markets sentiments improved by the end of the year. During the year, major central banks loosened policy, with interest rates in many advanced economies reaching unprecedented lows last year. Financial conditions in EMDEs improved in parallel, except in economies perceived as risky.

Economic activity in advanced economies grew by 1.7% in 2019 as compared to 2.2% in 2018. The slowdown was due to weak manufacturing activity and policy uncertainty associated with trade tensions. Growth in United States decelerated amid slowing investment and exports, while consumption was resilient with unemployment being near a five decade low along with a solid wage growth. Uncertainty concerning Brexit and weakness in industrial and automobile sector had an impact on the growth in Euro area.

Emerging Market and Developing Economies (EMDEs) grew by 3.7% during 2019, led by India & China. The growth came at a backdrop of EMDEs continuing to experience substantial weakness, with industrial production, trade flows, and investment decelerating sharply during the year. Economies that are deeply integrated into global and regional production and trade networks – most notably in Asia and Europe – particularly suffered from global trade tensions and decelerating trade flows during the year.

The year 2020 has started with the COVID-19 pandemic which is inflicting high and rising human costs worldwide. As a result of the pandemic, the global economy is projected to contract sharply by (negative) 3% in 2020, while as pandemic fades in the second half of 2020, the global economy is projected to grow by 5.8% in 2021. As per IMF, effective policies are essential to forestall worse outcomes. The pandemic impact is expected to have two phases: a phase of containment and stabilization followed by the economic recovery phase. The economic growth for 2020 may get impacted in the first phase due to necessary measures required to reduce contagion and protect lives. The recovery phase in late 2020 is expected to mark substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses.

Global Growth Trend (%)	Actual		Projections	
	2018	2019	2020	2021
World Output	3.6	2.9	-3.0	5.8
Advanced Economies	2.2	1.7	-6.1	4.5
Emerging Market and Developing Economies	4.5	3.7	-1.0	6.6
China	6.7	6.1	1.2	9.2
India	6.1	4.2	1.9	7.4
Sub-Saharan Africa	3.3	3.1	-1.6	4.1

Source: IMF World Economic Outlook April 2020

### Indian Economy

As per IMF, Indian economy grew by 4.2% in 2019, which is among the fastest in the world but lower than last year growth of 6.1%. India witnessed a slowing cycle of growth with the

stress in non-banking financial sector and decline in credit growth, having a trickle down impact on the whole economy. The year witnessed efforts and policy changes including significant easing of monetary policy with the repo rate cut, speeding up the insolvency resolution process under Insolvency and Bankruptcy Code (IBC), easing of credit in sector with major hit, reduction in the corporate tax rates, GST rate rationalisation and some PSU & private banks merger / restructuring.

Similar to other countries globally, India is also impacted by coronavirus and as it tries to fight with the spread of coronavirus with measures to contain the virus, its economic growth is projected to drop to 1.9% in 2020. IMF predicts the growth to bounce back to 7.4% 2021 with the recovery through fiscal and monetary policy measures. India may benefit due to substantial correction in the crude oil prices over last few months, while some of which will be diluted due to a steep depreciation of rupee against dollar.

## 7.4%

Projected GDP growth rate for 2021

### African Economy

The Sub-Saharan Africa economy grew by 3.1% in 2019 vs. 3.3% last year. The economic activity in Sub-Saharan Africa was impacted by softening external demand, heightened global policy uncertainty, and falling commodity prices. Domestic fragilities in several countries further constrained activity. The growth was driven majorly by countries like Nigeria, Gabon, Chad, Ghana, Côte d'Ivoire, Ethiopia, Kenya, Tanzania, Uganda, and DRC.

With the recent crude oil price drop, dollar appreciation and global coronavirus impact, economic growth in Sub-Saharan Africa is expected to drop to -1.6% in 2020, followed by a pickup to 4.1% in 2021. IMF expects sectors such as construction or services to lead the growth recovery in 2021.

## 4.1%

Projected GDP growth rate for African economy - 2021

Sources:

World Bank Global Economic Prospects 2020: <http://www.worldbank.org/en/publication/global-economic-prospects>

IMF World Economic Outlook 2020: <https://www.imf.org/en/Publications/WEO>

India Economic Survey 2019-20: <https://www.indiabudget.gov.in/economicsurvey/>

### Megatrends that Drive Our Business

- India's demographic advantage in terms of young population is proving as a big boost to the mobile data penetration. Data usage per subscriber is growing more than 30% Y-o-Y.

- As per IDC, Indian smartphone market, second largest in the world, witnessed an 8% annual growth with a total shipment of 152.5 Mn units in 2019. Migration from feature phones to smart phones continues to fuel the smartphone shipments in the country. Rising rural income and increasing rural tele-density is providing a significant opportunity for the telecommunications industry. Aggressive push by government on make in India front can help in reducing the cost of manufacturing of locally produced smartphones, thus fuelling smartphone adoption in the country.
- Post COVID-19 related lockdown, the work from home may become a new normal for many organisations, thus creating opportunities for different telecommunication services across the spectrum- fixed line, broadband, enterprise solutions besides pure mobile connectivity
- The role of telecom companies is no longer restricted to just providing the “pipe” and the right price plan. It is now about creating an ecosystem of digital services (music, content, payments and much more) and leveraging data, network, and distribution assets to deliver these services. Rapid growth in usage of Over The Top (OTT) platform creating opportunities for all. Regional content including video and music is gaining attraction across the country.
- While implementation and rollout of 5G looks to be some time away, however the standards and ecosystem on 5G has already gathered pace with more and more use cases coming into picture. The telecom players have started testing use cases with the trial 5G spectrum Deployment of Internet of Things (IoT) in various consumer and enterprises solutions such as asset tracking, smart appliances, smart metering, security and surveillance is grabbing attention of developers and telcos. Increased penetration of affordable devices, combined with cloud computing, analytics and rising consumer expectations is driving the rapid growth of the IOT market. Telecom will play a critical role in providing connectivity and solutions in this market.
- With government push towards cashless economy and increasing acceptability of digital transactions, payments via smartphones are driving financial inclusion. Telecom industry, with an established distribution network is best placed to capture this opportunity.
- Convergence of fixed and wireless technologies is becoming more useful with possibilities to provide enhanced voice calls experience with the use of Wi-Fi calling (Voice over Wi-Fi).
- With Mission Digitization, DTH operators are likely to benefit from a rising subscriber base and higher market penetration. Innovations in paid TV services, migration from SD to HD boxes have increased consumption of – smart TV's and HD services, offering more opportunities to service operators.

## Industry Overview

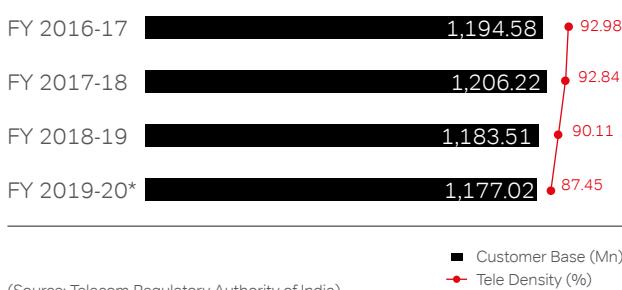
### Indian Telecom Sector

India's total customer base stood at 1,177.02 Mn as on January 31, 2020. The completion of the consolidation within the Indian Telecom Market into three large private players accelerated the SIM consolidation leading to drop in customer base by 0.5% from 1,183.51 Mn as on March 31, 2019. Consequently, the tele-density also contracted to 87.45% from 90.11% last year. The urban tele-density stood at 144.16%, whereas the rural tele-density stood at 58.03% as on January 31, 2020.

Among the service areas excluding metros, Himachal Pradesh has the highest tele-density (148.29%) followed by Kerala (128.09%), Punjab (122.77%), Tamil Nadu (108.21%), Gujarat (98.88%), Andhra Pradesh (98.76%), Haryana (97.04%), Rajasthan (84.48%), Jammu & Kashmir (83.98%). Among the metros, Delhi tops with 280.11% tele-density. On the other hand, the service areas, such as Bihar (53.07%), Madhya Pradesh (67.1%), Uttar Pradesh (67.15%) and Assam (68.57%) have comparatively low tele-density.

The wire-line customer base stood at 20.58 Mn at the end of January 31, 2020 vis-à-vis 21.70 Mn at the end of March 31, 2019.

### Tele Density: India (%)



(Source: Telecom Regulatory Authority of India)

(\*2019-20 represents Telecom Subscription Data as on January 31, 2020)

### Airtel Africa's Services & Network

Airtel Africa is the leading provider of telecommunications and mobile money services, with a presence in 14 countries in Africa, primarily in East Africa and Central and West Africa. Airtel Africa offers an integrated suite of telecommunications solutions to its subscribers, including mobile voice and data services as well as mobile money services both nationally and internationally and aim to continue providing a simple and intuitive customer experience through streamlined customer journeys.

The Mobile voice business line comprises pre and post-paid wireless voice services, international roaming as well as fixed-line telephone services. Africa Airtel's mobile data business line comprises data communications services, including 2G, 3G and,

increasingly, 4G data services, and other value-added services for mobile subscribers. The Airtel Money business line comprises a mobile commerce service that is accessible 24 hours a day, 7 days a week through customers' mobile devices. Working in partnership with local financial institutions, this service enables Airtel Money customers to send and receive money and to make payments for utility bills and, in certain countries, to pay for goods and services, to deposit and withdraw funds through a linked bank account, to make card-less withdrawals from partnered ATMs and to access microloans, which are facilitated by the Group and accessible through its mobile network in partnership with third-party loan providers.

## Double Digit

full year revenue growth  
in Africa

With the overall growth story remaining strong with a full year witnessing a double-digit revenue growth, the company has embarked on a journey of cost consolidation and service diversification in-order to further improve profitability and enhance competitive edge. Diversification and digitization of offerings along with continued investment towards enhancing customer experience through high speed LTE network has led to a strong growth in Mobile Data and Money in addition to Voice.

### Development in Regulations

The year saw several regulatory changes and developments. The significant regulatory changes were:

#### India

- **Issue of recommendations on Auction of Spectrum in various bands to DOT:** Telecom Regulatory Authority of India (TRAI) released clarifications / reconsideration of its 'Recommendations on Auction of Spectrum in various bands' to Department of Telecommunications (DOT) on July 08, 2019. Key features of the same were:
  - TRAI recommended Reserve Price (per MHz) of 800 MHz & 900 MHz paired band in circles where spectrum is becoming available.
  - The minimum amount of spectrum that an existing licensee is required to bid in 900 MHz and 1800 MHz bands be revised downwards from 0.6 MHz to 0.2 MHz.
  - The entire administratively allocated spectrum in 800 MHz, 900 MHz and 1800 MHz bands (except for BSNL & MTNL) whose validity is going to expire by December 31, 2021 may be auctioned in the forthcoming auction.
  - No roll out obligations should be mandated for spectrum in 3300-3600 MHz band. Further, lock-in period for spectrum in this band for becoming eligible for spectrum trading should be same as in other bands i.e. 2 years instead of the earlier recommended 5 year period.

- TRAI recommended that in case a telecom service provider (TSP) acquires spectrum in 3300-3600 MHz band in more than one licensed service area (LSA), same frequency spots should be assigned to it in all those LSAs, subject to feasibility.

#### ■ Issue of Consultation Paper on KYC of DTH Set Top Boxes:

**Boxes:** TRAI released a consultation paper on KYC of DTH Set Top Boxes on July 19, 2019. Key proposals include:

- Filling of KYC form and verification of Aadhar Card may be mandatory for any customer purchasing DTH equipment. In order to check location, in accordance with customer ID /Card ID, location-based services would have to be active in DTH Set-Top-Boxes.
- GPS enabled Set-Top-Box (STB) with geo-fencing to Indian coordinates only may be used to restrict the illegal DTH run in other countries.

#### ■ Clarifications issued regarding import of equipment to the service providers sharing the active infrastructure:

**Department of Telecommunications (DoT)** on September 18, 2019 has issued clarifications regarding import of equipment to the service providers sharing the active infrastructure. The following guidelines are to be followed by the respective Regional Licensing Officer (RLOs) for granting the license to import the equipment under such sharing agreement amongst service providers:

- All the signatory service providers must have frequency authorization in at least one of the access service frequency bands.
- It should be ensured that the sharing service providers hold spectrum in at least one of the bands supported by the equipment being imported. Such equipment should not support a frequency band in which none of the sharing service providers holds any spectrum.
- The sharing partners need to submit a joint undertaking that the applicant service provider is importing these equipment as per the relevant sharing agreement entered amongst them; however, the use of the imported equipment by the individual service providers will be strictly limited to the respective spectrum holdings.

#### ■ Recommendations on Review of terms and conditions for registration of OSPs:

On October 21, 2019 TRAI has released its recommendations on 'Review of terms and conditions for registration of Other Service Providers (OSPs).' The salient points include:

- Only voice based outsourced OSPs need to have registration at par with existing process. Data/internet based OSPs would need to furnish intimation only.
- Provision of services for captive purposes i.e. Captive contact centers have been kept out from the scope of OSP. They would require furnishing intimation only.

- Requirement of agreement of bank guarantee for sharing of infrastructure between domestic and international OSP of same company has been removed.
- Contact Center Service Provider (CCSP)/Hosted Contact Center Service Provider (HCCSP) providing platform as a service are brought under registration. The CCSP/HCCSP involved in reselling of telecom resources would require Virtual network operators (VNOs) license.
- CCSP/HCCSP to be given 3 months' time to get themselves necessary registration/license after declaration of the policy by DoT.
- Multiple OSP centers of single company within one licensed service area (LSA) can be registered as single OSP.
- **Supreme Court ruling on AGR matter:** The Supreme Court through its judgment and order dated October 24, 2019 ("AGR Judgment"), in relation to a long outstanding industry dispute, upheld the view considered by Department of Telecommunication (DoT) in respect of the definition of Adjusted Gross Revenue ("AGR") and directed the affected parties to deposit the amount due within three months' and report compliance. In the absence of any potential reliefs, the Group has accounted for a liability/provision of ₹ 366,178 Mn till March 31, 2020 (excluding the payments made in February 2020).

The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to Department of Telecommunications ('DoT') within a period of three months, which ended on January 23, 2020.

Subsequent to the Court Judgment, DoT had issued letters dated November 13, 2019 and February 03, 2020 to the Group to carry out own-assessment of the liability and afforded certain guidelines/clarifications to compute the amounts payable based on the Hon'ble Supreme Court Judgment. Accordingly, in February 2020, the Group based on its interpretation and assessment of the guidelines/clarifications, and the principles laid down in the court Judgment, made payments aggregating ₹ 127,490 Mn to the DoT, and an additional ₹ 50,000 Mn as a deposit (subject to subsequent refund/ adjustment) to cover differences resulting from re-verification/reconciliation by DoT.

On March 16, 2020, the DoT had filed an application with respect to giving reasonable time to the affected parties (a period of 20 years with 8% interest on unpaid amounts to duly protect the net present value) and to cease the currently applicable interest after a particular date. The Hon'ble Supreme Court, in a hearing on March 18, 2020, ordered that no exercise of self-assessment/ reassessment is to be done and the dues which were placed before the Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT application would be considered on

the next date of hearing, which is pending disposal. The Group, without prejudice and given the matter is still being considered by the Hon'ble Supreme Court, has continued to recognize, in the same manner, its obligations under the judgments/ orders.

- **Amendment to MNP Per Port Transaction Charge and Dipping Charge (PPTC) Regulation (Second Amendment):** TRAI has released MNP Per Port Transaction Charge and Dipping Charge (PPTC) Regulation (Second Amendment) as per which the Per Port Transaction charge for each porting request has been changed to ₹ 6.46 from ₹ 4. The regulation will come into force from November 11, 2019. TRAI has decided to consider reviewing the PPTC after one year, if required.

- **Implementation of Telecommunication Mobile number Portability (Seventh Amendment) Regulations, 2018:** The date of implementation of "Telecommunication Mobile Number Portability (Seventh Amendment) Regulations, 2018" has been extended to November 11, 2019 from the earlier implementation date of December 13, 2018. The salient points of the regulation are as follows.

- The porting timeline of 2 working days has been kept for Intra-Licensed Service Area (Intra-LSA) numbers & 4 working days for Inter-LSA numbers and corporate category. The validity of Unique Porting Code (UPC) has been kept 4 days in place of 15 days.
- Telecom Service Provider will be liable to pay an amount, by way of financial disincentive not exceeding ten thousand rupees for each wrongful rejection of the request for porting, as the Authority may, by order direct.
- Every Access Provider shall set up a mechanism for the purpose of receiving SMS from its subscribers requesting for a UPC and forwarding the same to the MNP zone to which the mobile number belongs.
- Introduction of query response mechanism for the generation & delivery of Unique Porting Code (UPC) for all the cases except corporate category. The Mobile Number Portability Service Provider (MNPSP) will query the database of the Donor Operator on real time basis and ensure the delivery of UPC.

Further, on February 26, 2020, TRAI also issued direction in respect to validity of Unique Porting Code (UPC) in case the recipient operator belongs to Jammu & Kashmir Licensed Service Area (LSA). The direction states that if Mobile Number Portability Service Providers finds that the recipient operator belongs to Jammu & Kashmir LSA and the donor operator belongs to any LSA other than Jammu & Kashmir, North East and Assam; the validity of the UPC in such porting requests shall be deemed to be fifteen days and validity of UPC shall be counted ignoring the day on which the request for UPC is made by the subscriber.

- **Amendment to Quality of Service regulations:** On November 11, 2019 TRAI released Amendment to Quality of service (QOS) regulations defining duration of alert for the called party w.e.f. November 15, 2019. The regulation defined time duration of alert for an incoming voice call on Mobile to be 30 seconds for Terminating Exchange & 90 seconds for Originating Exchange and the same on Landline to be 60 seconds on Terminating Exchange and 90 seconds on Originating Exchange.
  - **Issue of order on the Framework of Publishing Mobile Number Revocation List:** On November 20, 2019 TRAI issued an order on the “Framework of Publishing Mobile Number Revocation List” to all the telecom service providers to facilitate publishing of the Mobile Number Revocation List (MNRL) of permanently disconnected mobile numbers on monthly basis on the TRAI’s website.
  - **Amendment to the Telecommunication Interconnection Usage Charges (Fifteenth Amendment):** On December 17, 2019, the Telecom Regulatory Authority of India (TRAI) issued “The Telecommunication Interconnection Usage Charges (Fifteenth Amendment) Regulations, 2019” which prescribes revision in the date of applicability of Bill and Keep (BAK) regime in respect of wireless to wireless domestic call termination charges. Key features are:
    - For wireless-to-wireless domestic calls, termination charge would continue to remain as ₹ 0.06 (paise six only) per minute up to December 31, 2020.
    - From January 01, 2021 onwards the termination charge for wireless to wireless domestic calls shall be zero.
  - **Amendment to the DTH regulatory framework – the Telecommunication (Broadcasting and cable) Services (Eighth) (Addressable Systems) Tariff (Second Amendment) order, 2020:** On January 01, 2020 TRAI issued amendment to the DTH regulatory framework – The Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff (Second Amendment) order, 2020. The salient points include:
    - Introduction of twin conditions for pricing of bouquets by the Broadcaster:
      - The sum of the a-la-carte rates of the pay channels (MRP) forming part of a bouquet shall not exceed one and a half times the rate of the bouquet of which such pay channels are a part; and
      - The a-la-carte rates of each pay channel (MRP), forming part of a bouquet, shall not exceed three times the average rate of a pay channel of the bouquet of which such pay channel is a part.
    - Increasing the number of SD channels within the Network Capacity Fee (NCF) of ₹ 130/- per month from 100 to 200 and capping the NCF for more than 200 SD channels at ₹ 160/- per month.
  - Flexibility to Distribution Platform Operators (DPOs) to declare different NCFs for different geographical regions/areas within its service area, to offer promotional schemes at par with Broadcasters and to offer discounts on NCF and Distributor Retail Prices (DRP) on long term subscriptions with duration of 6 months and above.
  - Provision of discounts on NCFs for multi TV homes. DPOs shall not charge more than 40% of declared NCF per additional TV for 2nd TV connection and onwards in a multi TV home.
- These amendments have been challenged by Broadcasters before various High Courts and the matters are pending without any interim relief.
- **Amendment to Telecommunication Consumers Education and Protection Fund (Fifth Amendment) Regulations, 2020:** On January 16, 2020, TRAI issued amendment to the Telecommunication Consumers Education and Protection Fund (Fifth Amendment) Regulations, 2020. The service provider will deposit any unclaimed consumer money of any form such as access charges, security deposit, plan charges of failed activations, or any amount belonging to a consumer, which service providers are unable to refund to consumers, to the fund after providing time of twelve months or period of limitation specified under law, whichever is later.
- **Implementation of the Telecom Commercial Communications Customer Preference Regulations (TCCCP), 2018:** On January 20, 2020, TRAI issued direction regarding implementation of the Telecom Commercial Communications Customer Preference Regulations (TCCCP), 2018 and had inter-alia directed Telecom Service Provider's (TSP's) to take certain actions including the following:
  - Any commercial communication from TSP network to be allowed using registered headers assigned to the registered senders.
  - To give due publicity to make customers aware and to register all new consents of subscribers in the new system.
  - To ensure that Principal Entities are not able to send promotional messages or calls to the subscribers if they have not shared subscribers' consent with access providers.
- **Amendment to the Unified Access Service License (UASL) and Unified License (UL):** On February 05, 2020, the Department of Telecom (DoT) issued an amendment to the Unified Access Service License (UASL) and Unified License (UL) and gave the Licensees an option to defer the payments of spectrum auction instalments due for the year FY 2020-21 and FY 2021-22, either for one or both years. These deferred amounts will be spread equally in the remaining instalments to be paid by Licensees without any increase in the existing time period specified for making the instalment payment along. Additionally, interest will be charged to protect the Net Present Value

(NPV) of the payable amount during the moratorium period of 2 years.

- Recommendations for “Reforming the Guidelines on Transfer/Mergers of Telecom Licenses”:** On February 21, 2020, TRAI released its recommendations for “Reforming the Guidelines on Transfer/Mergers of Telecom Licenses”. The salient points includes:

- For calculation of one year i.e. time period allowed for transfer/merger post NCLT approval, the time spent in pursuing any litigation on account of which the final approval of a merger is delayed, should be excluded.
- An exemption from substantial Equity/cross holding clause for a period of one year or more as extended by the Lessor, should be modified such that the exemption from substantial equity/Cross Holding clause is provided only for a period till transfer/merger of licence is taken on record by the Lessor.
- Bank Guarantee against One-time Spectrum charges (OTSC) should be taken from Transferor Company instead of Transferee Company since it is the spectrum holding of Transferor Company, which is changing hands, and not of the transferee company.

- Recommendations for the Enhancement of Scope of Infrastructure Providers Category-I (IP-I) Registration:**

On March 13, 2020, TRAI issued its recommendations for the Enhancement of Scope of Infrastructure Providers Category-I (IP-I) Registration. The salient points include:

- The expanded scope of the IP-I registration should include to own, establish, maintain, and work all such infrastructure items, equipment, and systems which are required for establishing Wireline Access Network (WAN), Radio Access Network (RAN), and Transmission Links. However, it shall not include core network elements such as Switch, Mobile Switching Centre (MSC), Home Location Register (HLR), IN etc. The scope of the IP-I Registration should include, but not limited to, Right of Way, Duct Space, Optical Fiber, Tower, Feeder cable, Antenna, Base Station, In-Building Solution (IBS), Distributed Antenna System (DAS), etc. within any part of India.
- The IP-I registration holder should be authorized:
  - To provide only such infrastructure items, equipment and systems on lease/rent/sale basis to an eligible service provider for which that service provider has an authorization from the Government of India, and
  - To provide such infrastructure items, equipment and systems on mutually agreed terms and conditions to eligible service provider in fair, reasonable and non-discriminatory manner.

- One Time Spectrum Charge (‘OTSC’):** In respect of levy of one time spectrum charge (‘OTSC’), the DoT has raised demand on the company in January 2013. In the opinion

of the group, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the company filed a petition in the Hon’ble High Court of Bombay, which vide its order dated January 28, 2013, had directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and this matter is currently pending with Hon’ble High Court of Bombay. The DoT revised demands on the company aggregating ₹ 84,140 Mn in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the Hon’ble High Court of Bombay. The Group intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the Hon’ble TDSAT, vide its order dated July 04, 2019, has set aside the DoT order for levy of OTSC with retrospective effect and asked DoT to issue revised demands, if any, as per terms of direction given. The said telecom service provider filed an appeal in the Hon’ble Supreme Court of India against the order of the TDSAT. On March 16, 2020, the Hon’ble Supreme Court dismissed the appeal of the telecom service provider and did not interfere with the TDSAT judgement. DoT’s appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. Accordingly, out of prudence, the company recorded an aggregate charge of ₹ 56,420 Mn which is disclosed as an exceptional item as at March 31, 2020.

- Amendment to the Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020:** On April 17, 2020,

the Telecom Regulatory Authority of India (TRAI) revised the present regime of fixed International Termination Charges (ITC) @ ₹ 0.30 per minute to forbearance regime within a prescribed range of ₹ 0.35 paisa per minute to ₹ 0.65 paisa per minute effective from May 01, 2020. It has however, also mandated that an Access Service Provider shall offer the non-discriminatory rate of ITC to everyone i.e. to its own associated International Long Distance Operators (ILDOs) as well as to standalone ILDOs.

## Africa

- In Zambia, Finance Ministry has proposed to replace the current VAT system of 16% with a Sales Tax of 9% for domestic supplies. The date of implementation earlier proposed was July 01, 2019 which has been delayed to Sep 1, 2019, to allow for parliamentary participation in the enactment of the legislation. Consultation with ZRA about specifics is ongoing.
- A new bill has been debated in Kenyan parliament, which requires Telcos to form a separate group for any business they engage outside core telecom services. Airtel Kenya has already initiated separation of money business from core telecom business.

- Pursuant to the requirement of New Telecommunication Act in Malawi, it was made mandatory for companies holding electronic communication licenses to have 20% local shareholding. To give effect to this, the group has transferred by way of a secondary sale, its 20% shareholding in Airtel Malawi plc (Airtel Malawi), a wholly owned subsidiary of Airtel Africa plc, to the public and consequently Airtel Malawi listed on Malawi Stock

Exchange on February 24, 2020. Accordingly, with effect from the date of such transfer the group has recognized a non-controlling interest equivalent to 20% of the net assets of Airtel Malawi. The excess of carrying value over consideration received from non-controlling interest ('NCI') amounting to USD 20m, has been recognized in the 'transaction with NCI reserve', within equity.

## SCOT Analysis:

### Strengths

- Market Leadership:** One of the leading telecom players in India and among top 3 worldwide in terms of total mobile connection based on consolidated subsidiaries. Market leadership (Rank 1 & 2) in 12 of 14 African countries
- Brand:** Strong and recognized brand in all the geographies of presence
- Scale of Operation:** Presence in 18 countries serving over 423 Mn customers with presence in different segments including mobile services, home broadband, digital TV, enterprise business, passive infrastructure and mobile money

- Large Distribution Platform:** Robust platform enabling company to offer services like Mobile Money, OTT applications - Wynk Music, Airtel Xstream and Airtel Books
- QuadPlay:** Only operator to leverage quad play: Mobile, Fixed Voice, Broadband and DTH
- Strong Network:** Future proof network across access, transport and core layers. Pan India 4G/3G spectrum. Rated as the network with the India's best video experience and best download speed experience (Opensignal Awards India: Mobile Network Experience Report April 2020). Well-paced to participate in Digital India wave

### Challenges

- Integration of Operations:** Geographically varied presence, integrating operations across India, South Asia and Africa leveraging common platform

- Fast Changing Customer Needs:** Understanding evolving customer perceptions in fast-changing multi-cultural and multi-lingual environment

### Opportunities

- Customer Upgrading:** Low mobile broadband penetration (~57%) and smartphone penetration in India provides opportunity in form of customer upgrading from feature phone to smartphones
- Acting more than just pipe:** Creating an ecosystem of digital services (music, content, payments and much more) and leveraging data, network, and distribution assets to deliver these services to the capture future growth
- Strong Partner Ecosystem:** Possibilities to have a host of strategic partnerships leading to differentiated customers experience in order to win customers
- Remote Working:** With work from home becoming popular in India in addition to the higher disposable income and habit changes, the existing homes broadband footprint can be leveraged upon to capture the opportunities

- Digital payments:** India's digital payment space is expected to grow the segment by about five-fold to USD 1 trillion by 2023. Underpenetrated banking opportunity in Africa as well
- Content:** On an average a person is spending 4 hours on mobile, majorly consuming videos or music. Video consumption contributes to >70% of data consumption & India's video streaming industry is all set to grow at a CAGR of ~22%
- Other non-mobile businesses:** Less than 10% fixed broadband penetration in overall 250+ Mn households in India. Digitization to uplift DTH homes which are currently just 40% of overall
- Improved industry dynamics:** Improved industry dynamics due to the consolidation with recent mergers & exits of various telcos and the recent tariff hike in the industry

**Threats**

- **Increased Competition:** Pressures on Average Revenue Per User (ARPU) due to increased price competition or entry of new player in the markets the company operate in
- **Regulatory Changes:** Uncertainties around political and economic environment across regions along with any adverse litigation verdict
- **Currency Exposures:** Volatility in currencies due to global macro-economic uncertainties, global trade tensions and pandemics
- **Pandemic/Disaster:** Any pandemic or natural disaster in the geographies the company have operations

**Financial review****Consolidated Figures**

Particular	FY 2019-20		FY 2018-19	
	₹ Mn	USD Mn*	₹ Mn	USD Mn*
Gross revenue	875,390	12,377	807,802	11,567
EBITDA before exceptional items	371,053	5,246	262,937	3,768
Interest, Depreciation & Others before exceptional items	397,172	5,616	309,545	4,430
Profit before exceptional items and Tax	(26,121)	(369)	(46,606)	(662)
Profit before tax	(428,466)	(6,058)	(17,318)	(253)
Tax expense	(121,823)	(1,722)	(34,193)	(495)
Profit for the year	(321,832)	(4,550)	4,095	59
Earnings per share (In ₹ / USD)	(63.41)	(0.90)	0.96	0.01

\*1 USD = ₹ 70.73 Exchange Rate for financial year ended March 31, 2020 (1 USD = ₹ 69.86 for financial year ended March 31, 2019)

Note: With the adoption of IndAS 116, effective April 01, 2019, the results of periods commencing April 01, 2019 are not comparable with previous periods.

**Standalone Figures**

Particular	FY 2019-20		FY 2018-19	
	₹ Mn	USD Mn*	₹ Mn	USD Mn*
Gross revenue	543,171	7,680	496,060	7,101
EBITDA before exceptional items	206,315	2,917	128,182	1,835
Interest, Depreciation & Others before exceptional items	301,106	4,257	208,670	2,987
Profit before exceptional items and Tax	(94,791)	(1,340)	(80,488)	(1,152)
Profit before tax	(510,209)	(7,214)	(52,439)	(751)
Tax expense	(149,327)	(2,111)	(33,747)	(483)
Profit for the year	(360,882)	(5,103)	(18,692)	(268)
Earnings per share (In ₹ / USD)	(71.08)	(1.00)	(4.36)	(0.06)

\*1 USD = ₹ 70.73 Exchange Rate for financial year ended March 31, 2020 (1 USD = ₹ 69.86 for financial year ended March 31, 2019)

(FY 2018-19\* has been reclassified to take Tikona Merger impact for Y-o-Y comparison)

## **Adoption of Indian Accounting Standards (IndAS) 116 'Leases' w.e.f. April 01, 2019**

The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019 notifying the leasing standard IndAS 116 'Leases', which replaces the existing standard (IndAS 17). IndAS 116 is applicable to Companies from financial year beginning on or after April 01, 2019. The Company's financial results presented in this report for the year ended March 31, 2020 are in accordance with the new leasing standard IndAS 116. This standard is adopted in full form IFRS 16 without any carve out and will make the financials of Indian companies comparable with global peers. Under the earlier standard IndAS 17, operating leases were treated as revenue expenses whereas the finance leases were capitalized and amortized over the period of the lease with corresponding liabilities recorded as finance lease obligation.

The Company's consolidated revenues stood at ₹ 875,390 Mn for the year ended March 31, 2020, as compared to ₹ 807,802 Mn in the previous year, an increase of 8% (an increase of 11% on an underlying<sup>#</sup> basis). The revenues for India and South Asia (₹ 643,598 Mn for the year ended March 31, 2020) represented a growth of 7% compared to that of previous year (growth of 10% on an underlying basis). The revenues across 14 countries of Africa, in constant currency terms, grew by 14%.

The Company incurred operating expenditure (excluding access charges, cost of goods sold, license fees and CSR costs) of ₹ 314,670 Mn representing a decrease of 16% over the previous year. Consolidated EBITDA at ₹ 371,053 Mn increased by 41% over the previous year. The company's EBITDA margin for the year increased to 42.4% as compared to 32.5% in the previous year. Depreciation and amortization costs for the year were higher by 29.7% to ₹ 276,893 Mn. Consequently, EBIT for the year at ₹ 92,447 Mn increased by 94.1% resulting in margin of 10.6% vis-à-vis 5.9% in the previous year. The cash profits from operations (before derivative and exchange fluctuations) for year ended March 31, 2020 was ₹ 254,951 Mn vis-à-vis ₹ 167,777 Mn in the previous year.

Net finance costs at ₹ 123,819 Mn were higher by ₹ 27,926 Mn compared to previous year mainly due to higher interest on lease obligation due to adoption of Ind AS 116 and higher forex losses during the year.

Consequently, the consolidated loss before taxes and exceptional items at ₹ 26,121 Mn compared to loss of ₹ 46,606 Mn for the previous year.

The consolidated income tax expense (after the impact on exceptional items) for the full year ending March 31, 2020 was (negative) ₹ 121,823 Mn, compared to (negative) ₹ 34,193

Mn for the previous year. The underlying effective tax rate in India for the period was at 35.3% vs 34.9% for the full year ended March 31, 2019.

Exceptional items during the year accounted for impact of ₹ 288,123 Mn (net of tax). Exceptional items hits majorly comprises of charge on account of license fees and SUC including interest there on (AGR matter), accelerated depreciation on 3G network equipment/operating costs on network re-farming and up-gradation program, hit pertaining to customary indemnities to a clutch of investors of Airtel Africa plc, charge on account of re-assessment of regulatory cost based on a recent judgment on an OTSC related matter.

After accounting for exceptional items, the resultant consolidated net loss for the year ended March 31, 2020 came in at ₹ 321,832 Mn as compared to net income of ₹ 4,095 Mn in the previous year.

The capital expenditure for the full year was ₹ 253,586 Mn (USD 3.6 Bn) as compared to ₹ 287,427 Mn in the previous year (a decrease of 11.8%).

Return on Capital Employed (ROCE) has declined to (negative) 9.8% from 5.2% in the previous year.

The following table shows a summary of sector specific key ratios:

Key Ratios	Units	FY 2019-20	FY 2018-19	Y-o-Y%
Capex Productivity	%	41.9%	40.6%	1.3%
Opex Productivity	%	35.9%	46.4%	-10.4%
Interest Coverage Ratio <sup>1</sup>	Times	3.41	2.84	20.0%
Net Debt to Shareholders' Equity	Times	1.54	1.58	-2.6%
EBITDA Margin	%	42.4%	32.5%	9.8%
Net Profit Margin <sup>2</sup>	%	-36.8%	0.5%	-37.3%
Return on Shareholders' Equity <sup>3</sup>	%	-35.5%	0.6%	-36.1%

Note: With the adoption of IndAS 116, effective April 01, 2019, the ratios of periods commencing April 01, 2019 are not comparable with previous periods.

1. Higher Interest coverage ratio is driven by higher EBITDA during the year.
2. Drop in Net Profit Margin is attributable to lower Net Profits during the year.
3. Drop in Return on Net worth is attributable to lower Net Profits during the year.

<sup>#</sup>The term 'Underlying' refers to DTH reporting change effective April 01, 2019 pursuant to New Tariff Order, leading to content cost becoming a pass through expense and impact of accounting policy change deferring activation, installation & rental revenue over the life of the customer.

## Liquidity & Funding

As on March 31, 2020, the company had cash and cash equivalents of ₹ 135,507 Mn and short term investments of ₹ 137,679 Mn. During the year ended March 31, 2020, the company generated operating free cash flow of ₹ 117,466 Mn. The consolidated net debt excluding lease obligations for the company stands at ₹ 882,512 Mn as on March 31, 2020 compared to ₹ 1,082,346 Mn as on March 31, 2019. Consolidated net debt for the company including the impact of leases stands at ₹ 1,188,590 Mn as on March 31, 2020. The Net Debt-EBITDA ratio (Annualized) and including the impact of leases as on March 31, 2020 was at 3.20 times as compared to 4.30 times as on March 31, 2019. The Net Debt-Equity ratio was at 1.54 times as on March 31, 2020 as compared to 1.58 times as on March 31, 2019.

The year witnessed massive fund raise initiatives totaling to more than USD 8 Bn. The year started with one of India's biggest rights issue where the company raised ₹ 249,390 Mn by issuing approximately 1,134 Mn fully paid up equity shares and utilizing the proceeds materially towards deleveraging the balance sheet. The rights issue saw an enthusiastic response from the investors and the issue was oversubscribed. In June 2019, the company concluded the initial public offering (IPO) of Airtel Africa plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceed of USD 674 Mn. Airtel Africa plc was admitted to the premium listing segment of London Stock Exchange and later was added to the FTSE 250 index. In October 2019, company's wholly-owned subsidiary Network i2i Limited raised USD 750 Mn through 5.650% Subordinated Perpetual Securities. The transaction was company's inaugural hybrid securities offering and was the 1st pure play telecommunications G3 hybrid securities from Asia Pacific (ex-Japan) and 1st subordinated perpetual by an Investment Grade Corporate out of India. The issue received a strong response, for our inaugural hybrid securities offering, from investors across Asia, Europe and the United States underlining the future growth potential of the business. The same Subordinated Perpetual Securities were additionally issued later to further raise USD 250 Mn. In January 2020, company successfully raised USD 3 Bn through a combination of QIP (USD 2 Bn) and FCCB (USD 1 Bn). The transaction was the largest dual tranche Equity and FCCB offering ever in Asia-Pacific, the largest QIP by a private sector issuer ever in India and the largest FCCB offering from an India issuer in the last 12 years. The FCCB offering re-opened the Indian FCCB market after a 3-year absence of such issuances. Both the offerings were oversubscribed and anchored by many existing and new shareholders. Several of the large Global long only funds, Sovereign Wealth Funds, Domestic Mutual Funds, and Insurance Companies participated in the offering. The overall allotment was pre-dominantly to long-only investors, thereby also ensuring diversification of the shareholder base of Bharti Airtel. All these fund raising initiatives demonstrate the strong support of market participants and have helped the company in improving its balance sheet strength.

## COVID-19

The last quarter of the financial year saw an unprecedented scenario with the outbreak of COVID-19 and the situation is

rapidly evolving. The pandemic made telecommunications services more relevant than ever. As connectivity providers, it is a great responsibility on the company to keep its customers and the nation connected.

- **Governance:** Our business continuity plans came into effect even before the lockdown. We have a war room to closely supervise all developments and daily meetings chaired by the CEO to monitor safety of our employees, review network, customer service and business performance.
- **Safety:** Our topmost priority is the health and wellbeing of our employees, partners and customers, and we have taken all the necessary steps to ensure their safety. We have provided sanitation essentials to our workforce on the field. Further, we have distributed staff (two teams working on alternate days) and reduced capacity to maintain social distance in our essential facilities. We are also working with the government to help raise awareness and share best practices through several means so as to help people in need.
- **Network:** In these challenging times, our network remains the main source for many people for social interactions, work and entertainment. We have already seen an increase in data traffic, and our priority is to make sure that our customers continue to enjoy brilliant experience. Our people were on the field to continue installation/ repair activities and ensure that networks were up and running, even during the lockdown. We made sure that all our Network and Engineering Operating centers as well as data centers could be operated with minimum workforce on site and rest were enabled virtually. We also made all necessary arrangements at the NOC to be ready for all eventualities.
- **Distribution:** Given the lockdown, most shops were shut. To ensure that our customers were able to recharge, we activated several new channels – Pharmacies, Groceries, Bank ATMs and Post Offices and enabled recharges at points that continued to be available during the lockdown. Further, we encouraged all our customers to use the digital channels. We undertook several campaigns to educate users to pay/recharge online and also encouraged customers to recharge for others.
- Airtel announced special measures to assist low-income group customers impacted by the COVID-19 crisis. Airtel extended pre-paid pack validity for over 80 Mn customers and extended an additional ₹ 10 to their prepaid talk-time enabling customers to seamlessly make calls or send SMS and therefore stay connected with their loved ones.
- Airtel decided to pay the basic income for April to nearly 25,000 employees of its distribution partners

## USD 8+ Bn

Raised through a combination of rights issue, Airtel Africa IPO, perpetual bond, QIP and FCCB

and retail franchise network to help them tide over the unprecedented situation arising out of the ongoing lockdown to contain the spread of COVID-19.

- Airtel Business extended its support in adopting robust and flexible business continuity arrangements to continue to communicate and collaborate securely, through bandwidth upgrades, work-from-home solutions based on DSL and 4G, Collaboration services and security solutions.
- Airtel enabled free access to thousands of titles on its e-books platform – Juggernaut Books (formerly known as Airtel Books) to all its customers. Airtel customers can access top books and novels for free by simply downloading the Juggernaut Books app on their smartphones while they are at home during the nationwide lockdown to curb the spread of COVID-19.
- Airtel and Apollo 24/7, the digital arm of Apollo Hospitals Group, launched a free digital self-assessment tool on the airtelThanks app that allowed users to check their COVID-19 risk profile by answering a few questions. Based on the user responses, the digital tool generates a risk score and suggests follow-up actions, including free online consultation on Apollo 24/7, non-prescription helpline number, self-care tips, social distancing norms and other preventive actions.
- Airtel launched a new prepaid data pack for the people in quarantine. The ₹ 401 data pack comes with a free subscription to Disney + Hotstar VIP with a validity of 365 days and 3GB data per day for 28 days.
- Airtel has kept its commitment to onboard 50 summer interns from top business schools for its flagship Airtel Young Leaders Summer Internship Programme. Airtel has redesigned its internship program to make it completely virtual. Right from induction to mentorship to final reviews, the entire program will run virtually.
- Airtel rolled out Airtel Super Hero feature on its airtelThanks app that allows users to enroll themselves as superheroes and earn commission on recharging other Airtel numbers.
- As a responsible corporate, Bharti Enterprises and its companies Bharti Airtel, Bharti Infratel and others have committed over ₹ 100 crore for India's fight against COVID-19. A significant portion of the corpus was contributed to the PM - CARES Fund and the balance amount has been directed towards sourcing of masks, PPE and other key equipment.

## ₹100+ crores

Committed by Bharti Enterprises and its companies  
Bharti Airtel, Bharti Infratel in India's fight against  
COVID-19

## Awards and Recognition

- Airtel ranked 4th in the category of "The top 10 most valuable Indian brands 2019" as per WPP Kantar Survey.
- Airtel bagged top honors at the Frost and Sullivan ICT Awards. Airtel Business has been awarded as the "Enterprise Data Service Provider of the Year" and the "Enterprise Telecom Service Provider of the Year" in the large enterprise segment.
- In October 2019, **Airtel** has been ranked **#1** by **OpenSignal** as having India's Best Video Experience in its Mobile Network experience report. OpenSignal is an independent mobile analytics company specializing in quantifying mobile network experience. It also said in **April 2020** that, **Airtel** has demonstrated best video experience, voice app experience, download speeds and latency experience. (Opensignal Awards - India: Mobile Network Experience Report published in April 2020).
- Airtel Finance shared services team has bagged the coveted **Digital Initiative Award** by HDFC bank in the Large Customer Category.
- **airtelThanks** campaign won Bronze at **EFFIES 2020** for its marketing campaign effectiveness. The EFFIE Award is a pre-eminent award in the advertising industry, which recognizes all forms of marketing that contributes to a brand's success.

## Segment-wise Performance

### B2C services

#### Mobile Services: India

##### Overview

During the year ended March 31, 2020, operations pertaining to optical fiber were transferred from the company to its wholly owned subsidiary Telesonic Networks Limited with effect from August 01, 2019 under the Scheme of Arrangement. Subsequently the business was reorganised, whereby, assets and liabilities pertaining to bandwidth capacities were allocated to Mobile, Airtel Business and Homes segment. Previously, these operations were part of Mobile segment and bandwidth capacities were billed by Mobile services segment to Airtel business and Homes services segments.

To serve the evolving needs of millions of customers in the rapidly digitizing economy, Airtel continued to re-farm its 3G spectrum for 4G and modernize it for increasing 4G coverage and capacities thereby providing its customers with an industry leading network experience. As on March 31, 2020, the Company had 283.7 Mn customers in India. The churn decreased to 2.5% for the current year, compared to 3.3% during the previous year. The minutes on the network have increased by 8% to 3,035 Bn. The Company had 148.6 Mn data customers at the end of March 31, 2020, of which 136.3 Mn were mobile 4G customers. The increased penetration through bundles with high inbuilt data has also led to the total MBs on the network grew by 79% to 21,020 Bn MBs.

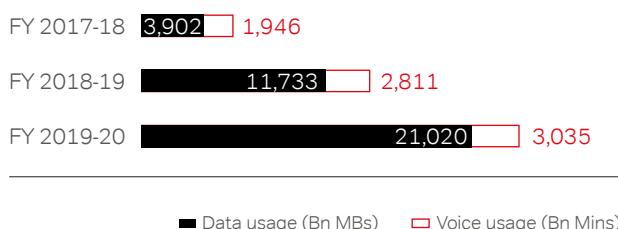
The Company continues to expand its reach within the digital space. App Annie ranked Wynk Music as India's #1 music-streaming app in terms of Daily Active Users in October 2019. The performance metric underlines the massive user preference for Wynk Music when it comes to consuming music on smartphones. It crossed 170 Mn installs in March, 2020. Airtel Xstream, formerly known as Airtel TV, the video and LIVE TV streaming app from Airtel, crossed 138 Mn installs in March, 2020, underlining its growing popularity amongst smartphone users as the go to destination for digital content. It features over 400+ Live TV channels, and a rich assortment of Movies and TV shows across 14 languages.

During the year, revenues increased by 11% to ₹ 459,663 Mn as compared to ₹ 415,541 Mn in the previous year. The segment witnessed increase in the EBITDA margin to 36.9% during the year, compared to 22.7% in the last year. EBIT margin for the year increased to (negative) 6.9%, compared to (negative) 13.8% in the previous year.

The Company had 194,409 network towers, compared to 181,079 network towers in the last year. Out of the total number of towers, 192,068 are mobile broadband towers. Mobile broadband (MBB) base stations were at 503,883 the end of the year, compared to 417,613 at the end of last year.

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross Revenues	459,663	415,541	11%
EBIT	(31,853)	(57,511)	45%

#### Data and Voice Usage



#### Key Highlights

##### Strategic Alliances & Partnerships:

Airtel continues to forge business partnerships with an aim to provide seamless customer experience with greater value proposition to end users.

- Airtel strengthened its strategic partnership with ZEE5 to enable a world-class digital content experience for Airtel mobile customers. As part of partnership, all Airtel Platinum customers got unlimited complimentary access to ZEE5's vast content catalogue as part of their airtelThanks plan benefits.
- Airtel has been chosen as the strategic Network Solution partner by **Faridabad Smart City Limited** (FSCL) to

transform Faridabad into a Smart City. Airtel will work closely with FSCL to design and deploy a future ready high capacity network and a range of connectivity solutions to build a digitally enabled Faridabad city.

- Airtel, in partnership with Bharti AXA Life Insurance, launched Prepaid Bundle with built-in life insurance cover of ₹ 2 lakhs. The partnership aims to leverage Airtel's innovation leadership and deep distribution reach to make insurance more accessible & affordable.
- Airtel announced a partnership with global content leader **Lionsgate** (the international premium subscription platform from Starz) to bring premium content from Lionsgate Play to Airtel subscribers in India. The partnership gave Airtel customers access to a deep portfolio of critically acclaimed and beloved Lionsgate feature film content. This content was made available on the Airtel Xstream app and web platforms.
- As an effort to contribute to the Digital India vision and partner with the Government of Uttar Pradesh in their digital transformation agenda, Airtel designed and implemented a future ready State Wide Area Network (SWAN) for the state government called 'UPSWAN 2.0'. It comprises of 885 Points of Presence (PoPs) across the state and is designed to provide secure, high-speed connectivity for delivery of Government services to citizens over a Closed User Group network.
- Airtel announced the induction of Bengaluru based tech startup Vahan into its Startup Accelerator Program. Airtel acquired a stake in Vahan and partnered with them in building significant scale to achieve their vision of enabling jobs for the next billion internet users.
- Airtel and OYO Hotels & Homes** collaborated to launch OYO Store on airtelThanks App. Airtel customers can seamlessly book accommodations on the airtelThanks app and make the booking payments via Airtel Payments Bank.
- Airtel joined hands with HDFC Life Insurance** to launch a prepaid bundle. The bundle comes with an in-built **life insurance cover (term plan) of ₹ 4 lakhs** from HDFC Life along with unlimited voice calling and 2GB data/day.

##### Mergers & Acquisitions:

Airtel concluded a host of M&A transactions as a part of its growth and diversification strategy and to harness economies of scale resulting from consolidations:

- Airtel and Hughes Communications India Ltd. (HCIL), a subsidiary of Hughes Network Systems, LLC (HUGHES) entered into an agreement to combine their VSAT (Very Small Aperture Terminal) operations in India. The combined entity will benefit from enhanced scale, improved operational efficiencies and wider market reach. The combined entity will be well positioned to leverage the demand for secure connectivity in a rapidly growing digital economy. The transaction is subject to approvals by relevant authorities.

- ☰ **Merger of Consumer Mobile Business of Tata Teleservices (Maharashtra) Limited and Tata Teleservices Limited with Bharti Airtel Limited and Bharti Hexacom Limited** - On July 01, 2019, Airtel completed the acquisition of the consumer mobile business of Tata Teleservices (Maharashtra) Limited (TTML) and Tata Teleservices Limited (TTSIL) with Bharti Airtel Limited and Bharti Hexacom Limited following the Hon'ble TDSAT order and the approval of the schemes of arrangement by Hon'ble NCLT, Delhi and Hon'ble NCLT, Mumbai. Airtel has integrated Tata's operations across circles and has added 142.50 MHz of unpaired spectrum to its portfolio. All the Tata customers have been transitioned seamlessly and continue to enjoy uninterrupted services with the same SIM and same plan/pack benefits.
- ☰ The Hon'ble NCLT, New Delhi, Principal Bench, vide its order dated July 02, 2019 has sanctioned the **Scheme of Arrangement between the Company and Telesonic Networks Limited ('Telesonic')** for the transfer of the Optical Fibre Cable business of the Company and vesting of the same with Telesonic and has become effective on August 03, 2019 consequent to the filing of Certified True Copy of the Order of the Hon'ble National Company Law Tribunal sanctioning the Scheme, with the concerned Registrar of Companies.
- ☰ Airtel acquired a strategic stake in Spectacom Global Pvt Ltd ("Spectacom") under the Airtel Start-up Accelerator Program, which focuses on supporting growth of early stage Indian start-ups. Spectacom has been conceptualised to produce path breaking digital content on health & fitness training programmes. Airtel will work closely with Spectacom to help increase awareness and adoption this platform.

## 142.50 MHz

of unpaired spectrum added to the portfolio  
with Tata Teleservices acquisition

### Network Expansion & Transformation:

Airtel remains committed to deliver a world-class network experience to the high value customer through its various initiatives:

- ☰ As part of its strategy to offer high speed 4G across the country, the company has **moved forward on its plan to phase out its 3G services** and further augmented its 4G services, Airtel has **deployed state-of-the-art L900 technology** in the 900 MHz band to complement its 4G services in the 2300 MHz and 1800 MHz bands.
- ☰ Bharti Airtel launched high speed 4G along with 2G services in 26 villages in **Ladakh**. Airtel is the first operator to bring high-speed mobile broadband to these villages and connect them to the digital superhighway.
- ☰ Airtel deployed the superior **LTE 2100 MHz spectrum band across Delhi-NCR, Haryana, Himachal Pradesh,**

**Jammu & Kashmir.** This will further augment Airtel 4G quality and experience, boost network capacity, significantly improve outdoor coverage and drive more voice traffic on VoLTE to serve its customers in all these regions.

- ☰ The Company renewed and enhanced its on-going relationship with **Nokia** to boost its network capacity and customer experience, in particular 4G. The rollout will also lay foundation for providing 5G connectivity in the future, with approximately 300,000 radio units deployed across several spectrum bands, including 900 Mhz, 1800 Mhz, 2100 Mhz and 2300 Mhz.
- ☰ Airtel has **launched 4G services in Lakshadweep Islands**. With this, Airtel has become the first mobile operator to launch high-speed data services on the tropical archipelago.
- ☰ Bharti Airtel has collaborated with Cisco to launch India's largest 5G-ready, 100G IP and optical integrated network designed to enhance network availability, capacity and scale. The deployment is part of Bharti Airtel's initiatives to build a 5G ready network that continues to serve the growing demand for high speed data services in the country.
- ☰ In one of the fastest uptakes of a new network technology in India, **Airtel Wi-Fi Calling** crossed five million users in March 2020. Bharti Airtel was the first mobile operator to introduce Voice over Wi-Fi across India. The new technology has dramatically improved indoor network experience for Airtel mobile customers through seamless coverage.

### Digital Innovations & Customer Delight:

In the face of rapidly changing customer demands, Airtel consistently remained on the path of digital innovations to nurture its customer journey across all touch points and to have a highly engaged customer force by providing exceptional customer experience

- ☰ **NEFT Facility** - Airtel Payments Bank enabled the use of National Electronic Funds Transfer (NEFT) facility for all its users. The facility would be available to customers on 24x7 basis even on holidays, allowing them to send or receive funds to any bank from anywhere, anytime.
- ☰ Airtel redefined international roaming with yet another innovation that allows customers to track usage real time and enable / disable IR service with one click on airtelThanks app. Furthermore, customers can pre-book IR packs (also available for prepaid customers) covering most travelled countries.
- ☰ Airtel announced the launch of its **converged digital entertainment play, Airtel Xstream**, which offers a range of connected devices, applications and services. As part of the Airtel Xstream device portfolio, Airtel has launched an android based OTT smart stick and an Android based 4k **Hybrid Smart Box** that offers satellite TV and OTT content. Airtel also launched Airtel Xstream app, which is a revamped version of Airtel TV app.

- Airtel offered **free access to online courses** from the globally renowned online educator - Shaw Academy. Shaw Academy offers courses focused on developing practical skills and popular subjects include music, language, fitness etc. **Airtel Platinum customers** got free access to one-year courses worth ₹ 6,000 as part of their plan benefits.

### Homes Services

#### Overview

The Company provides fixed-line telephone and broadband services for homes in 111 cities across India.

The need for a robust and reliable fiber network has grown with growing proliferation of 4KHD content, high end online gaming, IoT and new ways of working from home. During the year, we continued to increase our coverage by rolling out new Fiber network across major cities of our operations. Further, overhauling of network from Copper to FTTH continued during the year to ensure that our customers enjoy higher speed and connectivity.

The Homes business had 2.4 Mn customers as on March 31, 2020, representing a growth of 6.3% as compared to 2.3 Mn at the end of previous year.

Revenues from Homes services stood at ₹ 22,451 Mn for the year ended March 31, 2020, as compared to ₹ 22,391 Mn in the previous year, increase of 0.3%. EBITDA margin improved during the year to 50.4% as compared to 48.3% in the previous year.

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross Revenues	22,451	22,391	0.3%
EBIT	5,129	3,330	54%

#### Homes Subscribers : (Mn)

FY 2017-18	2.17
FY 2018-19	2.27
FY 2019-20	2.41

#### Key Highlights

- In line with the “high speed and high value acquisition strategy”, the company unveiled a new brand identity ‘Airtel Xstream Fibre’ for the home broadband services. With simplified offerings, all home broadband plans are now available under the new brand umbrella. The current offering of high speed connectivity and data lies under four plans in all major markets starting from ₹ 799 to ₹ 3999/month offering speed up to 1 Gbps. The new ₹ 799 per month plan offers users speeds up to 100 Mbps with a FUP limit of 150GB and access to all of Airtel Xstream premium content.

- The new plans also provide customers with an ability to pay an additional fee of ₹ 299 per month and upgrade to unlimited data.
- airtelThanks program was extended to Home Broadband customers for plans of ₹ 999 and above. The benefits include one-year Amazon Prime membership with full entertainment and online shopping benefits, access to premium content from ZEE5 and all of Airtel Xstream premium content.
- Integrated home offering has been launched in 10 cities as on March 31, 2020. Under the new offering, our customers can opt for multiple services from Airtel i.e. Postpaid, Broadband and DTH under one bill. Customers under this scheme are eligible for the following benefits – one bill & one call centre, complimentary service visits, Wi-Fi router at no extra cost, Airtel Xstream box at discount and extended warranty on DTH box.
- For the cities Airtel is not present in Broadband space, the company has launched its broadband services through franchise tie-ups to tap the opportunity in those markets. As of March 2020, operations have been launched in 11 cities and ~180K homes have been wired. Airtel will continue to increase its presence in newer cities and through capacity enhancement in the launched cities.

## 111 Cities

Across India receive fixed-line telephone and broadband services for home

#### Digital TV Services

#### Overview

The year saw a key regulatory development in television broadcast industry wherein TRAI implemented the New Tariff Order (NTO-1) w.e.f. March 31, 2019. The NTO allows customers to select the channels and bouquets they want to subscribe to and pay accordingly. The Company has complied with the deadline set for implementation and has welcomed the move as it has the potential to usher in the next wave of digitized broadcasting across the country and is in line with its ethos of putting customer first. Subsequent to the new tariff order (NTO-1), the service providers are responsible only for re-transmission and are not in a position to control content and pricing. Accordingly, the Gross revenue is only to the extent of net value retained i.e. customer payments received net of broadcaster's fee (erstwhile content charges) w.e.f. April 01, 2019.

The company has reviewed its accounting policy of acquisition revenue in DTH business and accordingly deferred the onboarding, installation and rental revenue over the life of the customer. The impact for full year FY 2019-20 for the same was considered in Q4'20.

To deliver modern-day entertainment services to its customers, Airtel Digital TV launched the Airtel Xstream 4K Android Box

during the year. The Xstream box is essentially an Android TV Box that has been modified to accept both satellite TV signals as well as to serve content from modern day OTT platforms such as Airtel Xstream app, Netflix, Amazon Prime Video, YouTube and Airtel Store (for advanced gaming with high-end graphics) and to stream more than 500 TV channels with access to Google Play store and Google Assistant.

With operations in 639 districts across the country, the customer base crossed the 16 Mn mark during the year. The Company has witnessed a step up in customer additions on back of its premium HD content. Airtel Digital TV has 16.6 Mn customers on its Direct-To-Home (DTH) platform as of March 31, 2020.

The Company currently offers 645 channels including 85 HD channels (including 1 HD SVOD service), 27 SVOD services, 7 international channels and 3 interactive services.

Reported revenues for the year stood at ₹ 29,238 Mn for the year ended March 31, 2020, as compared to ₹ 41,001 Mn in the previous year, a decrease of 29% (an increase of 16% on an underlying basis).

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross Revenues	29,238	41,001	-29%
EBIT	11,330	7,410	53%

#### DTH Subscribers Base (Mn)

FY 2017-18	 14.2
FY 2018-19	 15.4
FY 2019-20	 16.6

## 639 districts

Across the country are covered and receive Digital TV services

#### Key Highlights

- Airtel announced a partnership with CuriosityStream, an award-winning global media company that provides best-in-class factual entertainment content, to offer its content on Airtel Xstream Mobile app, web and TV platform. Airtel is the first partner to bring CuriosityStream to India, directly to viewers.
- During the year, the company collaborated with Sony to bundle Airtel Xstream Stick, revamped regional pack offerings in select markets. The company also collaborated with TV panel makers – Samsung and Mi, to bundle TV and DTH sales.

## B2B Services

### Airtel Business

#### Overview

Airtel Business is India's leading provider of ICT services with a network spanning across India, USA, Europe, Africa, the Middle East, Asia-Pacific, and other SAARC countries. Airtel Business serves over 1200 global customers, 2000 large and 500,000 medium/small businesses across India. We offer a diverse portfolio of products and services covering voice, data, collaboration, work-from-home solutions, cloud, data centre, security, IoT, network integration, managed services, enterprise mobility, and digital media. Through this diverse portfolio, we are pushing the boundaries in digital service delivery with a key focus on enhanced end-user experience, round-the-clock infrastructure availability, and superior service quality.

Revenues in this segment comprise of: a) Enterprise & Corporate Fixed Line, Data and Voice businesses, and b) Global Business, which includes wholesale voice and data.

Global Business, the international arm of Airtel Business, offers an integrated suite of global and local connectivity solutions, spanning voice and data to the carriers, Telcos, OTTs, large multinationals, and content owners globally. Its international infrastructure includes the ownership of i2i submarine cable system, connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle East - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East - Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSY). Along with these seven owned subsea cables, Airtel Business has a capacity on 27 other cables across various geographies.

Its global network runs across 250,000 Rkms, covering 50 countries and 5 continents, 33 international cables, and 65 Global PoPs (Point of presence). This is further interconnected to its domestic network in India, and direct terrestrial cables in SAARC countries, Myanmar and China helping accelerate India's emergence as a preferred transit hub.

Leveraging the direct presence of Airtel Mobile operations in 16 countries across Asia and Africa, Global Business also offers mobile solutions (ITFS, Signalling hubs, and messaging), along with managed services and SatCom solutions. Global Business is also providing advanced consumer solutions like IoT to global customers.

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross Revenues	132,331	124,538	6%
EBIT	31,754	27,466	16%

#### Key Highlights

- 1) Airtel Enterprise Hub: Airtel Business launched Enterprise Hub - a one-stop digital platform offering self-care services to its enterprise and SMB (small and medium business)

customers. Customers can now seamlessly access a host of services, including bill payments and complete account management on a single interface with a single sign-in.

- 2) Verticalisation: To align more closely with the customer needs, Airtel Business now offers vertical-specific solutions in Manufacturing & Distribution, BFSI, IT/ITeS, Media, Retail, E-commerce, Hospitality & Logistics domain.
- 3) Focus on new businesses: Airtel Business is creating an end-to-end ecosystem for enterprises for a seamless experience, backed by superior customer service. In this endeavour, Airtel business has continued to focus on new businesses like Cyber Security, Cloud & Data Centre, and IoT.
- 4) Airtel & Google Cloud announced a partnership to boost collaboration, productivity and digital transformations in India. Airtel is offering G suite (a set of intelligent apps – Gmail, Docs, Drive, Calendar and more) to small and medium sized business (SMBs) in India as part of its integrated Information and communication technology (ICT) portfolio designed with real-time collaboration and machine intelligence to bring people together and help them work smarter and safer.
- 5) Airtel and Nokia partnered to offer private LTE based Industry 4.0 solution to enterprises. The partnership addresses the emerging requirements of enterprises across banking, financial services and insurance (BFSI), information technology enabled services (ITES), media and services, manufacturing and distribution with technologies such as cloud, IoT, artificial intelligence and machine learning, and edge computing concepts. In addition, the two companies will explore the development of 5G use-cases for the enterprises.

#### Awards and Recognition

- Airtel Business won the “**Best Partnership**” award at Telecoms World Middle East Awards 2019 for partnering with Telecom Egypt.
- Airtel Business won three prestigious awards at **Global Carrier Awards 2019**, namely, Best Global Wholesale Carrier – Voice, Best Voice Service Innovation – Emerging Markets and Best Security Solution.
- Airtel Business bagged five prestigious awards at the CIO **Choice Awards 2020**, namely,
  - Unified Communication & Collaboration (Software Vendor)
  - Telecom Carrier, International Access (Telecom Services Vendor)
  - Telecom Carrier, Leased Lines (Telecom Services Vendor)
  - Network Security (Security Vendor)
  - Colocation (Data Center & IT Infrastructure Vendor)
- Airtel Business has bagged the top honors at the Carriers Worlds Awards 2019 in 2 prestigious categories – “**Best Global Carrier**” and “**Best IoT Initiative**”.

# 250,000 Rkms

of global network

#### Passive Infrastructure Services

##### Overview

Our subsidiary, Bharti Infratel Ltd (Infratel), is India's leading provider of tower and related infrastructure and it deploys, owns & manages telecom towers and communication structures, for various mobile operators. It holds 42% equity interest in Indus towers, a joint venture with Vodafone Group, Vodafone-Idea and Providence who hold 42%, 11.15% and 4.85% respectively. The Company's consolidated portfolio of 95,372 telecom towers, which includes 42,053 of its own towers and the balance from its 42% equity interest in Indus Towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. The Company has been the industry pioneer in adopting green energy initiatives for its operations. Bharti Infratel is listed on the Indian stock exchanges, NSE and BSE.

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross	67,423	68,185	-1%
Revenues			
EBIT	23,724	21,257	12%

#### Africa

##### Overview

##### COVID -19

In the countries where we operate, the spread of the COVID-19 has lagged the rest of the world. The situation is rapidly evolving, and several governments in Africa have also taken decisive actions to reduce the risk of contagion, including banning all commercial flights, closing educational facilities and in some case all non-essential establishments, limiting social gatherings and encouraging social distancing and working from home.

During these unprecedented times, governments have recognized the telecoms industry as a critical and essential service. We are working closely with them to keep people connected and the wheels of the economy turning.

The year has been marked with significant events in African operations primarily related to the intended IPO.

**Airtel Africa plc IPO:** On June 28, 2019, Airtel Africa plc announced the successful pricing of its IPO on the London Stock Exchange at 80 pence (NGN 363) per share. The offer comprised 676,406,927 new shares (637,178,959 shares available to institutional investors outside of Nigeria and 39,227,968 shares available to qualified institutional investors and high net worth investors in Nigeria). Unconditional trading of the shares on the London Stock Exchange began on July 03, 2019 and on the Nigerian Stock Exchange on July 09, 2019.

**FTSE 250 inclusion:** On September 09, 2019 it was announced that Airtel Africa plc would be added to the FTSE 250 index as from September 23, 2019.

**Airtel Malawi plc:** On February 24, 2020, Airtel Malawi made its debut on the Malawi Stock Exchange as the largest IPO in Malawi's history. The listing, which debuted at a price of MK12.69 (USD 2 cents) per ordinary share consisted of secondary offer of 2.2 Bn shares, representing 20% of issued share capital. Gross proceeds amounted to MK27.92 Bn (USD 37.5 Mn) and the price implies a market capitalisation on admission of MK139.59 Bn (USD 187.4 Mn).

During the year ended March 31, 2020, the government of Tanzania ('GoT'), Bharti Airtel Tanzania B.V. ('BATBV'), Bharti Airtel International (Netherlands) B.V. ('BAIN') and Airtel Tanzania ('AT') executed agreements to resolve all disputes. These mainly cover the following:

- New shares to be issued by AT to the GoT at no cost such that the GoT will own 49% of the entire share capital of AT and BATBV will own 51%;
- Tanzania Revenue Authority's (TRA) tax claim of approximately USD 874m on BAIN will be treated as settled without any liability (no provision has been recognised currently);
- Tanzania Communications Regulatory Authority's Compliance Decision of April 20, 2018 imposing on AT a fine of approximately USD 183m too will be treated as settled without any liability (no provision has been recognised currently);
- TRA's various tax claims against AT of approximately USD 47m will, subject to verification and consideration of the records, be treated as settled without any liability (no provision has been recognised currently);
- AT will be issued a one-time tax clearance certificate in regard to tax disputes in respect of all historical tax claims up to December 31, 2018;
- In all cases this shall not be construed as an admission of fact or law or as a concession or admission of any wrongdoing, obligation, liability by any party;
- AT, subject to verification and consideration of the records by the TRA will be allowed the carry-forward tax loss balance as recorded in AT's corporate tax return for the tax year ended December 31, 2017;
- Parties will cooperate to effect the sale of towers and the proceeds thereof will be distributed in a pre-defined manner towards repayment of AT's shareholder loan, to be retained in AT and balance as a special one-time payout to the GoT. On receipt of its share of the proceeds from sale of towers, BATBV will waive the balance shareholder loan;
- A valid Listing Waiver will be provided to AT and the group entities in AT in accordance with the laws of Tanzania. Furthermore, in case of listing, the BATBV shares in AT are not subject to listing;

- Group entities will not be subject to any tax in connection with any of the transactions described above;
- AT will pay to GOT, approximately USD 0.4m every month for a period of 60 months, effective April 01, 2019 for the support services provided and
- AT will pay a special dividend ('Special Dividend') to its shareholders in proportion of their shareholding of upto 25% EBITDA based on its audited financial statements for the financial year ending December 31, 2019 subject to applicable laws.

Post the agreement following matters have been resolved:

- TRA's tax claim of approx. USD 874m, TCRA's imposition of approx. USD 183m and various tax claims against AT of approx. USD 22m have been vacated without any liability. Since the group did not carry any provisions for these matters, no accounting implications have arisen due to such resolution.
- On November 29, 2019 AT issued 36,176,471 shares to GOT at zero effective cost thus increasing GOT's shareholding in AT to 49%. The group has thus recognized non-controlling interest to the extent of 9% of carrying value of net assets of AT.
- Corporate tax return for carried forwards tax losses of AT has been concluded until December 31, 2016.

The completion of all other steps set out above are still in progress at the date of authorization of the financial statements.

As on March 31, 2020, the Company had 110.6 Mn customers in Africa across 14 countries as compared to 98.9 Mn customers in previous year, an increase of 11.9%.

Customer churn for the year remained flat at 5.0% as compared to the previous year. Total minutes on the network during the year increased by 20.6% to 250.1 Bn. Data customers increased by 5.4 Mn to 35 Mn accounting for 32.0% of the total customer base as compared to 30.4% in the previous year. The total MBs on the network has increased by 81.0% to 710.5 Bn MBs with usage per customer increasing from 1,192 MBs to 1,863 MBs. Total sites in Africa as on March 31, 2020 were 22,909 of which 20,378 were mobile broadband towers, representing 89.0% of the total sites.

In reported currency, Airtel Africa revenues grew by 13% to ₹ 242,171 Mn as compared to ₹ 215,026 Mn in the previous year. The Company's continued focus on running the operations efficiently and cost effectively has resulted in EBITDA of ₹ 107,259 Mn for the year as compared to ₹ 83,632 Mn in the previous year, increase of 28%. Consequently EBITDA margin improved by 5.4 p.p. to 44.3% compared to 38.9% in the previous year. Depreciation and amortization charges were at ₹ 42,786 Mn as compared to ₹ 31,234 Mn in the previous year. EBIT for the year was at ₹ 64,131 Mn as compared to ₹ 52,107 Mn in the previous year. PBT for the full year was at ₹ 37,439 Mn as compared to ₹ 30,315 Mn in the previous year. The full year capex was at ₹ 45,838 Mn as compared to ₹ 44,376 Mn in the previous year.

## In Reported Currency

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross Revenues	242,171	215,026	13%
EBIT	64,131	52,107	23%

Note: During the financial year 2017-18, Bharti Airtel Limited divested 1 operating unit in Africa. Accordingly, the above table has been shown for remaining 14 countries only.

**Wireless Subscribers: AFRICA(Mn)-14 Countries**

FY 2017-18	 89.3
FY 2018-19	 98.9
FY 2019-20	 110.6

**Key Highlights****Partnerships**

- On October 09, 2019, the Group announced a partnership with Mastercard, which allows Airtel Money customers to make online payments globally using a virtual Airtel Money Mastercard. Airtel Money customers, even those using a feature phone, are also able to make in-person payments at outlets using QR codes. To date, there are over 1 Mn shops across Africa that accept Mastercard QR payments. Approximately 700,000 are in Nigeria, our largest market and where we have applied for a payment service bank license.
- On October 21, 2019 the Group announced a partnership with Ecobank which will allow millions of Mobile Money and Ecobank customers across Africa to improve their access to mobile financial services.
- On October 22, 2019 the Group announced partnership with Finablr which will enable Mobile Money customers to receive money directly to their phones, in their Mobile Money wallets, from more than 160 countries around the world.
- In Nigeria the Central Bank has approved the name "Smart Cash" to be used for the Airtel payment service bank.
- In February 2019, we launched Airtel TV in Uganda. Now we have more than half a million installations across Nigeria, Uganda and Zambia. We also launched Hollywood and premium international content on our platform, with movies and TV shows from MGM,

**~23%**

growth in EBIT as compared to the previous year

Lionsgate, BBC and NBC Universal as well as local content, primarily Nollywood. Hollywood content has brought high-quality marketing promotions and trailers, increasing registrations and product loyalty.

- In January 2020, the Group signed a strategic partnership with Western Union. This will allow Airtel Money customers to reliably send and receive international money transfers directly from their phones using our mobile money wallet. This paves the way for Airtel Africa to further cater to the needs of local and global community members to move money and enable international cross-border payments. This partnership helps Airtel Africa to take an active part in the international money transfer business that happens to and from its operating countries.

**Network Transformation & Digital Innovations**

- In March 2020, Airtel Networks Limited (Airtel Nigeria) acquired from Intercellular Nigeria Limited 10 MHz spectrum in the 900 band for USD 70 Mn, excluding the Nigerian Communications Commission (USD 94 Mn including NCC fees, in line with the NCC Spectrum trading guidelines).
- The Group obtained additional spectrum of 20MHz in 2600 band in Nigeria, 5MHz in 1800 band in Chad and 10MHz in 2100 band in Malawi in H1'20.
- In November 2019, Airtel Networks Limited (Airtel Nigeria) signed an agreement with Intercellular Nigeria Limited, in order to acquire an additional 10 MHz spectrum in the 900 MHz band in Nigeria for a consideration of USD 70 Mn, excluding NCC fees as per the Nigerian Communications Commission (NCC) Spectrum Trading Guidelines. The additional spectrum will allow Airtel Nigeria to expand and strengthen its LTE network across the country. The acquisition is subject to regulatory approval by NCC.
- Airtel Niger is now the first operator to launch 4G network in the country. The 4G Launch is expected to be a growth driver for Niger economy, and will accelerate equitable and inclusive economic growth. The launch of Airtel's 4G is seen as an important step in the country's digitization process to provide broadband service everywhere in the country.
- Airtel Tanzania has been allocated an additional spectrum of 10 MHz in 1800 MHz band with an annual fee of USD 0.6 Mn. In addition, Airtel Tanzania has been authorized by the Tanzania Communications Regulatory Authority (TCRA) to use 10 MHz in the 700 MHz band for 8 months from October 21, 2019 onwards. The license of 700 MHz band will be issued post completion of a total of USD 12 Mn payment to the regulatory authorities in June, 2020.
- Airtel DRC has launched 4G services for its customers during the year. The launch is an important step towards nation's digitization drive.

### Awards & Recognition

- Airtel Uganda won the award for best Digital customer experience in financial services, IT and Telecom segment.
- Airtel Zambia won the award for best “ICT Exhibit” in an event organized by Zambia show society. (ICT – Information Communication and Technology).
- Airtel Nigeria won the Business Day “Next Bulls” Award for contribution to economy and job creation. Nigeria’s leading Business and Economic Newspaper, “Business Day” in collaboration with the Nigerian Stock Exchange has honored Airtel Nigeria for its contributions to the economy and for creating employment opportunities across the country.

### South Asia

#### Overview

Full year revenue of South Asia was at ₹ 4,552 Mn as compared to ₹ 4,436 Mn in the previous year. EBITDA for the year was at ₹ 430 Mn as compared to ₹ 126 Mn in the previous year. EBIT losses for the year reported at ₹ 1,055 Mn as compared to loss of ₹ 1,069 Mn in the previous year. Capex for the year was ₹ 1,025 Mn as compared to ₹ 1,185 Mn in the previous year.

Particulars	FY 2019-20	FY 2018-19	Y-O-Y Growth
	₹ Mn	₹ Mn	%
Gross Revenues	4,552	4,436	3%
EBIT	(1,055)	(1,069)	1%

### Share of Associates/Joint Ventures

#### A) Robi Axiata Limited

Robi Axiata Limited is a joint venture between Axiata Group Berhad, of Malaysia, Bharti Airtel Limited, of India and NTT Docomo Inc. of Japan. Axiata holds 68.7% controlling stake in the entity, Bharti Airtel holds 25% while the remaining 6.3% is held by NTT Docomo as of March 31, 2020.

Robi is the first operator to launch 4.5G service in all the 64 districts of the country and has also successfully conducted the trial run of 5G and Voice over LTE technology.

On March 02, 2020, Robi submitted an application to the Bangladesh Securities and Exchange Commission, for its proposed public offering on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in Bangladesh. The proposed IPO would represent 10.0% of the enlarged issued and paid-up share capital of Robi.

#### Key operational and financial performance:

Bangladesh	Unit	Quarter Ended			
		Dec-19*	Sep-19*	Jun-19*	Mar-19
<b>Operational Performance</b>					
Customer Base	000's	49,004	48,194	47,939	47,341
Data Customer as % of Customer Base	%	63.8%	63.8%	62.8%	61.3%
ARPU	BDT	121	125	124	122
<b>Financial Highlights (proportionate share of Airtel)</b>					
Total revenues	₹ Mn	3,957	3,945	3,823	3,844
EBITDA	₹ Mn	1,245	1,495	1,748	1,117
EBITDA / Total revenues	%	31.5%	37.9%	45.7%	29.1%
Net Income	₹ Mn	(203)	354	(66)	24

\*Financials for the quarter are post IFRS

## **B) Bharti Airtel Ghana Limited**

Bharti Airtel Ghana Limited is a joint venture between Bharti Airtel Africa B.V. and MIC Africa B.V. Both the entities effectively hold 49.95% share in the merged entity.

### **Key operational and financial performance:**

Ghana	Unit	Quarter Ended			
		Mar-20	Dec-19	Sep-19	Jun-19
<b>Operational Performance</b>					
Customer Base	000's	4,727	4,888	4,811	4,821
Data Customer as % of Customer Base	%	61.3%	59.2%	61.3%	59.1%
ARPU	GHS	14.2	13.1	13.2	13.1
<b>Financial Highlights (proportionate share of Airtel)</b>					
Total revenues	₹ Mn	1,334	1,212	1,224	1,247
EBITDA	₹ Mn	179	149	164	131
EBITDA / Total revenues	%	13.4%	12.3%	13.4%	10.5%
Net Income*	₹ Mn	-	(530)	(655)	(928)

\*The share of loss in JV has been restricted to the remaining value of the investment.

## **C) Airtel Payments Bank Limited**

Airtel Payments Bank Limited has become an associate of Bharti Airtel Limited w.e.f. November 01, 2018.

### **Key operational and financial performance:**

Airtel Payments Bank Limited	Unit	Quarter Ended			
		Mar-20	Dec-19	Sep-19	Jun-19
<b>Operational Performance</b>					
Active users	000's	14055	12208	9895	8307
<b>Financial Highlights (proportionate share of Airtel)</b>					
Total revenues	₹ Mn	1006	1030	853	909
EBITDA	₹ Mn	(1083)	(943)	(811)	(722)
EBITDA / Total revenues	%	-107.6%	-91.5%	-95.0%	-79.4%
Net Income*	₹ Mn	(1131)	(992)	(843)	(755)

\*The share of loss in JV has been restricted to the remaining value of the investment.

## **Risk & Mitigation Framework**

Bharti Airtel (the Company), has thrived globally by building a culture of innovation and high performance. The Company explores new markets and business models across the world; evolves new ways of customer and stakeholder engagement; enters into new strategic partnerships; adopts new technologies; and builds exponential efficiencies in existing systems. While these initiatives unveil a universe of possibilities, potential risks and uncertainties arise in a volatile business environment. The distress signals need to be picked up and addressed with urgency for smooth operations. Therefore, the Company has created a robust risk management framework in its operating landscape that caters to strategic, legal, financial, operational and climate risks. The Company has a sound practice to identify key risks across the Group and prioritize relevant action plans for mitigation. The key risks that may impact the Company and mitigating actions undertaken by the Company comprise:

### **1. Regulatory and Political Uncertainties (Legal & Compliance)**

### **Outlook from last year > Emerging**

#### **Definition**

The Company operates in India, Sri Lanka and 14 African countries. Some of these countries (or regions within countries) are affected by political instability, civil unrest, pandemic and other social tensions. Lately, following the declaration of COVID-19 outbreak a global pandemic by the World Health Organization,

some of these countries have, implemented social distancing norms, imposed other restrictions and issued lockdown orders in many areas, thereby, among others, restricting movement of people and mandating closure of offices, shops and commercial establishments. Uncertainties in respect of duration of such restrictive and lockdown orders are still looming large. Besides, the political systems in a few countries are also fragile, resulting

in regime uncertainties; hence, the risk of arbitrary action. Such conditions tend to affect the overall business scenario. In addition, regulatory uncertainties and changes, like escalating spectrum prices, subscriber verification norms and penalties, EMF norms among others are potential risks being faced by the business.

#### Mitigating actions:

- As a responsible corporate citizen, the Company engages proactively with key stakeholders in the countries in which it operates; and continuously assess the impact of the changing political and social scenario. The Company contributes to the socio-economic growth of the countries in its area of operation through high-quality services to its customers, improved connectivity, providing direct and indirect employment, and contributing to the exchequer. These activities are covered in detail through its annual sustainability report. It also maintains cordial relationships with governments and other stakeholders. The Country MDs and Circle CEOs carry direct accountability for maintaining neutral Government relations. Through its CSR initiatives (Bharti Foundation etc.), it contributes to the social and economic development of community, especially in the field of education.
- The Company actively works with industry bodies like Cellular Operators Association of India (COAI), Confederation of Indian

Industry (CII), Associated Chambers of Commerce of India (ASSOCHAM), GSMA, Internet Service Providers Association of India (ISPAI) and Federation of Indian Chambers of Commerce & Industry (FICCI) on espousing industry issues e.g. penalties, right of way, tower sealing amongst others.

- Regulatory team along with legal and networks keeps a close watch on compliances with regulations and laws and ensures the operations of the Company are within the prescribed framework.
- Company has proactively implemented business continuity plan and effectively enabled work from home facility for all the employees by providing necessary IT infrastructure and network security. Further, considering that the Company is engaged in the business of providing telecommunication services, which are recognized as 'essential' services, through various interventions, the Company has engaged with Government authorities and ensured that requisite support by way of permissions for movement of employees or engineers, network equipment, supply chain etc., is extended by Government to facilitate continuous and unabated operations and maintenance of telecom network for continuity of services. Company has devised effective communication plan and support mechanism for safety and security of its employees.

## 2. Economic Uncertainties (Operational)

**Outlook from last year > Stable**

#### Definition:

The Company's strategy is to focus on growth opportunities in the emerging and developing markets. These markets are characterized by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall under countries which are more prone to economic uncertainties, such as capital controls, inflation, interest rates and currency fluctuations. Since the company has borrowed in foreign currencies, and many loans are carrying floating interest terms, it is exposed to market risks, which might impact its earnings and cash flow. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

#### Mitigating actions:

- As a global player with presence across 16 countries, the Company has diversified its risks and opportunities across markets. Its wide service portfolio including voice,

data, Airtel Money, Digital Services and value added services helps widen its customer base.

- To mitigate currency risks, it follows a prudent risk management policy, including hedging mechanisms to protect the cash flows. No speculative positions are created; all foreign currency hedges are taken on the back of operational exposures. A prudent cash management policy ensures that surplus cash is up-streamed regularly to minimize the risks of blockages at times of capital controls. It has specifically renegotiated many foreign currency denominated operating expenditure and capex contracts in Africa and converted them to local currency, thereby reducing foreign currency exposure.
- To mitigate interest rate risks, the Company is further spreading its debt profile across local and overseas sources of funds and to create natural hedges. It also enters in interest rate swaps to reduce the interest rate fluctuation risk.
- Finally, the Company adopts a pricing strategy that is based on principles of mark to market, profitability and affordability, which ensures that the margins are protected at times of inflation, and market shares at times of market contraction.

### 3. Poor quality of networks and information technology including redundancies and disaster recoveries (Operational)

**Outlook from last year > Stable**

#### Definition:

The Company's operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or wilful acts or natural disasters. Equipment delays and failures, spare shortages, energy or fuel shortages, software errors, fibre cuts, lack of redundancy paths, weak disaster recovery fallback, and partner staff absenteeism, among others are few examples of how network failures happen.

The Company's IT systems are critical to run the customer-facing and market-facing operations, besides running internal systems. In many geographies or states, the quality of IT connectivity is sometimes erratic or unreliable, which affects the delivery of services e.g. recharges, customer query, distributor servicing, customer activation, billing, etc. In several developing countries, the quality of IT staff is rudimentary, leading to instances of failures of IT systems and / or delays in recoveries. The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others. Hence the dependence on IT staff for turnaround of such projects is huge.

#### Mitigating actions:

- The Company has state-of-the-art Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network.
- Network Planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained within the Company. It continuously seeks to address issues (congestion, indoor coverage, call drops, modernisation and upgrade of data speeds, among others) to ensure better quality of network. Recent

efforts also include transformation of the microwave transmission, fibre networks, secondary rings / links and submarine cable networks. The Company consistently eliminates systemic congestion in the network, and removes causes of technical failures through a quality improvement programme, as well as embedding redundancies. Tighter SLAs are reinforced upon network partners for their delivery. The Company's Network Team performance is measured, based on network stability, customer experience and competitor benchmarking. The Company follows a conservative insurance cover policy that provides a value cover, equal to the replacement values of assets against risks, such as fire, floods and other natural disasters.

■ The Company's philosophy is to share infrastructure with other operators, and enter into SLA-based outsourcing arrangements. We have been proactively seeking sharing relationships on towers, fibre, VSAT, data centres and other infrastructure. The disposal of towers in Africa to independent and well-established tower companies and long-term lease arrangements with them will ensure high quality of assets and maintenance on the passive infrastructure. The Company has put in place redundancy plans for power outages, fibre cuts, VSAT breakdowns, and so on, through appropriate backups such as generators, secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; and internal IT architecture teams continuously reassess the effectiveness of IT systems.

■ Information Security is managed by dedicated IT professionals, given the huge dependency on automated systems, as well as to ensure that customer privacy is protected.

### 4. Fiercely competitive battleground (Operational)

**Outlook from last year > Stable**

#### Definition:

Prepaid market continues to be highly competitive & price sensitive. With consolidation in the industry, the simplicity has kicked in offering lesser number of plans & industry is moving towards offering tech-enabled solutions to the trade & customers.

- Customer mind-sets and habits are shifting rapidly, reflected in their ever-rising expectations in terms of quality, variety, features and pricing. The competitive landscape is also changing dramatically, as operators vie with one another to capture customer and revenue market shares. This is not only accelerating customer

migration from legacy 2G/3G networks to high speed 4G networks, but also simultaneously from offline mode of recharge to an online one.

■ Competition for 4G share is seen through a high push for device upgrades by operators, in order to retain maximum customers on their 4G networks. This may give rise to subsidies for new 4G device purchase on top-selling smartphone brands, which would sustain or get more aggressive.

■ The same driving factor of acquiring 4G share has driven competitors to pour in huge amounts of money for MNP acquisitions programs. The push is expected to get even

stronger with increasing adoption of 4G phones by the customers and a good & affordable network experience on those becoming a key factor for them.

- Further, with an increased number of customers using the online mode – our app as well as 3rd party apps – the importance of giving a push through these channels may go up. One of the key drivers on these platforms could be extending pricing discounts through cashbacks, etc.
- The Company might see heightened competitive intensity in its non-wireless businesses on account of irrational pricing by potential new entrant leading to erosion of revenue & customers. In mobility business, the Company may face a risk of deeply discounted VoLTE feature phone pricing from new entrant. Content is becoming a major deciding factor for a customer to choose the operator.

#### Mitigating actions:

- In a major step towards simplification of customer journey, the Company had envisioned the task to streamline the product portfolio. Over the years, lot of redundancies which got created in the product portfolio were simplified by eliminating over 60% of unused products.
- The simplification drive was initiated with the introduction of Smart Combo recharges, starting at an affordable price point of ₹ 35. These all-in-one packs provide the benefits of Data, Tariff and talktime to the customers in a single

denomination. Now customers don't need to purchase different packs; rather one pack will provide all benefits.

- In order to derive higher extraction & enhance ARPU's from the dormant base that enjoyed free services, company introduced plans with minimum recharge commitment, which required customers to do a monthly recharge in order to use the services. The same was done keeping the affordability factor in mind at a minimum monthly price of ₹ 23.
- The acquisition processes were further strengthened by launching mandatory first recharge. Emphasis was laid on acquiring customers on unlimited bundle packs. Continued monitoring of customer acquisition process like new customer acquisition churn, high acquisition recharge denominations, direct distribution, trade margins structures have yielded good results.
- Further, with an increased number of customers using the online mode – our app as well as 3rd party apps shall gain importance and we must stay competitive & ahead of the curve in this space. Technology shall play the role of a huge enabler.
- We are currently driving discounts consistently through our own app and have created a lot of awareness about the same. With third party apps also growing in importance, we are looking at strategic partnerships to create stickiness.

## 5. Data Loss Prevention (Operational)

**Outlook from last year > Stable**

#### Definition

Personal data is any information relating to a customer, whether it relates to their private, professional, or public life. In the online environment, where vast amounts of personal data are shared and transferred around the globe instantaneously, it is increasingly difficult for people to maintain control of their personal information. This is where data protection comes in.

Data protection refers to the practices, safeguards, and binding rules put in place to protect your personal information and ensure that you remain in control of it. In short, you should be able to decide whether or not you want to share some information, who has access to it, for how long, for what reason, and be able to modify some of this information, and more. Data protection must strike a balance between individual privacy rights, while still allowing data to be used for business purposes, whilst adhering to data privacy norms and regulations.

Efforts to update regulations regarding privacy and personal data protection are underway in several countries and regions, most notably the European Union, which has introduced the General Data Protection Regulation (GDPR) package. Compliance requirements for operators are in flux, particularly as regulators seek to strike a balance between consumer protection and national security needs. India is also close to having its own data protection law.

#### Mitigating actions:

The customer base of Bharti Airtel limited has been expanding at a tremendous rate. We also collect and process a large amount of personal information belonging to employees, temporary staff and third party personnel. These facts, coupled with introduction of new innovative value added services, have led to increase in the personal information handled by Airtel. We are committed to ensure that privacy of personal information is maintained during its entire lifecycle, through the implementation of stringent processes and relevant technologies.

"Bharti Airtel Information Privacy Policy (BIPP)" is in alignment with the Information Technology (IT) Rules 2011 and best practices of industry and GDPR. Airtel's privacy policy provides management direction and support to ensure privacy of personal information collected by Airtel, in order to allow collection, processing, retention, dissemination and destruction of the personal information in accordance with the appropriate laws, regulations and contractual obligations.

BIPP is applicable to all employees of Airtel and all third parties (including strategic partners) of Airtel who have access to personal information of customers, employees and vendors. The BIPP is applicable across all business functions of Airtel and across all geographies of Airtel in India including Airtel center office, 13 B2C circles and three Airtel Business Regions.

Data leakage protection (DLP) is a strategy for making sure that those in possession of sensitive information do not inadvertently or inadvertently share that information outside the virtual boundaries of the corporate network. The term is also used to describe software products that help organizations control what data end users can transfer. The data leakage prevention strategy at Airtel has been designed to protect information at their most vulnerable points i.e. at the endpoint, at the web layer, and at the email layer.

All Airtel endpoints are equipped with specialized software. This helps monitor various channels for potential data leakage.

Should a potential violation be detected, an alert is generated and/or the data transfer request is blocked in real time. Similar solutions are deployed on the central email gateway and web gateway, to monitor emails and internet bound traffic respectively. A centralized monitoring team reviews the alerts and raises an incident for investigation and resulting action.

All incidents are tracked to closure in a time bound manner. Additionally, a monthly review of all incidents and their closure is conducted, to enable the organization to regularly refine the existing policies.

## **6. Increase in cost structures ahead of revenues thereby impacting liquidity (Operational / Strategic)**

**Outlook from last year > Stable**

### **Definition:**

Across markets, costs structures have been increasing both from volumes (new sites rollouts, capacity) and/or rate increases (inflation, foreign exchange impacts, wage hikes, energy etc.). With the entry of new operator, market pricing has been damped putting pressure on margins and cash flows thereby leading to increased debt (leverage). Increased investment in network to ensure quality of service, continued spends on distribution and maintaining world class customer service are expected to remain thereby heightening debt levels.

business units and countries. All functions / business units / countries are targeting cost reductions and cost efficiencies. The Company continues to focus on capex optimization through various programmes like ICR, tower-sharing, fibre sharing through IRU or co-build.

### **Mitigating actions:**

- The Company has institutionalized the War on Waste (WOW) Programme, an enterprise-wide cost-reduction programme. This has been rolled out across all functions,

- Digitization and automation with significant programmes on self-care, paper less acquisition, e-bill penetration, online recharges, indoor to outdoor conversion and digital customer interactions are continuously monitored through our WoW initiative etc.

- The Company has been progressively maintaining to keep the debt levels at acceptable levels. To this end it has and continues to take decisions on inorganic sources of funding including rights issue of shares, QIP etc. divestment of Infratel and DTH stakes.

## **7. Inability to provide high quality network experience with exponential growth in data demand (Strategic)**

**Outlook from last year > Stable**

### **Definition:**

In order to keep pace with rising data demand of customers and to ensure competitive parity traffic, telecom companies will be required to invest heavily in building data capacities and broadband coverage expansion. Operators are adopting new strategies to provide unlimited voice and significant data benefits to customers. Additionally, today's customer is looking at seamless mobile internet experience and is technology agnostic.

- Having deployed 4G FDD as coverage layer, Airtel is leveraging on the TDD layer for capacity expansion across the network. It is the first network in India which has up to five layers on 4G network, with capability to generate capacity in cells as per traffic requirement. Airtel has also deployed carrier aggregation across these layers to help its subscribers in getting best in class experience across these layers.

- For capacity expansion, innovative solutions are being deployed including mMIMO, split sectors and small cells in areas with hyper consumption. Airtel is the first operator to deploy wide scale mMIMO solutions (technology widely used in 5G networks), which is giving up to 3x capacity gains. All of these efforts led to our network capacity to increase by 30PB in the last year alone. Going forward, we are building our own state-of-the-art telco cloud which will further help us meet the higher capacity demand from our subscribers.

### **Mitigating actions:**

- Airtel is expanding its broadband network footprint to fulfill customer experience and stay ahead of the competition. It has re-farmed spectrum from legacy technologies like 2G & 3G to 4G, to get better coverage & capacity. Liberalized spectrum in 900MHz band has re-farmed to 4G to provide better in-building coverage. Similarly, spectrum in 2100MHz band (which was being used for 3G) has been re-farmed to 4G for providing additional capacity, barring few circles where only 5 MHz of 2100 band exists.

- Airtel is the first operator in India to deploy 4G in licensed and unlicensed band using LAA (Licensed assisted access)

technology, which would help in tapping unlicensed band spectrum (over & above licensed band spectrum) for generating capacity.

- Pan India VoLTE footprint and roaming across circles on VoLTE has been established because of which 37% of the voice traffic has been offloaded from legacy core to 4G (HD) voice. First of its kind in India, Airtel launched VoWiFi technology in Delhi in Dec 2019 and pan-India in Jan 2020. Close to 6mn subscribers are already using this service which carries voice calls on indoor / outdoor WiFi networks as per the user location. This has helped to improve indoor experience considerably and by offloading traffic from existing spectrum, it has helped de-congesting our networks as well.

■ Airtel is continuing to step up backhaul readiness and capacities on sites with increased fiberization, increased MPLS pop locations and expansion of transmission backbone to aggregate capacity to cater additional data load.

■ Technological evolution in telecom has been quite rapid and next few years we will witness wide scale commercial deployment of 5G. We are future proofing for such scenarios and are building up for 5G network deployment.

■ Airtel is investing in digitization of its operations using automation and machine learning practices. This would help us in real time network orchestration and self-optimize to get the best of capacity and user experience on a deployed base.

## 8. Gaps in internal controls (financial and non-financial) (Operational)

**Outlook from last year > Stable**

### Definition:

The Company serves over 423 Mn customers globally with a monthly average of 278 Bn minutes of voice on our network and huge data carried on wireless networks across more than 219,000 towers. Gaps in internal controls and / or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

### Mitigating actions:

- The Company's business philosophy is to ensure compliance with all accounting, legal and regulatory requirements proactively. Compliance is monitored meticulously at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimize human errors.
- Besides internal audits, the Company also has a process of self-validation of several checklists and compliances

as well as a 'maker-checker' division of duties to identify and rectify deviations early enough. The company has implemented a "Compliance Tool" which tracks and provides a comprehensive list of all the external compliances that the company needs to abide, function-wise. The Compliance Tool's ownership lies with the head of the respective function with an oversight by the Legal team to ensure compliance.

- The Company has Internal Financial Controls and the Corporate Audit Group has tested such controls. The Audit Group has asserted that the Company has in place adequate tools, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records; and timely preparation of reliable financial information.

## 9. Lack of Digitization and Innovations (Strategic)

**Outlook from last year > Emerging**

### Definition

Digitization is reshaping the telecom sector and will be a key driver for innovation within the Company as companies compete in a digital ecosystem away from a pure connectivity based environment. Further evolving technologies result in change in customer value propositions. Digital content and apps have now become the favorites for mobile customers. Digital Mobile money technologies, innovative mobile apps, Cloud, M2M, SaaS and other technology-based SAS products are also evolving. Such rapid technology evolution may impact the functionality of existing assets and accelerate obsolescence. Keeping pace with changing customer expectations is a big agenda for the telecom sector. Lack of Digitization of internal business processes may render the company in-able or lethargic in turning to respond to customer needs. Rapidly evolving technologies like robotics, block chain, app automation for internal processes in Customer, Finance, Supply Chain and HR can render the company slow in decision making and reacting to new and emerging customer, vendor, and partner expectations.

### Mitigating actions:

Digitization for our customers continues to be the prime area of focus for FY 2020-21, with several digital initiatives being undertaken.

- As a part of our core digital initiatives, we continue to invest in our platforms - Data, Distribution, Network and Payments to strengthen core businesses such as Mobility, B2B, and DTH as well as new businesses such as Advertising. With investment into core platforms, the intent is to enter a digitally secure future for the company.
- To further strengthen our digital footprint in the country, we have launched new age programs such as:
  - One Airtel (erstwhile Homes)
  - Superhero Recharge Program
  - Airtel Workforce Management solution

- The focus is to strengthen on digital reach by powering the core digital properties - Thanks, Wynk, Airtel Xstream (together the properties stand at 100 Mn monthly active users) in order to maximize distribution play for Airtel and its partners.
  - Focus on enhancing payment infrastructure to not only improve the transaction success rate but also transaction experience for our customers.
  - Investment in data science is a key pillar to establish impact across the company by empowering both existing and new businesses as well as improve return on investment on network deployment.
- .....

## **10. Climate Change (Strategic)**

### **Outlook from last year > Emerging**

#### **Definition**

Over the last decade, climate change has emerged as a credible risk to almost every business sector, including the telecommunication sector. Telecom industry's carbon footprint is likely to increase as developing markets continue to grow, network traffic increases, and companies move towards 5G. In order to address this, GSMA (Global System for Mobile Communications) has recently constituted a taskforce to develop Climate Action Plan for the telecom industry, in support of the Paris Climate Agreement. This is driven by the objective to develop methodologies that will enable the industry members to set science based targets and achieve net zero carbon emissions by 2050 or sooner. This will facilitate the industry to take a leadership position in transcending towards a carbon positive economy.

Bharti Airtel Limited is a member of the taskforce created by GSMA, supporting the endeavor to move towards cleaner operations and more energy efficient networks. Consequently, there is an urgent need for us to identify potential risks posed by climate change and their impacts on the company, to be able to develop our own mitigation strategy. At Airtel, Climate change risks are considered an integral part of our centralized enterprise risk management.

We foresee climate change manifesting in the form of the following risks to our business in the coming years:

- Policy and Legal Risk: Following the Green Telecom guidelines issued by the Department of Telecom (DoT), Government of India, calling for an increase in the use of green energy technologies in telecommunication sector, climate change is emerging as a potential factor that can interfere with the realization of our strategic, operational, financial and compliance objectives.
- Technology Risk: The need to transition to lower emission technologies, necessitated by regulatory or market environment, might lead to early retirement of existing assets. For instance, Green Telecom guidelines issued by DoT require all telecom products, equipment and services to be energy and performance assessed and certified 'Green Passport', utilizing the ECR ratings.

- Significant investment on B2B in the field of digitization from acquisition to fulfillment of orders in order to improve the efficiency of overall business and thus, improve return on investment.
- With focus on planned innovation by investment in businesses such as Advertising, Surveillance and Financial Services, a new vertical termed as 'New Business Incubator' under Airtel Digital Services Ltd has been launched to cater to these work streams.

- Physical Risk: Because of increased frequency and severity of extreme weather events, there is a greater risk of damage to our network infrastructure and physical assets exposed to such weather.
- Market Risk: Adverse impacts of climate change might impact the livelihoods of some customers (for example, those in rural areas) thereby reducing their capacity to afford our services.
- Reputational Risks: Rising expectations of customers and other stakeholders from a business organization to contribute to a low-carbon economy, expose us to a certain degree of reputational risk.

#### **Impact:**

The above climate related risks have the potential to translate into the following impacts for Airtel:

- Higher operational expenses due to increased regulatory and compliance requirements, such as increased cost of GHG emissions and emission reporting obligations, as well as higher insurance premiums for assets exposed to climate risks.
- Increased capital investment in new technologies and green energy solutions.
- Impact on revenue from decreased operational capacity due to network failure or other interruptions.
- Increased frequency and intensity of extreme weather events interrupting our materials supply by disrupting modes of transport.
- Increased temperatures adversely impacting the health and safety of workers at our facilities, with the potential to disrupt operations and decrease revenue.

#### **Mitigation:**

We realize the considerable negative impact that climate change can have on our business and have identified 'Energy, Climate Change & Resource Optimization' as one of our high priority material issues. Following are some of the measures that we have taken to mitigate this emerging risk and build climate resilience:

- Adopting green energy solutions through installation of rooftop solar panels at Main Switching Centres (MSCs) and using advance VRLA batteries to reduce the running of Diesel Generator sets in our operating sites.
- Reducing our energy consumption through measures such as Solar-DG hybrid systems, energy efficient lighting and equipment at our facilities and power purchase agreements, among other things.
- Working closely with network infrastructure and facility management to facilitate a shift to green mobile tower technologies that consume less power.

- Other initiatives aimed at creating green data centers, equipment optimization, outdoor BTS sites, minimizing e-waste and paper waste.
- Airtel is ISO 22301 (Business Continuity Management system) certified to reduce the likelihood of occurrence, prepare for, respond to, and recover from disruptive incidents when they arise.

For detailed information on our initiatives and measures to address climate change risks, please refer to the section on 'Natural Capital', Integrated Report 2020.

## **Internal Controls**

The Company's philosophy towards internal control is based on the principle of healthy growth and proactive approach to risk management. Aligned to this philosophy, the Company has deployed a robust framework of internal controls that facilitates efficient conduct of business operations in compliance with the company policy; fair presentation of our financial results in a manner that is complete, reliable and understandable; ensure adherence to regulatory and statutory compliances; and safeguards investor interest by ensuring the highest level of governance. The Internal Control framework has been set up across the company and is followed at the circle and country level. This framework is assessed periodically and performance of circles and countries are measured via objective metrics and defined scorecards.

Accounting hygiene and audit scores are driven centrally through central financial reporting team and Airtel Centre of Excellence (ACE), both teams responsible for accuracy of books of accounts, preparation of financial statements and reporting the same as per the company's accounting policies. Regulatory and legal requirements, accounting standards, and other pronouncements are evaluated regularly to assess applicability and impact on financial reporting. The relevant financial reporting requirements, documented in the Group Accounting Manuals, are communicated to relevant units and enforced throughout the Group. This, together with the financial reporting calendar evidencing the tasks and timelines, forms the basis of the financial reporting process.

Deloitte Haskins & Sells LLP, the statutory auditors, have done an independent evaluation of key internal controls over financial reporting (ICOFR) and expressed an unqualified opinion stating that the company has, in all material respects, adequate internal control over financial reporting; and such internal controls over financial reporting were operating effectively as on March 31, 2020.

The Company has in place an Internal Assurance (IA) function headed by Chief Internal Auditor. EY and ANB & Co (ANB) are the Assurance Partners of the Company who conducts financial, compliance and process improvement audits on a periodic basis. The internal assurance plan for the year is derived from a bottoms-up risk assessment and directional inputs from the Audit Committee. The Audit Committee

oversees the scope and coverage of the IA plan, and evaluates the overall results of these audits during the quarterly Audit Committee meetings. Additionally, separate quarterly Audit Committee meeting are also held to review the progress made on previous gaps identified by Internal Assurance. During these meetings, functional Directors are invited from time-to-time, to provide updates on improvements on controls and compliance within their respective functions and update on the progress of any transformational projects undertaken. Internal Assurance also assesses the effectiveness of Internal Financial Controls (IFC) and no material weaknesses in the design or operation were observed for the current financial year.

A CEO and CFO Certificate forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal Controls and reiterate their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's code of conduct requires compliance with law and Company policies, and also covers matters such as financial integrity, avoiding conflicts of interest, workplace behavior, dealings with external parties and responsibilities to the community.

The Airtel Centre of Excellence (ACE) based in Gurugram and Bengaluru, is the captive shared service for financial accounting, Revenue Assurance, SCM and HR processes. Digitization of ACE is being aimed as a part of the transformation agenda and includes initiatives like system based reconciliation, reporting processes with vividly defined segregation of duties. We operate on a single instance of Oracle across all operating units which ensures uniformity and standardization in ERP configurations, chart of accounts, finance and SCM processes across countries. We continuously examine our governance practices to enhance investor trust and improve the Board's overall effectiveness. Initiatives such as virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvement in control scores across India and Africa. Oracle Governance Risk & Compliance (GRC) module has been implemented for India and Africa to strengthen existing controls pertaining to access rights for various ERPs, ensuring segregation of duties and preventing possibilities of access conflicts.

## Material Developments in HR

Airtel has transformed the way customers connect with the organization, consume data and entertainment services. The organization has made a conscious effort to accelerate adoption of a digital processes and tools to achieve strategic operational goals. Implementation of latest technologies has enabled Airtel to automate and streamline a lot of essential processes. To make a shift from traditional processes to a digitally empowered and data driven organisation, it is important to empower employees. Today, a large part of the workforce, is actively involved in digital projects to enable the next billion users to join the internet. Airtel's focus on attracting and honing the right talent, has been a key enabler to create a future ready organisation.

Airtel's digital arm - Airtel X Labs is transforming Airtel into an industry beating digital force. From creating exciting customer experiences, to enabling intelligence across markets and building connected devices and services, the digital team is leveraging the scale of Airtel telecommunications to build unique solutions that can transform our customers' lives. Today this team focusses on delivering solutions that truly enrich the lives of the customers by building products that entertain and inform, connect devices to the internet, and develop key capabilities around Data Services and deliver highly improved customer engagement across touchpoints. This arm works in close collaboration in the form of cross-functional squads with our marketing and business teams to ensure that organizational goals are achieved.

### Transforming HR digitally

Along with building a robust digital business, Airtel is also strengthening the HR function to ensure that employees enjoy seamless, digital people experiences. In this continued journey of digitization of HR, Airtel has initiated digital processes across the employee lifecycle. While Hive application continued to be the one stop-shop solution to gather knowledge about Airtel, we also invested in other platforms to further improve our people experience across the candidate journey, pre-boarding, induction and learning.

Engage, new hiring platform, provides candidate centric personalised engagement and has helped us in increasing our onboarding frequency. Our mobile-first pre-boarding application has enabled candidate engagement prior to joining and a fully digitized, smooth pre-boarding journey. This app has helped joiners learn more about Airtel and the work we do prior to joining so that they feel like a part of the Airtel ecosystem from the moment they join. At Airtel we believe that all employee journey must start green and integrating them within the Airtel ecosystem is crucial to set new-joiners for success. As a part of the same effort, we launched mobile-first induction platform called New Bee. This app offers a digital induction experience which is tailored to their roles and eliminates the need for generic classroom programs that are becoming redundant. This initiative has helped in reducing time to workstation for new joiners by 60% and new joiners are free to focus the freed-up time in people interactions, market visits and shadowing leaders.

Continuous learning is in Airtel's DNA so that we remain relevant in the ever-evolving technology landscape. To ensure our learning avenues are easily accessible by all our employees, we re-launched iLearn - integrated learning application provides on-the-go learning to our employees by bringing content from platforms like Coursera, LinkedIn and in house content together in one single application. 60% of the organization leverages mobile app to access learning. Along with above new launches, we have also taken initiatives to ensure all HR transactions (incl. expenses) become paperless.

### Investing in talent to create future leaders

On our journey in investing behind our people, we have launched several initiatives to ensure we hire, retain and develop future leaders. With the same purpose, we launched Airtel leadership Academies (ALA) program, in FY 2018-19. The academy umbrella aims to provide leadership training in order to build pipeline of future leaders that can take up critical roles. Selection is a rigorous process and the participants undergo a structured feedback and development journey that enables self-discovery, exposure to on-the-job projects that are critical to the organization as well as leadership exposure and a customised management development programs from world-renowned universities.

We launched the first batches of Advanced and Future Leaders Program (ALP & FLP) for 98 select participants to build pipeline for vertical head & roles. Basis the exhilarating feedback received, Airtel Academies are becoming truly aspirational. We also launched the first batch of Emerging Leaders Program (ELP), with an objective to build a ready pipeline of internal talent for first time manager roles and Executive Leadership Program (XLP), with an objective to groom talent for CEO roles.

380+ leaders have been exposed to developmental interventions as a part of the Airtel Academy framework in FY 2019-20 across batches and we endeavour to ensure that all participants experience holistic development including common functional skills, key leadership skills and role-specific on the job experiences.

We have also continued our focus on functional and behavioural learning. Last year, we initiated 'CRACKING – the – GROWTH CODE', a suite of classroom programs, focusing on building essential business & leadership skills for junior, middle and senior management. LeGo and N-Rich have widened our functional learning portfolio across growth products and new network technologies. Peer-to-peer learning through Gurucool and Product-school by our internal experts have helped the learning gene grow.

Online modules continued to be a popular mode of learning with 19,000+ course completions across Coursera, LinkedIn learning, Plural Sight and Airtel 101.

Airtel also continued to hire talented graduates from premier campuses across the country and establish itself as a viable and promising career brand on B-school and engineering campuses. As part of its Young Leader Program, Airtel offered

49 budding management leaders from top B schools to join and onboarded 98 engineers as part of its Young Technical Leader Program. Airtel's flagship B-school case competition - iCreate witnessed an overwhelming response from MBA students across the country with over 14,000+ participants.

#### **Cultural change:**

At Airtel, we believe in winning customers for life. Our employees, those who serve our customers and those who serve those who serve our customers – truly embody the spirit of “I am Airtel”. We are institutionalising this commitment to our customers and cement this into our culture through key 3 behaviours of GPS – start Green, deliver Promises and Solve problems. This will ensure that each employee puts the customer at the centre.

We are also making efforts to create an environment of transparency and open dialogue for development with programs like ‘Elevate’. Elevate has enabled experienced people managers to have developmental conversations, continuous feedback and coaching conversations with their teams.

#### **Outlook**

Global and India's economy growth is expected to be impacted for some part of the 2020 due to the coronavirus pandemic, but is expected to bounce back once the virus fades away. Apart from the short term economic impact, the lockdown and new social distancing norms are expected to bring long term changes to how day-to-day tasks are carried out. The

changed working environment will increase the acceptance of working from home and remote working. The new normal will be facilitated by the digital highways i.e. the mobile broadband infrastructure created by the telecommunications sector. These will act as another driver to the Indian telecom industry which is the second largest in the world and has started witnessing exponential growth in the last few years primarily driven by affordable tariffs, wider availability, roll out of Mobile Number Portability (MNP), expanding 4G coverage, evolving consumption patterns of subscribers and a conducive regulatory environment. In addition, the increasing rural tele-density and overall smartphone penetration will open up new opportunities for growth in digital mobile banking, content streaming and e-commerce.

Africa telecom sector continued to have a positive outlook with an increasing purchasing power, rapid urbanization, rising middle class and growing smartphone penetration. Increasing adoption of data services with enhanced high speed 3G/4G connectivity in the region is fuelling the growth of the mobile broadband segment. Also, the focus on improving financial inclusion in the region is creating opportunities for mobile money services.

With presence in different emerging and high potential geographies, Bharti Airtel stands to gain by being a one-stop telecommunication solution provider. With a robust legacy, the company is now 25 years young and is just getting started to build on a well-established network, recognised brand and unparalleled focus on customer.

# REPORT ON CORPORATE GOVERNANCE

**Corporate Governance is more than a set of processes and compliances at Bharti Airtel Limited. It underlines the role that we see for ourselves for today, tomorrow and beyond.**

The following report on Corporate Governance reflecting ethos of Bharti Airtel Limited (Bharti Airtel / Airtel / the Company) and its continuous commitment to ethical business principles across its operations, lays down the best practices and the procedure adopted by the Company in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and internationally followed standards of corporate governance.

## Governance Philosophy

At Bharti Airtel, Corporate Governance focuses on creating and sustaining a deep relationship of trust and transparency with all stakeholders. We follow ethical business standards in all our operations globally. We consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

The norms and processes of Corporate Governance reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as our leadership and governance structure. Over the years, our stakeholder commitment has enhanced the respect and recall of our brand nationally and internationally. Our global stature has enabled us to attract the best talent and resources to translate our short-term and long-term strategies into a viable business blueprint.

Our Board of Directors ('Board') shapes the long-term vision and policy approach to steadily elevate the quality of governance in our organisation. We follow a defined guideline and an established framework of corporate governance. The objective is to emerge as a market leader in our industry, nationally and internationally with focus on creating greater value for all those who have a stake in our progress directly or indirectly. The Board puts a lot of emphasis on creating a global talent pool, compliant ethical business practices and making all our actions consistent with the need to protect the environment by following green practices and technologies.

Our Board represents a confluence of experience and expertise across diverse areas, ranging from global finance, telecommunication, general management, administrative services and consulting.

There is a clear demarcation of duties and responsibilities among the Chairman and Managing Directors & CEOs to ensure best corporate performance and socio-economic value creation.

Our governance conforms to global standards through continuous evaluation and benchmarking. The broad tenets Company follows are:

- Transparent procedures and practices and decisions based on adequate information.
- Compliance with all relevant laws in letter and spirit.
- High levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Policies on tenure of Directors, rotation of Auditors and a Code of Conduct for Directors and Senior Management.
- Constitution of various Committees for Audit, HR and Nomination, Corporate Social Responsibility, Employee Stock Option Plans, Stakeholders' Relationship, Risk Management etc.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Meetings of Independent Directors without the presence of any Non-Independent / Executive Directors and members from the management to identify areas, where they need more clarity or information and for open and transparent discussions and placing the outcome of these meetings before the Board and management.
- Formal induction schedule and familiarisation programme for new Board members that enable them to meet individually with the top management team, customers etc.
- Regularly review and established 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.
- Well-defined corporate structure that establishes checks, balances and delegate decision making to appropriate levels in the organisation though the Board always remains in effective control of affairs.

## Corporate Governance Rating

CRISIL has assigned to Bharti Airtel its Governance and Value Creation (GVC) rating, viz. CRISIL GVC Level 1 for Corporate Governance practices. The rating indicates that Bharti Airtel's capability, with respect to Corporate Governance and value creation for all its stakeholders, is the highest. The Company is fully cognizant that standards are a constantly upwardly moving target. Therefore, it always strives to benchmark itself with the best companies in India and globally and to maintain the highest ratings for its practices.

## Capital Market Ratings

As on March 31, 2020 the Company was rated by two domestic rating agencies, namely CRISIL and ICRA and three international rating agencies, namely Fitch Ratings, Moody's and S&P.

As on March 31, 2020, CRISIL and ICRA rated their long-term ratings of the Company to [CRISIL] AA / [ICRA] AA-, with a stable outlook. Short-term ratings were maintained at the highest end of the rating scale at [CRISIL] A1+ / [ICRA] A1+. Fitch maintained the rating at BBB-/ Stable. S&P and Moody revised its outlook and rating to BBB-/ Negative and to Ba1/ Negative respectively.

## Governance Structure

Sustaining a culture of integrity along with high performance orientation and an adaptive management style in today's dynamic business environment needs a robust governance structure. The Corporate Governance structure of the Company is multi-tiered, comprising governing / management Boards at various levels, each of which is interlinked in the following manner:

- At the apex level is the Board of Directors and various committees, which collectively direct the highest standards of Corporate Governance and transparency in the Company's functioning. The Board exercises independent judgment in overseeing management performance on behalf of the share owners and other stakeholders, and hence, plays a vital role in the oversight and management of the Company. The Board is chaired by the Chairman, who is responsible for the overall strategy development, alliances, leadership development, international opportunities, strengthening governance practices and enhancing brand value and Airtel's global image and reputation.
- At one level below the Board, strategic co-ordination and direction is provided by the Airtel Corporate Council (ACC). The ACC is headed by the Chairman and comprises the Managing Director & CEO and other select senior management personnel as its members. The key role and responsibilities of the ACC are provided later in this report.
- The Managing Director & CEO (India & South Asia) is responsible for strategy deployment and overall business performance of India and South Asia. He is supported by the Airtel Management Board (AMB). The Company's business in India is structured into six business units (BUs) i.e. Mobile Services, Homes, Airtel Business, Global Voice & Data Business, Wynk and Digital Businesses and Digital TV Services. While the Mobile Services business is headed by the MD & CEO himself, the other five businesses are headed by respective CEOs. The Company's operations in India are run in 22 Circles, each headed by Circle CEO or a Chief Operating Officer, each supported by an Executive Committee. The Sri Lankan operations are headed by a Country MD, supported by an Executive Committee.

- The Company's operations in Africa are guided by the CEO (Africa) of Airtel Africa plc., a subsidiary company. He is responsible for strategy deployment and overall business performance. He is supported by the Africa Executive Committee (Exco). Each of the operations in the 14 countries in Africa are headed by a Country MD, each supported by an Executive Committee.
- The AMB in India and South Asia, and Exco in Africa provide support relating to the Company's business strategy and also derive operational synergies across business units. They create and drive company-wide processes, systems, policies, and also function as role models for leadership development and as catalysts for imbuing customer centricity and meritocracy in the Company.
- Airtel's governance structure thus helps in clearly determining the responsibilities and entrust powers of each of the business entities, enabling them to fulfill those responsibilities in the most effective manner. It also allows the Company to retain the organisational DNA, while enabling effective delegation of authority and empowerment at all levels.
- Airtel Payments Bank is an unlisted subsidiary in which the Company owns 80.10%, the remaining 19.90% is held by Kotak Mahindra Bank. The Payment Bank's operations are managed by its MD & CEO, under the supervision of an independent Board.
- The Passive Infrastructure business is deployed, owned and managed by Bharti Infratel Limited (Infratel), a listed subsidiary company. Infratel's operations are managed by its Managing Director & CEO under the supervision of an Independent Board. The business transactions between the Company and Infratel are undertaken on an arms' length basis, since it provides services to other telecom operators as well, on a non-discriminatory basis.

### Role of the Company Secretary in overall Governance

**Process:** The Company Secretary plays a pivotal role in ensuring that the Board and Committee procedures are followed and regularly reviewed. The Company Secretary interfaces between the management and the Board and ensures that all relevant information is made available to the Board for effective decision-making at the meetings and important decisions of the Board / Committee meetings are communicated to the management teams promptly for action. The Company Secretary facilitates convening of meetings and attends Board, Committee and general meetings of the Company and maintains the minutes of these meetings.

The Company Secretary also provides necessary guidance to the directors with regard to their duties, responsibilities and powers and also assists and advises the Board in ensuring good corporate governance practices and in complying with applicable statutory and regulatory requirements. Mr. Pankaj Tewari is the Company Secretary of the Company.

## Board of Directors

## **Composition of the Board**

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors, and conforms to the provisions of the Companies Act, 2013, Listing Regulations, FDI guidelines, terms of shareholders' agreement and other statutory provisions. The Board comprises eleven members which include a Chairman, a Managing Director & CEO (India & South Asia), three Non-Executive Directors and six Independent Directors including a woman independent director. Independent Directors constitute ~ 55% of the Board's strength - more than the requirements of the Companies Act, 2013 and the Listing Regulations. The average tenure of members on our Board is 9.23 years as on March 31, 2020.

Detailed profile of each of the Directors is available on the Company's website at [www.airtel.com](http://www.airtel.com) in the 'Investors' section.

The Company's Board members are from diverse backgrounds with skills and experience in critical areas like technology, global finance, telecommunication, entrepreneurship, administrative services, consulting and general management. Many of them have worked extensively in senior management positions in global corporations, and others are business leaders of repute.

with a deep understanding of the global business environment. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

As per the Company's Policy on Nomination, Remuneration and Board Diversity, selection of a new Board member(s) is the responsibility of the HR and Nomination Committee. While evaluating a person for appointment/re-appointment as director, the HR and Nomination Committee, in addition to factors such as background, competency, skills, abilities, educational and professional background, personal accomplishment, age, relevant experience and understanding of the telecommunication sector / industry, marketing, technology, finance and other disciplines relevant to the business, also endeavours to understand and embrace the different geographies, gender, nationality and culture. The appointment is subsequently approved by the Board. All the appointments are made with unanimous approval. The appointment of such Director is subsequently approved by the shareholders at the Annual General Meeting (AGM). While the shareholders' representative Directors are proposed by the respective shareholders, Independent Directors are selected from diverse academic, professional or technical background depending upon business needs.

## **Skill matrix of the Board**

While all the Board members broadly possess the identified skills, their domain of core expertise is given below:

## **Skill and its description**

Skill and its description	Mr. Sunil Bharti Mittal	Mr. Gopal Vittal	Ms. Chua Sock Koong	Mr. Rakesh Bharti Mittal	Ms. Tan Yong Choo	Mr. Craig Ehrlich	Mr. D.K. Mittal	Ms. Kimsuka Narasimhan	Mr. Manish Kejriwal	Mr. Shishir Priyadarshi	Mr. V. K. Viswanathan
<b>Governance:</b>	√	√	√	√	√	√	√	√	√	√	√
Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of compliance, corporate ethics and values.											
<b>Global Business/ International expertise:</b>	√	√	√		√	√	√	√	√	√	√
Experience of leading large organizations having international/ global businesses and understanding of multiple geographies and cross-cultural business environment.											
<b>Public Policy:</b>		√			√			√		√	
Understanding of the legal & regulatory landscape and policy developments on national and global scale including its impact on dynamic business environment.											
<b>Social Impact / Philanthropy:</b>	√		√	√	√	√	√	√			√
Relevant experience in the matters of Corporate Social Responsibility and Sustainability for long term value-creation.											

## Independent Directors

The Company has a policy on Independent Directors, their roles, responsibilities and duties, are consistent with the Listing Regulations and Section 149 of the Companies Act, 2013. It sets out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. The policy emphasises importance of independence. As per the policy:

- a) The Independent Director must meet the baseline definition and criteria on 'independence' as set out in Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013 and other applicable regulations.
- b) The Independent Director must not be disqualified from being appointed as Director in terms of Section 164 and other applicable provisions of the Companies Act, 2013.
- c) The minimum age is 25 years and the maximum is 70 years.
- d) The Independent Directors shall not serve on the Board of more than seven listed companies and shall not serve as an independent director in more than seven listed entities. However, pursuant to the Listing Regulations if the Independent Director is serving as a Whole-time Director in any listed company then he shall not serve

as an Independent Director in more than three listed companies.

- e) The maximum tenure is two terms of five years each. However, the second term is subject to eligibility criterion approved by shareholders by way of special resolution.

The Company has issued letters of appointment to all the Independent Directors. This letter inter-alia sets out the roles, functions, duties and responsibilities, details regarding remuneration, training and development and performance evaluation process. The detailed terms and conditions of the appointment of Independent Directors are available on the Company's website i.e. [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Terms-and-conditions-of-appointment-of-Independent-Director\\_71431EDE0A09885D5A367A04374E5FB5.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Terms-and-conditions-of-appointment-of-Independent-Director_71431EDE0A09885D5A367A04374E5FB5.pdf).

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013, rules made thereunder and Listing Regulations and are independent of the management.

## **Lead Independent Director**

The Company has for a long time followed the practice of appointing a Lead Independent Director. Mr. Craig Ehrlich is currently designated as the Lead Independent Director and his role and responsibilities, inter alia, are to:

- Preside over all deliberation sessions of the Independent Directors.
- Provide objective feedback of the Independent Directors as a group to the Board on various matters, including agenda and other matters relating to the Company.
- Undertake such other assignments, as may be requested by the Board from time to time.

## **Meeting of Independent Directors**

The Independent Directors meet separately on a periodic basis, generally prior to the commencement of Board meeting without the presence of any Non-Independent Director or representatives of management. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman. The Lead Independent Director updates the Board about the proceedings of the meeting.

In these meetings, the Independent Directors also engage with Statutory Auditors, as well as Internal Assurance Partners at least once a year, to discuss internal audit effectiveness, control environment and their general feedback. The Chairman and Managing Director & CEO (India and South Asia) are also invited occasionally to these meetings to generally discuss and update about strategic matters. The Lead Independent Director updates the Audit Committee / the Board about the outcome of the meetings and action, if any, required to be taken by the Company.

During FY 2019-20, the Independent Directors met three times i.e. on May 06, 2019, August 01, 2019 and February 04, 2020.

## **Familiarisation programme for Board members**

The Company has adopted a well-structured two-day induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others, and also includes visit to networks centre to understand the operations and technology. Apart from the induction programme, the Company periodically presents updates at the Board/Committee meetings to familiarise the Directors with the Company's strategy, business performance, operations, product offerings, finance, risk management framework, human resources and other related matters. The Board members also visit Airtel outlets and meet customers / other stakeholders for gaining first-hand experience about the products and services of the Company.

The Board has an active communication channel with the executive management, which enable Directors to raise queries, seek clarifications for enabling a good understanding of the Company and its various operations. Quarterly updates, strategic updates and mid-quarter updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

Detailed familiarisation programme for Directors is available on the Company's website at [https://assets.airtel.in/teams/simplycms/web/docs/Familiarization\\_Programme.pdf](https://assets.airtel.in/teams/simplycms/web/docs/Familiarization_Programme.pdf)

## **Board Evaluation**

One of the key functions of the Board is to monitor and review the Board evaluation framework. In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the HR and Nomination Committee has approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and MD & CEO (India and South Asia).

The process provides that the performance evaluation shall be carried out on an annual basis. During the year, the Directors completed the evaluation process, which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman and the MD & CEO (India and South Asia). The evaluation process was facilitated by an independent consulting firm.

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness.

Performance of individual Directors was evaluated on parameters, such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the directors were subject to peer-evaluation.

The Chairman and the MD & CEO (India & South Asia) were evaluated on certain additional parameters, such as performance of the Company, leadership, relationships, communication, recognition and awards received by the Company.

Some of the performance indicators based on which the Independent Directors were evaluated include:

- Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interests of the Company.
- Providing strategic guidance to the Company and help determine important policies with a view to ensuring long-term viability and strength.
- Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberations, particularly on issues of strategy, performance and conflict management.

All Directors participated in the evaluation process. The results of evaluation were discussed in the Independent Director's meeting, respective Committee meetings and in the Board Meeting held on May 18, 2020. The Board discussed the performance evaluation reports of the board, board committees, individual directors, Chairman and Managing Directors & CEO (India and South Asia) and also noted the suggestions / inputs of independent directors, HR and Nomination Committee and respective committee Chairman. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively to further enhance its effectiveness.

### **Board Meeting Schedules and Agenda**

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the entire year. The Board Calendar for the financial year 2020-21 has been disclosed later in the report and has also been uploaded on the Company's website. The Board meetings are held within 45 days from the end of the quarter in the manner that it coincides with the announcement of quarterly results. Time gap between two consecutive meetings does not exceed 120 days. In case of an urgent necessity, additional Board meetings are called.

The Audit Committee and the HR and Nomination Committee meetings are generally held on the same dates as Board meetings. To ensure an immediate update to the Board, the Chairman of the respective committee briefs the Board about the proceedings of the respective committee meetings.

The Company Secretary, in consultation with the Chairman, prepares Board and Committee meetings' agenda. The detailed agenda, along with explanatory notes and annexures, as applicable are sent to the Board and Committee members, at least a week before the meetings except for the meetings called at a shorter notice. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as 'any other item'. Sensitive subject matters are discussed at the meeting, without written material being circulated in advance.

As a process prior to each Board meeting, proposals are invited from Independent Directors for discussion / deliberation at the meeting(s) and these are included in the meeting's agenda to promote objective decision making.

The Board devotes its significant time in evaluation of current and potential strategic issues and reviews Company's business plans, Corporate strategy and risk management issues based on the markets it operates in and in light of global industry trends and developments to help achieve its strategic goals.

CFOs and other Senior Management members are invited to the Board meetings to present reports on the items being discussed at the meeting. In addition, the functional heads of various business segments / functions are also invited at regular intervals to present updates on their core areas.

### **Information available to the Board**

The Board has complete access to all relevant information within the Company, and to all the employees of the Company. The information shared on a regular basis with the Board specifically includes:

- Annual operating plans, capital budgets and updates thereon.
- Quarterly and annual consolidated and standalone results and financial statements of the Company and its operating divisions or business segments.
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulations, and Board minutes of the unlisted subsidiary companies.
- Information on recruitment / remuneration of senior officers just below Board level.
- Material important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company.
- Any issue which involves possible public or product liability claims of substantial nature, if any.
- Details of any acquisition, joint venture or collaboration agreement.
- Transactions involving substantial payment towards goodwill, brand equity or intellectual property.
- Human resource updates and strategies.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly treasury reports.
- Quarterly compliance certificates with the 'Exceptions Reports and Material Litigations', which includes non-compliance of any regulatory, statutory nature or listing requirements and shareholders service.
- Disclosures received from Directors.
- Proposals requiring strategic guidance and approval of the Board.
- Related party transactions.
- Regular business updates.
- Update on Corporate Social Responsibility activities.
- Significant transactions and arrangements by subsidiary companies.
- Report on action taken on last Board meeting decisions.

## Number of Board Meetings

During FY 2019-20, the Board met seven times i.e. on April 19, 2019, May 06, 2019, August 01, 2019, October 29, 2019, November 14, 2019, December 04, 2019 and February 04, 2020. Requisite information, according to the requirements of Regulation 34 of the Listing Regulations is provided below:

Name of Director	Director Identification Number	Category	Name of the listed entity where person is director along with category of directorship	Number of other directorships <sup>1</sup> and committee <sup>2</sup> memberships and chairmanships			No. of board meetings attended (total held during tenure)	Whether attended last AGM		
				Directorships	Committees					
					Chairman	Member				
Mr. Sunil Bharti Mittal	00042491	Executive Chairman	Nil	14	Nil	Nil	6(7)	Yes		
Mr. Gopal Vittal	02291778	Executive Director	Nil	5	Nil	Nil	7(7)	Yes		
Ms. Chua Sock Koong	00047851	Non-Executive Director	Nil	1	Nil	Nil	7(7)	No		
Mr. Rakesh Bharti Mittal	00042494	Non-Executive Director	Nil	17	Nil	Nil	7(7)	Yes		
Ms. Tan Yong Choo	02910529	Non-Executive Director	Nil	1	Nil	Nil	7(7)	No		
Mr. Craig Ehrlich	02612082	Independent Director	Nil	Nil	Nil	Nil	4(7)	No		
Mr. D.K. Mittal	00040000	Independent Director	1. Balrampur Chini Mills Ltd – Independent Director 2. Max Financial Services Limited – Independent Director 3. Max India Limited – Independent Director 4. Trident Limited – Independent Director 5. Max Ventures And Industries Limited – Independent Director	14	2	6	7(7)	No		
Mr. Manish Kejriwal	00040055	Independent Director	1. Bajaj Holdings & Investment Limited –Non-executive Director 2. Bajaj Finserv Limited – Non-executive Director	4	Nil	4	5(7)	No		
Mr. Shishir Priyadarshi	03459204	Independent Director	Nil	Nil	Nil	Nil	6(7)	No		
Mr. V. K. Viswanathan	01782934	Independent Director	1. United Spirits Limited – Independent Director 2. KSB Limited – Independent Director 3. Magma Fincorp Limited – Independent Director 4. ABB India Limited – Independent Director 5. HDFC Life Insurance Company Limited – Independent Director	8	2	8	6(7)	Yes		
Ms. Kimsuka Narasimhan	02102783	Independent Director	1. Astrazeneca Pharma India Limited – Independent Director	2	Nil	Nil	7(7)	No		

- The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign bodies corporate and Bharti Airtel Limited.
- Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies other than Bharti Airtel Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
- Three meetings were attended by Mr. Tao Yih Arthur Lang as an alternate director to Ms. Chua Sock Koong.
- One Meeting was attended by Mr. Tao Yih Arthur Lang as an alternate director to Ms. Tan Yong Choo.
- Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are relatives of any other director.
- As on March 31, 2020, apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 842,559 equity shares, no other Director of the Company holds shares in the Company.

## Nomination, Remuneration & Board Diversity

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel and includes the criteria of making payments to non-executive directors.

The Company's remuneration policy is directed towards rewarding performance based on a periodic review of the achievements.

The detailed Nomination, Remuneration and Board Diversity Policy is annexed as **Annexure B** to the Board's Report. The Company affirms that the remuneration paid to the Directors is as per terms laid out in the Nomination, Remuneration and Board Diversity Policy.

### Directors' Remuneration

The details of the remuneration of Directors during FY 2019-20 are given below:

<b>Name of Director</b>	<b>Sitting Fees</b>	<b>Salary and allowances</b>	<b>Performance linked incentive</b>	<b>Perquisites</b>	<b>Commission</b>	(Amount in ₹)
						<b>Total</b>
<b>Executive Directors</b>						
Mr. Sunil Bharti Mittal	--	201,352,623	90,000,000	9,974,685	--	301,327,308
Mr. Gopal Vittal	--	85,006,495	57,291,667	1,367,272	--	143,665,434
<b>Non-Executive Directors</b>						
Mr. Rakesh Bharti Mittal	--	--	--	--	--	--
Ms. Chua Sock Koong	--	--	--	--	--	--
Mr. Craig Ehrlich	600,000	--	--	--	--	600,000
Mr. D.K. Mittal	2,800,000	--	--	--	--	2,800,000
Mr. Manish Kejriwal	1,200,000	--	--	--	--	1,200,000
Ms. Tan Yong Choo	--	--	--	--	--	--
Mr. Shishir Priyadarshi	900,000	--	--	--	--	900,000
Mr. V.K. Viswanathan	1,200,000	--	--	--	--	1,200,000
Ms. Kimsuka Narasimhan	1,100,000	--	--	--	--	1,100,000
<b>Total</b>	<b>7,800,000</b>	<b>286,359,118</b>	<b>147,291,667</b>	<b>11,341,957</b>	--	<b>452,792,742</b>

- The salary and allowance includes the Company's contribution to the Provident Fund. Liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the Directors is not ascertainable and, therefore, not included.
- The value of the perquisites is calculated as per the provisions of the Income Tax Act, 1961.
- Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2019-20 and will get paid on the basis of actual performance parameters (including EBITDA margin, Gross Revenue etc.) in the next year. At 100% performance level, the gross remuneration of Mr. Sunil Bharti Mittal was ₹ 301,327,308 for FY 2019-20 and ₹ 310,054,665 for FY 2018-19 and that of Mr. Gopal Vittal ₹ 143,665,434 for FY 2019-20 and ₹ 135,575,038 for FY 2018-19. During the year, Mr. Sunil Bharti Mittal and Mr. Gopal Vittal were paid ₹ 90,000,000 and ₹ 54,331,507 respectively as PLI for previous year 2018-19, which is not included above. Further, Mr. Gopal Vittal has been paid one-time special incentive of ₹ 15,625,000 for the financial year 2019-20.
- During the year, Mr. Gopal Vittal was granted 1,83,252 stock options on August 08, 2019 under ESOP Scheme 2005 at an exercise price of ₹ 5 per option, with a vesting period spread over 3 years and 30,000 stock options on August 08, 2019 under ESOP Scheme 2001 at an exercise price of ₹ 5 per option, with a vesting period of one year. The above remuneration of Mr. Gopal Vittal does not include perquisite value of ₹ 51,292,580 towards the value of Stock Options exercised during the year.
- The options can be converted into equity shares either in full or in tranches at any time upto seven years from the grant date. The unexercised vested options can be carried forward throughout the exercise period. The options which are not exercised will lapse after the expiry of the exercise period.
- No other director has been granted any stock option during the year.
- The Company had entered into contracts with the executive directors i.e. Mr. Sunil Bharti Mittal dated August 19, 2016 and with Mr. Gopal Vittal dated July 24, 2017. These are based on the approval of the shareholders. There are no other contracts with any other director.
- No notice period or severance fee is payable to any director.
- There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

## Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter / terms of reference. The Constitution and charter of the Board Committees are available on the Company's website, [www.airtel.com](http://www.airtel.com), and are also stated herein.

## Audit Committee

Audit Committee comprises four Directors, three of whom are independent. The Chairman of the Committee, Mr. V. K. Viswanathan, Independent Director is a Chartered Accountant and has sound financial knowledge, as well as many years of experience in general management. All members of the Audit Committee, including the Chairman, have accounting and financial management expertise. The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and the Listing Regulations.

The Company Secretary is the Secretary to the Committee. The Managing Director & CEO (India & South Asia), CFO (India & South Asia), the Chief Internal Auditor, the Statutory Auditors, Internal Auditor and Internal Assurance Partners are permanent invitees.

The Chairman of the Committee was present at the last AGM, held on August 14, 2019.

### Key Responsibilities of the Audit Committee

- Oversee the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible.
- Consider and recommend to the Board, the appointment (including filling of a casual vacancy), resignation or dismissal, remuneration and terms of appointment (including qualification and experience) of the Statutory Auditor, Internal Auditors / Chief Internal Auditor, Cost Auditor and Secretarial Auditor.
- Prior approval of non-audit services that can be provided by the Statutory Auditors and approval of payment of such non-audit services.
- Prior approval of all transactions with related party(ies), subsequent modifications of transactions with related parties and review of the statement of significant related party transactions with specific details of the transactions.
- Discussion with the Statutory Auditor before the commencement of audit about the nature and scope of the audit to be conducted and post-audit discussion to ascertain any areas of concern.
- To call for comments of the Auditors about internal control system, including the observation of the Auditors, review financial statement before their submission to the Board and discussion on any related issues with the Internal and Statutory Auditors and the management of the Company.
- Review, with the Management, the quarterly financial statements before submission to the Board for approval.
- Review, with the Management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' responsibility statement, included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statement.
  - f) Disclosure of all related party transactions.
  - g) Modified opinion(s) in the draft audit report.
- Review the following information:
  - a) Management Discussion and Analysis of financial condition and results of operations.
  - b) Management letter / letters of internal control weaknesses issued by the Statutory Auditors.
  - c) Internal Audit Reports relating to internal control weaknesses.
  - d) The financial statements, in particular the investments, if any, made by unlisted subsidiary companies.
  - e) Quarterly compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances.
- Oversee the functioning of the Vigil Mechanism / Whistle Blower Mechanism.
- Establish the systems for storage, retrieval and display of books of accounts and other financial records in electronic format.
- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.
- Approve the appointment, re-appointment and removal of Company's Chief Financial Officer after assessing the qualifications, experience and background, among others, of the candidate.
- Review the Company's financial and risk management policies, implementation of treasury policies, strategies and status of investor relation activities.
- Ensure that the internal audit function is effective, adequately resourced, and to review coordination between Internal and Statutory Auditors.
- Review the state and adequacy of internal controls with key members of the Management, Statutory Auditors and Internal Auditors.

- Discuss with the Internal Auditor the coverage, functioning, frequency and methodology of internal audits as per the annual audit plan and discuss significant findings and follow up thereon.
- Review and monitor the Statutory and Internal Auditor's independence, performance and effectiveness of audit process.
- Review and scrutinize the inter-corporate loans and investments
- Reviewing the utilization of loans and/ or advances from/ investment in the subsidiary company exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Monitor and review with the Management, the statement of uses / application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilised for purposes, other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Appointment of a registered valuer of the Company and fixation of their terms and conditions.
- Evaluation of internal financial controls.
- Delegate above said functions to Sub-Committees, whenever required.

The Audit Committee shall also undertake such other functions, as may be assigned by the Board of Directors from time to time, or as may be stipulated under any law, rule or regulation including the Listing Regulations and the Companies Act, 2013.

### **Powers of the Audit Committee**

- Investigate any activity within its terms of reference.
- Seek any information that it requires from any employee of the Company, and all employees have been directed to cooperate with any request made by the Committee.
- Obtain outside legal or independent professional advice.
- Secure attendance of outsiders with relevant expertise.
- Access sufficient resources to carry out its duties.

### **Meetings, Attendance and Composition of the Audit Committee**

During FY 2019-20, the Committee met five times i.e. on May 06, 2019, August 01, 2019, October 29, 2019, November 14, 2019 and February 04, 2020.

Beside the Committee meetings as above, the Committee also holds quarterly conference calls and/ or mid-quarter conference calls before every regular Committee meeting to

discuss routine internal audit issues and other matters. This provides an opportunity to the Committee to devote more time on other significant matters in the regular Committee meeting. During FY 2019-20, the Committee had met eight times through the conference calls i.e. April 15, 2019, May 03, 2019, July 08, 2019, July 25, 2019, September 23, 2019, October 22, 2019, December 13, 2019 and January 28, 2020.

All recommendations made by the Audit Committee were accepted by the Board.

The composition and the attendance of members at the meetings held during FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)	Number of conference calls attended (total conducted during tenure)
Mr. V. K.	Independent	4(5)	7(8)
Viswanathan (Chairman)	Director		
Ms. Kimsuka	Independent	5(5)	7(8)**
Narasimhan	Director		
Mr. Manish Kejriwal	Independent Director	4(5)	7(8)**
Ms. Tan Yong Choo	Non-Executive Director	5(5)*	8(8)

\*One meeting was attended by Mr. Tao Yih Arthur Lang as an alternate director to Ms. Tan Yong Choo.

\*\* One Meeting was attended through Audio Call

### **Consolidated fees paid to statutory auditor**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which it is a part –

Particulars	₹ (In Mn)
Audit Fees*	400
Other services	367
<b>Total</b>	<b>767</b>

\*Includes out-of-pocket expenses

### **Audit Committee Report for the year ended March 31, 2020**

#### **To the Shareholders of Bharti Airtel Limited**

The Audit Committee ("Committee") is pleased to present its report for the year ended March 31, 2020:

1. The Committee presently comprises four members of whom three-fourths, including the Chairman are Independent Directors, as against the requirement of two thirds prescribed under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

2. The responsibility for the Company's internal controls and financial reporting processes lies with the Management. The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the Indian Accounting Standards (Ind-AS) and issuing a report thereon. The Ombudsperson is responsible for the Company's Whistle Blower Mechanism.
3. The Company has in place an Internal Assurance Group (IAG) headed by Chief Internal Auditor. During the previous financial year 2018-19, the Company had appointed Anil Jeet Singh Riat, Senior Vice President and Head – Internal Audit as Chief Internal Auditor in accordance with Section 138 of the Companies Act, 2013. The Company had also appointed Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai as the internal assurance partners. The audit conducted by the Internal Auditors and Internal Assurance Partners is based on an internal audit plan, which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Assurance Partners share their findings on an ongoing basis during the year for corrective action.
4. The Audit Committee oversees the work of Statutory Auditors, Internal Auditors, IAG, Internal Assurance Partners and the Ombudsperson. It is also responsible for overseeing the processes related to the financial reporting and information dissemination.
5. In this regard, the Audit Committee reports as follows:
- I. The Committee has discussed with the Company's Internal Auditors, Internal Assurance Partners and Statutory Auditors the overall scope and plan for their respective audits. The Committee has also discussed the results and effectiveness of the audit, evaluation of the Company's internal controls and the overall quality of financial reporting.
  - II. The Management has presented the Company's financial statements to the Committee and affirmed that the Company's financial statements have been drawn in accordance with Ind-AS. Based on its review and the discussions conducted with the Management and the Statutory Auditors, the Committee believes that the Company's financial statements are fairly presented in conformity with applicable accounting standards in all material aspects. The Committee also considers that the financial statements are true and fair and provide sufficient information. The Committee believes the Company has followed adequate processes to prepare these financial statements.
  - III. The Committee has reviewed both abridged and unabridged versions of the standalone and consolidated financial statements for the year ended March 31, 2020. It has recommended the same for the Board's approval.
  - IV. The Committee has reviewed the internal controls for ensuring that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found that the Company's internal control systems overall are designed adequately and are operating satisfactorily. Where deficiencies or improvement areas in control systems have been pointed out by the internal audit, the management have taken adequate steps or are in the process of addressing those areas.
  - V. The Committee reviewed the Company's internal financial controls and risk management systems from time to time.
  - VI. The Committee reviewed the Ombudsperson's report on the functioning of the Whistle Blower Mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy. The Committee believes that the Company has an effective Whistle Blower Mechanism and nobody has been denied access to this mechanism.
  - VII. The committee has reviewed the monitoring agency report w.r.t. utilization of proceeds of Rights Issue and fund utilization report w.r.t. proceeds of Qualified Institutional Placement. The Committee noted that the funds have been utilized as per the stated objectives.
  - VIII. The Committee has reviewed with the Management, the independence, effectiveness of audit process and performance of Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company
  - IX. The Committee, along with the Management, reviewed the performance of the Internal Assurance Partners viz. Ernst & Young LLP and ANB & Co., Chartered Accountants, Mumbai and also reviewed the adequacy of internal control systems. The Committee has also reviewed the eligibility and independence of Ernst & Young LLP and ANB & Co. and has recommended to the Board the re-appointment of Ernst & Young LLP and ANB & Co. as the internal assurance partners.
  - X. The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.
  - XI. The Audit Committee monitored and approved all related party transactions, including any modification / amendment in any such transactions.

In conclusion, the Audit Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit Committee's Charter.

Place: New Delhi  
Date: May 18, 2020

**V. K. Viswanathan**  
Chairman, Audit Committee

## HR and Nomination Committee

The Committee comprises five Non-Executive Directors, of whom three members, including, the Chairman of the Committee are Independent Directors. The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Company Secretary acts as the Secretary of the Committee. The Chief People Officer is a permanent invitee to the Committee meetings. Other Senior Management members are also invited to the meeting to present reports relating to items being discussed at the meeting.

## Key Responsibilities of the HR and Nomination Committee

### HR related:

- Formulation and recommendation to the Board, of a policy relating to remuneration of Directors, Key Managerial Personnel\* and other employees.
- Determine the compensation (including salaries and salary adjustments, incentives / benefits, bonuses) and performance targets of the Chairman and of the Managing Directors & CEO's.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- In the event of no profit or inadequate profit, to approve the remuneration payable to managerial persons, taking into account the Company's financial position, industry trend, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package, while striking a balance between the Company's interest and shareholders.
- Attraction and retention strategies for employees.
- Review employee development strategies.
- Assess the learning and development needs of the Directors and recommend learning opportunities, which can be used by Directors to meet their needs for development.
- Review all human resource related issues, including succession plan of key personnel.
- The Committee shall also consider any other key issues / matters as may be referred by the Board, or as may be necessary in view of Regulation 19 of the Listing Regulations or any other statutory provisions.

### ESOP related:

- Formulation of ESOP plans and decide on future grants;
- Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to:
- Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan.

- Performance conditions attached to any ESOP Plan.
- Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
- Exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
- Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee.
- Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
- Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions.
- Grant, vest and exercise of option in case of employees, who are on long leave, and the procedure for cashless exercise of options.
- Any other matter which may be relevant for administration of ESOP schemes from time to time.
- To frame suitable policies and processes to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Other key issues as may be referred by the Board.

### Nomination related:

- Formulate the criteria / policy for appointment of Directors, Senior Management\*\*, which shall, inter-alia, include qualifications, positive attributes, diversity and independence of a Director.
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for a particular appointment.
- Identify and recommend to the Board, persons who are qualified to become Directors and who may be appointed in Senior Management, including Key Managerial Personnel, in accordance with the criteria laid down and their removal thereof.
- Recommend the appointment of any Director to executive or other employment / place of profit in the Company.
- Review succession planning for Executive and Non-Executive Directors and other Senior Executives, particularly the Chairman, Managing Directors & CEOs.
- Recommend suitable candidate for the role of Lead Independent Director.

- Formulation of criteria for evaluation of Independent Directors and the Board.
- Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director.
- Review the Terms of Reference of all committees of the Board, including itself on an annual basis, and recommend any changes to the Board.

\*Key Managerial Personnel' means: i) the Chief Executive Officer or the Managing Director or the Manager; ii) the Company Secretary; iii) the Whole-time Director; iv) the Chief Financial Officer.

\*\*Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors, comprising all members of the Management one level below the chief executive officer/managing director/ whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

#### **Meetings, Attendance and Composition of HR and Nomination Committee**

During FY 2019-20, the Committee met four times i.e. May 06, 2019, August 01, 2019, October 29, 2019 and February 04, 2020.

The composition and the attendance of members at the meetings held during FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. D.K. Mittal, Chairman	Independent Director	4(4)
Mr. Craig Ehrlich	Independent Director	3(4)
Mr. Rakesh Bharti Mittal	Non-Executive Director	4(4)
Mr. Shishir Priyadarshi	Independent Director	4(4)
Ms. Chua Sock Koong	Non-Executive Director	4(4)*

\*One meeting was attended by Mr. Tao Yih Arthur Lang as an alternate director to Ms. Chua Sock Koong.

The details relating to remuneration of Directors, as required under Listing Regulations have been given under a separate section, viz. 'Directors Remuneration' in this Report.

#### **Stakeholders' Relationship Committee**

In compliance with the Regulation 20 of the Listing Regulations, requirements and provisions of Section 178 of the Companies Act, 2013, the Company has a Stakeholders' Relationship Committee. The Committee comprises of four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

#### **Key Responsibilities of the Stakeholders' Relationship Committee**

The key responsibilities of the Stakeholders' Relationship Committee include the following:

- Formulation of procedures, in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time.
- Consider and resolve the complaints / grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend and general meetings.
- Dematerialise or re-materialise the share certificates.
- Approve the transmission of shares or other securities arising as a result of death of the sole / any of joint shareholder.
- Sub-divide, consolidate and / or replace any share or other securities certificate(s) of the Company.
- Issue duplicate share / other security (ies) certificate(s) in lieu of the original share / security (ies) certificate(s) of the Company.
- Approve, register and refuse to register transfer / transmission of shares and other securities.
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
- Oversee & review, all matters connected with the transfer of securities of the Company.
- Oversee the performance of the Company's Registrar and Share Transfer Agent and review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent.
- Recommend methods to upgrade the standard of services to the investors.
- To deal with the Company's unclaimed / undelivered shares, as prescribed in the relevant regulation of the Listing Regulations and review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.
- Review of measures taken for effective exercise of voting rights by shareholders.
- To do all such acts, deeds and things as may be necessary in this regard.

The meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

## Meetings, Attendance and Composition of Stakeholders' Relationship Committee

During FY 2019-20, the Committee met seven times i.e. on April 19, 2019, May 06, 2019, June 25, 2019, August 01, 2019, October 29, 2019, February 04, 2020 and February 18, 2020. The composition and the attendance of members at the meetings held during FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	7(7)
Mr. D.K. Mittal	Independent Director	7(7)
Mr. Manish Kejriwal	Independent Director	3(7)
Mr. Gopal Vittal	Executive Director	6(7)

## Compliance Officer

Mr. Rohit Krishan Puri, Dy. Company Secretary acts as the Compliance Officer of the Company for complying with the requirements of the Listing Regulations and requirements of securities laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

## Nature of Complaints and Redressal Status

During FY 2019-20, the complaints and queries received by the Company were general in nature, which include issues relating to non-receipt of dividend warrants, shares, annual reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investors' complaints received during FY 2019-20 are as follows:

Type of complaint	Number	Redressed	Pending on March 31, 2020
Non-receipt of securities	12	12	Nil
Non-receipt of Annual Report	1	1	Nil
Non-receipt of dividend / dividend warrants	1	1	Nil
Miscellaneous/ Others	3	3	Nil
<b>TOTAL</b>	<b>17</b>	<b>17</b>	<b>Nil</b>

## Committee of Directors

To cater to various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as the Committee of Directors. The Committee meets as and when deemed necessary to cater to the day to day requirements of the Company.

The Committee comprises four members including two Independent Directors. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as a Secretary to the Committee.

## Meetings, Attendance and Composition of Committee of Directors

During FY 2019-20, the Committee met ten times i.e. on May 06, 2019, May 24, 2019, July 26, 2019, August 01, 2019, September 02, 2019, September 25, 2019, October 29, 2019, January 06, 2020, February 04, 2020 and March 18, 2020. The composition and the attendance of members at the meetings held during FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	10(10)
Mr. D.K. Mittal	Independent Director	9(10)
Mr. Manish Kejriwal	Independent Director	3(10)
Mr. Gopal Vittal	Executive Director	10(10)

## Key Responsibilities of the Committee of Directors (within the limit approved by the Board)

### Investment Related

- ≡ To grant loans to any body corporate / entity.
- ≡ To give guarantee(s) in connection with loan made to any body corporate / entity.
- ≡ To negotiate, finalise, amend, modify, approve and accept the terms and conditions with respect to aforesaid loans and / or guarantee(s) from time to time.
- ≡ To purchase, sell, acquire, subscribe, transfer or otherwise deal in the shares / securities of any Company, body corporate or other entities.

### Treasury Related

- ≡ To borrow such sum of money, as may be required by the Company from time to time provided that the money already borrowed, together with the money to be borrowed by the Company does not exceed the limits provided under Section 180 of the Companies Act, 2013 i.e. upto the paid up share capital and free reserves and securities premium of the Company.
- ≡ To create security / charge(s) on all or any of the assets of the Company for the purpose of securing credit facility(ies) of the Company.
- ≡ To deal in government securities, units of mutual funds, fixed income and money market instruments, fixed deposits and certificate of deposit programme of banks and other instruments / securities / treasury products of banks & financial institutions as per treasury policy of the Company.

- To deal in foreign exchange and financial derivatives linked to foreign exchange and interest rates including, but not limited to foreign exchange spot, forwards, options, currency swaps and interest rate swaps.
  - To open, operate, close, change in authorisation for any Bank Account, Subsidiary General Ledger (SGL) Account, Dematerialisation / Depository Account.
  - To approve, finalise and authorise the execution of any deed, document, letter or writing in connection with the aforesaid activities, including borrowing / credit facilities, creation of charge.
- Allotment of Shares**
- Issue and allot shares of the Company in one or more tranches as per the terms of the ESOP Schemes for the time being in force or upon conversion of Foreign Currency Convertible Bonds issued by the Company.
  - To seek listing of shares issued as above on one or more Stock Exchanges in India and all such shares being pari-passu with the existing equity shares of the Company in all respects.
  - To do all such acts, deeds and things, as may be necessary and incidental to allotment and listing of shares.
- General Authorisations**
- To open, shift, merge, close any branch office, circle office.
  - To approve for participation into any tender, bid, auction by the Company.
  - To register the Company with any Central / State Government authorities, Semi-Government authorities, local authorities, tax authorities including sales tax, service tax, value added tax authorities, labour law authorities, administrative authorities, business associations and other bodies.
  - To purchase, sell, take on lease / license, transfer or otherwise deal with any property.
  - To apply for and surrender any electricity, power or water connection.
  - To appoint any Merchant Banker, Chartered Accountant, Advocate, Company Secretary, Engineer, Technician, Consultants and / or Professionals for undertaking any assignment for and on behalf of the Company.
  - To constitute, reconstitute, modify, dissolve any trust or association with regard to the administrative matters or employee related matters and to appoint, reappoint, remove, replace the trustees or representatives.
  - To authorise one or more employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s) jointly or severally to:
    - represent the Company before Central Government, State Governments, Judicial, Quasi-judicial and other statutory / administrative authorities or any other entity.
    - negotiate, finalise, execute, modify, sign, accept, and withdraw all deed, agreements, undertakings, certificates, applications, confirmations, affidavits, indemnity bonds, surety bonds, and all other documents and papers.
    - affix common seal of the Company.
    - enter into, sign, execute and deliver all contracts for and on behalf of the Company.
    - To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require the specific approval of the Board of the Company or which has specifically been delegated by the Board to any other Committee of the Board or any officer, employee or agent of the Company.
    - To perform such other functions as may be authorised / delegated by the Board or as might have been authorised / delegated to the erstwhile Borrowing Committee, Investment Committee, Committee of Director or the Allotment Committee.
    - To authorise / delegate any or all of its power to any person, officer, representative.

## Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommend the CSR proposals to the Board for approval.

The Committee comprises three members including one Independent Director. Mr. Rakesh Bharti Mittal, Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as a secretary to the Committee.

### Key Responsibilities of the CSR Committee

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken. Review the Company's performance in the area of CSR.
- Evaluate social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters including any annual social responsibility report.
- Review the following, with the Management, before submission to the Board for approval
  - The Business Responsibility (BR) Report
  - CSR Report
  - Annual Sustainability Report
- Formulate and implement the BR policies in consultation with the respective stakeholders.

- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent by Bharti Foundation, or any other charitable organisation to which the Company makes contributions, for the intended purposes only.
- Approve the appointment or re-appointment of Directors responsible for Business Responsibility.
- Nominate at least one member of the CSR Committee as a trustee of Bharti Foundation.
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the Listing, Corporate Social Responsibility Voluntary Guidelines, 2009 and the Companies Act, 2013.

On the recommendation of the CSR Committee, the Board had on April 29, 2014, approved the Corporate Social Responsibility (CSR Policy) of the Company. The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is available on the Company's website at [www.airtel.com](http://www.airtel.com).

### **Meetings, Attendance and Composition of CSR Committee**

During FY 2019-20, the Committee met two times i.e. on May 06, 2019 and September 25, 2019. The composition and the attendance of members at the meetings held during the FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	2(2)
Mr. D.K. Mittal	Independent Director	2(2)
Mr. Gopal Vittal	Executive Director	2(2)

### **Corporate Social Responsibility Report for the year ended March 31, 2020**

The CSR Report for the year ended March 31, 2020 is annexed as **Annexure D** to the Board's Report.

### **Risk Management Committee**

In compliance with the requirements of the Listing Regulations, the Company has constituted Risk Management Committee to focus on risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

The Committee comprises six members. Mr. D.K. Mittal is the Chairman of the Committee. The Company Secretary / Dy. Company Secretary acts as a secretary to the Committee.

During the year Risk Management Committee meeting met three times i.e. on May 03, 2019, September 25, 2019 and

March 16, 2020. The composition and the attendance of members at the meetings held during the FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. D.K. Mittal, Chairman	Independent Director	3(3)
Mr. V. K. Viswanathan	Independent Director	3(3)
Mr. Rakesh Bharti Mittal	Non-executive Director	3(3)
Mr. Gopal Vittal	Executive Director	2(3)
Mr. Pankaj Tewari	Company Secretary	3(3)
Mr. Badal Bagri	CFO	3(3)
Mr. Anil Jeet Singh Riat	Chief Internal Auditor	2(3)

### **Authority**

- a) Obtain any legal or independent professional advice on matters to be deliberated in the Risk Management Committee.
- b) Access sufficient resources to carry out its duties.

### **Key Responsibilities of the Risk Management Committee**

- Formulate and review risk management policy;
- Approve the process for risk identification;
- Assess / Determine risk appetite and monitor risks (including Cyber Security risk);
- Implement, monitor and review the risk management framework, risk management plan and related matters;
- Advise the board on risk strategy;
- Foster an appropriate risk culture; and
- Delegate above said authorities to sub-committees, whenever required.

### **Special Committee of Directors for Fund Raising**

During the year, the Special Committee of Directors for Fund Raising' was constituted for the purpose of Right Issue. Its responsibilities, inter-alia, includes deciding the terms and conditions of the issue including setting the record date, appointment of intermediaries, finalization of the Letter of Offer and other related matters. The Committee meets as and when necessary.

The Committee comprises four members including one independent director. Mr. Rakesh Bharti Mittal, Non-Executive Director is the Chairman of the Committee. The Company Secretary/ Deputy Company Secretary acts as a Secretary to the Committee.

## Meetings, Attendance and Composition of Special Committee of Directors for Fund Raising

During FY 2019-20, the Committee met five times i.e. on April 10, 2019, May 24, 2019, January 08, 2020, January 14, 2020 and January 15, 2020. The composition and the attendance of members at the meeting held during the FY 2019-20, are given below:

Name	Category	Number of meetings attended (total held during tenure)
Mr. Rakesh Bharti Mittal, Chairman	Non-Executive Director	3(5)
Mr. Tan Yong Choo	Non-Executive Director	5(5)
Mr. D.K. Mittal	Independent Director	3(5)
Mr. Gopal Vittal	Executive Director	5(5)

## Airtel Corporate Council (ACC)

Airtel Corporate Council is a non-statutory committee, constituted by the Board for strategic management and supervision of the Company's operations within the approved framework.

ACC is headed by the Chairman of the Company and comprises the Managing Director & CEO and other select senior management personnel as its members.

### Key Responsibilities of the ACC Committee

- Strategic Management and supervision of Company's business; CEO Board Report.
- Formulation of Company's annual business plan including objectives and strategies, capex, and investments. Approval of the variation in the Approved Annual Operating Plan upto 5% negative deviation.
- Formulation of organisation policies, systems and processes, concerning the Company's operations.
- Review and recommend for approval of all items / proposals relating to restructuring, new line of business, investments, General Reserved Matters (as referred in Article 125 (ii) of Articles of Association of the Company) and other matters, which require the Board's approval in relation to the Company and its subsidiaries in India, Africa and SA, as a shareholder.

- Acquisition, disposal, transfer of any immovable property of value exceeding any amount in excess of the duly approved respective DoAs.
- Formation, modification, withdrawal, implementation of systems, policies, control manuals and other policy frameworks for operational efficiency and risk management. The Committee to agree in advance the specific key operational efficiency / risk management matters that business must present at each meeting.
- Approval for contribution to any political party / political trust within the overall limit set by the Board.
- Business Development transaction related updates/next steps.
- Financial Restructuring / Treasury Strategy.
- Review and approval of all strategic consulting assignments.
- Change of Company's brand name, logo, and trade mark. All brand launches (new or rebranding to be presented to ACC, prior to formally committing material expenditure).

### Powers of ACC in respect of the Subsidiaries and their step down Subsidiaries (Other than listed subsidiaries)

- Formulation of business plan, including any strategic initiative, investments, capex, borrowing including refinancing and extension, among others.
- Nomination of the respective subsidiaries nominee on Board of other companies.
- Entry into / exit from business / major business activities, in any manner whatsoever, including purchase, sale, lease, franchise, among others.

With respect to overseas subsidiaries and their step down subsidiaries, the power of ACC is confined to performing key shareholder functions.

## Other Committees of the Board

Apart from the Committees aforesaid, the Company had, in the past, formed Special Committees viz. for Monetization of stake in Bharti Infratel Limited and Restructuring of overseas holding structure.

During the year, no meeting of these Committees were convened.

## General Body Meetings

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Location	Date	Time	Special Resolution passed
2018-19	Air Force Auditorium, Subroto Park, New Delhi – 110010, India	August 14, 2019	1530 Hrs. (IST)	<ul style="list-style-type: none"> <li>1. Re-appointment of Mr. Vegulaparanan Kasi Viswanathan as an Independent Director</li> <li>2. Re-appointment of Mr. Dinesh Kumar Mittal as an Independent Director</li> <li>3. Waiver of recovery of excess managerial remuneration paid to Mr. Sunil Bharti Mittal, Chairman for the financial year ended March 31, 2019</li> <li>4. Waiver of recovery of excess managerial remuneration paid to Mr. Gopal Vittal, Managing Director &amp; CEO (India and South Asia) for the financial year ended March 31, 2019</li> <li>5. Payment of remuneration to Mr. Sunil Bharti Mittal, Chairman for the period April 01, 2019 to September 30, 2021 or for such shorter period as may be prescribed under applicable laws</li> <li>6. Payment of remuneration to Mr. Gopal Vittal, Managing Director &amp; CEO (India and South Asia) for the period April 01, 2019 to March 31, 2022</li> </ul>
2017-18	Air Force Auditorium, Subroto Park, New Delhi – 110010, India	August 08, 2018	1530 Hrs. (IST)	<ul style="list-style-type: none"> <li>1. Re-appointment of Mr. Craig Edward Ehrlich as an Independent Director</li> <li>2. Alteration of the Articles of Association of the Company</li> </ul>
2016-17	Air Force Auditorium, Subroto Park, New Delhi – 110010, India	July 24, 2017	1530 Hrs. (IST)	<ul style="list-style-type: none"> <li>1. Re-appointment of Mr. Manish Kejriwal as an Independent Director</li> <li>2. Amendment in the Employee Stock Option Scheme 2005 of the Company</li> </ul>

### Extra-ordinary General Meeting

During the year, an Extraordinary General Meeting of the members of the Company was convened on Friday, January 03, 2020 at 03:30 p.m. (IST) to inter-alia consider and approve (i) Issuance of securities for amount up to and not exceeding USD 2 Bn or its equivalent in Indian rupees or in any other currency(ies); and (ii) Issue of Foreign Currency Convertible Bonds and unsecured/ secured redeemable Non-Convertible Debentures along with or without warrants.

### Postal Ballot

During the financial year 2019-20, no approval of shareholders was taken through Postal Ballot. Currently there is no proposal for passing any other special resolution through Postal Ballot. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

### Code of Conduct

In compliance with Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management personnel. The code is available on the Company's website [www.airtel.com](http://www.airtel.com). The Code is applicable to all Board members and Senior Management personnel who directly report to the Chairman, the Managing Director & CEO (India & South Asia). The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually.

Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management personnel with the Company that may have a potential conflict of interest.

A declaration signed by the Managing Director & CEO (India & South Asia), regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2020, is annexed as **Annexure A** to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually. Regular training programmes / self-certifications are conducted across locations to explain and reiterate the importance of adherence to the code.

## **Disclosures and Policies**

### **Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large**

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronise and synergise with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 33 of the Standalone Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee and to the Board of Directors, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature.

The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on consideration of various business exigencies, such as synergy in operations, sectoral specialisation, liquidity and capital resource of subsidiary and associates and all such transactions are on an arm's length basis.

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-on-Related-Party-Transactions\\_2E9BFE0648B2C56BAC33CAF5676D6BC1\\_1566305301148.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-on-Related-Party-Transactions_2E9BFE0648B2C56BAC33CAF5676D6BC1_1566305301148.pdf)

During the year, Board has accepted the recommendations of all Committees.

## **Disclosure on Risk Management**

The Company has established an enterprise-wide risk management (ERM) framework to optimally identify and manage risks, as well as to address operational, strategic

and regulatory risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach to evaluate and manage risks. Risk assessment monitoring is included in the Company's annual Internal Audit programme and reviewed by the Audit Committee / Risk Management Committee at regular intervals. In compliance with Regulation 17 and 21 of the Listing Regulations, the Board of Directors has formulated a Risk Management Policy for framing, implementing and monitoring the risk management plan for the Company.

The Board is periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

Detailed update on risk management framework has been covered under the risk section, forming a part of the Management Discussion and Analysis.

## **Prevention of Sexual Harassment**

Bharti Airtel is committed towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees (ICC) have been constituted as per procedure prescribed in the law. All complaints are investigated and conducted as per the tenets of the law and Company policy. The investigation reports and recommendations are forwarded to the CEO and Chief Human Resources Officer for action. A quarterly summary report is also sent to the audit committee. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates.

The Ombudsperson administers a formal process to review and investigate all concerns and undertakes appropriate actions required to resolve the reported matters. During the Financial Year 2019-20, 10 cases regarding sexual harassment at the workplace were reported and investigated. Allegations were substantiated in 9 of these cases and the accused personnel were separated from their services.

## **Details of Non-compliance with regard to Capital Markets during the last three years**

There have been no instances of non-compliances by the Company and no penalties and / or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

## **Insider Trading**

In compliance with the SEBI regulation on prevention of insider trading, the Company has established systems and procedures to regulate and monitor insider trading by designated person and has formulated a code on insider trading for designated

persons, who may have access to the Company's price sensitive information. The Code lays down procedures to be followed and disclosures to be made, while trading in the Company's shares.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

### **Ombudsperson Policy/ Whistle Blower Policy**

Bharti Airtel has adopted an Ombudsperson Policy (includes Whistle Blower Policy). It outlines the method and process for stakeholders to voice genuine concerns about unethical conduct that may be in breach with the employees' Code of Conduct. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimisation. The Policy also allows for anonymous reporting of complaints. The Ombudsperson administers the entire formal process from reviewing and investigating concerns raised, undertaking all appropriate actions for resolution thereof and regular monitoring of ombuds process to strengthen its effectiveness and adequacy. Instances of serious misconduct dealt with by the Ombudsperson are reported to the Audit Committee. All employees of the Company as well as vendors/ partners and any person that has a grievance (excluding standard customer complaints) has full access to the Ombudsperson through phones, emails or even meetings in person. During the year under review, no employee was denied access to the Audit Committee.

### **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

#### **Right Issue**

During the year, the Company has allotted 1,133,591,075 Equity Shares of face value of ₹ 5/- each by way of a rights issue at a price of ₹ 220 per rights equity share (including a premium of ₹ 215 per rights equity share) aggregating up to ₹ 249,390.04 Mn on a rights basis to the eligible equity shareholders on May 24, 2019 in the ratio of 19 rights equity shares for every 67 equity shares held by the eligible equity shareholders on the record date, that is, April 24, 2019. As on March 31, 2020, entire money has been utilized towards the objects or purposes for which the funds were raised.

#### **Qualified Institutions Placement**

During the year, the Company has allotted 323,595,505 Equity Shares of face value of ₹ 5/- each by way of a Qualified Institutions Placement at a price of ₹ 445 per equity share (including a premium of ₹ 440 per rights equity share) aggregating up to ₹ 144,000 Mn to the eligible investors on January 15, 2020. As on March 31, 2020, entire money has been utilized towards the objects or purposes for which the funds were raised.

#### **Foreign Currency Convertible Bonds**

During the year, the Company has issued 1.50% foreign currency convertible bonds due 2025 ('FCCBs') of USD 1,000 Mn at par, convertible into fully paid-up equity shares of face

value of ₹ 5/- each of the Company at an initial conversion price of ₹ 534/- per equity share, on or after February 27, 2020 and up to the close of business hours on February 07, 2025, at the option of the FCCB holders. As per the terms and conditions of the issue, the initial conversion ratio and initial conversion price are subject to certain adjustments. FCCBs, which are not converted to equity shares during such specified period, will be redeemable at 102.66% of their principal amount on February 17, 2025. As on March 31, 2020, entire money has been utilized towards the objects or purposes for which the funds were raised.

### **Auditors' Certificate on Corporate Governance**

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as **Annexure H** to the Board's Report.

### **CEO and CFO Certification**

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO of the Company was placed before the Board. The same is provided as **Annexure B** to this report.

### **Certificate from Secretarial Auditor pursuant to Schedule V of the Listing Regulations**

A certificate has been received from Chandrasekaran Associates, Practising Company Secretaries, pursuant to Schedule V of the Listing Regulations, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed as **Annexure C** to this report.

### **Subsidiary Companies**

The Company monitors performance of subsidiary Companies, inter-alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Audit Committee.
- Minutes of the Board Meetings of unlisted subsidiary companies are regularly placed before the Board.
- A statement containing significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Board.

The financial statements of the subsidiaries are available for download on the website of the Company at weblink <https://www.airtel.in/about-bharti/equity/results>. The detailed annual report of listed subsidiaries are available on the respective website of Bharti Infratel Limited and Airtel Africa plc.

The Board of Directors have formulated a Policy for determining material subsidiaries pursuant to the provisions of the Listing Regulations. The same is posted on the Company's website at [https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-for-determining-Material-Subsidiaries-1\\_3C3DACCD6AC67BF355A2231C3D434D64.pdf](https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-for-determining-Material-Subsidiaries-1_3C3DACCD6AC67BF355A2231C3D434D64.pdf).

## Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically review the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. It has obtained a certificate affirming the compliances from Deloitte Haskins & Sells LLP, Chartered Accountants, the Company's Statutory Auditors and the same is attached to the Board's Report.

## Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements Regulation 27(1) of the Listing Regulations:

### (i) Shareholders' Rights

The Company has a policy of announcement of the audited quarterly results. The results, as approved by the Board of Directors (or Committee thereof) are first submitted to Stock Exchanges within 30 minutes under Regulation 30 of the Listing Regulations of the approval of the results. Once taken on record by the Stock Exchanges, the same are disseminated in the media through press release. The quarterly financial results are published in newspapers and uploaded on Company's website [www.airtel.com](http://www.airtel.com).

## Status of Dividend Declared

Status of the dividend declared by the Company for the last seven years is as under.

Financial Year	Rate of Dividend per equity share of ₹ 5 each	Amount in ₹ Million		
		Total Pay-out	Amount Paid to the shareholders	Amount un-paid to the shareholders
2018-19 (Interim)	₹ 2.50	9,993.50	9,991.67	1.83
2017-18	₹ 2.50	9,993.50	9,991.69	1.81
2017-18 (Interim)	₹ 2.84	11,352.62	11,350.71	1.91
2016-17	₹ 1	3,997.40	3,996.69	0.71
2015-16	₹ 1.36	5,436.46	5,435.29	1.17
2014-15	₹ 2.22	8,874.23	8,872.96	1.27
2014-15 (Interim)	₹ 1.63	6,515.76	6,514.66	1.10
2013-14	₹ 1.80	7,195.32	7,194.09	1.23
2012-13	₹ 1	3,797.53	3,796.51	1.02

The Company constantly endeavours to reduce the unpaid dividend amount. The shareholders, who have not claimed their dividend for the above financial years are requested to contact the Company or its Share Transfer Agent.

On the next day of the announcement of the quarterly results, an earnings call is organised, where the management responds to the queries of the investors / analysts. These calls are webcast live and transcripts posted on the website. In addition, discussion with the management team is webcast and also aired on the electronic media.

### (ii) Audit Qualifications

Company's financial statements are unqualified.

### (iii) Separate posts of Chairman and CEO

The positions of the Chairman of the Board and the Managing Director & Chief Executive Officer of the Company are held by separate individuals.

### (iv) Reporting of Internal Auditor / Internal Assurance Partners

The Internal Auditor / Internal Assurance Partners directly reports to the Audit Committee.

## Green Initiatives by MCA

In compliance with the provisions of Section 20 of the Companies Act, 2013 and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence / communications through email to those shareholders who have registered their email id with their depository participant's / Company's registrar and share transfer agent.

## Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details of the equity shares lying in the suspense accounts, which were issued in physical form, are as follows:

Particulars	Number of Shareholders	Number of equity shares
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 01, 2019	1	1
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	1	1

The voting rights on the shares in the suspense accounts as on March 31, 2020 shall remain frozen till the rightful owners of such shares claim the shares.

## Means of Communication

**Quarterly Results:** The Company's Quarterly Audited Results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website [www.airtel.com](http://www.airtel.com).

**News releases, presentations:** Official news releases and official media releases are sent to Stock Exchanges and uploaded on the Company's website [www.airtel.com](http://www.airtel.com).

### Earning Calls & Presentations to Institutional Investors

**/ Analysts:** The Company organises an earnings call with analysts and investors on the next day of announcement of results, which is also broadcast live on the Company's website. The transcript of the earnings call is posted on the website soon after. Any specific presentation made to the analysts / others is also uploaded on the Company's website [www.airtel.com](http://www.airtel.com).

### NSE Electronic Application Processing System (NEAPS)/

**BSE Corporate Compliance & Listing Centre:** The NEAPS/BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance fillings, like shareholding pattern, Corporate Governance Report, media releases and other material information are completed electronically on the designated portals.

**Website:** Up-to-date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the website [www.airtel.com](http://www.airtel.com).

**Shareholders Satisfaction Survey:** In our constant endeavour to strengthen the shareholder service standards, a Shareholders Satisfaction Survey is conducted through a Shareholders Feedback Form uploaded on the Company's website [www.airtel.com](http://www.airtel.com) under 'Investors' section. Accordingly, members may provide their valuable feedback.

Since the time of listing of shares, Bharti Airtel adopted a practise of releasing a quarterly report, which contains financial and operating highlights, key industry and Company

developments, results of operations, stock market highlights non-GAAP information, ratio analysis, summarised financial statements and so on. The quarterly reports are posted on the Company's website and are also submitted to the Stock Exchanges, where the Company's shares are listed.

## General Shareholders' Information

### 25th Annual General Meeting

Date	:	August 18, 2020
Day	:	Tuesday
Time	:	1530 Hrs. (IST)
Venue	:	Through Video Conference

### Financial Calendar

(Tentative Schedule, subject to change)

Financial year : April 01 to March 31

### Results for the quarter ending:

Quarter ended	Board Meeting
June 2020	July 29, 2020 (Wednesday)
September 2020	October 27, 2020 (Tuesday)
December 2020	February 03, 2021 (Wednesday)
March 2021	April 28, 2021 (Wednesday)

### Record Date

Friday, August 07, 2020

### Dividend

₹ 2.00 per equity share of ₹ 5/- each (i.e. 40.00% on the face value of the shares).

### Dividend Pay-out Date

On or after August 18, 2020 (within the statutory time limit of 30 days i.e. up to September 17, 2020), subject to the approval of the shareholders.

## Equity Shares Listing, Stock Code and Listing Fee Payment

Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2019-20
<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BHARTIARTL	Paid
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	532454	Paid

## Debentures Listing and Listing Fee Payment

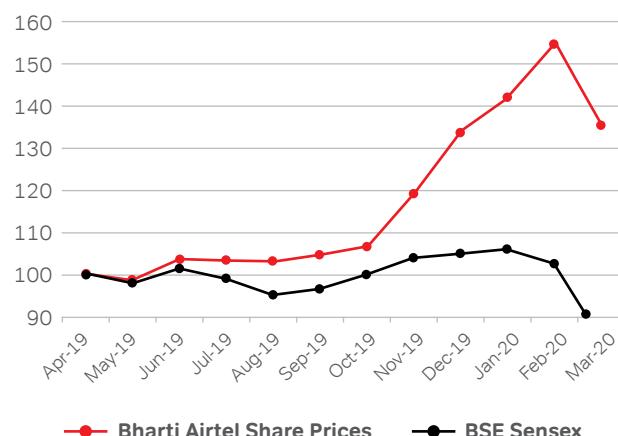
Name and address of the Stock Exchange	Scrip code	Status of fee paid for FY 2019-20
<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001	BAL 21	Paid

## Stock Market Data for the Period April 01, 2019 to March 31, 2020

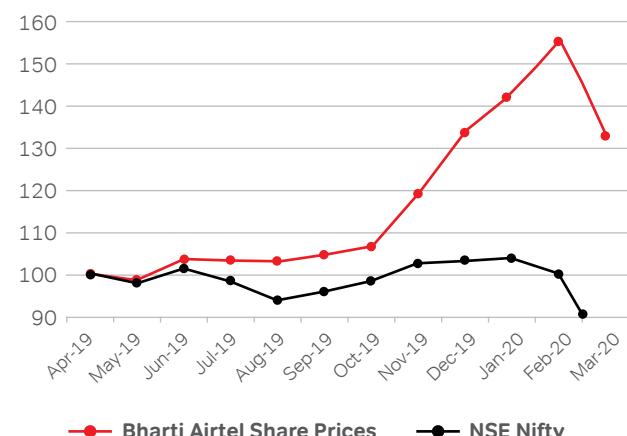
Month	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2019	363.95	314.25	1,06,50,938	363.80	314.05	18,10,22,513
May 2019	356	312.95	58,64,394	356.00	312.60	17,84,51,656
June 2019	366.2	334.8	47,00,247	366.95	334.30	11,19,58,839
July 2019	371	328.15	62,10,401	371.15	328.10	12,15,60,904
August 2019	378.75	321.6	1,89,64,864	378.75	321.15	20,86,64,921
September 2019	374.6	332.65	42,16,709	374.90	332.55	12,88,36,961
October 2019	396.55	325.6	1,11,39,453	397.00	325.50	31,76,46,700
November 2019	455.65	350.5	2,06,95,733	455.65	350.30	44,46,74,465
December 2019	485.75	417.9	1,13,76,097	485.60	417.60	29,61,15,647
January 2020	527.2	435.4	1,43,96,486	527.35	440.35	46,85,37,601
February 2020	568.6	483.7	88,96,310	568.85	483.30	30,07,09,324
March 2020	535.95	381.05	1,49,90,934	536.00	361.75	34,05,80,154

Source: [www.bseindia.com](http://www.bseindia.com) Source: [www.nseindia.com](http://www.nseindia.com)

### Bharti Airtel Share Prices vs. BSE Sensex



### Bharti Airtel Share Price Vs. NSE Nifty



—●— Bharti Airtel Share Prices

—●— BSE Sensex

—●— Bharti Airtel Share Prices

—●— NSE Nifty

## Registrar and Transfer Agent

All the work related to share registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent at the address mentioned in the communication addresses section.

## Share Transfer System

Company's entire equity shares (approx.) are in electronic format. These shares can be transferred through the depositories without the Company's involvement.

Transfer of shares in physical form is processed within 15 days from the date of receipt, provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and are submitted thereafter to the Company, for approval. The Transfer Agent has been authorised to transfer minor shareholding up to 50 shares per instrument without the Company's involvement.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtain certificates from a practicing Company Secretary on a half-yearly basis to the effect that all the transfers are completed within the statutory stipulated period. A copy of the certificates 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, 2020

Sl. no.	Category (by no. of shares)	No. of shareholders	% to holders	No. of shares	% of shares
1	1-5000	225,045	97.62	18,061,600	0.33
2	5001- 10000	2,454	1.06	3,493,395	0.06
3	10001- 20000	1,041	0.45	2,923,028	0.05
4	20001- 30000	334	0.14	1,653,460	0.03
5	30001- 40000	160	0.07	1,129,973	0.02
6	40001- 50000	132	0.06	1,209,506	0.02
7	50001- 100000	235	0.10	3,346,279	0.06
8	100001 & Above	1,126	0.49	5,423,740,114	99.42
<b>Total</b>		<b>230,527</b>	<b>100.00</b>	<b>5,455,557,355</b>	<b>100.00</b>

## By category of holders as on March 31, 2020

Category	No. of shares	%age of holding
<b>Promoter and Promoter Group</b>		
Indian	2,116,236,438	38.79
Foreign	1,101,344,767	20.19
<b>Total Promoter Shareholding</b>	<b>3,217,581,205</b>	<b>58.98</b>
<b>Public Shareholding</b>		
<b>Institutional Investor</b>		
Mutual Funds	576,882,430	10.57
Financial institutions and Banks	4,338,450	0.08
Insurance companies	265,349,594	4.86
Alternative Investment Fund	16,916,333	0.31
Foreign Portfolio Investor	1,106,820,441	20.29
Non-Institutional Investor		
Bodies Corporate	16,760,775	0.31
Clearing Members	6,112,681	0.11
IEPF	120,039	-
Bodies Corporate (Foreign)	152,740,770	2.80
Trust	23,052,623	0.42
NBFC	7,548	-
NRI	2,583,289	0.05
Resident Individual	38,055,227	0.70
Foreign National	1,598	-
QIB	26,015,319	0.48
<b>Total Public Shareholding</b>	<b>2,235,757,117</b>	<b>40.98</b>
Shares held by Employee Trust		
Employee Benefit Trust	2,219,033	0.04
<b>Total</b>	<b>5,455,557,355</b>	<b>100.00</b>

## **Dematerialisation of Shares and Liquidity**

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE397D01024.

The Company's equity shares are frequently traded at the BSE Limited and the National Stock Exchange of India Limited.

## **Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

During the year, the Company has issued 1.50% foreign currency convertible bonds due 2025 ('FCCBs') of USD 1,000 Mn at par, convertible into fully paid-up equity shares of face value of ₹ 5/- each of the Company at an initial conversion price of ₹ 534/- per equity share, on or after February 27, 2020 and up to the close of business hours on February 07, 2025, at the option of the FCCB holders. As per the terms and conditions of the issue, the initial conversion ratio and initial conversion price are subject to certain adjustments. FCCBs, which are not converted to equity shares during such specified period, will be redeemable at 102.66% of their principal amount on February 17, 2025.

The Company does not have any outstanding GDRs/ ADRs/ Warrants or any other convertible instruments as on date.

## **Disclosure of commodity price risks and commodity hedging activities**

The Company follows prudent Board approved risk management policies. A detailed note on commodity price risks and commodity hedging activities is given in Management Discussion and Analysis forming part of Annual Report.

## **Plant Locations**

Being a service provider company, Bharti Airtel has no plant locations. The Company's Circle Office addresses are provided at the end of the Annual Report.

	<b>Contact</b>	<b>Email</b>	<b>Address</b>
<b>For Corporate Governance and Other Secretarial related matters</b>	<b>Mr. Rohit Krishan Puri</b> Dy. Company Secretary & Compliance Officer	<a href="mailto:compliance.officer@bharti.in">compliance.officer@bharti.in</a>	Bharti Airtel Limited Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi 110 070
<b>For queries relating to Financial Statements</b>	<b>Ms. Komal Sharan</b> Head - Investor Relations	<a href="mailto:ir@bharti.in">ir@bharti.in</a>	Telephone no. +91 11 46666100 Fax no. +91 11 46666137 Website: <a href="http://www.airtel.com">www.airtel.com</a>
<b>For Corporate Communication related matters</b>	<b>Mr. Raza Khan</b> Head – Corporate Communications	<a href="mailto:corporate.communications@bharti.in">corporate.communications@bharti.in</a>	
<b>Registrar &amp; Transfer Agent</b>	<b>KFin Technologies Private Limited</b>	<a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>	Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, , Hyderabad – 500032 Ph No. 040-67162222 Fax No. 040-23001153 Website: <a href="http://www.kfintech.com">www.kfintech.com</a>
<b>Debentures Trustee</b>	<b>Chief Financial Officer</b> Axis Trustee Services Limited	<a href="mailto:debenturetrustee@axistrustee.com">debenturetrustee@axistrustee.com</a>	Ground Floor, Axis House Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025 Telephone No. 022 6226 0050/54 Fax No. 022-43253000

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**Annexure A**

### **Declaration**

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2020, a confirmation that they are in compliance with the Company's Code of Conduct.

Date: May 18, 2020  
Place: New Delhi

For **Bharti Airtel Limited**  
**Gopal Vittal**  
Managing Director & CEO (India & South Asia)

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**Annexure B**

### **Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification**

We, Gopal Vittal, Managing Director & CEO (India & South Asia) and Badal Bagri, CFO (India and South Asia) of Bharti Airtel 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, 2020 and that to the best of our knowledge and belief:
  - (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, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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.

Place: New Delhi  
Date: May 18, 2020

**Badal Bagri**  
CFO (India and South Asia)

**Gopal Vittal**  
Managing Director & CEO  
(India & South Asia)

**Annexure C****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

**Bharti Airtel Limited**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharti Airtel Limited having CIN L74899DL1995PLC070609 and having registered office at Bharti Crescent 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

<b>Sl. no.</b>	<b>Name of director</b>	<b>DIN</b>	<b>Original date of appointment in Company</b>
1	Sunil Bharti Mittal	00042491	07/07/1995
2	Chua Sock Koong	00047851	07/05/2001
3	Craig Edward Ehrlich	02612082	29/04/2009
4	Dinesh Kumar Mittal	00040000	13/03/2014
5	Gopal Vittal	02291778	01/02/2013
6	Kimsuka Narasimhan	02102783	30/03/2019
7	Manish Santoshkumar Kejriwal	00040055	26/09/2012
8	Rakesh Bharti Mittal	00042494	07/01/2016
9	Shishir Priyadarshi	03459204	04/02/2015
10	Tan Yong Choo	02910529	21/01/2010
11	Vegulaparanan Kasi Viswanathan	01782934	14/01/2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**  
Company Secretaries

**Dr. S. Chandrasekaran**

Senior Partner

Membership No. FCS No.: 1644

Certificate of Practice No.: 715

UDIN: F001644B000173992

Date: 13.05.2020

Place: Delhi

# INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF **BHARTI AIRTEL LIMITED**

## **Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Standalone Financial Statements of **BHARTI AIRTEL LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<b>Revenue from operations:</b>  There is an inherent risk around accuracy of revenue recorded in respect of Mobile Services and Airtel Business segments because of the complexity of the IT systems and other support systems, significance of volumes of data processed by the systems and the impact of changing pricing models (tariff structures, incentive arrangements and discounts, etc.). In addition, for Airtel Business, we considered occurrence of revenue as a risk due to the possibility that revenue may be recorded without active service links being provided to customers or for contracts that are cancelled/not renewed.  Refer note 2.19 "Revenue recognition" for accounting policies, note 3.2.d 'Revenue recognition and presentation' under the head 'Critical judgements in applying the Company's accounting policies' and note 23 on disclosures related to Revenue from operations in the Standalone Financial Statements.	<b>Principal Audit Procedures</b>  We evaluated the design and tested the operating effectiveness of the general IT controls and application specific controls within the IT system, including testing of system generated reports used in our audit of revenues by involving our IT specialist. We also tested the controls within the billing systems, prepaid charging systems, capturing and recording of revenue, authorisation and input of changes to the IT systems and over reconciliations performed between the active customers base with billing system.  We performed substantive procedures, which included testing the accuracy of customer invoices and tracing receipts to customer invoices, comparing the number of links/connection as per the active customer base to the billing system, testing reconciliations between billing system and the general ledger (including validation of relevant journal entries), making test calls and testing whether they are rated correctly and analytical procedures for relevant segment revenue.  We verified the appropriateness of the accounting policies and the disclosures related to Revenue from operations in notes 2.19, 3.2.d and 23 respectively in the Standalone Financial Statements.

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Determination of additional provision for License fees and Spectrum Usage Charges along with interest, penalty and interest on penalty pursuant to Supreme Court judgement on Adjusted Gross Revenue</b></p> <p>Consequent to a Judgement of the Hon'ble Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wise case upholding the view of the Department of Telecommunications ('DoT') in respect to the definition of Adjusted Gross Revenue (AGR) (the Court Judgement), the Company recorded additional provisions for periods upto September 2019 of Rs. 56,530 million towards License fee and Spectrum Usage Charges (SUC), and Rs. 228,448 million towards applicable interest, penalty and interest on penalty and disclosed the same as an Exceptional Item in the Statement of Profit and Loss.</p> <p>The Company computed and recorded the additional provision on the basis of (1) demands received and (2) the periods for which demands have not been received by following the same methodology used in the assessments carried out in earlier years, the guidelines/clarifications provided by DoT, and the principles set out in the Court Judgement. The additional provision, apart from having a significant impact, also involves significant management judgment in its computation.</p> <p>Refer notes 4(i) and 30(i)(a) to the Standalone Financial Statements for disclosures related to License fees and SUC.</p>	<p><b>Principal Audit Procedures</b></p> <p>We tested the effectiveness of the controls over determining the additional provision for License fees and SUC.</p> <p>We also tested the appropriateness of the additional provision for Licenses fees and SUC by (1) Reading the License Agreements, the Court Judgement, demand orders and the guidelines/clarifications provided by DoT and comparing them to the assumptions used in the management's estimate in determining the provisions for years for which demands from DoT has been received and (2) Testing that the assumptions and methodology used in computing the provisions for the years for which demands are not received is consistent with the methodology adopted in (1) above.</p> <p>We evaluated the disclosures provided in the notes 4(i) and 30(i)(a) to the Standalone Financial Statements concerning this matter.</p>
3	<p><b>Measurement of the Right-of-use assets and Lease liabilities in leases with tower infrastructure companies under Ind AS 116 -Leases:</b></p> <p>The Company adopted Ind AS 116 "Leases" using the modified retrospective approach with effect from April 1, 2019.</p> <p>The measurement of Right-of-use assets and lease liabilities in leases with tower infrastructure companies involves significant management estimates (a) in determination of lease term (b) in segregating the lease and non-lease components payable under the contractual arrangements and; (c) in determination of incremental borrowing rate used in discounting lease payments.</p> <p>Refer note 2.11 "Leases" for accounting policies, notes 3.2.a, 3.2.b and 3.2.c relating to 'Separating lease and non-lease components', 'Determining the lease term' and 'Determining the incremental borrowing rate for lease contracts' respectively under the head 'Critical judgements in applying the Company's accounting policies', and note 34 'Leases' on disclosures related to leases in the Standalone Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We evaluated the effectiveness of internal controls relating to the determination of lease term, segregation of lease and non-lease components and determination of incremental borrowing rate.</p> <p>For a sample of lease contracts ("contracts"), we performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> <li>• We read the underlying contract, and compared relevant terms within the contract to the Company's determination of lease term analysis including the appropriateness of considering lease term as the period until which exit penalties are payable as per the contract.</li> <li>• We tested the relative standalone selling prices computed by management and used in the allocation of consideration to the lease and non-lease components in a contract by using the same information and details obtained by management from tower infrastructure service providers.</li> </ul> <p>We tested the appropriates of the incremental borrowing rate (IBR) by involving our valuation specialist, who assisted in:</p> <ul style="list-style-type: none"> <li>• Performing an independent assessment of the methodology used by the Company to estimate the IBR;</li> <li>• Evaluating the Company's assumptions underlying the estimation of the IBR; and</li> <li>• Developing an independent acceptable range for the IBR and comparing the results to the Company's IBR.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
4	<b>Impairment of investment in a subsidiary, Bharti Infratel Limited ("BIL")</b> <p>As at April 01, 2019, the carrying value of investment in Bharti Infratel Limited ('BIL') was Rs. 227,516 million. During the year, the Company recorded an impairment aggregating to Rs. 62,978 million, disclosed as an exceptional item, resulting in a carrying value of Rs. 164,538 million as at March 31, 2020.</p> <p>The recoverable amount of BIL was determined to be higher of Value in use and Fair value less costs to sell.</p> <p>The determination of the recoverable amounts includes assumptions relating to cash flow projections, discount rates, terminal growth rates and control premiums which involves significant management judgement and is based on unobservable inputs.</p> <p>Refer note 2.10.a for policy on "Recognition, classification and presentation" of financial instruments, note 3.1.b 'Impairment reviews' under the head "Key sources of estimation uncertainties", note 7 "Investments" for disclosures related to details of Investments and impairment test for investment in a subsidiary, and note 30(i)(d) relating to Exceptional items in the standalone financial statements.</p>	<b>Principal Audit Procedures</b> <p>We tested the effectiveness of internal controls related to the Company's evaluation of BIL's financial projection using the income approach and Company's determination of the market approach. These procedures also included, among others, testing controls related to the review and approval of the key assumptions prepared by the Company, testing the completeness, accuracy, and relevance of the underlying data used in the models and evaluating the significant assumptions used by management, including the revenue growth rates, EBITDA margins, discount rate, terminal growth rate and control premium selections.</p> <p>With the assistance of our fair value specialists, who have specialized skill and knowledge, we evaluated appropriateness of the models and inputs used in the impairment analysis basis market approach and appropriateness of key assumptions used in the value in use calculations such as projected revenue growth rates, EBITDA margins, discount rates, and terminal growth rates and compared these key assumptions for consistency to internal and external available data and information, including historical performance.</p>
5	<b>Assessment of recoverability relating to Deferred tax assets ('DTA') recognized on carry forward losses and Minimum Alternate Tax credit (MAT)</b> <p>The Company has recognised Rs. 269,151 as DTA, as at March 31, 2020, relating to carry forward losses and MAT credit.</p> <p>The Company exercises significant judgement in assessing the recoverability of DTA relating to these items. In estimating the recoverability of DTA, management uses inputs such as internal business and tax projections over a 10 year period.</p> <p>Recoverability of DTA on carry forward losses and MAT credit is sensitive to the assumptions used by management in projecting the future taxable income, the reversal of deferred tax liabilities which can be scheduled, and tax planning strategies.</p> <p>Refer note 2.12 "Taxes" for accounting policies, note 3.1.c 'Taxes' under the head "Key sources of estimation uncertainties", and note 11 "Income taxes" for disclosures related to taxes in the standalone financial statements.</p>	<b>Principal Audit Procedures</b> <p>We tested effectiveness of controls over the Company's process for determining the recoverability of the DTA relating to carry forward losses and MAT credit which included amongst others controls over the over the assumptions and judgments used in the projections of future taxable income.</p> <p>To assess the Company's ability to estimate future taxable income, we compared the Company's previous forecasts to actual results.</p> <p>We involved our tax professionals with specialized skills and knowledge to assist in evaluating taxation related matters including the Company's tax planning strategies and interpretation of tax laws.</p> <p>We examined the consistency between the financial plan used for goodwill impairment assessment purposes and the plan used in the evaluation of the recoverability of the DTA.</p> <p>We performed a sensitivity analysis over the key assumptions to assess their impact on the Company's determination that the DTA relating to carry forward losses and MAT credit were realizable.</p>

Sr. No.	Key Audit Matter	Auditor's Response
6	<b>Contingent liabilities and commitments - Contingencies related to Regulatory, Direct and Indirect tax matters</b> <p>The Company has material contingencies related to Regulatory, Direct and Indirect tax matters which are under dispute with various authorities as more fully described in Note 22.a to the Standalone financial statements. The Company exercises significant judgment to determine the possible outcome of these disputes. Thereafter the Company makes a determination for recording/write back of provisions or alternatively disclosing them as contingencies unless the matters are considered as remote.</p> <p>Refer Note 2.18 "Contingencies" for accounting policies, 3.1.e 'Contingent liabilities and provisions' under the head "Key sources of estimation uncertainties", Note 19 "Provisions" for disclosure related to provisions for subjudice matters, and Note 22.a in respect of details of Contingent liabilities in the standalone financial statements.</p>	<b>Principal Audit Procedures:</b> <p>We tested the effectiveness of internal controls related to:</p> <ol style="list-style-type: none"> <li>(1) identification and recognition of liability for matters under review or appeal with relevant regulatory, direct and indirect tax authorities;</li> <li>(2) completeness and accuracy of the underlying data used in the assessment and evaluating the assumptions used by management when determining its uncertain positions, the status of past audits and investigations, and the potential impact of past claims.</li> <li>(3) Management's assessment and interpretation of applicable laws including tax laws and its evaluation of which uncertain positions may not be sustained upon audit and controls over measurement of the liability.</li> </ol> <p>For direct and indirect tax matters, we involved our tax specialists who assisted in evaluating the reasonableness of management's assessments by comparing the positions taken by management with tax regulations and past decisions from tax authorities, recent developments, new information and where applicable, evaluating opinions from the Company's external tax advisors.</p> <p>For regulatory matters in progress, we assessed relevant regulatory orders, regulatory statutes and interpretations, recent developments, new information, external legal opinion obtained by the Company, if any, and other publicly available information to evaluate the likelihood of matters under dispute and compared that to management's assertion on these matters.</p> <p>We also evaluated the disclosures provided in the notes to the standalone financial statements concerning these matters.</p>

## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report and Corporate Governance, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Standalone Financial Statements comply with Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as

amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Shyamak R Tata**

Partner

Place: Mumbai

(Membership No. 38320)

Date: May 18, 2020

UDIN: 20038320AAAAAE7099

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the member of Bharti Airtel Limited of even date)**

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of BHARTI AIRTEL LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**Shyamak R Tata**

Partner

Place: Mumbai

(Membership No. 38320)

Date: May 18, 2020

UDIN: 20038320AAAAAE7099

# ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Bharti Airtel Limited of even date)**

i. In respect of Company’s fixed assets:

- (a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.
- (b) The Company, except for customer premises equipment and certain assets which due to their nature or location are not verifiable, has a program of verification of fixed assets to cover all the items in a phased manner over a period of 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, certain fixed assets were physically verified by the Management during the

year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on examination of property tax receipts, utility bills, lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed or court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title in respect of self-constructed buildings and the title deeds, comprising all the immovable properties of land and buildings which are freehold and forming part of fixed assets, are held in the name of the Company as at the balance sheet date, except the following:

Nature of Asset	Number of Cases	Gross Block (Rs. in Million)	Net Block (Rs. in Million)	Remarks
Land	2	2,630	2,630	
Building	3	235	226	The ownership of these properties is transferred and vested in the Company through merger scheme of relevant consumer mobile businesses of Tata Teleservices Limited as per the Scheme of arrangement under section 230 to section 232 of the Companies Act, 2013 approved by National Company Law Tribunal. The titles are pending mutation in the name of the Company.

- ii. As explained to us, the inventories, except for those lying with the third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the

Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

<b>Name of the Statutes</b>	<b>Nature of the Dues</b>	<b>Amount Disputed (Rs. in Million)</b>	<b>Period to Which Case Pertains</b>	<b>Forum where the dispute is pending</b>
Income Tax Act, 1961	Income Tax	221	1999-00, 2001-02, 2002-09	Supreme Court
Income Tax Act, 1961	Income Tax	23,255	2004-05, 2006-09, 2001-02, 2004-10	High Court
Income Tax Act, 1961	Income Tax	6,429	2003-04, 2014-15, 2005-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	731	2009-12, 2003-10, 2013-14	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	942	1996-97, 2005-06, 2003-10, 2011-14	Assessing Officer
<b>Sub Total (A)</b>		<b>31,578</b>		
Andhra Pradesh VAT Act, 2005	Sales Tax	158	2004-18	Tribunal
Bihar VAT Act, 2005	Sales Tax	0	2015-16	Assistant Commissioner
Bihar VAT Act, 2005	Sales Tax	1	2016-17	Deputy Commissioner
Bihar VAT Act, 2005	Sales Tax	22	2015-17	Joint Commissioner (Appeal)
Bihar VAT Act, 2005	Sales Tax	139	2005-15	Tribunal
Chhattisgarh VAT Act, 2003	Sales Tax	0	2006-07	Assistant Commissioner
Delhi VAT Act, 2004	Sales Tax	0	2012-13	Additional Commissioner
Delhi VAT Act, 2004	Sales Tax	6	2011-14	Assistant Commissioner
The Gujarat VAT Act, 2003	Sales Tax	1	2005-07	Deputy Commissioner (Appeals)
The Karnataka VAT Act, 2003	Sales Tax	291	2005-06	Supreme Court
The Karnataka VAT Act, 2003	Sales Tax	2	2016-17	Karnataka Appellate Tribunal
The Kerala VAT Act, 2003	Sales Tax	45	2005-17	Assessing Officer/Commercial Tax Officer
The Kerala VAT Act, 2003	Sales Tax	71	2006-07	High Court
Kerala Sales Tax Act	Sales Tax	16	2005-10	Deputy Commissioner (Appeals)
Kerala Sales Tax Act	Sales Tax	0	2008-10	Intelligence Officer Squad
Kerala Sales Tax Act	Sales Tax	1	2002-05	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	1	2008-09	Tribunal
The Madhya Pradesh VAT Act, 2002	Sales Tax	0	2004-08	Commercial Tax Officer
The Madhya Pradesh VAT Act, 2002	Sales Tax	1	2008-10	Deputy Commissioner
The Madhya Pradesh VAT Act, 2002	Sales Tax	22	1997-04	Deputy Commissioner, Appeal
The Maharashtra VAT Act, 2002	Sales Tax	0	2003-04	Joint Commissioner, Appeal
Punjab VAT Act, 2005	Sales Tax	1	2009-17	Deputy Commissioner/ DC(Appeal)
Punjab VAT Act, 2005	Sales Tax	30	2003-04	High Court
Punjab VAT Act, 2005	Sales Tax	1	2002-03	Tribunal
Rajasthan VAT Act	Sales Tax	2	2015-16	Commercial Tax Officer
Rajasthan VAT Act	Sales Tax	6	2017-18	Assistant Commissioner
The UP VAT Act	Sales Tax	11	2005-13	Assessing officer
The UP VAT Act	Sales Tax	1	2002-05	Assistant Commissioner
The UP VAT Act	Sales Tax	1	2009-10	Joint Commissioner
The UP VAT Act	Sales Tax	6	2008-10	High court
The UP VAT Act	Sales Tax	3	2003-08	Joint Commissioner, Appeal
The UP VAT Act	Sales Tax	9	2005-10	Tribunal
The UP VAT Act	Sales Tax	1	2015-16	Commissioner (Appeals)
The UP VAT Act	Sales Tax	26	2003-16	Deputy Commissioner
The UK VAT Act, 2005	Sales Tax	0	2016-17	Deputy Commissioner (Appeal)
The West Bengal VAT Act, 2003	Sales Tax	39	2001-02	High Court
The West Bengal VAT Act, 2003	Sales Tax	0	1996-97	The Deputy Commissioneer of Commercial Taxes

Name of the Statutes	Nature of the Dues	Amount Disputed (Rs. in Million)	Period to Which Case Pertains	Forum where the dispute is pending
The West Bengal VAT Act, 2003	Sales Tax	0	1995-98, 2016-17	Commercial Tax Officer
The West Bengal VAT Act, 2003	Sales Tax	9	2005-06	Commissioner
The West Bengal VAT Act, 2003	Sales Tax	3	1997-12	Tribunal
<b>Sub Total (B)</b>		<b>927</b>		
Finance Act, 1994 (Service tax)	Service Tax	273	2004-08	Supreme Court
Finance Act, 1994 (Service tax)	Service Tax	289	2003-09	High court
Finance Act, 1994 (Service tax)	Service Tax	5,906	1995-16	Tribunal
Finance Act, 1994 (Service tax)	Service Tax	816	2004-12	Commissioner
Finance Act, 1994 (Service tax)	Service Tax	1	1999-06	Deputy Commissioner/ Deputy Commissioner (Appeals)
<b>Sub Total (C)</b>		<b>7,285</b>		
Goods and Services Tax Act, 2017	UPGST	14	2018-20	Assistant Commissioner
<b>Sub Total (D)</b>		<b>14</b>		
Custom Act, 1962	Custom Act	4,128	2001-05	Supreme Court
Custom Act, 1962	Custom Act	889	2003-15	Tribunal
<b>Sub Total (E)</b>		<b>5,017</b>		
<b>Grand Total (A+B+C+D+E):</b>		<b>44,821</b>		

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 cases, total amount deposited in respect of Sales Tax is ₹ 355 Million, Service Tax is ₹ 501 Million, Goods and Services Tax Act, 2017 is ₹ 0\* Million, Custom Duty is ₹ 2,142 Million and Income Tax is ₹ 11,491 Million.

\*Amount less than half million are appearing as '0'.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, money raised by way of further public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and to the best of our information and according to explanation given to us, the Company has paid / provided managerial remuneration for the year ended March 31, 2020 in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related

parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us, the Company has made private placement of equity shares during the year.
- In respect of the above issue, we further report that:
  - (a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
  - (b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Shyamak R Tata**

Partner

Place: Mumbai

(Membership No.38320)

Date: May 18, 2020

UDIN: 20038320AAAAAE7099

# STANDALONE

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# BALANCE SHEET

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(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2020	As of March 31, 2019#
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	548,286	570,099
Capital work-in-progress	5	12,332	53,662
Right-of-use assets	34	345,028	
Goodwill	6	739	739
Other intangible assets	6	723,740	767,281
Intangible assets under development	6	255	2,703
Investments in subsidiaries, associates and joint ventures	7	300,466	359,039
<b>Financial assets</b>			
- Investments	7	52	63
- Derivative instruments	8	39	4
- Loans and security deposits	9	187,252	151,032
- Others	10	12,721	9,152
Income tax assets (net)		13,410	10,059
Deferred tax assets (net)	11	227,014	49,803
Other non-current assets	12	45,581	60,290
		<b>2,415,915</b>	<b>2,033,926</b>
<b>Current assets</b>			
Inventories		31	10
<b>Financial assets</b>			
- Investments	7	86,750	16,696
- Derivative instruments	8	1,897	68
- Trade receivables	13	38,100	38,403
- Cash and cash equivalents	14	33,668	1,861
- Other bank balances	14	308	492
Loans	9	7,580	10,815
- Others	10	243,772	12,688
Other current assets	12	175,707	114,116
		<b>587,813</b>	<b>195,149</b>
<b>Total assets</b>		<b>3,003,728</b>	<b>2,229,075</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share capital	15	27,278	19,987
Other equity		987,014	963,072
		<b>1,014,292</b>	<b>983,059</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	17	704,712	586,120
- Lease liabilities		307,039	
- Derivative instruments	8		320
- Others	18	31,469	33,667
Deferred revenue	23	12,185	16,970
Provisions	19	1,919	1,927
		<b>1,057,324</b>	<b>639,004</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	17	73,092	229,183
- Current maturities of long-term borrowings	17	45,828	22,222
- Lease liabilities		57,334	374
- Derivative instruments	8	35	1,455
- Trade payables	21		
-total outstanding dues of micro enterprises and small enterprises		122	31
-total outstanding dues of creditors other than micro enterprises and small enterprises		192,356	191,214
- Others	18	90,812	110,288
Deferred revenue	23	35,247	26,802
Provisions	19	407,590	1,088
Current tax liabilities (net)		2,268	2,248
Other current liabilities	20	27,428	22,107
		<b>932,112</b>	<b>607,012</b>
<b>Total liabilities</b>		<b>1,989,436</b>	<b>1,246,016</b>
<b>Total equity and liabilities</b>		<b>3,003,728</b>	<b>2,229,075</b>

#Refer note 4(vii)

The accompanying notes 1 to 38 form an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata

Partner

Membership No: 38320

Sunil Bharti Mittal

Chairman

DIN: 00042491

Place : London, England

Gopal Vittal

Managing Director &amp; CEO

(India and South Asia)

DIN: 02291778

Place : Bengaluru, India

Place: Mumbai

Date: May 18, 2020

Badal Bagri

Chief Financial Officer

Place : Gurugram, India

Pankaj Tewari

Company Secretary

Place : Gurugram, India

# STANDALONE STATEMENT OF PROFIT AND LOSS

(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019#
<b>Income</b>			
Revenue from operations	23	543,171	496,060
Other income		3,132	2,518
		<b>546,303</b>	<b>498,578</b>
<b>Expenses</b>			
Network operating expenses	24	136,419	161,949
Access charges		90,767	81,739
License fee / Spectrum charges		52,397	49,526
Employee benefits expense	25	15,202	14,710
Sales and marketing expenses	26	18,180	25,966
Other expenses	27	27,614	37,414
		<b>340,579</b>	<b>371,304</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>			
Depreciation and amortisation expense	28	203,921	151,202
Finance costs	29	114,631	78,477
Finance income	29	(19,293)	(23,809)
Non-operating expense		1,256	1,892
		<b>(94,791)</b>	<b>(80,488)</b>
<b>Exceptional items (net)</b>	<b>30</b>	<b>415,418</b>	<b>(28,049)</b>
<b>Loss before tax</b>		<b>(510,209)</b>	<b>(52,439)</b>
<b>Tax (credit) / expense</b>			
Current tax	11	-	15
Deferred tax	11	(149,327)	(33,762)
		<b>(360,882)</b>	<b>(18,692)</b>
<b>Other comprehensive income</b>			
Items not to be reclassified to profit or loss:			
- Re-measurement (loss) / gains on defined benefit plans	25	(108)	148
- Tax credit / (charge)	11	38	(52)
		<b>(70)</b>	<b>96</b>
<b>Other comprehensive (loss) / income for the year</b>		<b>(360,952)</b>	<b>(18,596)</b>
<b>Total comprehensive loss for the year</b>			
<b>(Loss) / earnings per share (Face value: ₹ 5 each)</b>			
Basic and diluted (loss) / earnings per share*	31	(71.08)	(4.36)

# Refer note 4 (vii)

\*Basic and diluted (loss) / earnings per share for the previous year have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

The accompanying notes 1 to 38 form an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

**For Deloitte Haskins & Sells LLP****Chartered Accountants****(Firm's Registration No: 117366W / W-100018)**

**Shyamak R Tata**  
**Partner**  
Membership No: 38320

Place: Mumbai  
Date: May 18, 2020

**Sunil Bharti Mittal**  
**Chairman**  
DIN: 00042491  
Place : London, England

**Badal Bagri**  
**Chief Financial Officer**  
Place : Gurugram, India

**Gopal Vittal**  
**Managing Director & CEO**  
**(India and South Asia)**  
DIN: 02291778  
Place : Bengaluru, India

**Pankaj Tewari**  
**Company Secretary**  
Place : Gurugram, India

# STANDALONE STATEMENT OF CHANGES IN EQUITY

(All amounts are in millions of Indian Rupee; unless stated otherwise)

	Equity share capital No of shares (in '000)	Component of foreign currency convertible bond	Securities premium	Retained earnings	General reserve	Business restructuring reserve	Other equity Reserves and Surplus			Total equity
							Debenture redemption reserve	Share-based payment reserve	Capital reserve	
<b>As of April 1, 2018 (refer note 4(vii))</b>	<b>3,997,400</b>	<b>19,987</b>		<b>107,180</b>	<b>845,481</b>	<b>22,595</b>	<b>16,313</b>	<b>7,500</b>	<b>670</b>	<b>8,751</b>
Loss for the year	-	-			(18,652)	96	-	-	-	(8,692)
Other comprehensive income	-	-		-	-	-	-	-	-	96
<b>Total Comprehensive loss</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>(18,596)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,596)</b>
<b>Transaction with owners of equity</b>										
Issue of equity shares (refer note 4(ix))	0	0		0	-	-	-	-	-	0
Employee share-based payment expense	-	-	-	-	-	-	-	-	333	333
Exercise of share options	-	-	-	-	-	16	-	(347)	-	(331)
Dividend (including tax)	-	-	-	-	(19,988)	-	-	-	-	(19,988)
Business combination (refer note 4(x))	-	-	-	-	-	-	-	-	-	(19,988)
Common control transactions (refer note 4(viii, xi & xii))	-	-	-	(12,151)	-	-	-	-	-	(12,151)
<b>As of March 31, 2019</b>	<b>3,997,400</b>	<b>19,987</b>		<b>-</b>	<b>107,180</b>	<b>794,746</b>	<b>22,611</b>	<b>16,313</b>	<b>7,500</b>	<b>656</b>
Transition impact on adoption of Ind AS 116 (refer note 34)	-	-	-	(20,088)	-	-	-	-	-	(20,088)
<b>As of April 1, 2019</b>	<b>3,997,400</b>	<b>19,987</b>		<b>-</b>	<b>107,180</b>	<b>774,658</b>	<b>22,611</b>	<b>16,313</b>	<b>7,500</b>	<b>656</b>
Loss for the year	-	-		-	-	(360,882)	-	-	-	(360,882)
Other comprehensive loss	-	-		-	-	(70)	-	-	-	(70)
<b>Total Comprehensive loss</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>(360,952)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(360,952)</b>
<b>Transaction with owners of equity</b>										
Issue of equity shares net of expenses (refer note 4(v) & 4(vi))	1,134,561	5,673		243,425	-	-	-	-	-	243,425
Issue of equity shares net of expenses (refer note 4(vii))	322,596	1,618	-	141,437	-	-	-	-	-	141,437
Issue of equity shares net of expenses (refer note 4(viii))	-	-	-	-	-	-	-	-	-	249,098
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	249,098
Exercise of share options	-	-	-	3,542	-	-	-	-	-	3,542
Issuance of foreign currency convertible bonds, net of expenses (refer note 4 (ix))	-	-	-	-	-	-	-	-	-	(260)
Business combination (refer note 4(v))	-	-	-	-	-	-	-	-	-	(260)
Common control transactions (refer note 4(iii))	-	-	-	-	-	-	-	-	-	3,542
<b>As of March 31, 2020</b>	<b>5,455,557</b>	<b>27,278</b>		<b>3,542</b>	<b>492,042</b>	<b>413,856</b>	<b>22,752</b>	<b>16,313</b>	<b>7,500</b>	<b>579</b>

The accompanying notes 1 to 38 form an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**  
**(Firm's Registration No: 117366W / W-1000018)**

**Shyamak R Tata**  
**Partner**  
Membership No: 383320

Place: Mumbai  
Date: May 18, 2020

**Sunil Bharti Mittal**  
**Chairman**  
DIN: 000-2491  
Place : London, England

**Gopal Vittal**  
**Managing Director & CEO**  
**(India and South Asia)**  
DIN: 02291778  
Place : Bengaluru, India

**Pankaj Tewari**  
**Company Secretary**  
Place : Gurugram, India

# STANDALONE STATEMENT OF CASH FLOW

(All amounts are in millions of Indian Rupee; unless stated otherwise)

For the year ended  
March 31, 2020

For the year ended  
March 31, 2019#

<b>Cash flows from operating activities</b>		
Loss before tax	(510,209)	(52,439)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	203,921	151,202
Finance costs	112,485	78,477
Finance income	(19,293)	(23,809)
Exceptional items (net)	415,252	(29,914)
Loss on sale of property, plant and equipment	1	295
Employee share-based payment expenses	302	314
Other non-cash items	4,935	9,292
<b>Operating cash flow before changes in working capital</b>	<b>207,394</b>	<b>133,418</b>
<b>Changes in working capital</b>		
Trade receivables	(6,315)	(6,361)
Trade payables	(7,184)	23,789
Inventories	29	305
Provisions	(121,460)	12
Other financial and non-financial liabilities	9,646	(13,320)
Other financial and non-financial assets	(38,754)	(39,204)
<b>Net cash generated from operations before tax</b>	<b>43,356</b>	<b>98,639</b>
Income tax paid - net	(3,092)	9,482
<b>Net cash generated from operating activities (a)</b>	<b>40,264</b>	<b>108,121</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(114,342)	(191,380)
Proceeds from sale of property, plant and equipment	4,872	276
Purchase of intangible assets	(4,411)	(14,401)
Payment towards spectrum - deferred payment liability*	(15,424)	(11,720)
Purchase of current investments (net)	(65,455)	(16,220)
Sale of non- current investments	11	-
Proceeds from sale of investment in subsidiaries	-	103,135
Consideration / advance for acquisitions, net of cash acquired	-	(6,342)
Investment in Associates	(4,405)	(2,382)
Loan given to subsidiaries	(67,184)	(120,590)
Loan repayment by subsidiaries	32,867	31,795
Dividend received	8,631	20,014
Interest received	2,125	3,256
<b>Net cash used in investing activities (b)</b>	<b>(222,715)</b>	<b>(204,559)</b>

# STANDALONE STATEMENT OF CASH FLOW (CONTD..)

(All amounts are in millions of Indian Rupee; unless stated otherwise)

For the year ended  
March 31, 2020

For the year ended  
March 31, 2019#

<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares (Right Issue)	248,759	-
Net proceeds from issue of shares (QIP)	143,055	-
Net proceeds from issuance of FCCBs	70,456	-
Proceeds from borrowings	246,047	215,031
Repayment of borrowings	(252,032)	(146,572)
Payment of lease liabilities	(43,126)	-
Net (repayment of) / proceeds from short-term borrowings	(127,368)	97,848
Interest and other finance charges paid	(74,653)	(52,347)
Proceeds from exercise of share options	3	4
Dividend paid (including tax)	-	(19,988)
<b>Net cash generated from financing activities (c)</b>	<b>211,141</b>	<b>93,976</b>
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>28,690</b>	<b>(2,462)</b>
<b>(a+b+c)</b>		
Add : Cash and cash equivalents as at the beginning of the year#	1,707	4,169
<b>Cash and cash equivalents as at the end of the year (refer note 14)</b>	<b>30,397</b>	<b>1,707</b>

# Refer note 4 (vii)

\*Cash flows towards spectrum acquisitions are based on the timing of payouts to DoT (viz. upfront / deferred)

The accompanying notes 1 to 38 form an integral part of these standalone financial statements.

As per our report of even date

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

**(Firm's Registration No: 117366W / W-100018)**

**Shyamak R Tata**

**Partner**

Membership No: 38320

**Sunil Bharti Mittal**

**Chairman**

DIN: 00042491

Place : London, England

**Gopal Vittal**

**Managing Director & CEO**

**(India and South Asia)**

DIN: 02291778

Place : Bengaluru, India

Place: **Mumbai**

Date: **May 18, 2020**

**Badal Bagri**

**Chief Financial Officer**

Place : Gurugram, India

**Pankaj Tewari**

**Company Secretary**

Place : Gurugram, India

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 1. Corporate information

Bharti Airtel Limited ('the Company') is domiciled and incorporated in India as a public limited company with its shares being listed on the National Stock Exchange and the BSE. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company is principally engaged in provision of telecommunication services in India. The details as to the services provided by the Company are further provided in note 23.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

These standalone financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on May 18, 2020.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial statements' and division II of schedule III of the Companies Act, 2013. Further, for the purpose of clarity, various items are aggregated in the standalone statement of profit and loss ('statement of profit and loss') and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements, except in case of adoption of any new standards and amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

### New Standards and amendments adopted during the year

The Company has applied the following Standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Amendment to Ind AS 12, Income Taxes
- Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

### Ind AS 116, Leases

MCA had notified Ind AS 116 'Leases' effective for annual reporting periods beginning on or after April 01, 2019. The Company has applied Ind AS 116 using the modified retrospective approach. The Company elected to apply the practical expedient included in Ind AS 116 and therefore retained its existent assessment under Ind AS 17 as to whether a contract entered or modified before April 01, 2019 contains a lease. Refer note 34 for impact of adoption of Ind AS 116. Also refer note 2.11 for accounting policy on 'leases'.

### Amendment to Ind AS 12, Income Taxes

MCA had notified Amendment to Ind AS 12, Income taxes, effective for annual reporting periods beginning on or after April 1, 2019. As per the amendment, an entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend and shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment does not have a material impact on the financial statements of the Company in addition to what the Company has already recorded/ disclosed.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

MCA had notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, effective for annual reporting periods beginning on or after April 1, 2019. Appendix C to Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12, Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. Appendix C to Ind AS 12 addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company has applied Appendix C to Ind AS retrospectively with the cumulative effect of initial application recognised at the date of initial application.

Upon application of Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company's tax filings include deductions and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. Appendix C to Ind AS 12 does not have a material impact on the financial statements of the Company in addition to what the Company has already recorded/ disclosed.

## 2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss (refer note 2.10) and liability for cash-settled awards (refer note 2.16) - which are measured at fair value.

## Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The

Company's accounting policies require, measurement of certain financial instruments and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

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

**Level 2:** Significant inputs to the fair value measurement are directly or indirectly observable

**Level 3:** Significant inputs to the fair value measurement are unobservable

## 2.3 Business combinations

The Company accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the business are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard). The consideration transferred for the acquisition of a business is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company in exchange for control of the business.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration transferred is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in statements of profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed in the period in which the costs are incurred.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made retrospectively within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date or would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative income recognised in accordance with Ind AS 115 'Revenue from Contracts with Customers'.

## 2.4 Common control transactions

Transactions arising from transfers of assets/ liabilities, interest in entities or businesses between entities that are under the common control, are accounted at historical carrying amounts. The difference, between any consideration paid / received and the aggregate historical carrying amounts of assets/ liabilities and interests in entities acquired / disposed (other than impairment, if any), is recorded in capital reserve / retained earnings, as applicable.

## 2.5 Foreign currency transactions

The financial statements are presented in Indian Rupee which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of

initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

## 2.6 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all other assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Separated embedded derivatives are classified basis the host contract.

## 2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Building	20
Building on leased land	Lease term or 20 years, whichever is less
Leasehold improvements	Lease term or 20 years, whichever is less
Plant and equipment	
- Network equipment (including passive infrastructure)	3 - 25
- Customer premise equipment	3 - 5
Computers / servers	3 - 5
Furniture & fixtures and office equipment	2 - 5
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful

life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / losses are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress (CWIP) is presented separately in the balance sheet.

## 2.8 Intangible assets

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

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

### a. Software

Software are amortised over the period of license, generally not exceeding five years.

### b. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

### c. Other acquired intangible assets

Other acquired intangible assets include the following:

#### Rights acquired for unlimited license access:

Over the period of the agreement which ranges upto five years

**Customer base:** Over the estimated life of such relationships

**Non-compete fee:** Over the period of the agreement which ranges upto five years

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted for prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the following:

- (a) the amount of spectrum allotted to the Company and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets (refer note 6), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.
- (b) the amount of software / IT platform under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## 2.9 Impairment of non-financial assets

### a. Goodwill

Goodwill recognised is excess of consideration transferred over the net of the value of identifiable assets acquired and the liabilities assumed. Goodwill is not amortised; however it is tested annually for impairment and whenever there is an indication that the unit may be impaired and carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of Goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

### b. PPE, intangible assets and intangible assets under development

PPE (including CWIP), Right-of-use assets ('ROU') and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

### Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU previously.

## 2.10 Financial instruments

### a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company recognises its investment in subsidiaries, associates and joint ventures at cost less any impairment losses. The said investments are tested for impairment whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities as measured at amortised cost.

The Company has classified foreign currency convertible bond denominated in USD that can be converted to ordinary shares at the option of the bondholder at a conversion price fixed in Company's functional currency (INR) as a compound financial instrument comprising of a liability component and an equity component.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## b. Measurement – Non-derivative financial instruments

### I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except off-market financial guarantee) at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Any off-market financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound

financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

### II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

#### i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

#### ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income separately from the other gains / losses arising from changes in the fair value.

#### Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### III. Subsequent measurement - financial liabilities

Any off-market financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period. Other financial liabilities are subsequently measured at

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured. Interest related to the financial liability is recognised in profit or loss under finance cost. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

## c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

## d. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The resultant impact of derecognition is recognised in the statement of profit and loss.

## 2.11 Leases

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

### Company as a lessee

On initial application of Ind AS 116, the Company recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the lessee's incremental borrowing rate at April 1, 2019

whereas the Company has elected to measure ROU at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate at April 1, 2019.

For new lease contracts, the Company recognises a ROU and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the Balance Sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

## **Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Company recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## **Company as a lessor**

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies Ind AS 115 'Revenue from Contracts with Customers' to allocate the consideration under the contract to each component.

The Company enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the Balance Sheet.

## **2.12 Taxes**

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

### **a. Current tax**

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet under assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

### **b. Deferred tax**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets / liabilities recognised for temporary differences arising from a business combination, affect the amount of goodwill or the bargain purchase gain that the Company recognises. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction

# NOTES TO STANDALONE FINANCIAL STATEMENTS

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other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet to the extent that it is probable that future taxable profit will be available against which MAT credit can be utilised.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

## 2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

## 2.15 Share capital / securities premium account

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

## 2.16 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefits plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

### i. Defined Contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

### ii. Defined benefits plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

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The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefits obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest expenses are calculated by applying the above mentioned discount rate to defined benefits obligations. The interest expenses on the defined benefits obligations are recognised in the statement of profit and loss. However, the related re-measurements of the defined benefits obligations are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

## a. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefits comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

## b. Share-based payments

The Company operates equity-settled and cash-settled employee share-based compensation plans, under which the Company receives services from employees as consideration for stock options either towards shares of the Company or cash settled units.

In case of equity-settled awards, the fair value of stock options (at grant date) is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses over the vesting period, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities over the vesting period. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Company revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vested irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately. In case of cancellation of cash-settled award, change in the value of the liability, if any, is recognised in statement of profit and loss.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

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## 2.17 Provisions

### a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

### b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

## 2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

## 2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the

intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

### a. Service revenue

Service revenues mainly pertain to usage, subscription and customer onboarding charges for voice, data, messaging and value added services. It also includes revenue from interconnection / roaming charges for usage of the Company's network by other operators for voice, data, messaging and signaling services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Company recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customer i.e. upfront. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

Service revenues also includes revenue from interconnection / roaming charges for usage of the Company's network by other operators for voice, data, messaging and signaling services. These are recognised upon transfer of control of services over time.

Certain business services revenues include revenue from registration and installation, which are amortised over the period of agreement since the date of activation of service.

Revenues from long distance operations comprise of voice services and bandwidth services (including

# NOTES TO STANDALONE FINANCIAL STATEMENTS

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installation), which are recognised on provision of services over the period of respective arrangements.

## b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately.

## c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not a distinct performance obligation, revenue is recognised over the customer relationship period.

## d. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

## e. Costs to obtain or fulfil a contract with a customer

The Company incurs certain costs to obtain or fulfill contracts with customers viz. intermediary commission, etc. During the current year, the Company has estimated that the average customer life derived from customer churn rate is longer than 12 months and hence the Company has started deferral of such costs. Such costs are thus recognized over the average expected customer life.

## f. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

## 2.20 Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

## 2.21 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All other borrowing costs are recognised in the statement of profit and loss within finance costs in the period in which they are incurred.

## 2.22 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## 2.23 Non-operating expense

Non-operating expense comprises regulatory levies applicable to finance income.

## 2.24 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

## 2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been

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issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

### **3. Key sources of estimation uncertainties and Critical judgements**

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

#### **3.1 Key sources of estimation uncertainties**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

##### **a. Useful lives of PPE**

As described at note 2.7 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges.

##### **b. Impairment reviews**

The Company conducts impairment reviews of investments in subsidiaries/ associates/ joint

arrangements whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows, after taking into account past experience management's best estimate about future developments. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period (refer note 7).

##### **c. Taxes**

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

##### **d. Allowance for impairment of trade receivables**

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

##### **e. Contingent liabilities and provisions**

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based

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on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

## **3.2 Critical judgement's in applying the Company's accounting policies**

### **a. Separating lease and non-lease components**

The consideration paid by the Company in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy services etc. Therefore in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Company performs analysis of cost split to arrive at relative stand-alone prices of each of the components. The bifurcation of the consideration paid (excluding energy) between lease versus non-lease component across the Company has been accordingly considered at 60% as lease component on an overall basis.

### **b. Determining the lease term**

Under Ind AS 116 if it is reasonably certain that a lease will be extended / will not be early terminated, the Company is required to estimate the expected lease period which may be different from the contractual tenure. The Company has various tower lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining lease period until which significant exit penalties are payable.

### **c. Determining the incremental borrowing rate for lease contracts**

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

### **d. Revenue recognition and presentation**

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or

as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

## **4. Significant transactions / new developments**

- i. On October 24, 2019, the Hon'ble Supreme Court of India delivered a judgement in relation to a long outstanding industry-wide case upholding the view of the Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR') ("Court Judgement"). The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to DoT within a period of three months, which ended on January 23, 2020.

Subsequent to the Court Judgment, DoT had issued letters dated November 13, 2019 and February 3, 2020 to the Company to carry out own-assessment of the liability and afforded certain guidelines/clarifications to compute the amounts payable based on the Hon'ble Supreme Court Judgement. Accordingly, in February 2020, the Company based on its interpretation and assessment of the guidelines/clarifications, and the principles laid down in the Court Judgement, made payments aggregating ₹ 119,020 to the DoT, and an additional ₹ 49,500 as a deposit (subject to subsequent refund / adjustment) to cover differences resulting from re-verification / reconciliation by DoT.

On March 16, 2020, the DoT had filed an application with respect to giving reasonable time to the affected parties (a period of 20 years with 8% interest on unpaid amounts to duly protect the net present value) and to cease the currently applicable interest after a particular date. The Hon'ble Supreme Court, in a hearing on March 18, 2020, ordered that no exercise of self-assessment/ re-assessment is to be done and the dues which were placed before the Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT application would be considered on the next date of hearing, which is pending disposal.

In the absence of any potential reliefs, without prejudice, and given the matter is still being considered by the Hon'ble Supreme Court as stated above, the Company has, on the basis of demands received and the period for which demands have not been received having regard

# NOTES TO STANDALONE FINANCIAL STATEMENTS

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to assessments carried out in earlier years and the guidelines/clarifications, provided for, in respect of License Fees, an additional amount of ₹ 170,446 (comprising of Principal of ₹ 29,670 (upto September 30, 2019) and applicable penalty thereon of ₹ 23,650, and, on such unpaid amounts, interest of ₹ 73,338 and interest on penalty of ₹ 43,788 upto March 31, 2020) and in respect of Spectrum Usage Charges, an amount of ₹ 114,532 (comprising of Principal of ₹ 26,860 (upto September 30, 2019) and applicable penalty thereon of ₹ 11,580, and, on such unpaid amounts, interest of ₹ 53,221 and interest on penalty of ₹ 22,871 upto March 31, 2020) as a charge to the statement of profit and loss and disclosed as an exceptional item. From September, 2019, the License Fees/Spectrum Usage Charges have been accounted for considering the effect of the Court Judgement, and reflected accordingly in the Statement of Profit and Loss (refer note 30).

- ii. During the year ended March 31, 2020, the Company has successfully raised ₹ 215,017 of additional long term financing through a combination of ₹ 144,000 in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid up equity shares of face value ₹ 5 each were issued and allotted at a price of ₹ 445 per equity share) and ₹ 71,017 in the form of 1.50% Foreign Currency Convertible Bond offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount).
- iii. During the year ended March 31, 2020, the Company has transferred on a going concern basis its operations pertaining to optical fiber undertaking to Telesonic Network Limited with effect from August 3, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). Accordingly, for the said common control transaction, the excess of consideration amounting to ₹ 51,139 over the net assets (including the related deferred tax liability), amounting to ₹ 4,063 has been recognised as Capital reserve, a component of equity.
- iv. During the year ended March 31, 2020, the Company gave effect to the merger of consumer mobile businesses of Tata Teleservices Limited ('TTSL') and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company, on July 1, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). As part of the said transaction, the Company is indemnified, for the ramifications of past liabilities (viz. for the period prior to the completion of the transaction). Considering that the said merger has been completed and as a consequence

of the Court Judgement, the incremental liabilities of TTSL / TTML pertaining to AGR as per the estimates available have been recorded in the books of the Company with a corresponding indemnity asset (included in Other current financial assets) for the same. As the said incremental liabilities pertains to the period before the acquisition, TTSL / TTML reserve their rights as available to them under law to take appropriate action vis-a-vis the authorities.

The Company, on the basis of the TDSAT orders directing the operationalisation of the spectrum and taking all consequent actions, and based on the final approval by Tribunal and Registrar of Companies believes that the required approvals were in place for the Scheme to be effective. Accordingly, the said merger is accounted in accordance with Ind AS 103, 'Business Combinations'. Consequently, the excess of net assets over purchase consideration, amounting to ₹ 12,301 has been recognized as Capital reserve, a component of equity. While the merger is completed in the books of the Company, the same has also been taken on record by the DoT on February 6, 2020.

The summarised aggregated financial information of TTSL and TTML is as follows:

<b>A. Consideration paid*</b>	338
<b>B. Net assets acquired</b>	
<b>Non-current assets</b>	
Property, plant and equipment	3,351
(including capital-work-in-progress for ₹ 16)	
Right-of-use assets	19,257
Other intangible assets	33,246
Deferred tax assets (net)	15,600
Others	6,751
<b>Current asset</b>	
Indemnification assets	44,083
Others#	8,964
<b>Total Assets (a)</b>	<b>131,252</b>
<b>Non-current liabilities</b>	
Borrowings	3,859
<b>Current liabilities</b>	
Borrowings	44,778
Provisions^	41,006
Others\$	28,970
<b>Total Liabilities (b)</b>	<b>118,613</b>
<b>Net assets acquired (a-b)</b>	<b>12,639</b>

\* 970,668 equity shares of ₹ 5/- each and 470 redeemable preference shares of ₹ 100 each

# mainly includes goods and service tax input credit

\$ mainly includes trade payable and advances

^ provisions in the nature of regulatory dues

On above land & building included in Property, plant and equipment amounting to ₹ 2,865 (refer note 5) and land

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and building included in ROU (Refer note 34) amounting to ₹ 250, the title deed and lease agreements respectively are held in the name of TTS/TTML and are pending to be transferred in the name of Company.

- v. Network i2i Limited (a wholly owned subsidiary of the Company) on October 15, 2019 issued subordinated perpetual securities (original securities) of USD 750 Mn (₹ 53,489) at an issue price of USD 200,000 which were guaranteed by the Company. Subsequently, on February 18, 2020, Network i2i Limited issued subordinated perpetual securities (additional securities) of USD 250 Mn (₹ 17,894) at an issue price of USD 201,300 plus accrued interest from October 15, 2019. The additional securities constitute a further issuance of, and form a single series with, the original securities and have the same terms and conditions as the original securities except the principal amount, issue date and issue price. The interest payments on these securities (original securities and additional securities) may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend till such cumulative interest remains unpaid.
- vi. During the year ended March 31, 2020, pursuant to the closure of rights issue on May 17, 2019, the Company allotted approximately 1,134 Mn fully paid up equity shares of face value ₹ 5 each at the price of ₹ 220 per equity share (including a premium of ₹ 215 per share) amounting to ₹ 249,390, to the eligible shareholders.
- vii. During the year ended March 31, 2020, the Company has completed merger with Bharti Digital Networks Private Limited ('BDNPL') (formerly known as Tikona Digital Networks Private Limited) under section 230 to section 232 of the Companies Act, 2013 with appointed date being September 1, 2017. The Company has accounted the merger as a common control transaction as required under Ind AS 103, 'Business Combinations' and given the effect from April 1, 2018 (beginning of the preceding period). Accordingly, the comparative information has been restated with the relevant carrying amounts of BDNPL considered in Company's consolidated financial statements as adjusted for inter-company eliminations.

The summarised financial information of BDNPL is as follows:

Balance Sheet	As of March 31, 2019	As of April 1, 2018
<b>Assets</b>		
Non-current assets	12,278	6,027
Current assets	1,458	4,921
<b>Total assets</b>	<b>13,736</b>	<b>10,948</b>

Balance Sheet	As of March 31, 2019	As of April 1, 2018
<b>Equity and liabilities</b>		
Equity	(534)	(132)
Non-current liabilities	747	35
Current liabilities	13,523	11,045
<b>Total equity and liabilities</b>	<b>13,736</b>	<b>10,948</b>

For the year ended March 31, 2019	
<b>Statement of profit and loss</b>	
Income	-
Expenses	140
<b>Loss from operating activities</b>	<b>(140)</b>
<b>Loss for the period</b>	<b>(431)</b>

- viii. During the year ended March 31, 2019, the Company had transferred its 16.76% equity stake of Bharti Infratel Limited to Nettle Infrastructure Investments Limited, against a consideration of ₹ 100,526. Accordingly the excess of cost of investments over the proceeds amounting to ₹ 13,069 had been recognised in other equity.
- ix. During the year ended March 31, 2017, the Company had entered into a scheme of amalgamation for the merger of Telenor (India) Communications Private Limited ('Telenor') with the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said merger were fulfilled, the said transaction was consummated. The difference of ₹ 5,315 between the purchase consideration (issuance of five equity shares and working capital adjustments) and fair value of net assets was recognised as Capital reserve, a component of equity. As part of the said transaction, the Company is indemnified, for the ramification of past liabilities (viz. for the period prior to the completion of the transaction).

Considering that the said merger has been completed and as a consequence of the Court Judgement, during year ended March 31, 2020, the incremental liabilities of Telenor pertaining to AGR as per the estimates available have been recorded in the books of the Company with a corresponding indemnity asset (included in Other current financial assets) for the same. As the said incremental liabilities pertains to the period before the acquisition, Telenor reserve its rights as available to them under law to take appropriate action vis-à-vis the authorities.

The fair values of the assets and liabilities recognised at the date of merger are as follows:

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

<b>Non-current assets</b>	
Property, plant and equipment	4,264
(including capital-work-in-progress of ₹ 94)	
Other intangible assets	17,684
(including intangible assets under development of ₹ 655)	
Indemnification assets	8,835
Others	6,309
<b>Current assets</b>	
Cash and cash equivalents	6,931
Others	7,661
<b>Non-current liabilities</b>	
Borrowings	14,842
Others	955
<b>Current liabilities</b>	
Borrowings	1,229
Trade payables	17,301
Others	12,592
<b>Net assets acquired</b>	<b>4,765</b>

- x. During the year ended March 31, 2019, the Company invested ₹ 2,382 in non-cumulative 0.0001% Compulsorily Convertible Preference Shares ('CCPS') of Airtel Payment

Bank Limited ('APBL', a subsidiary of the Company) having face value of ₹ 10 each at par. The said CCPS carries discretionary dividend and each CCPS is convertible into one equity share any time after April 1, 2021 but no later than March 31, 2022. The CCPS being equity instrument was considered as addition to Company's existing investments in APBL and hence is carried at cost.

- xi. During the year ended March 31, 2019, the Company transferred its 100% equity stake in Bharti Airtel (USA) Limited to Bharti International (Singapore) Pte. Limited ('BISPL'), an indirect subsidiary of the Company against a consideration of ₹ 2,726. Accordingly, the excess of proceeds over the cost of investments amounting to ₹ 729 was recognised in other equity.
- xii. During the year ended March 31, 2019, the Company transferred its operations pertaining to passive infrastructure at the core locations to Nxtra Data Limited, a wholly owned subsidiary, against a consideration of ₹ 3,245. Accordingly, the excess of proceeds over the cost of investments amounting to ₹ 189 was recognised in retained earnings.

# NOTES TO STANDALONE

## FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2020 and 2019:

	Leasehold improvement	Building	Land	Plant and equipment#	Furniture & fixture	Vehicles	Office equipment	Computers & servers	Total
<b>Gross carrying value</b>									
<b>As of April 1, 2018</b>	<b>5,124</b>	<b>6,363</b>	<b>1,854</b>	<b>1,004,775</b>	<b>1,994</b>	<b>299</b>	<b>5,006</b>	<b>33,195</b>	<b>1,058,610</b>
Additions	733	-	-	187,766	72	5	352	2,430	191,358
Acquisition through Business @\Transfer under common control\	(219)	(714)	(40)	4,056	26	2	6	82	4,170
Disposals / adjustments	(55)	(40)	(26)	(7,806)	(86)	-	(819)	(43)	(9,887)
<b>As of March 31, 2019</b>	<b>5,383</b>	<b>5,609</b>	<b>1,828</b>	<b>1,182,370</b>	<b>2,004</b>	<b>260</b>	<b>4,511</b>	<b>33,185</b>	<b>1,235,150</b>
<b>As of April 1, 2019</b>	<b>5,383</b>	<b>5,609</b>	<b>1,828</b>	<b>1,182,370</b>	<b>2,004</b>	<b>260</b>	<b>4,511</b>	<b>33,185</b>	<b>1,235,150</b>
Transition impact on adoption of Ind AS 116\$	-	-	(399)	(659)	-	-	-	-	(1,058)
<b>Adjusted balance as of April 1, 2019</b>	<b>5,383</b>	<b>5,609</b>	<b>1,429</b>	<b>1,181,711</b>	<b>2,004</b>	<b>260</b>	<b>4,511</b>	<b>33,185</b>	<b>1,234,092</b>
Additions	482	-	236	2,630	469	-	-	-	-
Acquisition through business @\Transfer under common control\	-	-	-	(115,003)	-	-	-	-	(115,003)
Disposals / adjustments	(1)	(572)	(124)	(7,627)	(24)	(12)	(37)	-	(8,397)
<b>As of March 31, 2020</b>	<b>5,864</b>	<b>5,273</b>	<b>3,935</b>	<b>1,210,245</b>	<b>2,043</b>	<b>248</b>	<b>4,650</b>	<b>36,355</b>	<b>1,268,613</b>
<b>Accumulated depreciation</b>									
<b>As of April 1, 2018</b>	<b>4,294</b>	<b>2,985</b>	<b>40</b>	<b>543,054</b>	<b>1,655</b>	<b>232</b>	<b>3,988</b>	<b>25,256</b>	<b>581,504</b>
Charge*	238	276	5	93,749	124	21	409	3,544	98,366
Transfer under common control\	(355)	(247)	-	(4,915)	(86)	-	(686)	(34)	(6,322)
Disposals / adjustments	(4)	(0)	-	(6,007)	(1)	(31)	(13)	(2,441)	(8,497)
<b>As of March 31, 2019</b>	<b>4,173</b>	<b>3,014</b>	<b>45</b>	<b>625,881</b>	<b>1,693</b>	<b>222</b>	<b>3,698</b>	<b>26,325</b>	<b>66,051</b>
<b>As of April 1, 2019</b>	<b>4,173</b>	<b>3,014</b>	<b>45</b>	<b>625,881</b>	<b>1,693</b>	<b>222</b>	<b>3,698</b>	<b>26,325</b>	<b>66,051</b>
Transition impact on adoption of Ind AS 116\$	-	-	(45)	(61)	-	-	-	-	(106)
<b>Adjusted balance as of April 1, 2019</b>	<b>4,173</b>	<b>3,014</b>	<b>-</b>	<b>625,820</b>	<b>1,693</b>	<b>222</b>	<b>3,698</b>	<b>26,325</b>	<b>66,945</b>
Charge*	266	251	-	111,624	117	14	358	3,925	116,555
Transfer under common control\	-	-	-	(53,387)	-	-	-	-	(53,387)
Disposals / adjustments	-	(399)	-	(7,340)	(4)	(7)	(36)	-	(7,786)
<b>As of March 31, 2020</b>	<b>4,439</b>	<b>2,866</b>	<b>-</b>	<b>676,717</b>	<b>1,806</b>	<b>229</b>	<b>4,020</b>	<b>30,250</b>	<b>720,327</b>
<b>Net carrying value</b>									
As of March 31, 2019	1,210	2,595	1,783	556,489	311	38	813	6,860	57,099
As of March 31, 2020	1,425	2,407	3,935	533,528	237	19	630	6,105	548,286

\*Refer note 2.1 & 34, ^ refer note 4(iii) & 4(xii), # refer note 4(vii), and @ refer note 4(iv) & 4(ix)

\$It includes exceptional items of ₹ 10,187 and ₹ 2,924 for the year ended March 31, 2020 and 2019 with respect to plant and equipment [(refer note 30 (i) (b) and (ii) (a)]

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The carrying value of capital work-in-progress as at March 31, 2020 and March 31, 2019 is ₹ 12,332 and ₹ 53,662 respectively, which mainly pertains to plant and equipment.

The Company has capitalised borrowing cost of ₹ 2,837 and ₹ 836 during the year ended March 31, 2020 and 2019 respectively.

The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.35% and 8.04% for year ended March 31, 2020 and 2019, which is the weighted average interest rate applicable to the Company's general borrowings.

## Change in useful life

During the year ended March 31, 2020, the Company has reassessed useful life of certain categories of network assets due to technological developments and accordingly has revised the estimate of its useful life in respect of those assets. The impact of above change on the depreciation charge for the current and future years are as follows:

	For the year ended March 31, 2020	For the year Ending March 31, 2021      March 31, 2022      March 31, 2023			Future period till end of life
Impact on depreciation charge	10,040	(2,095)	(1,895)	(1,570)	(4,480)

## 6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the year ended March 31, 2020 and 2019:

	Other intangible assets					
	Goodwill	Software	Bandwidth	Licenses (including spectrum)*	Others	Total
<b>Gross carrying value</b>						
<b>As of April 1, 2018</b>	<b>739</b>	<b>19,784</b>	<b>31,373</b>	<b>871,223</b>	<b>7,538</b>	<b>929,918</b>
Additions	-	2,600	9,685	44,544	-	56,829
Acquisition through Business Combinations®	-	-	-	15,821	1,208	17,029
Disposals / adjustments	-	2	79	(13)	(22)	46
<b>As of March 31, 2019</b>	<b>739</b>	<b>22,386</b>	<b>41,137</b>	<b>931,575</b>	<b>8,724</b>	<b>1,003,822</b>
<b>As of April 1, 2019</b>	<b>739</b>	<b>22,386</b>	<b>41,137</b>	<b>931,575</b>	<b>8,724</b>	<b>1,003,822</b>
Transition impact on adoption of Ind AS 116 <sup>§</sup>	-	-	(41,137)	-	-	(41,137)
<b>Adjusted balance as of April 1, 2019</b>	<b>739</b>	<b>22,386</b>	<b>-</b>	<b>931,575</b>	<b>8,724</b>	<b>962,685</b>
Additions	-	3,152	-	163	-	3,315
Acquisition through business combination®	-	-	-	32,239	1,007	33,246
Disposals / adjustments	-	(8)	-	-	(18)	(26)
<b>As of March 31, 2020</b>	<b>739</b>	<b>25,530</b>	<b>-</b>	<b>963,977</b>	<b>9,713</b>	<b>999,220</b>
<b>Accumulated amortisation</b>						
<b>As of April 1, 2018</b>	<b>-</b>	<b>15,042</b>	<b>14,063</b>	<b>147,048</b>	<b>4,582</b>	<b>180,735</b>
Amortisation	-	2,471	2,302	49,061	1,926	55,760
Disposals / adjustments	-	-	79	(11)	(22)	46
<b>As of March 31, 2019</b>	<b>-</b>	<b>17,513</b>	<b>16,444</b>	<b>196,098</b>	<b>6,486</b>	<b>236,541</b>
<b>As of April 1, 2019</b>	<b>-</b>	<b>17,513</b>	<b>16,444</b>	<b>196,098</b>	<b>6,486</b>	<b>236,541</b>
Transition impact on adoption of Ind AS 116 <sup>§</sup>	-	-	(16,444)	-	-	(16,444)
<b>Adjusted balance as of April 1, 2019</b>	<b>-</b>	<b>17,513</b>	<b>-</b>	<b>196,098</b>	<b>6,486</b>	<b>220,097</b>
Amortisation	-	2,968	-	52,133	1,292	56,393
Disposals / adjustments	-	(8)	-	-	(2)	(10)
<b>As of March 31, 2020</b>	<b>-</b>	<b>20,473</b>	<b>-</b>	<b>248,231</b>	<b>7,776</b>	<b>276,480</b>
<b>Net carrying value</b>						
As of March 31, 2019	739	4,873	24,693	735,477	2,238	767,281
As of March 31, 2020	739	5,057	-	715,746	1,937	722,740

<sup>§</sup> refer note 2.1 & 34

\* refer note 4(vii) and @ refer note 4(iv) & 4(ix)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 6. Intangible assets (Contd..)

Weighted average remaining amortisation period of licenses as of March 31, 2020 and March 31, 2019 is 14.14 and 15.13 years respectively.

The carrying value of intangible assets under development as at March 31, 2020 and March 31, 2019 is ₹ 255 and ₹ 2,703 respectively, which mainly pertains to spectrum and software / IT platform.

The Company has capitalised borrowing cost of ₹ Nil and ₹ 179 during the year ended March 31, 2020 and 2019 respectively.

The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil and 9.3% for year ended March 31, 2020 and 2019, which is the weighted average interest rate applicable to the company's specific borrowings.

## 7. Investments

### Non-current

**Detail of investments in subsidiaries, joint ventures, associate and other investments are as below:**

	As of March 31, 2020	As of March 31, 2019
<b>Investment in subsidiaries</b>		
Bharti Infratel Limited: (quoted) 620,898,728 equity shares of ₹ 10 each (net of impairment)*	164,538	227,516
Network i2i Limited : 1,267,427,896 equity shares of USD 1 each	87,909	87,909
Bharti Telemedia Limited : 260,202,000 equity shares of ₹ 10 each	22,183	22,183
Bharti Hexacom Limited : 175,000,000 equity shares of ₹ 10 each	5,718	5,718
Bharti Airtel Lanka (Private) Limited : 50,200,221,771 equity shares of SLR 10 each (net of impairment)	4,527	4,527
Nxtra Data Limited : 5,050,000 equity shares of ₹ 10 each	309	309
Indo Teleports Limited : 22,998,995 equity shares of ₹ 10 each	308	308
Telesonic Networks Limited : 89,230,796 equity shares of ₹ 10 each	91	91
Bharti Airtel Services Limited : 100,000 equity shares of ₹ 10 each	1	1
Airtel Digital Limited (formerly known as Wynk Limited) : 50,000 equity shares of ₹ 10 each	1	1
Bharti Airtel International (Netherlands) B.V. : 1 equity shares of EURO 1 each	0	0
Nettel Infrastructure Investments Limited : 45,000 equity shares of ₹ 10 each	0	0
	<b>285,585</b>	<b>348,563</b>
<b>Investment in associate</b>		
Airtel Payments Bank Limited : 805,025,128 equity shares of ₹ 10 each	8,050	8,050
Airtel Payments Bank Limited : Non-cumulative 0.0001% compulsorily convertible preference shares 678,700,000 (March 31, 2019 - 238,150,000 equity shares of ₹ 10 each)	6,787	2,382
	<b>14,837</b>	<b>10,432</b>
<b>Investment in joint ventures</b>		
Bridge Mobile PTE Limited : 800,000 equity shares of USD 1 each	34	34
Firefly Networks Limited : 1,000,000 equity shares of ₹ 10 each	10	10
	<b>44</b>	<b>44</b>
<b>Investment in subsidiaries, associate and joint ventures</b>	<b>300,466</b>	<b>359,039</b>
<b>Other Investments (FVTPL)</b>		
Equity instruments	50	61
National Savings Certificates	2	2
	<b>52</b>	<b>63</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 7. Investments (Contd..)

### Current

	As of March 31, 2020	As of March 31, 2019
<b>Investment at FVTPL</b>		
Debentures	264	-
Mutual funds (quoted)	86,501	16,696
	<b>86,765</b>	<b>16,696</b>
Interest accrued but not due (refer note 10)	(15)	-
	<b>86,750</b>	<b>16,696</b>
Aggregate book value of unquoted investments	135,980	131,586
Aggregate book value of quoted investments	251,288	244,212
Aggregate market value of quoted investments	186,094	211,285

**Detail of significant investments in subsidiaries are as below:**

S. No	Name of the Subsidiaries	Place of incorporation	Principal activities	March 31, 2020	March 31, 2019
				% of shareholding	
1	Bharti Infratel Limited	India	Infrastructure sharing services	33.57	33.57
2	Bharti Telemedia Limited	India	Direct to home services	51.00	51.00
3	Bharti Hexacom Limited	India	Telecommunication services	70.00	70.00
4	Network i2i Limited	Mauritius	Submarine cable system	100.00	100.00

### \*Impairment test for investment in a subsidiary

The Company assesses at the end of each reporting period whether there is objective evidence that investments in subsidiaries, joint ventures and associates are impaired.

As at March 31, 2020, the carrying value of investment in Bharti Infratel Limited ('Infratel') was ₹ 176,955 (after considering impairment charge of ₹ 50,561 which was recorded in quarter ended September 30, 2019).

As of March 31, 2020, the Company performed a formal impairment analysis given the prolonged decline in the market price of the shares in Infratel. The recoverable amount of Infratel was determined based on higher of Value in use and Fair value less costs to sell.

As a result of this impairment analysis, the recoverable amount of its investment in Infratel was determined to be ₹ 164,538 resulting in an additional impairment of ₹ 12,417 for the quarter ended March 31, 2020. Consequently, the total impairment for the year ended March 31, 2020 was ₹ 62,978, which has been presented as an exceptional item (refer note 30(i)(d)).

Key assumptions considered by the Company in determining recoverable amounts under Income Approach are as follows:

- Cash flow projections for the period-5 years
- Terminal Growth Rate – 3.5% per annum
- Pre – Tax Risk adjusted discount rate – 14.7% (post-tax discount rate –12%)

Besides above, other assumptions included EBITDA margin to sustain at current levels.

Key assumptions considered by the Company in determining fair value less costs to sell under Market Approach includes the quoted price of the shares adjusted for an appropriate control premium. The assumptions used by the Company under the Market Approach includes significant unobservable inputs and therefore considered as a level 3 input under the fair value hierarchy.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 7. Investments (Contd..)

The key sensitivities based on reasonably possible change to the assumptions keeping other assumptions consistent under the Income Approach are as follows:

- 0.5% change in discount rate - Will result in an additional impairment of ₹ 8,693.
- 1% change in discount rate - Will result in an additional impairment of ₹ 16,143.
- 0.5% change in terminal growth rate - Will result in an additional impairment of ₹ 6,209.
- 1% change in terminal growth rate - Will result in an additional impairment of ₹ 11,176.

In developing the assumptions relating to the recoverable amounts, the Company considered both internal and external evidences as appropriate. If the assumptions considered change in future due to possible effect of uncertainties, this could result in additional impairments the effects of which may not have been estimated as at the date of the approval of these financial statements.

## 8. Derivative financial instruments

The details of derivative financial instruments are as follows:-

	As of March 31, 2020	As of March 31, 2019
<b>Assets</b>		
Currency swaps, forward and option contracts	1,936	72
	<b>1,936</b>	<b>72</b>
<b>Liabilities</b>		
Currency swaps, forward and option contracts	35	1,775
	<b>35</b>	<b>1,775</b>
Non-current derivative financial assets	39	4
Current derivative financial assets	1,897	68
Non-current derivative financial liabilities	-	(320)
Current derivative financial liabilities	(35)	(1,455)

## 9. Loans and security deposits

	As of March 31, 2020	As of March 31, 2019
<b>Unsecured, considered good</b>		
<b>Non - current</b>		
Loans to related parties (refer note 33)	180,918	140,632
Security deposits*	6,541	10,402
	<b>187,459</b>	<b>151,034</b>
Interest accrued but not due (refer note 10)	(207)	(2)
	<b>187,252</b>	<b>151,032</b>
<b>Current</b>		
<b>Loans to related parties (refer note 33)</b>	<b>7,580</b>	<b>10,815</b>

\*Security deposits (net of allowance for bad and doubtful debts of ₹ 324 and ₹ 873 as at March 31, 2020 and 2019, respectively) primarily includes deposits given towards rented premises, cell sites and interconnect ports.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 10. Financial assets – others

### Non-current

	As of March 31, 2020	As of March 31, 2019
Indemnification assets*	12,658	9,082
Others	63	70
	<b>12,721</b>	<b>9,152</b>

\*pursuant to merger with TTSL/ TTML and Telenor (refer note 4((iv) and (ix))).

### Current

	As of March 31, 2020	As of March 31, 2019
Unbilled revenue (refer note 23)	12,608	12,072
Indemnification assets*	182,143	-
Interest accrued on investments	296	32
Finance lease receivables	-	84
Others#	48,725	500
	<b>243,772</b>	<b>12,688</b>

\*primarily includes indemnification assets pursuant to merger with TTSL/ TTML and Telenor (refer note 4((iv) and (ix))).

#primarily include receivable towards transfer of operations pertaining to optical fiber to Telesonic Network Limited (refer note 4(iii)).

## 11. Income taxes

### The major components of income tax credit are:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current income tax</b>		
- For the year	-	-
- Adjustments for prior periods	-	15
	<b>-</b>	<b>15</b>
<b>Deferred tax</b>		
- Origination and reversal of temporary differences	(150,123)	(24,923)
- Adjustments for prior periods*	796	(8,839)
	<b>(149,327)</b>	<b>(33,762)</b>
<b>Income tax (credit)</b>	<b>(149,327)</b>	<b>(33,747)</b>

\*Mainly pertain to positive outcome with respect to unrecognised tax benefits (including MAT credit of ₹ 346 in March 31, 2020)

### Statement of Other Comprehensive Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Deferred tax related to items charged or credited to Other Comprehensive Income during the year:</b>		
- Re-measurement gains / (losses) on defined benefit plans	38	(52)
<b>Deferred Tax charged to Other Comprehensive Income</b>	<b>38</b>	<b>(52)</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 11. Income taxes (Contd..)

The reconciliation between the amount computed by applying the statutory income tax rate to the (loss) / profit before tax and income tax (credit) / expense is summarised below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Loss before tax</b>	(510,209)	(52,439)
Enacted tax rates in India	34.944%	34.944%
Tax expense @ 34.944%	(178,288)	(18,324)
<b>Effect of:</b>		
Tax holiday	-	(184)
Adjustments in respect to previous years (incl. MAT Credit of ₹ 346 in March 31, 2020)	796	(8,822)
Adjustment in respect to MAT credit recoverability (refer note 30)	12,357	-
Deferred Tax recognised on losses and deductible temporary difference pertaining to business combination	(2,537)	-
(Income) / expense not (taxable) / deductible (net)	(3,742)	(6,557)
Adjustments in respect of impairment of investments	22,008	-
Items for which no deferred tax has been recognised	-	140
Others	79	-
<b>Income tax (credit)</b>	<b>(149,327)</b>	<b>(33,747)</b>

The analysis of deferred tax assets / (liabilities) is as follows:

	As of March 31, 2020	As of March 31, 2019
<b>Deferred tax asset / (liability)</b>		
Allowance for impairment of debtors / advances	10,118	8,630
Carry forward losses	221,070	65,993
Employee benefits	1,184	1,062
Government Grants	538	-
Minimum tax credit	48,081	60,092
Lease rent equalization	-	6,426
Fair valuation of financial instruments and exchange differences	99	614
Depreciation / amortisation on PPE / intangible assets	(57,665)	(93,748)
Fair valuation of compulsory convertible bonds (FCCB)	(1,796)	-
Rates and taxes	5,213	477
Others	172	257
<b>Net deferred tax asset</b>	<b>227,014</b>	<b>49,803</b>

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Deferred tax income</b>		
Allowance for impairment of debtors / advances	1,618	(5,186)
Carry forward losses	155,077	45,692
Employee benefits	42	2
Government Grants	538	-
Minimum tax credit	(12,011)	2,823
Lease rent equalisation	-	(182)
Fair valuation of financial instruments and exchange differences	(515)	(6,034)
Depreciation / amortisation on PPE / intangible assets	(187)	(2,344)
Fair valuation of compulsory convertible bonds (FCCB)	107	-
Rates and taxes	4,736	(955)
Others	(78)	(54)
<b>Net deferred tax income</b>	<b>149,327</b>	<b>33,762</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 11. Income taxes (Contd..)

The movement in deferred tax assets / (liabilities) during the year is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>	<b>49,803</b>	<b>12,535</b>
Tax credit recognised in profit or loss	149,327	33,762
Tax Income/(expense) during the period recognized in equity on account of FCCBs (refer note 17)	1,903	-
Tax Income/(expense) recognised in OCI	38	(52)
Taxes acquired/ transferred under common control transaction in equity	3,744	-
Taxes acquired/ transferred in business combination	15,600	3,717
Tax Income/(expense) during the period recognized in equity under Ind AS 116 (refer note 34)	10,405	-
Others	-	(159)
<b>Closing Balance</b>	<b>227,014</b>	<b>49,803</b>

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, the company has not recognised deferred tax assets in respect of carried forward losses / credits of ₹ 494,490 and ₹ 389,153 as of March 31, 2020 and March 31, 2019, respectively as it is not probable that relevant taxable profits will be available in future.

The expiry schedule of the above capital tax losses is as follows:

	As of March 31, 2020	As of March 31, 2019
<b>Expiry date</b>		
Within one - three years	18,034	-
Within three - five years	289,149	-
Above five years	73,895	346,751
Unlimited	113,412	42,402
	<b>494,490</b>	<b>389,153</b>

The above includes business combination losses and unabsorbed depreciation in relation to Tata Teleservices Limited amounting to ₹ 108,468 (including ₹ 71,010 towards unabsorbed depreciation) as of March 31, 2020, in relation to Telenor (India) Communications Private Limited totalling to ₹ 64,280 (including ₹ 42,402 towards unabsorbed depreciation) as of March 31, 2020 and March 31, 2019, unexpired MAT Credit of ₹ 12,357 as on March 31, 2020 and Nil at March 31, 2019, on capital losses of ₹ 309,385 as at March 31, 2020 and ₹ 324,873 as at March 31, 2019.

Besides above, the company has also not recorded deferred tax assets in respect of impairment losses of Investment in Subsidiaries/ Joint ventures ₹ 63,448 as at March 31, 2020 and ₹ 470 as at March 31, 2019.

## 12. Other assets

### Non-current

	As of March 31, 2020	As of March 31, 2019
Advances (net) <sup>#</sup>	20,928	28,343
Costs to obtain a contract with the customer (refer note 23)	4,827	-
Prepaid expenses	8,154	1,323
Taxes recoverable <sup>\$</sup>	10,878	20,776
Capital advances	21	114
Others	773	9,734
	<b>45,581</b>	<b>60,290</b>

<sup>#</sup>Advances represent payments made to various Government authorities under protest and are disclosed net of provision.

<sup>\$</sup>Taxes recoverable primarily pertains to goods & service tax ('GST') and customs duty.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 12. Other assets (Contd..)

### Current

	As of March 31, 2020	As of March 31, 2019
Taxes recoverable\$	116,207	93,127
Prepaid expenses	2,926	2,874
Advances to suppliers (net)®	3,700	15,755
Deposit with government authorities#	49,500	-
Costs to obtain a contract with the customer (refer note 23)	3,118	-
Others*	256	2,360
	<b>175,707</b>	<b>114,116</b>

\$ Taxes recoverable primarily pertains to goods & service tax ('GST') and customs duty.

® Advances to suppliers are disclosed net of provision of ₹ 1,652 and ₹ 1,577 as of March 31, 2020 and March 31, 2019 respectively.

# It represents deposits made with DOT towards the AGR matter (refer note 4(i)).

\* It mainly includes advances to staff and earnest money deposit.

## 13. Trade receivables

	As of March 31, 2020	As of March 31, 2019
Trade receivables considered good - unsecured*	61,552	57,517
Less: Allowances for doubtful receivables	(23,452)	(19,114)
	<b>38,100</b>	<b>38,403</b>

\*It includes amount due from related parties (refer note 33).

Refer note 35(1)(iv) for credit risk

### The movement in allowances for doubtful debts is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>	19,114	33,590
Additions	4,653	8,750
Write off (net of recovery)	(315)	(23,226)
	<b>23,452</b>	<b>19,114</b>

## 14. Cash and bank balances

### Cash and cash equivalents ('C&CE')

	As of March 31, 2020	As of March 31, 2019
<b>Balances with banks</b>		
- On current accounts	681	1,424
- Bank deposits with original maturity of 3 months or less	32,984	360
Cheques on hand	40	43
Cash on hand	20	34
	<b>33,725</b>	<b>1,861</b>
Interest accrued but not due (refer note 10)	(57)	-
	<b>33,668</b>	<b>1,861</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 14. Cash and bank balances (Contd..)

### Other bank balances

	As of March 31, 2020	As of March 31, 2019
<b>Earmarked bank balances - unpaid dividend</b>		
Term deposits with bank	12	110
Margin money deposits*	14	163
	299	249
	<b>325</b>	<b>522</b>
Interest accrued but not due (refer note 10)	(17)	(30)
	<b>308</b>	<b>492</b>

For the purpose of statement cash flows, C&CE comprise of following:

	As of March 31, 2020	As of March 31, 2019
C & CE as per balance sheet	33,668	1,861
Bank overdraft (refer note 17)	(3,271)	(154)
	<b>30,397</b>	<b>1,707</b>

\*Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

## 15. Share capital

	As of March 31, 2020	As of March 31, 2019
<b>Authorised shares</b>		
29,555,980,000 (March 31, 2019 - 29,506,000,000)		
equity shares of ₹ 5 each	<b>147,780</b>	<b>147,530</b>
<b>Issued, Subscribed and fully paid-up shares</b>		
5,455,557,355 (March 31, 2019 - 3,997,400,107)		
equity shares of ₹ 5 each	27,278	19,987
	<b>27,278</b>	<b>19,987</b>

### a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to cast one vote per share.

### b. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the company

	As of March 31, 2020		As of March 31, 2019	
	No. of shares '000	% holding	No. of shares '000	% holding
<b>Equity shares of ₹ 5 each fully paid up</b>				
Bharti Telecom Limited	2,116,236	38.79%	2,002,818	50.10%
Pastel Limited	759,007	13.91%	591,319	14.79%
Indian Continent Investment Limited	331,436	6.08%	81,151	2.03%

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 15. Share capital (Contd..)

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

- During the year ended March 31, 2020, 970,668 equity shares of ₹ 5 each were issued to the shareholders of TTML as per the terms of the scheme of arrangement (refer note 4 (iv)).
- During the year ended March 31, 2019, 5 equity shares of ₹ 5 each were issued to the shareholders of Telenor as per the terms of the scheme of amalgamation (refer note 4 (ix)).

### d. Shares held by Bharti Airtel Employees Welfare Trust against employee share-based payment plans (face value : ₹ 5 each)

	As of March 31, 2020		As of March 31, 2019	
	Shares '000	Amount	Shares '000	Amount
<b>Opening balance</b>	1,492	554	1,719	642
Purchased during the year	1,291	497	700	248
Exercised during the year	(564)	(263)	(927)	(336)
	<b>2,219</b>	<b>788</b>	<b>1,492</b>	<b>554</b>

### e. Dividend

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Declared and paid during the year</b>		
Interim dividend for 2019-20 : ₹ Nil per share (2018-19 : ₹ 2.50 per share)	-	12,048
(including dividend distribution tax 2018-19 @ 20.56% of ₹ 2,054)*		
Final dividend for 2018-19 : ₹ Nil per share (2017-18 : ₹ 2.50 per share)	-	12,048
(including dividend distribution tax 2018-19 @ 20.56% of ₹ 2,054)*		
	<b>-</b>	<b>24,096</b>
<b>B Proposed dividend</b>		
Final dividend for 2019-20: ₹ 2 per share (2018-19 : ₹ Nil per share)	10,911	-
	<b>10,911</b>	<b>-</b>

The proposed dividend being subject to approval at respective annual general meetings, accordingly no corresponding liability has been recognised in the respective financial years.

\*However, against this the Company has availed credit of ₹ Nil and ₹ 4,108 during the year ended March 31, 2020 and March 31, 2019 respectively, on account of dividend distribution tax on dividend received from subsidiary companies.

## 16. Reserves and surplus

- a) Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, re-measurement differences on defined benefits plans, gains / (losses) on common control transactions and any transfer from general reserve.
- b) General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost (viz. related amount of loan provided to Bharti Airtel Employees Welfare Trust) of the corresponding stock options, is transferred to general reserve.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 16. Reserves and surplus (Contd..)

The difference between the share capital and the carrying values of the investment pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 with respect to the amalgamation of Augere Wireless Broadband Private Limited has been recognised in general reserve.

- c) Business restructuring reserve:** It represents mainly the excess of the fair values over the original book values of the assets transferred to one of its subsidiary Bharti Infratel Limited pursuant to the scheme of arrangement under sections 391 to 394 of the Companies Act, 1956.
- d) Debenture redemption reserve:** Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.
- e) Capital reserve:**

It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Companies Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).

## 17. Borrowings

### Non-current

	As of March 31, 2020	As of March 31, 2019
<b>Secured</b>		
Vehicle loans*	1	10
	<b>1</b>	<b>10</b>
Less: Current portion (A)	(1)	(7)
	<b>-</b>	<b>3</b>
<b>Unsecured</b>		
Term loans	143,363	69,272
Non-convertible debentures**	32,342	32,322
Non-convertible bonds	76,192	69,515
Liability component of a foreign currency convertible bond®	69,856	-
Deferred payment liabilities***	458,892	466,191
	<b>780,645</b>	<b>637,300</b>
Less : Interest accrued but not due (refer note 18)	(30,106)	(28,968)
Less: Current portion (B)	(45,827)	(22,215)
	<b>704,712</b>	<b>586,117</b>
	<b>704,712</b>	<b>586,120</b>
<b>Current maturities of long-term borrowings (A+B)</b>	<b>45,828</b>	<b>22,222</b>

\*These loans are secured by hypothecation of the vehicles.

\*\*During the year ended March 31, 2018, the Company had issued 30,000 listed, unsecured, rated, redeemable, Non - Convertible Debentures ('NCDs'), Series I and series II of face value of ₹ 10 Lakhs each, at par aggregating ₹ 30,000 on private placement basis, carrying interest rates 8.25% p.a. and 8.35% p.a. (payable annually) and principal repayable in year 2020 and 2021 respectively.

®During the year ended March 31, 2020, the Company has issued 1.50% Foreign Currency Convertible Bonds ('FCCBs') of USD 1,000 Mn (₹ 71,017) at par, convertible into ordinary shares of the Company at an initial conversion price of ₹ 534 per share at any time on or after February 27, 2020 and up to the close of business on February 7, 2025, at the option of the FCCB holders. FCCBs, which are not converted to ordinary shares during such specified period, are redeemable at 102.66% of their principal amount on February 17, 2025.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 17. Borrowings (Contd..)

The details of this FCCB issuance is as follows:

	As of March 31, 2020
<b>Face Value of Bond issued</b>	71,017
Equity component of convertible bonds - value of conversion rights <sup>(1)</sup>	(5,488)
Transaction costs	(491)
	<b>65,038</b>
Interest accrued but not due <sup>(2)</sup>	552
Foreign exchange differences	4,266
<b>Borrowings non-current</b>	<b>69,856</b>

<sup>(1)</sup> The equity component of convertible bonds has been presented in 'Other Equity' net of deferred tax of ₹ 1,903 (refer note 11).

<sup>(2)</sup> Interest is calculated by applying effective interest rate of 3.9% to liability component.

\*\*\* During the year ended March 31, 2018, the Government of India had provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability vis-a-vis earlier allowed 10 instalments. Accordingly, the Company had then exercised the option to increase the remaining number of instalments by 6 annual instalments, for all its existing deferred payment liabilities. Further, during the year ended March 31, 2020, the Government of India deferred the payment of the annual instalments due for year 2020-21 and 2021-22 and revised the remaining installment amount. The revised installments amount are based on deferred installment amount are to be equally spread over the remaining installment to be paid, without any increase in the existing time period specified for making the installment payment.

### Current

	As of March 31, 2020	As of March 31, 2019
<b>Unsecured</b>		
Term loans	60,219	142,903
Commercial papers	9,629	86,379
Bank overdraft	3,271	154
	<b>73,119</b>	<b>229,436</b>
Less : Interest accrued but not due (refer note 18)	(27)	(253)
	<b>73,092</b>	<b>229,183</b>

### Analysis of borrowings

The details given below are gross of debt origination cost.

#### 17.1.1 Repayment terms of borrowings

The table below summarises the details of the Company's borrowings based on contractual undiscounted payments.

	As of March 31, 2020						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.9% - 9.5%	Monthly	4 - 6	1	-	-	-
Term loans	8.2%	Monthly	2	13,000	-	-	-
	8% - 8.3%	Quarterly	4 - 11	9,436	13,536	8,092	-
	8% - 8.3%	Half yearly	2 - 6	6,806	43,075	39,543	-
	2% - 10%	One time	1	61,860	-	7,568	-
Non-convertible bonds	4.4%	One time	1	-	-	-	75,372

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 17. Borrowings (Contd..)

	As of March 31, 2020						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Liability component of a foreign currency convertible bond	1.5%	One time	1	-	-	77,688	-
Non-convertible debentures	8.3% - 8.4%	One time	1	15,000	15,000	-	-
Deferred payment liabilities	9.3% - 10%	Annual	2 - 10	-	-	22,308	411,185
Commercial papers	6.5%	One time	1	9,674	-	-	-
Bank Overdraft	7.9% - 8.5%	Payable on demand	NA	3,271	-	-	-
				<b>119,048</b>	<b>71,611</b>	<b>155,199</b>	<b>486,557</b>

	As of March 31, 2019						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	7.9% - 9.5%	Monthly	3 - 22	8	3	-	-
Term loans	0.7% - 4%	Half yearly	3 - 9	1,426	1,426	8,265	2,350
	0.9% - 4%	One time	1	-	7,063	14,765	-
	8.4%	Quarterly	13	5,336	5,336	9,328	-
	8.6%	Half yearly	2	-	14,000	-	-
	7.95% - 9.5%	One time	1	142,650	-	-	-
Non-convertible bonds	4.4%	One time	1	-	-	-	68,832
Non-convertible debentures	8.3% - 8.4%	One time	1	-	15,000	15,000	-
Deferred payment liabilities	9.3% - 10%	Annual	12 - 16	15,244	16,750	60,851	348,007
Commercial papers	7.7% - 8.5%	One time	1	86,411	-	-	-
Bank Overdraft	8.1% - 12.3%	On demand	NA	154	-	-	-
				<b>251,229</b>	<b>59,578</b>	<b>108,209</b>	<b>419,189</b>

\*The instalments amount due are equal / equated per se.

### 17.1.2 Interest rate and currency of borrowings

	Weighted average rate of Interest	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings
INR	9.2%	664,058	171,800	492,258
USD	2.9%	160,496	15,297	145,199
<b>March 31, 2020</b>		<b>824,554</b>	<b>187,097</b>	<b>637,457</b>
INR	9.3%	734,078	161,054	573,024
USD	4.3%	89,228	20,396	68,832
EURO	0.9%	7,850	7,850	-
JPY	0.8%	7,049	7,049	-
<b>March 31, 2019</b>		<b>838,205</b>	<b>196,349</b>	<b>641,856</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 17. Borrowings (Contd..)

### 17.1.3 Unused lines of credit

The below table provides the details of un-drawn credit facilities that are available to the Company.

	As of March 31, 2020	As of March 31, 2019
Unsecured*	97,109	116,030

\*Excludes non-fund based facilities

## 18. Financial liabilities - others

### Non-current

	As of March 31, 2020	As of March 31, 2019
Payables against capital expenditure	6,069	15,198
Interest accrued but not due	25,399	-
Lease rent equalisation	-	18,405
Others	1	64
	<b>31,469</b>	<b>33,667</b>

### Current

	As of March 31, 2020	As of March 31, 2019
Payables against capital expenditure	76,898	69,576
Interest accrued but not due	4,734	29,221
Security deposits*	2,310	2,402
Employee payables	1,913	1,641
Payable against business / asset acquisitions®	4,104	4,104
Others#	853	3,344
	<b>90,812</b>	<b>110,288</b>

\*It includes deposits received from subscriber / channel partners which are repayable on disconnection after adjusting the outstanding amount thereby, if any.

®Payable to Qualcomm Asia Pacific Pte. Limited of ₹ 4,104 towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition and other acquisitions.

#It mainly includes refund payable to inactive customers and unclaimed liability.

## 19. Provisions

### Non-current

	As of March 31, 2020	As of March 31, 2019
Asset retirement obligations#	603	530
Gratuity	1,239	1,280
Other employee benefit plans	77	117
	<b>1,919</b>	<b>1,927</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 19. Provisions (Contd..)

### Current

	As of March 31, 2020	As of March 31, 2019
Gratuity	613	422
Other employee benefit plans	724	666
Sub-judice matters^	406,253	-
	<b>407,590</b>	<b>1,088</b>

Refer note 25 for movement of provisions towards various employee benefits.

#The movement of provisions towards asset retirement obligations is as below:

	For the year ended March 31, 2020
Opening balance	530
Net additions / (reversal)	72
Net interest costs	1
	<b>603</b>

The provision for asset retirement obligation is in relation to the site restoration related obligation arising from the land taken on leases and represent the management's best estimate of the costs which will be incurred in the future to meet the Company's obligation under these lease arrangements.

@The movement of provisions towards sub-judice matters is as below (refer note 4(i)).

	For the year ended March 31, 2020
<b>Opening*</b>	<b>52,254</b>
Provision made during the year#	476,840
Payments^	(122,841)
	<b>406,253</b>

\* In previous year, it was presented under other non-financial liabilities and trade payable.

# It includes provision of ₹ 152,621 towards AGR pursuant to merger with TTSL/ TTML and provision of ₹ 29,522 towards AGR pertaining to Telenor. The Company has recognised an indemnification asset towards the said provisions (refer note 4(iv), (ix) and 10)

^ It includes payment to DoT of ₹ 2,550 towards AGR pertaining to Telenor.

## 20. Other liabilities

	As of March 31, 2020	As of March 31, 2019
<b>Current</b>		
Taxes payable*	27,412	22,074
Others	16	33
	<b>27,428</b>	<b>22,107</b>

\*Taxes payable mainly pertains to GST and payable towards sub judice matters related to entry tax and entrainment tax.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 21. Trade payables

	As of March 31, 2020	As of March 31, 2019
Due to micro and small enterprises	122	31
Others*	192,356	191,214
	<b>192,478</b>	<b>191,245</b>

\*It includes amount due to related parties (refer note 33) and payable towards sub judice matters.

## Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the Company, is given below:

Sr No	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	122	31
2	Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	192	117
3	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 year) but without adding the interest specified under MSMED Act, 2006	-	-
4	Amount of interest accrued and remaining unpaid at the end of each accounting year	-	0
5	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 MSMED Act, 2006	-	-

## 22. Contingent liabilities and commitments

### a) Contingent liabilities

#### Claims against the Company not acknowledged as debt:

	As of March 31, 2020	As of March 31, 2019
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
-Sales Tax, Service Tax and GST	8,343	8,032
-Income Tax	10,439	9,951
-Customs Duty	2,868	4,883
-Entertainment tax	848	848
-Entry Tax (refer note 22 (a)(e))	1,991	6,169
-Stamp Duty	404	404
-Municipal Taxes	121	121
-Department of Telecom ('DoT') demands	51,129	93,522
-Other miscellaneous demands	221	199
(ii) Claims under legal cases including arbitration matters		
-Access charges / Port charges	13,487	11,839
-Others	709	719
	<b>90,560</b>	<b>136,687</b>

Further, refer note f(iv) and f(v) below for other DoT matter

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 22. Contingent liabilities and commitments (Contd..)

The category wise detail of the contingent liability has been given below:-

### a) Sales tax, Service tax and GST

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to cervat claimed on tower and related material, levy of service tax on SIM cards and employee talk time, cervat credit disallowed for procedural lapses and usage in excess of 20% limit.

The Goods and Service Tax (GST) demand relates to procedural compliance in regard to e-waybills.

### b) Income Tax demand

Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

### c) Access charges / Port charges

- i. Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company filed a petition against the demand with the TDSAT which allowed payments by the Company based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.
- ii. The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.
- iii. BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said

appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

### d) Customs Duty

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Company is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Company, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Company has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

### e) Entry Tax

In certain states, an entry tax is levied on receipt of import 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 has also been raised, whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. During the year ended March 31, 2020, the Company has reassessed the position and accordingly recorded provision for part of contingent liability

### f) DoT demands

- i. DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Company had challenged the matter in TDSAT and it has set aside the respective

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 22. Contingent liabilities and commitments (Contd..)

circulars of DoT vide its Judgment dated April 22, 2010. Thereafter, DOT had challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing. Further, TDSAT pronounced its judgment in March 2019 in relation to Unified Licenses which provides for manner of determination of such levies and dates from which such levies can be made applicable. DoT had filed an appeal before the Supreme Court.

DoT and another telecom service provider have filed cross appeals before Supreme Court against the TDSAT judgment, wherein the Supreme Court has stayed the TDSAT Judgment and the appeals are pending.

- ii. Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.
- iii. Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and based on legal advice, the Company believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

- iv. In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Company in January 2013. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Company filed a petition in the Hon'ble High Court of Bombay, which vide its order dated January 28, 2013, had directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and this matter is currently pending with Hon'ble High Court of Bombay. The DoT revised demands on the Company aggregating ₹ 79,403 in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the Hon'ble High Court of Bombay. The Company intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its order dated July 4, 2019, has set aside the DoT order for levy of OTSC with retrospective effect. Accordingly, as per the said order of the Hon'ble TDSAT; DoT can levy OTSC

on the Spectrum beyond 6.2 MHz allotted after July 1, 2008, only from the date of allotment of such spectrum and in case of Spectrum beyond 6.2 MHz allocated before July 1, 2008, only prospectively i.e. w.e.f. January 1, 2013. Further, demand for OTSC on spectrum allotted beyond start-up and up-to the limit of 6.2 MHz has been set aside. The Hon'ble TDSAT has asked DoT to issue revised demands, if any, in terms of the above directions. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the telecom service providers and did not interfere with the TDSAT judgement. DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. Accordingly, out of prudence, of the total demands of ₹ 79,403, the Company has recorded a charge of ₹ 17,915. Along with interest thereon of ₹ 37,990, the aggregate of ₹ 55,905 is disclosed as an exceptional item (refer note 30(g)).

- v. DoT had issued notices to the Company (as well as other telecom service providers) to stop provision of 3G services to its customers (under 3G Intra Circle Roaming ('ICR') arrangements executed with other service providers) in such service areas where the service provider has not been allocated 3G spectrum, and levied a penalty of ₹ 3,500 million on the Company. The Company contested the notices before TDSAT, which in 2014 held 3G ICR arrangements between service providers to be competent and compliant to the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court which is yet to be listed for hearing.
- vi. In August 2013, DoT issued guidelines for Grant of Unified License, by which it permitted the existing ISP License holders to continue with their existing licenses without migration, but mandated the licenses which are due for renewal to move to the new regime. The ISP Licence of the Company expired in March 2014 and therefore, it had to renew its license under Unified Licence regime, wherein DoT imposed the condition of levy of licence fee on the revenue earned from pure Internet services. The Company via an industry petition challenged the discriminatory stand of DoT, wherein the Tribunal vide its order dated October 13, 2015 stayed the payment with respect to Pure Internet Service, subject to submission of undertaking. The matter is pending for adjudication.

Meanwhile, in other similar petitions filed by ISP Associations and ISPs, the TDSAT, vide its judgment & orders dated October 18, 2019, December 12, 2019

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 22. Contingent liabilities and commitments (Contd..)

and January 21, 2020, allowed the said petitions and set aside the decision to include revenue from pure internet service in the AGR for levy of license fee on the ISPs under UL regime, accordingly all the impugned demands of license fee were set aside with a direction to raise revised demands for licence fee on the basis of same concept of AGR as is being done in respect of ISPs holding licences under the old regime. Further, the ISPs are allowed to pay such revised demand forthwith after deducting payments, if any, made in the meantime towards licence fee by way of ad hoc payments as per understating.

The Company had made a provision of ₹ 16,931 until September 30, 2019 for the period from FY 2015-16 to FY 2019-20. Subsequently, basis the recent judgment and order the matter has now been assessed to be a contingent liability (refer note 30(i)(e)).

Considering the nature of above disputes/ litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

### Guarantees:

Guarantees outstanding as of March 31, 2020 and March 31, 2019 amounting to ₹ 116,320 and ₹ 103,610 respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees includes certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

### b) Commitments

#### Capital commitments

The Company has contractual commitments towards capital expenditure (net of related advances) of

₹ 37,844 and ₹ 56,840 as of March 31, 2020 and March 31, 2019 respectively.

## 23. Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Service revenue	542,978	495,875
Sale of products	193	185
	<b>543,171</b>	<b>496,060</b>

### Disaggregation of Revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition are as follows:

	For the year ended								
	Mobile Services		Airtel Business		Homes Services		Total		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
<b>Geographical Markets</b>									
India	419,366	376,613	56,926	51,909	21,818	21,758	498,110	450,280	
Outside India	2,478	2,193	42,583	43,587	-	-	45,061	45,780	
	<b>421,844</b>	<b>378,806</b>	<b>99,509</b>	<b>95,496</b>	<b>21,818</b>	<b>21,758</b>	<b>543,171</b>	<b>496,060</b>	
<b>Major Product/ Services lines</b>									
Data and Voice Services	381,869	348,155	78,653	78,322	20,796	20,736	481,318	447,213	
Others	39,975	30,651	20,856	17,174	1,022	1,022	61,853	48,847	
	<b>421,844</b>	<b>378,806</b>	<b>99,509</b>	<b>95,496</b>	<b>21,818</b>	<b>21,758</b>	<b>543,171</b>	<b>496,060</b>	
<b>Timing of Revenue Recognition</b>									
Products and services transferred at a point in time	312	401	197	187	22	39	531	627	
Products and services transferred over time	421,532	378,405	99,312	95,309	21,796	21,719	542,640	495,433	
	<b>421,844</b>	<b>378,806</b>	<b>99,509</b>	<b>95,496</b>	<b>21,818</b>	<b>21,758</b>	<b>543,171</b>	<b>496,060</b>	

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 23. Revenue from operations (Contd..)

**Mobile Services:** These services cover voice and data telecom services provided through wireless technology (2G / 3G / 4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra-city fibre networks.

**Airtel Business:** These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

**Homes Services:** These services cover voice and data communications through fixed-line network and broadband technology for homes.

### Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of March 31, 2020	As of March 31, 2019
Unbilled Revenue (refer note 10)	12,608	12,072
Deferred Revenue	47,432	43,772

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended March 31, 2020	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in deferred revenue at the beginning of the year		26,802	
Increases due to cash received, excluding amounts recognised as revenue during the year		30,462	
Transfers from unbilled revenue recognised at the beginning of the year to receivables	12,072		

The Company has entered into an agreement with Universal Service Obligation Fund ('USOF') to provide mobile services in identified uncovered villages and seamless mobile coverage on the national highways in north-eastern region. The Company has recognised deferred income for front loaded subsidy (representing 50% of eligible USOF subsidy) on receipt of approved Proof of Concept (PoC) for a particular USOF site and for equated quarterly subsidy (representing remaining 50% of the eligible USOF subsidy receivable in twenty quarterly instalments) on quarterly basis. The deferred income is amortised over the period of contract entered with the government. The company has recognized Government grant of ₹ 164 during the year ended March 31, 2020.

### Costs to obtain or fulfil a contract with a customer

The Company during the current year, has estimated that the historical average customer life is longer than 12 months and believes that its churn rate provides the best indicator of anticipated average customer life and, hence, started deferral of such costs prospectively. The financial impact of this change has resulted in increase of the Company's profits before tax by ₹ 7,945 for the year ended March 31, 2020.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Costs to obtain a contract with the customer</b>		
Opening balance	-	-
Costs incurred and deferred	9,206	-
Less: Cost amortized	1,261	-
<b>Closing balance</b>	<b>7,945</b>	-

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 24. Network operating expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Passive infrastructure charges	31,339	69,024
Power and fuel	61,657	55,560
Repair and maintenance	20,669	20,941
Internet bandwidth and leasedline charges	16,927	10,298
Others*	5,827	6,126
	<b>136,419</b>	<b>161,949</b>

\*It includes charges towards managed services, installation, insurance and security.

## 25. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and bonus	12,571	12,182
Contribution to provident and other funds	728	733
Staff welfare expenses	695	635
Defined benefit plan / other long-term benefits	581	448
Share based payment expense		
- Equity-settled plans	302	314
- Cash-settled plans	(22)	24
Others*	347	374
	<b>15,202</b>	<b>14,710</b>

\*It mainly includes recruitment and training expenses.

### 25.1 Share-based payment plans

The following table provides an overview of all existing share option plans of the Company:

Scheme	Plan	Vesting period (years)	Contractual term (years)
<b>Equity settled Plans</b>			
Scheme I	2006 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
<b>Cash settled Plans</b>			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2015	1 - 4	3 - 5

The stock options vesting are subject to service and certain performance conditions mainly pertaining to certain financial parameters.

The movement in the number of stock options and the related weighted average exercise prices are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
<b>2006 Plan</b>				
Outstanding at beginning of year	65	5.00	115	5.00
Granted	30	-	-	-
Exercised	(8)	5.00	(50)	5.00

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 25. Employee benefits expense (Contd..)

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of share options ('000)	Weighted average exercise price (₹)	Number of share options ('000)	Weighted average exercise price (₹)
Forfeited / expired	(57)	-	-	-
Outstanding at end of year	30	-	65	5.00
Exercisable at end of year	-	-	8	5.00
<b>LTI Plans</b>				
Outstanding at beginning of year	3,413	5.00	2,978	5.00
Granted	1,682	-	2,274	-
Exercised	(556)	5.00	(877)	5.00
Forfeited / expired	(1,343)	5.00	(963)	5.00
Outstanding at end of year	3,196	5.00	3,413	5.00
Exercisable at end of year	112	5.00	478	5.00
<b>Performance Unit Plans</b>				
Outstanding at beginning of year	135	-	398	-
Granted	-	-	-	-
Exercised	-	-	(200)	-
Forfeited / expired	(135)	-	(63)	-
Outstanding at end of year	-	-	135	-
Exercisable at end of year	-	-	-	-

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:

Weighted average	March 31, 2020	March 31, 2019
Remaining contractual life for the options outstanding as of (years)	2.35 to 6.38	0.35 to 6.40
Fair value for the options granted during the year ended (₹)	338.18 to 409.73	338.18 to 409.73
Share price for the options exercised during the year ended (₹)	336.35 to 412.43	303.64 to 370.37

The carrying value of cash settled plans liability is ₹ Nil and ₹ 22 as of March 31, 2020 and March 31, 2019 respectively.

The fair value of options is measured using Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Risk free interest rates	5.92% to 6.42%	6.31% to 7.87%
Expected life	1 to 78 months	4 to 60 months
Volatility	36.27% to 36.38%	31.90% to 34.54%
Dividend yield	0.68% to 0.72%	0.74% to 0.75%
Wtd average exercise price (₹)	5	5

The expected life of the stock options is based on the Company's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 25. Employee benefits expense (Contd..)

### 25.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
<b>Obligation:</b>				
Balance as at beginning of the year	1,702	666	1,857	749
Current service cost	248	150	232	136
Interest cost	130	51	146	59
Benefits paid	(354)	(150)	(392)	(162)
Transfers	19	5	7	26
Remeasurements	108	2	(148)	(142)
<b>Present value of obligation</b>	<b>1,853</b>	<b>724</b>	<b>1,702</b>	<b>666</b>
<b>Current portion</b>	613	724	422	666
<b>Non-current portion</b>	1,240	-	1,280	-

As at March 31, 2020, expected contributions for the next annual reporting period is ₹ 382.

### Amount recognised in other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Experience losses/(gains)	2	(80)
Losses from change in demographic assumptions	3	35
Losses/ (gains) from change in financial assumptions	103	(103)
<b>Remeasurements on liability</b>	<b>108</b>	<b>(148)</b>

### Due to its defined benefits plans, the Company is exposed to the following significant risks:

**Changes in bond yields** - A decrease in bond yields will increase plan liability.

**Salary risk** - The present value of the defined benefits plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefits obligations are as follows:

	As of March 31, 2020	As of March 31, 2019
Discount rate	6.90%	7.65%
Rate of return on plan assets	N.A.	N.A.
Rate of salary increase	7.50%	7.00%
Rate of attrition	26% to 43%	14% to 27%
Retirement age	58	58

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 25. Employee benefits expense (Contd..)

### Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefits obligations is given in the table below:

	Change in assumption	As of March 31, 2020		As of March 31, 2019	
		Gratuity		Gratuity	
Discount Rate	+1%	(50)		(72)	
	-1%	54		79	
Salary Growth Rate	+1%	53		79	
	-1%	(51)		(73)	

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefits obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of March 31, 2020	As of March 31, 2019
Within one year	613	422
Within one - three years	684	433
Within three - five years	417	350
Above five years	578	1,149
Weighted average duration (in years)	2.92	5.27

## 26. Sales and marketing expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales commission and distribution	9,820	16,551
Advertisement and marketing	4,791	5,374
Business promotion	1,313	1,924
Other ancillary expenses	2,256	2,117
	<b>18,180</b>	<b>25,966</b>

## 27. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Content costs	5,890	7,492
Customer care expenses	4,688	5,271
IT expenses	5,688	5,936
Collection and recovery expenses	1,181	1,339
Legal and professional fees^	948	794
Allowance for doubtful debts	4,088	(14,697)
Travelling and conveyance	892	927

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 27. Other expenses (Contd..)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Bad debts written off	315	23,226
Cost of good sold	114	141
Charity and donation*	318	496
Others#	3,492	6,489
	<b>27,614</b>	<b>37,414</b>

\* As per the requirements of section 135 of the Companies Act, 2013, the Company was required to spend an amount of ₹ Nil and ₹ 1,118 for the year ended March 31, 2020 and 2019 on corporate social responsibility expenditure. During the year ended March 31, 2020 and 2019, the Company has spent in cash an amount of ₹ 316 and ₹ 458 towards education and sanitation respectively.

#It includes rent, printing and stationary, security, repairs and maintenance expenses etc. Further, it includes political contributions amounting to ₹ 273 and ₹ 412 made under Section 182 of the Companies Act, 2013 during the year ended March 31, 2020 and 2019 respectively.

^Details of Auditor's remuneration (excluding GST) included in legal and professional fees:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Audit fee	71	66
Reimbursement of expenses	5	5
Other services (including certification) <sup>#</sup>	20	23
	<b>96</b>	<b>94</b>

<sup>#</sup>Professional services fee relating to issuance of FCCB and QIP amounting ₹ 22.5 has been netted off from equity as part of transaction costs incurred relating to issuance and, hence, is not included in above.

## 28. Depreciation and amortisation expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation (including on ROU)	147,528	95,442
Amortisation	56,393	55,760
	<b>203,921</b>	<b>151,202</b>

## 29. Finance costs and income

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Finance costs</b>		
Interest expense	60,959	64,384
Interest expense - Finance lease	25,099	-
Net exchange loss	15,513	5,790
Other finance charges*	13,060	8,303
	<b>114,631</b>	<b>78,477</b>
<b>Finance income</b>		
Dividend income	8,631	20,014
Interest income	2,390	3,152
Net gain on FVTPL investments	4,462	476
Net exchange gain	-	94
Net gain on derivative financial instruments	3,810	73
	<b>19,293</b>	<b>23,809</b>

\*It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub judice matters.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 30. Exceptional items

Exceptional items comprise of the following:

(i) For year ended March 31, 2020:

- a) Charge on account of license fee and spectrum usage charges aggregating ₹ 284,978 (refer note 4(i)).
- b) Charge of ₹ 10,354 towards accelerated depreciation on 3G network equipment / operating costs on network re-farming and up-gradation program (refer note 5).
- c) Net charge of ₹ 1,361 due to adjustments towards certain indemnity assets pertaining to a past transaction.
- d) Provision for diminution in value ₹ 62,978 against the equity investment in one of the subsidiaries (refer note 7).
- e) Gain of ₹ 15,540 pertaining to re-assessment of levies based on a recent judgement (refer note (22(f)(vi)).
- f) Charge of ₹ 15,382 on account of rates and taxes, largely paid under protest in earlier years, arising from a detailed management review in light of High Court judgements in multiple states.
- g) Charge of ₹ 55,905 on account of re-assessment of regulatory cost based on a recent judgement on OTSC related matter (refer note 22(f)(iv)).

(ii) For the year ended March 31, 2019:

- a) Charge of ₹ 3,422 towards accelerated depreciation / operating costs on network re-farming and up-gradation program (refer note 5).
- b) Credit of ₹ 32,955 mainly due to re-assessment of levies, based on a recent pronouncement related to the manner of determination of such levies.
- c) Charge of ₹ 1,368 mainly due to levies and taxes pertaining to internal restructuring.

Tax credit includes benefit, net of reversal of tax credit of ₹ 12,357, due to above exceptional item aggregating ₹ 110,323 and net charge of ₹ 9,842 for the year ended Mar 31, 2020 and 2019 respectively.

## 31. Earnings per share ('EPS')

The details used in the computation of basic and diluted EPS:

	As of March 31, 2020	As of March 31, 2019
Weighted average shares outstanding ('000) for basic / diluted EPS	5,077,454	4,286,117
Loss for the year	(360,882)	(18,692)

During the year ended March 31, 2020, the Company has issued foreign currency convertible bonds, however, the same has not been included in the calculation of diluted earnings per share for year ended March 31, 2020 because they are anti-dilutive. Refer note 17 for terms of the bonds.

## 32. Segment reporting

The Company publishes these financial statements along with the consolidated financial statements. In accordance with Ind AS 108, 'Operating Segments', the Company has disclosed the segment information only in the consolidated financial statements.

## 33. Related party disclosures

### (a) List of related parties

#### Subsidiaries

##### - Indian

- Bharti Airtel Services Limited
- Bharti Hexacom Limited
- Bharti Infratel Limited

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

Bharti Telemedia Limited  
 Indo Teleports Limited  
 Nxtra Data Limited  
 Nettle Infrastructure Investments Limited  
 Smartx Services Limited  
 Telesonic Networks Limited  
 Airtel Digital Limited (formerly known as Wynk Limited)  
 Airtel International LLP

### - Foreign

Africa Towers N.V.  
 Airtel Africa plc  
 Airtel Africa Mauritius Limited  
 Airtel (Seychelles) Limited  
 Airtel Congo (RDC) S.A.  
 Airtel Congo S.A.  
 Airtel Gabon S.A.  
 Gabon Towers S.A. #  
 Airtel Madagascar S.A.  
 Airtel Malawi plc  
 Airtel Mobile Commerce (Kenya) Limited  
 Airtel Mobile Commerce (Seychelles) Limited  
 Airtel Mobile Commerce (Tanzania) Limited  
 Airtel Mobile Commerce B.V.  
 Airtel Mobile Commerce Holdings B.V.  
 Airtel Mobile Commerce Limited  
 Airtel Mobile Commerce Madagascar S.A.  
 Airtel Mobile Commerce (Rwanda) Limited  
 Airtel Mobile Commerce Tchad S.a.r.l.  
 Airtel Mobile Commerce Uganda Limited  
 Airtel Mobile Commerce Zambia Limited  
 Airtel Money (RDC) S.A.  
 Airtel Money Niger S.A.  
 Airtel Money S.A.  
 Airtel Money Transfer Limited  
 Airtel Money Tanzania Limited  
 Airtel Mobile Commerce Congo B.V.  
 Airtel Mobile Commerce (Seychelles) B.V.  
 Airtel Mobile Commerce Madagascar B.V.  
 Airtel Mobile Commerce Kenya B.V.  
 Airtel Mobile Commerce Rwanda B.V.  
 Airtel Mobile Commerce Malawi B.V.  
 Airtel Mobile Commerce Uganda B.V.  
 Airtel Mobile Commerce Tchad B.V.  
 Airtel Mobile Commerce Zambia B.V.  
 Airtel Mobile Commerce Nigeria Limited  
 Airtel Mobile Commerce Nigeria B.V.  
 Airtel Networks Kenya Limited  
 Airtel Networks Limited  
 Airtel Networks Zambia plc  
 Airtel Rwanda Limited  
 Airtel Tanzania plc

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## **33. Related party disclosures (Contd..)**

Airtel Tchad S.A.  
 Airtel Uganda Limited  
 Bharti Airtel (France) SAS  
 Bharti Airtel (Hong Kong) Limited  
 Bharti Airtel (Japan) Private Limited  
 Bharti Airtel (UK) Limited  
 Bharti Airtel (USA) Limited  
 Network i2i (Kenya) Limited (incorporated w.e.f. July 3, 2019)  
 Bharti Airtel Africa B.V.  
 Bharti Airtel Chad Holdings B.V.  
 Bharti Airtel Congo Holdings B.V.  
 Bharti Airtel Developers Forum Limited  
 Bharti Airtel Gabon Holdings B.V.  
 Bharti Airtel International (Mauritius) Limited  
 Bharti Airtel International (Mauritius) Investments Limited  
 Bharti Airtel International (Netherlands) B.V.  
 Bharti Airtel Kenya B.V.  
 Bharti Airtel Kenya Holdings B.V.  
 Bharti Airtel Lanka (Private) Limited  
 Bharti Airtel Madagascar Holdings B.V.  
 Bharti Airtel Malawi Holdings B.V.  
 Bharti Airtel Mali Holdings B.V.  
 Bharti Airtel Niger Holdings B.V.  
 Bharti Airtel Nigeria B.V.  
 Bharti Airtel Nigeria Holdings II B.V.  
 Bharti Airtel RDC Holdings B.V.  
 Bharti Airtel Rwanda Holdings Limited  
 Bharti Airtel Services B.V.  
 Bharti Airtel Tanzania B.V.  
 Bharti Airtel Uganda Holdings B.V.  
 Bharti Airtel Zambia Holdings B.V.  
 Bharti International (Singapore) Pte. Ltd  
 Bharti Airtel Overseas (Mauritius) Limited  
 Bharti Airtel Holding (Mauritius) Limited  
 Celtel (Mauritius) Holdings Limited  
 Celtel Niger S.A.  
 Channel Sea Management Company (Mauritius) Limited  
 Congo RDC Towers S.A.  
 Indian Ocean Telecom Limited  
 Madagascar Towers S.A.  
 Malawi Towers Limited  
 Mobile Commerce Congo S.A.  
 Montana International  
 Network i2i Limited  
 Partnership Investments S.a.r.l.  
 Société Malgache de Téléphone Cellulaire S.A.  
 Tanzania Towers Limited

### **Ultimate controlling entity**

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

### Entity having control over the Company

#### - Indian

Bharti Telecom Limited

### Entities having significant influence over the Company

#### - Foreign

Singapore Telecommunications Limited

Pastel Limited

### Associates

#### - Indian

Airtel Payments Bank Limited

Seynse Technologies Private Limited

Juggernaut Books Private Limited

#### - Foreign

Seychelles Cable Systems Company Limited

Robi Axiata Limited

RedDot Digital Limited (Subsidiary of Robi Axiata Limited) (Incorporated on 5 November 2019)

### Joint Ventures

#### - Indian

Indus Towers Limited

FireFly Networks Limited

#### - Foreign

Bridge Mobile Pte Limited

Bharti Airtel Ghana Holdings B.V

Airtel Ghana Limited

Airtel Mobile Commerce (Ghana) Limited

Millicom Ghana Company Limited (under liquidation)

### Other entities with whom transactions have taken place during the reporting periods

#### a. Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)

##### Subsidiaries

Bharti Enterprises Limited (formerly known as Bharti Ventures Limited)

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

##### Associates

#### - Indian

Bharti Life Ventures Private Limited

Bharti General Ventures Private Limited (formerly known as Bharti General Private Limited)

### Others related parties \*

#### Entities where Key Management Personnel and their relatives exercise significant influence

Bharti Foundation

Satya Bharti Foundation

Bharti Airtel Employees Welfare Trust

Hike Private Limited

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

### Others

Brightstar Telecommunication India Limited

Bharti Realty Holdings Limited (merged with Bharti Realty Limited w.e.f. 4 December 2019)

Bharti Land Limited

Bharti Realty Limited

Deber Technologies Private Limited

Hike Messenger Limited

Centum Learning Limited

Fieldfresh Foods Private Limited

Jersey Airtel Limited

Nile Tech Limited (merged with Bharti Realty Limited w.e.f. 4 December 2019)

Centum Workskills India Limited

Oak Infrastructure Developers Limited

Gourmet Investments Private Limited

Indian School of Business

Century Metal Recycling Private Limited

Guernsey Airtel Limited

\* **Other related parties** though not 'Related Parties' as per the definition under Ind AS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices.

### Key Management Personnel ('KMP')

Sunil Bharti Mittal

Gopal Vittal

# Under liquidation

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

The transactions with related parties (other than with KMPs which are disclosed in note 33(d)) for the years ended March 31, 2020 and 2019 respectively, are described below:

### (b) The summary of transactions with the above mentioned parties is as follows:

	For the year ended March 31, 2020				For the year ended March 31, 2019				
	Subsidiaries	Joint ventures	Associates	Entity having significant influence	Other related parties*	Subsidiaries	Joint Ventures	Associates	Entity having significant influence
Purchase of fixed assets/ bandwidth	7,164	-	-	-	1,250	6,530	294	-	817
Sale of fixed assets/ IRU given	56,302	-	-	-	6,302	-	-	-	-
Investments	-	-	4,406	-	2,382	-	-	-	-
Sale of Investments	50,562	-	-	-	115,591	-	-	-	-
Rendeing of Services	37,749	54	266	695	135	36,166	79	102	940
Receiving of services	58,498	14,694	326	225	707	70,711	41,247	263	212
Fund transferred/Expenses incurred on behalf of others	2,279	8	249	-	18	2,105	4	148	0
Fund received/Expenses incurred on behalf of the Company	92	1	21	-	135	418	-	2	3
Donation	-	-	-	-	300	-	-	-	119
Security deposit given/Advances paid	21	-	-	-	33	26	154	-	2,844
Security deposit taken	-	-	-	-	-	-	-	-	139
Refund of Security deposit taken	-	-	-	-	-	520	-	-	392
Advance received/Refund of Security deposit given	1,513	4,296	-	-	-	731	-	-	-
Loans given	69,714	-	-	-	497	120,589	-	-	248
Repayment of Loans given	32,867	-	-	-	262	31,795	-	-	335
Interest charged by others	111	43	-	-	-	51	11	-	-
Interest charged by the company	1,356	0	-	-	-	-	-	-	-
Reimbursement of energy expenses	15,873	31,391	-	-	1	16,601	23,075	-	1
Reimbursement of Energy expenses charged to related party	3,689	-	-	-	-	-	-	-	-
Receiving of assets (ROU)*	144,823	14,551	-	-	-	135,293	-	-	-
Guarantees and collaterals given (including performance guarantees)	(3,661)	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	414
Dividend Income	8,630	-	-	-	-	20,014	-	-	13,013

\* Other related parties / fellow companies

# Amount disclosed is net of termination

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

The significant related party transactions are summarised below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(i) Transfer of business</b>		
<b>Subsidiaries</b>		
Telesonic Networks Limited	51,140	-
Network i2i Limited	4,658	-
<b>(ii) Purchase of fixed assets</b>		
<b>Subsidiaries</b>		
Bharti Hexacom Limited	1,867	-
Telesonic Networks Limited	4,553	5,686
<b>(iii) Rendering of services</b>		
<b>Subsidiaries</b>		
Bharti Hexacom Limited	16,417	18,042
Bharti Airtel (UK) Ltd.	17,097	13,714
<b>(iv) Receiving of services</b>		
<b>Subsidiaries</b>		
Bharti Hexacom Limited	6,208	6,628
Bharti Infratel Limited*	9,368	23,151
Bharti Airtel (UK) Limited	19,436	16,134
Telesonic Networks Limited	1,639	4,685
Nxtra Data Limited	10,809	7,833
Airtel Digital Limited (formerly known as Wynk Limited)	5,159	6,348
<b>Joint venture</b>		
Indus Towers Limited*	14,567	41,133
<b>(v) Reimbursement of energy expenses paid</b>		
<b>Subsidiary</b>		
Bharti Infratel Limited	15,860	16,601
<b>Joint Venture</b>		
Indus Towers Limited	31,391	23,075
<b>(vi) Reimbursement of energy expenses received</b>		
Nxtra Data Limited	3,689	-
<b>(vii) Fund transferred / expenses incurred on behalf of others</b>		
<b>Subsidiary</b>		
Bharti Hexacom Limited	921	841
<b>(viii) Loans given</b>		
<b>Subsidiaries</b>		
Nettel Infrastructure Investments Limited	161	100,828
Bharti Airtel Services Limited	5,062	6,398
Nxtra Data Limited	13,168	6,731
Airtel Digital Limited (formerly known as Wynk Limited)	5,370	6,089
Network i2i Limited	45,701	-
<b>(ix) Repayment of loans given</b>		
<b>Subsidiaries</b>		
Bharti Airtel Services Limited	4,130	6,054
Nettel Infrastructure Investments Limited	5,132	17,504
Nxtra Data Limited	17,775	2,403
Airtel Digital Limited (formerly known as Wynk Limited)	5,390	5,447
<b>(x) Sale of investment</b>		
<b>Subsidiaries</b>		
Bharti Infratel Limited	50,562	113,594
Bharti Airtel (USA) Limited	-	1,997

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(xi) Dividend income</b>		
Subsidiaries		
Bharti Infratel Limited	8,630	20,014
<b>(xii) Dividend paid</b>		
Entities having control over the Company / entities having significant influence over the Company		
Bharti Telecom Limited	-	10,014
Pastel Limited	-	2,957
<b>(xiii) Guarantees and collaterals given</b>		
Subsidiary		
Network i2i Limited	12,610	135,163
<b>(xiv) Receiving of assets (ROU)**</b>		
Subsidiaries		
Telesonic Networks Limited	140,385	-
Joint venture		
Indus Towers Limited	14,551	-

# Amount does not include GST

\* Amount disclosed is net of termination

### (c) The outstanding balances of the above mentioned related parties are as follows:

	Subsidiaries	Joint ventures	Associates	Entitys having significant influence	ORP / FC#
<b>As of March 31, 2020</b>					
Trade Payables	(9,368)	(13,520)	(10)	0	(170)
Trade Receivables	56,495	0	1,242	51	50
Loans (including accrued interest)	188,490	8	0	0	773
Security Deposit	513	1,079	0	0	1,116
Guarantees and collaterals given (Including performance guarantees)	708,625	0	0	0	0
Unutilized facilities	152,133	0	0	0	0
Lease Liability@	(184,710)	(91,135)	0	0	(7,651)
<b>As of March 31, 2019</b>					
Trade Payables	(11,410)	(19,466)	(52)	(33)	(190)
Trade Receivables	8,026	0	358	0	43
Loans (including accrued interest)	151,437	8	0	0	538
Security Deposit	1,932	4,388	0	0	1,083
Guarantees and collaterals given (Including performance guarantees)	712,286	0	0	0	0
Unutilized facilities	109,914	0	0	0	0

# Other related parties / fellow companies

Outstanding balances at year end are un-secured and settlement occurs in cash.

@ It include discounted value of future cash payouts.

The Company has agreed to ensure appropriate financial support only if and to the extent required by its subsidiaries (namely, Bharti Hexacom Limited, Bharti Airtel Services Limited, Indo Teleports Limited, Nxtra Data Limited, Airtel Digital Limited (formerly known as Wynk Limited), Nettle Infrastructure Investments Limited, Bharti Airtel Lanka (Private) Limited, Bharti International (Singapore) Pte Limited, Airtel Africa plc) and associate Airtel Payment Bank Limited.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 33. Related party disclosures (Contd..)

### (d) Transactions and balances with KMPs

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-Term employee benefits	269	273
Performance linked Incentive ('PLI')#	163	144
Post-employment benefit	29	28
Share-based payment	33	56
	<b>494</b>	<b>501</b>

# Value of PLI considered above represents incentive at 100% performance level and a one-time special performance incentive of ₹ 16 for the financial year 2019-20. The balance PLI is paid in the next year on the basis of actual performance parameters. During the year ended March 31, 2020 and 2019, PLI of ₹ 166 and ₹ 150 respectively has been paid. As at March 31, 2020, an amount of ₹ 6 was recoverable from one of the KMPs, which has been since recovered.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

In addition to above, ₹ Nil and ₹ 2 have been paid as dividend to key management personnel during the year ended March 31, 2020 and March 31, 2019 respectively.

### (e) The details of loans and advances as required by schedule V of SEBI (listing obligation and disclosure requirement Regulation, 2015 are given in the table below.

	March 31, 2020		March 31, 2019	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
<b>Subsidiaries</b>				
Bharti Telemedia Limited	-	-	200	200
Indo Teleports Limited	560	649	649	736
Nxtra Data Limited	3,661	9,297	8,268	8,451
Bharti Airtel Services limited	2,596	2,707	1,664	2,052
Airtel Digital Limited (formerly known as Wynk Limited)	655	894	675	898
Nettle Infrastructure Investment Limited	135,010	139,981	139,981	139,981
Network i2i Limited	45,908	45,908	-	-
Telesonic Network Limited	100	100	-	-
<b>Joint Venture</b>				
FireFly Networks Limited	8	8	8	8
	<b>188,498</b>	<b>199,544</b>	<b>151,445</b>	<b>152,326</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 34. Leases

### Impact of adoption of Ind AS 116 where the Company is a lessee

The adoption of the said change in accounting policy affected the following items in the balance sheet on April 1, 2019:

	As of March 31, 2019
Property, plant and equipment (including CWIP amounting to ₹ 88)	(1,040)
Right-of-use assets	180,655
Other intangible assets	(24,693)
Intangible assets under development	(2,702)
Deferred tax assets (net)	10,405
Other non-current assets	11,815
Lease liabilities	(212,933)
Other non-current liabilities	18,405
<b>Decrease in equity</b>	<b>(20,088)</b>

### Impact of adoption of Ind AS 116 where the Company is a lessor

The Company did not have any material impact due to transition to Ind AS 116.

#### Company as a lessee

##### ROU

The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2020:

	Bandwidth	Plant and equipment	Building	Leasehold land	Total
Balance at April 1, 2019	15,581	140,737	12,846	11,491	180,655
Additions	146,323	40,798	297	6,479	193,897
Acquisition through business combination@	19,007	-	235	15	19,257
Depreciation charge for the year	(7,559)	(28,775)	(2,453)	(2,373)	(41,160)
Disposals / adjustments	441	(6,583)	(14)	(1,465)	(7,621)
<b>Balance at March 31, 2020</b>	<b>173,793</b>	<b>146,177</b>	<b>10,911</b>	<b>14,147</b>	<b>345,028</b>

@ Refer note 4(iv)

- Bandwidth

The Company's leases of bandwidth comprise of dark fiber taken on lease.

- Plant and equipment

The Company leases passive infrastructure for providing telecommunication services under composite contracts that include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy etc. services.

- Building

The Company's leases of building comprise of lease of offices, warehouses and shops.

- Leasehold land

The Company's leases of land comprise of land taken on lease on passive infrastructure is built and offices.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 34. Leases (Contd..)

### Amounts recognised in profit or loss

<b>Leases under Ind AS 116</b>	<b>For the year ended March 31, 2020</b>
Interest on lease liabilities	25,099
Expenses relating to short-term leases	95
Expenses relating to leases of low value assets, excluding short term leases of low value assets	137

### Amounts recognised in statement of cash flows

<b>Leases under Ind AS 116</b>	<b>For the year ended March 31, 2020</b>
Total Cash outflow for leases	43,126

### Termination options

Termination options are included in a number of property and equipment leases across the Company, where the Company is a lessee. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of termination options held are exercisable only by the Company and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive not to exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated by the Company. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The reconciliation of operating lease commitments disclosed as at March 31, 2019 to lease liabilities recognised as at April 1, 2019 is given below.

<b>Operating lease commitment at March 31, 2019</b>	<b>449,636</b>
Discounted using the incremental borrowing rate at April 1, 2019	369,327
Non-lease component	(156,301)
Short term leases	(93)
<b>Lease liabilities recognised at April 1, 2019</b>	<b>212,933</b>

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average pre-tax rate applied is 8.3%.

The Company has made use of the following practical expedients available on transition to Ind AS 116: (a) used a single discount rate to a portfolio of leases of similar assets in similar economic environment, (b) not recognised ROU assets and lease liabilities for leases with less than twelve months of remaining lease term and low-value assets on the date of initial application, (c) relied on previous assessments that none of the leases were onerous and concluded that there is no need for impairment review and (d) used hindsight in determining the lease term where the contracts contained options to extend or terminate the lease.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

<b>Leases under Ind AS 116</b>	<b>As of March 31, 2020</b>
Not later than one year	84,493
Later than one year but not later than five years	204,354
Later than five years	280,629

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 34. Leases (Contd..)

### Company as a lessor- operating lease

The Company enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the Balance Sheet.

#### Amounts recognised in profit or loss

Leases under Ind AS 116	For the year ended March 31, 2020
Not later than one year	235

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Operating leases under Ind AS 116	As of March 31, 2019
Less than one year	242
One to two years	247
Two to three years	252
Three to four years	194
Four to five years	7
More than five years	3
	<b>945</b>

Operating leases	As of March 31, 2019
Less than one year	237
Later than one year but not later than five years	932
More than five years	8
	<b>1,177</b>

Company has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis and tower assets on site-sharing basis. Due to the nature of these transactions, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2020 and March 31, 2019 and accordingly, the related disclosures are not provided.

## 35. Financial and capital risk

### 1. Financial risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 35. Financial and capital risk (Contd..)

The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The CSM are accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

### i. Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables, receivables and borrowings. However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 17. Further, for the details as to the fair value of various outstanding derivative financial instruments, refer note 37.

#### Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2020</b>			
US Dollars	+5%	(8,791)	-
	-5%	8,791	-
Others	+5%	72	-
	-5%	(72)	-
<b>For the year ended March 31, 2019</b>			
US Dollars	+5%	(4,555)	-
	-5%	4,555	-
Others	+5%	(703)	-
	-5%	703	-

The sensitivity disclosed in the above table is mainly attributable to, in case of to foreign exchange gains / (losses) on translation of USD denominated borrowings, derivative financial instruments, trade payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

### ii. Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 35. Financial and capital risk (Contd..)

### Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the CSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

### Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
<b>For the year ended March 31, 2020</b>		
INR - borrowings	+100	(1,718)
	-100	1,718
US Dollar - borrowings	+25	(38)
	-25	38
<b>For the year ended March 31, 2019</b>		
INR - borrowings	+100	(1,611)
	-100	1,611
US Dollar - borrowings	+25	(51)
	-25	51
Other Currency - borrowings	+25	(37)
	-25	37

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings in INR, USD (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

### iii. Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, government securities and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

### iv. Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits / debt securities / mutual funds and derivative financial instruments.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 35. Financial and capital risk (Contd..)

### Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Company's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 13 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

	<b>Neither past due nor impaired</b>	<b>Past due but not impaired</b>				<b>Total</b>
		<b>Less Than 30 days</b>	<b>30 to 60 days</b>	<b>60 to 90 days</b>	<b>Above 90 days</b>	
March 31, 2020	15,190	9,246	3,827	4,323	5,514	38,100
March 31, 2019	14,605	10,154	3,727	3,504	6,413	38,403

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of profit and loss.

### Financial instruments and cash deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

#### v. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 35. Financial and capital risk (Contd..)

requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer note 17.

Based on past performance and current expectations, the Company believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	As of March 31, 2020						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings**	853,765	3,271	79,011	52,220	83,836	1,127,805	1,346,143
Other financial liabilities*	92,148	6,413	45,218	34,445	5,045	1,027	92,148
Trade payables#	192,478	-	192,478	-	-	-	192,478
Lease Liabilities	364,373	-	36,696	47,797	72,018	412,965	569,476
<b>Financial liabilities</b> <b>(excluding derivatives)</b>	<b>1,502,764</b>	<b>9,684</b>	<b>353,403</b>	<b>134,462</b>	<b>160,899</b>	<b>1,541,797</b>	<b>2,200,245</b>
Derivative assets	1,936	-	1,417	480	-	39	1,936
Derivative liabilities	(35)	-	(13)	(22)	-	-	(35)
<b>Net derivatives</b>	<b>1,901</b>	<b>-</b>	<b>1,404</b>	<b>458</b>	<b>-</b>	<b>39</b>	<b>1,901</b>

	As of March 31, 2019						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings**	866,746	154	245,697	92,407	108,502	863,206	1,309,966
Other financial liabilities*	114,734	2,402	68,801	9,461	14,125	19,945	114,734
Trade payables#	191,245	-	191,245	-	-	-	191,245
Lease Liabilities	374	-	292	88	-	-	380
<b>Financial liabilities</b> <b>(excluding derivatives)</b>	<b>1,173,099</b>	<b>2,556</b>	<b>506,035</b>	<b>101,956</b>	<b>122,627</b>	<b>883,151</b>	<b>1,616,325</b>
Derivative assets	72	-	50	17	4	1	72
Derivative liabilities	(1,775)	-	(1,189)	(265)	(149)	(172)	(1,775)
<b>Net derivatives</b>	<b>(1,703)</b>	<b>-</b>	<b>(1,139)</b>	<b>(248)</b>	<b>(145)</b>	<b>(171)</b>	<b>(1,703)</b>

\*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

The Company from time to time in its usual course of business guarantees certain indebtedness of its subsidiaries. Accordingly, as of March 31, 2020 and March 31, 2019 Company has issued corporate guarantee against debt / advance aggregating ₹ 222,224 and ₹ 285,503 respectively. The outflow in respect of these guarantees arises only on any default / non-performance of the subsidiary with respect to the guaranteed debt / advance and substantial amount of such loans are due for payment after two years from the reporting date.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 35. Financial and capital risk (Contd..)

### vi. Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flows line item	April 1, 2019	Cash flows	FCCBs	Interest capitalised	Interest expense	Foreign exchange movement	Others	March 31, 2020
Borrowings*	Proceeds / repayments of borrowings (including short-term)	396,518	(133,354)	65,012	-	-	11,364	47,328	386,868
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	30,924	(74,653)	-	2,795	80,175	-	(11,009)	28,232

\*It does not include deferred payment liabilities, finance lease obligations and bank overdraft.

## 2. Capital risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor, creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio calculated as below:

	As of March 31, 2020	As of March 31, 2019
Borrowings	823,632	837,525
Less: Cash and cash equivalents	33,668	1,861
Less: Term deposits with bank	14	151
<b>Net debt</b>	<b>789,950</b>	<b>835,513</b>
Equity	1,014,292	983,059
<b>Total capital</b>	<b>1,014,292</b>	<b>983,059</b>
<b>Capital and Net Debt</b>	<b>1,804,242</b>	<b>1,818,572</b>
<b>Gearing Ratio</b>	<b>43.78%</b>	<b>45.94%</b>

## 36. COVID-19

COVID-19 pandemic has resulted in a nationwide locked down with restrictions imposed on movement of people and goods. Telecommunications and Internet Services have been mentioned as an "Essential" service in all government orders/notifications. Consequently, the Company formulated a robust Business Continuity Plan to ensure that its operations are not disrupted. The Company has considered a range of possible scenarios to understand potential outcomes on its business and plan appropriately.

A detail assessment has been carried out by the Company for each business segment with regards to impact on revenue and costs. Impact due to any extended credit terms, cancelled orders, change in contractual terms, price concession request, onerous obligations etc. were comprehensively evaluated for any risk due to COVID-19 on revenue recognized and collectability thereof and no material impact has been noted. The Company has not experienced any loss of significant customer on account of force majeure clauses in the revenue contracts. Besides, the Company has also assessed its other arrangements, including leasing and borrowing arrangements and no changes in terms of those arrangements are expected due to COVID-19. In borrowing

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 36. COVID - 19 (Contd..)

arrangements, the Company has not defaulted and there is no breach of any of the debt covenants. Further, impairment testing of tangible assets and Company's investments in subsidiaries, joint ventures and associates was also re-performed to assess any potential impairment on account of COVID 19.

Based on the impairment assessment performed as at March 31, 2020, no further impairment was required to be recorded in the books of accounts.

The Company has also re-assessed its financial risk management policies and impact of any change on the related disclosures in the financial statements, on counterparty credit risk, liquidity risk and foreign currency risk and no material impact has been noted. Further, the Company has also evaluated its hedging arrangements and hedge effectiveness and no material impact was noted.

Accordingly, there is no material impact on the standalone financial statements for the year ended March 31, 2020.

## 37. Fair value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	Level	Carrying Value as of		Fair Value as of		
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
<b>Financial Assets</b>						
<b>Fair value through profit or loss</b>						
Derivatives						
- Currency swaps, forward and option contracts	Level 2	1,936	72	1,936	72	
Investments	Level 1	86,750	16,696	86,750	16,696	
Investments	Level 2	52	63	52	63	
<b>Amortised cost</b>						
Loans and security deposits		194,832	161,847	194,832	161,847	
Trade receivables		38,100	38,403	38,100	38,403	
Cash and cash equivalents		33,668	1,861	33,668	1,861	
Other bank balances		308	492	308	492	
Other financial assets		256,493	21,840	256,493	21,840	
		<b>612,139</b>	<b>241,274</b>	<b>612,139</b>	<b>241,274</b>	
<b>Financial Liabilities</b>						
<b>Fair value through profit or loss</b>						
Derivatives						
- Currency swaps, forward and option contracts	Level 2	35	1,775	35	1,775	
<b>Amortised cost</b>						
Borrowings- fixed rate	Level 1	144,416	68,528	137,579	67,019	
Borrowings- fixed rate	Level 2	492,246	573,328	566,313	611,713	
Borrowings- floating rate		186,970	196,043	186,970	196,043	
Trade payables		192,478	191,245	192,478	191,245	
Other financial liabilities		122,281	143,955	122,281	143,955	
		<b>1,138,426</b>	<b>1,174,874</b>	<b>1,205,656</b>	<b>1,211,750</b>	

The following methods / assumptions were used to estimate the fair values:

- The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 37. Fair value of financial assets and liabilities (Contd..)

- iii. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2020 and March 31, 2019:

Financial assets / liabilities	Inputs used
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, interest rates
- Interest swaps	Prevailing / forward interest rates in market, interest rates
Fixed rate borrowings	Prevailing interest rates in market, future payouts, interest rates

During the year ended March 31, 2020 and year ended March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

## 38. Other matters

- i. In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹ 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing.

- ii. TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

# INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF **BHARTI AIRTEL LIMITED**

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of net profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the joint ventures referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, and their consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the

Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### **Emphasis of Matters**

#### **i. "Accounting treatment of for Deferred Tax" of Indus Towers Limited, a joint venture company - Reported by auditors of Indus Towers Limited**

We draw attention to Note 4(f) of the Consolidated Financial Statements, which describes the auditors of Indus Towers Limited ("Indus"), a joint venture company, have included an 'Emphasis of Matter' paragraph in their audit report on the financial statements of that company for the year ended March 31, 2020 with respect to accounting treatment of adjustments of ₹ 2,039 million in carrying value of deferred tax assets, by setting off the same against the reserves created out of scheme of merger pursuant to the scheme of merger as approved by the appropriate judiciary. However, this is not in compliance with Ind AS 12, Income taxes.

The Group's share out of above adjustment is ₹ 856 million.

#### **ii. "Material uncertainty arising out of certain developments and its consequential impact on business operations" of Indus Towers Limited, a joint venture company - Reported by auditors of Indus Towers Limited**

We draw attention to Note 4(k) of the Consolidated Financial Statements, which describes the auditors of Indus Towers Limited ("Indus"), a joint venture company, in their audit report on the financial statements of that company for the year ended March 31, 2020, have reported under the above heading a matter which describes the effect on business, results of operations, financial position of the joint venture company on account of uncertainty regarding continuance of operations of their top customers caused by financial stress post the AGR judgement of Honorable Supreme Court dated October 24, 2019 and March 18, 2020.

Our opinion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. Key Audit Matter No.	Auditor's Response
<b>1 Revenue from operations:</b>  There is an inherent risk around accuracy of revenue recorded in respect of Mobile Services, Airtel Business, Digital TV Services and Tower Infrastructure Service segments because of the complexity of the IT systems and other support systems, significance of volumes of data processed by the systems and the impact of changing pricing models (tariff structures, incentive arrangements and discounts, etc.). In addition, for Airtel Business, we considered occurrence of revenue as a risk due to the possibility that revenue may be recorded without active service links being provided to customers or for contracts that are cancelled/not renewed.  Refer note 2.19 "Revenue recognition" for accounting policies, note 3.2.a 'Revenue recognition and presentation' under the head Critical judgements in applying the Group's accounting policies', and note 24 on disclosures related to Revenue in the Consolidated Financial Statements.	<b>Principal Audit Procedures</b>  We evaluated the design and tested the operating effectiveness of the general IT controls and application specific controls within the IT system, including testing of system generated reports used in our audit of revenues by involving our IT specialist. We also tested the controls within the billing systems, prepaid charging systems, capturing and recording of revenue, authorisation and input of changes to the IT systems and over reconciliations performed between the active customers base with billing system.  We performed substantive procedures, which included testing the accuracy of customer invoices and tracing receipts to customer invoices, comparing the number of links/connection as per the active customer base to the billing system, testing reconciliations between billing system and the general ledger (including validation of relevant journal entries), making test calls and testing whether they are rated correctly and analytical procedures for relevant segment revenue.  We verified the appropriateness of the accounting policies and the disclosures related to Revenue in notes 2.19, 3.2.a and 24 respectively in the Consolidated Financial Statements.
<b>2 Determination of additional provision for License fees and Spectrum Usage Charges along with interest, penalty and interest on penalty pursuant to Supreme Court judgement on Adjusted Gross Revenue</b>  Consequent to a Judgement of the Hon'ble Supreme Court of India on October 24, 2019 in relation to a long outstanding industry-wise case upholding the view of the Department of Telecommunications ('DoT') in respect to the definition of Adjusted Gross Revenue (AGR) (the Court Judgement), the Group recorded additional provisions for periods upto September 2019 of ₹ 61,640 million towards License fee and Spectrum Usage Charges (SUC), and ₹ 242,047 million towards applicable interest, penalty and interest on penalty and disclosed the same as an Exceptional Item in the Statement of Profit and Loss.  The Group computed and recorded the additional provision on the basis of (1) demands received and (2) the periods for which demands have not been received by following the same methodology used in the assessments carried out in earlier years, the guidelines/clarifications provided by DoT, and the principles set out in the Court Judgement. The additional provision, apart from having a significant impact, also involves significant management judgment in its computation.  Refer notes 4 (a) and 31 (i) (a) to the Consolidated Financial Statements for disclosures related to License fees and SUC.	<b>Principal Audit Procedures</b>  We tested the effectiveness of the controls over determining the additional provision for License fees and SUC.  We also tested the appropriateness of the additional provision for Licenses fees and SUC by (1) Reading the License Agreements, the Court Judgement, demand orders and the guidelines/clarifications provided by DoT and comparing them to the assumptions used in the management's estimate in determining the provisions for years for which demands from DoT has been received and (2) Testing that the assumptions and methodology used in computing the provisions for the years for which demands are not received is consistent with the methodology adopted in (1) above.  We evaluated the disclosures provided in the notes 4(a) and 31(i)(a) to the Consolidated Financial Statements concerning this matter.

Sr. No.	Key Audit Matter	Auditor's Response
<b>3</b>	<b>Measurement of the Right-of-use assets and Lease liabilities in leases with tower infrastructure companies in India under Ind AS 116 -Leases:</b>	<p><b>Principal Audit Procedures</b></p> <p>We evaluated the effectiveness of internal controls relating to the determination of lease term, segregation of lease and non-lease components and determination of incremental borrowing rate.</p> <p>The Group adopted Ind AS 116 "Leases" using the modified retrospective approach with effect from April 1, 2019.</p> <p>The measurement of Right-of-use assets and lease liabilities in leases with tower infrastructure companies involves significant management estimates (a) in determination of lease term (b) in segregating the lease and non-lease components payable under the contractual arrangements and; (c) in determination of incremental borrowing rate used in discounting lease payments.</p> <p>Refer note 2.11 "Leases" for accounting policies, notes 3.2.b, 3.2.c and 3.2.d relating to 'Separating lease and non-lease components', 'Determining the lease term' and 'Determining the incremental borrowing rate for lease contracts' respectively under the head 'Critical judgements in applying the Company's accounting policies', and note 35 on disclosures related to leases in the Consolidated Financial Statements.</p>
<b>4</b>	<b>Goodwill – Impairment Assessment</b>	<p><b>Principal Audit Procedures</b></p> <p>We tested the effectiveness of internal controls over the Group's Goodwill allocated across the Group's six group of cash generating units ("CGUs") in Africa and India – Nigeria, East Africa and Francophone Africa group of CGUs (the three Africa CGUs) pertaining to Mobile Services Africa, Mobile Services India, Airtel Business and Homes Services, which represents lowest level within the parent at which the goodwill is monitored for internal management purposes. The most significant amount of Goodwill relates to three Africa CGUs and Mobile service India CGU.</p> <p>Management performs Goodwill impairment testing as at December 31 (the annual impairment testing date) or more frequently when there are indicators of impairment.</p> <p>The determination of recoverable amount of goodwill based on value-in-use is complex and subjective as estimates of future cash flows and determination of value in use involves management's estimates and judgement in determining the assumptions such as the EBITDA margins, capital expenditure, and in determining the valuation assumptions relating to discount rates applied to estimated future cash flows and growth rate.</p> <p>Covid-19 led to significant market volatility over mid to late March 2020, including significant increase in country risk premiums derived from an increase in observed sovereign credit default swap rates across three Africa CGUs.</p> <p>For a sample of lease contracts ("contracts"), we performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> <li>• We read the underlying contract, and compared relevant terms within the contract to the Group's determination of lease term analysis including the appropriateness of considering lease term as the period until which exit penalties are payable as per the contract.</li> <li>• We tested the relative standalone selling prices computed by management and used in the allocation of consideration to the lease and non-lease components in a contract by using the same information and details obtained by management from tower infrastructure service providers.</li> </ul> <p>We tested the appropriates of the incremental borrowing rate (IBR) by involving our valuation specialist, who assisted in:</p> <ul style="list-style-type: none"> <li>• Performing an independent assessment of the methodology used by the Group to estimate the IBR;</li> <li>• Evaluating the Group's assumptions underlying the estimation of the IBR; and</li> <li>• Developing an independent acceptable range for the IBR and comparing the results to the Group's IBR.</li> </ul>

<b>Sr. Key Audit Matter No.</b>	<b>Auditor's Response</b>
<p>Subsequent to 31 March 2020, these rates have reduced, albeit still not back to the pre March 2020 levels which leads to additional complexity in determining the appropriate discount rate at 31 March 2020.</p> <p>Management's methodology in determining the discount rate is set out in note 6 "Intangible assets" to the consolidated financial statements.</p> <p>These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID-19 and therefore considered as a key audit matter.</p> <p>Refer note 2.9.a for policy on "Impairment of non-financial assets"- Goodwill, note 3.1.a 'Impairment reviews' under the head "Key sources of estimation uncertainties", and note 6 "Intangible assets" for disclosures related to Impairment review of goodwill in the Consolidated Financial Statements.</p>	
<b>5 Assessment of recoverability relating to Deferred tax assets("DTA") recognized on carry forward losses and Minimum Alternate Tax credit (MAT)</b>	<b>Principal Audit Procedures</b>
<p>The Group has recognised ₹ 301,432 as a DTA, as at March 31, 2020, relating to carry forward losses and MAT credit.</p> <p>The Group exercises significant judgement in assessing the recoverability of DTA relating to these components, particularly in respect of Bharti Airtel Limited, Airtel Networks Limited and DRC (three components). In estimating the recoverability of DTA, management uses inputs such as internal business and tax projections over a 10/5 year period, as applicable.</p> <p>Recoverability of DTA on carry forward losses and MAT credit is sensitive to the assumptions used by management in projecting the future taxable income, the reversal of deferred tax liabilities which can be scheduled, and tax planning strategies.</p> <p>Refer note 2.12 "Taxes" for accounting policies, note 3.1.b 'Taxes' under the head "Key sources of estimation uncertainties", and note 13 "Income tax" for disclosures related to taxes in the Consolidated Financial Statements.</p>	<p>We tested effectiveness of controls over the three components process for determining the recoverability of the DTA relating to carry forward losses and MAT credit which included amongst others controls over the over the assumptions and judgments used in the projections of future taxable income.</p> <p>To assess the three components ability to estimate future taxable income, we compared the three components previous forecasts to actual results</p> <p>We involved our tax professionals with specialized skills and knowledge to assist in evaluating taxation related matters including the three components tax planning strategies and interpretation of tax laws.</p> <p>We examined the consistency between the financial plan used for goodwill impairment assessment purposes and the plan used in the evaluation of the recoverability of the DTA in respect of these three components.</p> <p>We performed a sensitivity analysis over the key assumptions to assess their impact on the three components determination that the DTA relating to carry forward losses and MAT credit were realizable.</p>
<b>6 Contingent liabilities and commitments- Contingencies related to Regulatory, Direct and Indirect tax matters</b>	<b>Principal Audit Procedures:</b>
<p>The Group has material contingencies related to Regulatory, Direct and Indirect tax matters which are under dispute with various authorities as more fully described in note 23(i) to the Consolidated financial statements. The Group exercises significant judgment to determine the possible outcome of these disputes. Thereafter the Group makes a determination for recording/write back of provisions or alternatively disclosing them as contingencies unless the matters is considered as remote.</p>	<p>We tested the effectiveness of internal controls related to:</p> <p>(1) identification and recognition of liability for matters under review or appeal with relevant regulatory, direct and indirect tax authorities(2) completeness and accuracy of the underlying data used in the assessment and evaluating the assumptions used by management when determining its uncertain positions, the status of past audits and investigations, and the potential impact of past claims. (3) Management's assessment and interpretation of applicable laws including tax laws and its evaluation of which uncertain positions may not be sustained upon audit and controls over measurement of the liability.</p>

Sr. Key Audit Matter No.	Auditor's Response
Refer Note 2.18 "Contingencies" for accounting policies, For direct and indirect tax matters, we involved our tax note 3.1.e 'Contingent liabilities and provisions' under the specialists who assisted in evaluating the reasonableness of head "Key sources of estimation uncertainties", Note 21 management's assessments by comparing the positions taken "Provisions" for disclosure related to provisions for subjudice matters, and Note 23 (i) in respect of details of Contingent liabilities in the consolidated financial statements.	by management with tax regulations and past decisions from tax authorities, recent developments, new information and where applicable, evaluating opinions from the Group's external tax advisors.  For regulatory matters in progress, we assessed relevant regulatory orders, regulatory statutes and interpretations, recent developments, new information, external legal opinion obtained by the Group, if any, and other publicly available information to evaluate the likelihood of matters under dispute and compared that to management's assertion on these matters.  We also evaluated the disclosures provided in the notes to the consolidated financial statements concerning these matters.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report and Corporate Governance, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint ventures is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements

that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

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

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

## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent and its subsidiary companies and its associate and joint venture company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matter**

The Consolidated Financial Statements also includes the Group's share of net profit after tax of ₹ 11,037 Million and total comprehensive income (net) of ₹ 11,028 Million for the year ended March 31, 2020, as considered in the Consolidated Financial Statements, in respect of two joint ventures, whose financial information have not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures and our report in term of Section 143(3) of the Act, is so far as it relates to aforesaid joint venture is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the joint ventures referred to in the Other Matter section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies, associate companies and joint venture

companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures; or
  - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; or
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Shyamak R Tata**

Partner

Place: Mumbai

(Membership No. 38320)

Date: May 18, 2020

UDIN: 20038320AAAAAH5020

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Bharti Airtel Limited of even date)**

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **BHARTI AIRTEL LIMITED** (“the Parent”) and its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, as of that date.

## **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the joint venture company, which is a company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a joint venture which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Shyamak R Tata**

Partner

Place: Mumbai

(Membership No. 38320)

Date: May 18, 2020

UDIN: 20038320AAAAAH5020

# CONSOLIDATED BALANCE SHEET

(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2020	As of March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	877,573	815,228
Capital work-in-progress	5	39,972	88,433
Right-of-use assets	35	259,049	-
Goodwill	6	346,192	332,562
Other intangible assets	6	809,741	860,525
Intangible assets under development	6	2,851	7,909
Investment in joint ventures and associates	7	96,808	88,937
<b>Financial assets</b>			
- Investments	9	20,278	21,941
- Derivative instruments	10	41	3,105
- Security deposits	11	8,728	16,452
- Others	12	14,696	9,242
Income tax assets (net)		21,088	17,694
Deferred tax assets (net)	13	270,160	89,379
Other non-current assets	14	74,181	71,511
		<b>2,841,358</b>	<b>2,422,918</b>
<b>Current assets</b>			
Inventories		1,569	884
<b>Financial assets</b>			
- Investments	9	137,679	46,232
- Derivative instruments	10	2,792	426
- Trade receivables	15	46,058	43,006
- Cash and cash equivalents	16	135,507	62,121
- Other bank balances	16	23,420	18,519
- Others	12	210,523	20,343
Other current assets	14	208,884	137,111
		<b>766,432</b>	<b>328,642</b>
<b>Total assets</b>		<b>3,607,790</b>	<b>2,751,560</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	17	27,278	19,987
Other equity		744,170	694,235
<b>Equity attributable to owners of the Parent</b>		<b>771,448</b>	<b>714,222</b>
Non-controlling interests ('NCI')		249,847	135,258
		<b>1,021,295</b>	<b>849,480</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	19	910,792	824,901
- Lease liabilities		243,678	47,553
- Derivative instruments	10	292	826
- Others	20	67,399	62,131
Deferred revenue	24	25,033	17,986
Provisions	21	7,548	6,823
Deferred tax liabilities (net)	13	16,877	11,297
Other non-current liabilities	22		429
		<b>1,271,619</b>	<b>971,946</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	19	167,034	310,097
- Current maturities of long-term borrowings	19	98,364	71,732
- Lease liabilities		62,413	-
- Derivative instruments	10	568	12,742
- Trade payables		250,199	263,138
- Others	20	168,354	175,139
Deferred revenue	24	55,004	43,993
Provisions	21	451,093	6,701
Current tax liabilities (net)		13,519	8,228
Other current liabilities	22	48,328	38,364
		<b>1,314,876</b>	<b>930,134</b>
<b>Total liabilities</b>		<b>2,586,495</b>	<b>1,902,080</b>
<b>Total equity and liabilities</b>		<b>3,607,790</b>	<b>2,751,560</b>

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

(Firm's Registration No: 117366W / W-100018)

Shyamak R Tata

Partner

Membership No: 38320

Place: Mumbai, India

Date: May 18, 2020

Sunil Bharti Mittal

Chairman

DIN: 00042491

Place: London, England

Badal Bagri

Chief Financial Officer

Place: Gurugram, India

Gopal Vittal

Managing Director &amp; CEO

(India and South Asia)

DIN: 02291778

Place: Bengaluru, India

Pankaj Tewari

Company Secretary

Place: Gurugram, India

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	24	875,390	807,802
Other income		3,248	3,463
		<b>878,638</b>	<b>811,265</b>
<b>Expenses</b>			
Network operating expenses	25	197,685	225,132
Access charges		107,395	93,521
License fee / Spectrum charges		72,561	69,426
Employee benefits expense	26	38,072	37,975
Sales and marketing expenses	27	34,325	41,568
Other expenses	29	59,257	82,542
		<b>509,295</b>	<b>550,164</b>
<b>Profit from operating activities before depreciation, amortisation and exceptional items</b>		<b>369,343</b>	<b>261,101</b>
Depreciation and amortisation expense	28	276,896	213,475
Finance costs	30	139,918	106,222
Finance income	30	(16,098)	(10,328)
Non-operating expenses (net)		1,272	1,894
Share of profit of associates and joint ventures (net)	7	(6,524)	(3,556)
<b>Loss before exceptional items and tax</b>		<b>(26,121)</b>	<b>(46,606)</b>
Exceptional items (net)	31	402,344	(29,288)
<b>Loss before tax</b>		<b>(428,465)</b>	<b>(17,318)</b>
<b>Tax expense / (credit)</b>			
Current tax	13	23,738	19,391
Deferred tax	13	(145,561)	(53,584)
<b>(Loss) / profit for the year</b>		<b>(306,642)</b>	<b>16,875</b>
<b>Other comprehensive income ('OCI')</b>			
<b>Items to be reclassified subsequently to profit or loss :</b>			
Net gains / (losses) due to foreign currency translation differences		4,814	(15,739)
Net losses on net investment hedge		(10,856)	(1,754)
Net losses on cash flow hedge		(109)	(833)
Net losses on fair value through OCI investments		(108)	(45)
Tax credit on above	13	2,883	5,428
		<b>(3,376)</b>	<b>(12,943)</b>
<b>Items not to be reclassified to profit or loss :</b>			
Re-measurement (losses) / gains on defined benefit plans	26,2	(76)	47
Tax charge on above	13	(41)	(62)
Share of OCI of associates and joint ventures	7	15	(12)
		<b>(102)</b>	<b>(27)</b>
<b>Other comprehensive loss for the year</b>		<b>(3,478)</b>	<b>(12,970)</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(310,120)</b>	<b>3,905</b>
<b>(Loss) / income for the year attributable to :</b>		<b>(306,642)</b>	<b>16,875</b>
Owners of the Parent		(321,832)	4,095
Non-controlling interests		15,190	12,780
<b>Other comprehensive loss for the year attributable to :</b>		<b>(3,478)</b>	<b>(12,970)</b>
Owners of the Parent		(11,748)	(10,216)
Non-controlling interests		8,270	(2,754)
<b>Total comprehensive (loss) / income for the year attributable to :</b>		<b>(310,120)</b>	<b>3,905</b>
Owners of the Parent		(333,580)	(6,121)
Non-controlling interests		23,460	10,026
<b>(Loss) / earnings per share (Face value: ₹ 5/- each)*</b>			
Basic	32	(63.41)	0.96
Diluted	32	(63.41)	0.96

\*Basic and diluted (loss) / earnings per share for the previous year has been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Bharti Airtel Limited

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

**(Firm's Registration No: 117366W / W-100018)**

**Shyamak R Tata**

**Partner**

Membership No: 38320

Place: Mumbai, India  
Date: May 18, 2020

**Sunil Bharti Mittal**

**Chairman**

DIN: 00042491  
Place: London, England

**Badal Bagri**  
**Chief Financial Officer**  
Place: Gurugram, India

**Gopal Vittal**

**Managing Director & CEO  
(India and South Asia)**

DIN: 02291778  
Place: Bengaluru, India

**Pankaj Tewari**  
**Company Secretary**  
Place: Gurugram, India

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Equity share capital No of shares (in '000)	Equity attributable to owners of the Parent						Total equity Non-controlling interests ('NCI')	
	Reserves and surplus			Capital reserve	Share-based payment reserve	NCL reserve		
	Securities premium	Retained earnings	General reserves					
<b>As of April 1, 2018</b>	<b>3,997,400</b>	<b>19,987</b>	<b>123,456</b>	<b>475,481</b>	<b>23,040</b>	<b>7,500</b>	<b>-</b>	
Profit for the year	-	-	-	4,095	-	-	-	
Other comprehensive loss	-	-	(29)	-	-	-	(10,187) (10,216) (2,754) (12,970)	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,066</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Transaction with owners of equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Issue of equity shares (refer note 4 (n))	0	0	0	-	-	-	0	
Employee share-based payment expense	-	-	-	-	-	-	333 12 345	
Purchase of treasury shares	-	-	-	-	-	(248) (248)	-	
Exercise of share options	-	-	-	12	-	(371) 336 (23) (20) (43)	-	
Transaction with NCI	-	-	-	-	-	44,439 -	44,439 60,365 104,804	
Business combination (refer note 4 (n))	-	-	-	-	5,315	-	5,315 -	
Dividend (including tax) to Company's shareholders	-	-	(24,096)	-	-	-	(24,096) -	
Dividend (including tax) to NCI	-	-	-	-	-	-	- (22,638) (22,638) (24,096)	
Movement on account of court approved schemes	-	-	(721)	-	-	-	(721) (626) (1,347)	
<b>As of March 31, 2019</b>	<b>3,997,400</b>	<b>19,987</b>	<b>123,456</b>	<b>454,730</b>	<b>23,052</b>	<b>7,500</b>	<b>5,315</b>	
Transition impact on adoption of Ind AS 116 (note 35)	-	-	(19,234)	-	-	-	(129) (19,363) (5,283) (24,646)	
<b>As of April 1, 2019</b>	<b>3,997,400</b>	<b>19,987</b>	<b>123,456</b>	<b>435,496</b>	<b>23,052</b>	<b>7,500</b>	<b>5,315</b>	
Loss for the year	-	-	(321,832)	-	-	-	(321,832) 15,190 (306,642)	
Other comprehensive (loss)/ income	-	-	(116)	-	-	-	(11,632) (11,748) 8,270 (3,478)	
<b>Total comprehensive (loss) / income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(321,948)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
							<b>(11,632) (333,580) (11,632) (310,120)</b>	

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Equity share capital No of shares (in '000)	Amount Securities premium	Equity attributable to owners of the Parent						Total equity Non-controlling interests ('NCI')
		Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve	
<b>Transaction with owners of equity</b>								
Issue of equity shares, net of expenses (note 4 (c) & (g))	1,134,562	5,673	243,425	-	-	-	-	243,425
Employee share-based payment expense	-	-	-	-	-	-	-	345
Issue of equity shares to Qualified Institutional Buyers, net of expenses (note 4 (b))	323,595	1,618	141,438	-	-	-	-	345
Issuance of foreign currency convertible bonds, net of expenses (refer note 4 (b))	-	-	-	-	-	-	-	345
Purchase of treasury shares	-	-	-	-	-	-	-	345
Exercise of share options	-	-	-	-	-	-	-	345
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	345
Issue of perpetual securities (refer note 4 (d))	-	-	-	-	-	-	-	345
Business combination (note 4 (c))	-	-	-	-	-	-	-	345
Dividend (including tax) to NCI	-	-	-	-	-	-	-	345
New tax regime charge on Ind AS 116 transition impact / others	-	-	-	-	-	-	-	345
Movement on account of court approved schemes	-	-	-	-	-	-	-	345
<b>As of March 31, 2020</b>	<b>5,455,557</b>	<b>27,278</b>	<b>508,319</b>	<b>112,401</b>	<b>23,185</b>	<b>7,500</b>	<b>18,227</b>	<b>673 167,160 (93,295) 744,170 249,847 1,021,295</b>

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No: 117366W / W-100018)

**Shyamak R Tata**  
Partner  
Membership No: 383320  
Place: Mumbai, India  
Date: May 18, 2020

**Sunil Bharti Mittal**  
Chairman  
DIN: 00042491  
Place: London, England

**Badal Bagri**  
Chief Financial Officer  
Place: Gurugram, India

**Gopal Vittal**  
Managing Director & CEO  
(India and South Asia)  
DIN: 02291778  
Place: Bengaluru, India

**Pankaj Tewari**  
Company Secretary  
Place: Gurugram, India

# CONSOLIDATED STATEMENT OF CASH FLOW

(All amounts are in millions of Indian Rupee)

For the year ended  
March 31, 2020For the year ended  
March 31, 2019**Cash flows from operating activities**

<b>Loss before tax</b>	(428,465)	(17,318)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	276,896	213,475
Finance costs	137,261	110,134
Finance income	(16,098)	(14,240)
Share of profit of joint ventures and associates (net)	(6,524)	(3,556)
Exceptional items (net)	401,619	(32,792)
Employee share-based payment expense	357	345
Loss / (profit) on sale of property, plant and equipment	10	(175)
Other non-cash items	5,132	11,909
<b>Operating cash flow before changes in working capital</b>	<b>370,188</b>	<b>267,782</b>

**Changes in working capital**

Trade receivables	(8,925)	8,427
Trade payables	(2,477)	21,580
Inventories	(522)	(191)
Provisions	(128,107)	(107)
Other financial and non-financial liabilities	19,064	(20,955)
Other financial and non-financial assets	(44,997)	(64,128)
<b>Net cash generated from operations before tax</b>	<b>204,224</b>	<b>212,408</b>
Income tax paid (net)	(22,937)	(11,706)
<b>Net cash generated from operating activities (a)</b>	<b>181,287</b>	<b>200,702</b>

**Cash flows from investing activities**

Purchase of property, plant and equipment and capital work-in-progress	(191,902)	(260,971)
Proceeds from sale of property, plant and equipment	1,317	1,225
Purchase of intangible assets	(15,266)	(33,804)
Payment towards spectrum - Deferred payment liability*	(15,424)	(11,720)
Net movement in current investments	(85,236)	18,158
Sale of non-current investments	2,950	44,976
Purchase of non-current investments	-	(57,067)
Consideration / advance for acquisitions, net of cash acquired	(1,345)	(5,083)
Sale of tower assets	-	3,051
Investment in Associates	(4,761)	(60)
Dividend received	-	11,493
Interest received	4,748	4,793
<b>Net cash used in investing activities (b)</b>	<b>(304,919)</b>	<b>(285,009)</b>

# CONSOLIDATED STATEMENT OF CASH FLOW (CONTD..)

(All amounts are in millions of Indian Rupee)

**For the year ended  
March 31, 2020**

**For the year ended  
March 31, 2019**

## Cash flows from financing activities

Net proceeds from issue of shares (Rights issue)	248,759	-
Net proceeds from issue of shares (QIP)	143,055	-
Net proceeds from issuance of FCCBs	70,456	-
Proceeds from borrowings	377,400	353,141
Repayment of borrowings	(439,813)	(345,359)
Repayment of lease liabilities	(47,740)	(5,077)
Net (repayments) / proceeds from short-term borrowings	(117,140)	98,101
Proceeds from sale and finance leaseback of towers	-	1,688
Purchase of treasury shares	(497)	(248)
Interest and other finance charges paid	(109,993)	(76,171)
Proceeds from exercise of share options	5	10
Dividend paid (including tax)	(18,263)	(46,617)
Net proceeds from issuance of equity shares to Non-controlling interest	57,144	104,341
Net proceeds from issuance of perpetual bonds to Non-controlling interest	71,370	-
Net payment towards derivatives	(41,517)	-
Sale of interest in a subsidiary	-	16,238
Purchase of shares from Non-controlling interest	-	(5,409)
Payment on maturity of forwards	(1,782)	-
<b>Net cash generated from financing activities (c)</b>	<b>191,444</b>	<b>94,638</b>
<b>Net increase in cash and cash equivalents during the year (a+b+c)</b>	<b>67,812</b>	<b>10,331</b>
Effect of exchange rate on cash and cash equivalents	8,934	2,153
Cash and cash equivalents as at beginning of the year	53,793	41,309
<b>Cash and cash equivalents as at end of the year (Note 16)</b>	<b>130,539</b>	<b>53,793</b>

\*Cash flows towards spectrum acquisition are based on the timing of payouts to DoT (viz. upfront / deferred).

The accompanying notes 1 to 40 form an integral part of these consolidated financial statements.

As per our report of even date

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**For Deloitte Haskins & Sells LLP**

**Chartered Accountants**

**(Firm's Registration No: 117366W / W-100018)**

**Shyamak R Tata**  
**Partner**  
Membership No: 38320

Place: Mumbai, India  
Date: May 18, 2020

**Sunil Bharti Mittal**  
**Chairman**

DIN: 00042491  
Place: London, England

**Badal Bagri**  
**Chief Financial Officer**  
Place: Gurugram, India

**Gopal Vittal**  
**Managing Director & CEO**  
**(India and South Asia)**

DIN: 02291778  
Place: Bengaluru, India

**Pankaj Tewari**  
**Company Secretary**  
Place: Gurugram, India

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a public limited company with its shares listed on the National Stock Exchange and the BSE. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group and the Group entities are further provided in note 33 and note 40 respectively.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

These consolidated financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

The financial statements are approved for issue by the Company's Board of Directors on May 18, 2020.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act, 2013. Further, for the purpose of clarity, various items are aggregated in the consolidated statement of profit and loss ('statement of profit and loss') and consolidated balance sheet ('balance sheet'). Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupee' or '₹') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise

judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by all the group entities, to all the periods presented in the said financial statements, except in case of adoption of any new standards and/or amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the balance sheet and statement of profit and loss, the Group has changed the classification of such items, which besides other items, includes classification/presentation of material balances relating to mobile money business of the Group due to increasing significance of their balances and growth in mobile money business.

Liability balances pertaining to mobile money business were earlier presented as 'trade payables'. The liabilities amounting to ₹ 16,478 as of March 31, 2019 are now presented separately as 'Mobile money wallet balance' under the head 'other financial liabilities-current'. For the purpose of Statement of Cash Flow, 'Balance held under mobile money trust' have been presented as cash and cash equivalents. The movement in 'Mobile money wallet balance' are presented as part of 'other financial liabilities-current' in the Statement of Cash Flows as part of operating activity.

In addition to above, previous year figures have been regrouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on equity or net loss due to these regrouping / reclassifications.

### New Standards and amendments adopted during the year

The Company has applied the following Standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases
- Amendment to Ind AS 12, Income Taxes
- Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

### Ind AS 116, Leases

MCA had notified Ind AS 116 'Leases' effective for annual reporting periods beginning on or after April 1, 2019. The Company has applied Ind AS 116 using the

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

modified retrospective approach. The Group elected to apply the practical expedient included in Ind AS 116 and therefore retained its existent assessment under Ind AS 17 as to whether a contract entered or modified before April 1, 2019 contains a lease. Refer note 35 for impact of adoption of Ind AS 116. Also, refer note 2.11 for accounting policy on 'leases'.

## **Amendment to Ind AS 12, Income Taxes**

MCA had notified Amendment to Ind AS 12, Income taxes, effective for annual reporting periods beginning on or after April 1, 2019. As per the amendment, an entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend and shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment does not have a material impact on the financial statements of the Group in addition to what the Group has already recorded/ disclosed.

## **Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments**

MCA had notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, effective for annual reporting periods beginning on or after April 1, 2019. Appendix C to Ind AS 12 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12, Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. Appendix C to Ind AS 12 addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group has applied Appendix C to Ind AS retrospectively with the cumulative effect of initial application recognised at the date of initial application.

Upon application of Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Company's and the subsidiaries' tax filings in

different jurisdictions include deductions and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. Appendix C to Ind AS 12 does not have a material impact on the financial statements of the Group in addition to what the Group has already recorded/ disclosed.

## **2.2 Basis of measurement**

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss or through other comprehensive income (refer note 2.10 (b)), liability for cash-settled awards (refer note 2.16 (d)), the component of carrying values of recognised liabilities that are designated in fair value hedges (refer note 2.10 (d)) - which are measured at fair value.

## **Fair value measurement**

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The Group's accounting policies require measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). In addition, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Group is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

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

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 2.3 Basis of consolidation

### a. Subsidiaries

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group reassesses whether or not it controls the entity, in case the underlying facts and circumstances indicate that there are changes to above-mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. Non-controlling interests is the equity in a subsidiary not attributable to a parent and presented separately from the parent's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in case where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The profit or loss on disposal (associated with loss of control) is recognised in the statement of profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary less any non-controlling interests. In addition, any amounts previously recognised in the other comprehensive income in respect of that de-consolidated entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are reclassified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'NCI reserve', a component of equity.

### b. Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in joint ventures and associates are accounted for using equity method from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate. The said investments are tested for impairment at-least annually and whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

### c. Method of consolidation

Accounting policies of the respective individual subsidiary, joint venture and associate are aligned wherever necessary to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis, after adjusting for business combination adjustments (refer note 2.4). Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said financial statements. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment losses, as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Any excess of the cost of the investment over the Group's share of net assets in its joint ventures / associates at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. The

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

un-realised gains / losses resulting from transactions with joint ventures and associates are eliminated against the investment to the extent of the Group's interest in the investee. However, un-realised losses are eliminated only to the extent that there is no evidence of impairment. If as a result of equity method accounting, the Group's interest in its joint venture and/ or associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. In such a case, if the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

## 2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, and accordingly, the identifiable assets acquired and the liabilities assumed in the acquiree are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is aggregation of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the parent in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in statement of profit and

loss) of any previous equity interest in the acquiree, over the fair value of the identifiable net assets of the acquiree is recorded as goodwill.

Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made retrospectively within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date or would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or amount initially recognised less, when appropriate, cumulative income recognised in accordance with Ind AS 115 'Revenue from Contracts with Customers'.

## 2.5 Foreign currency transactions

### a. Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the functional, and presentation currency of the Company.

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

### b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

## c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

## 2.6 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no

unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

## 2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

Freehold land is not depreciated as it has an unlimited useful life.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease term or upto 20 years, as applicable, whichever is less
Buildings	20
Building on leased land	20 years or period of lease term whichever is lower
Plant and equipment	
- Network equipment (including passive infrastructure)	3 - 25
- Customer premise equipment	3 - 7
Other equipment, operating and office equipment	
Computers/ Servers	3 - 5
Furniture & fixture and	1 - 5
Office equipment	
Vehicles	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, as at each financial year-end to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress ('CWIP') is presented separately in the balance sheet.

## 2.8 Intangible assets

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

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased (refer note 2.4). Goodwill is not amortised; however it is tested annually for impairment and whenever there is an indication that the unit may be impaired (refer note 2.9) and carried at cost less any accumulated impairment losses. The gains / (losses) on the disposal of a cash-generating-unit ('CGU') include the carrying amount of

goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

The intangible assets that are acquired in a business combination are recognised at its fair value there at. Other intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

### a. Software

Software are amortised over the period of license, generally not exceeding five years.

### b. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

### c. Other acquired intangible assets

Other acquired intangible assets include the following:

**Rights acquired for unlimited license access:**  
Over the period of the agreement, which ranges upto five years

**Distribution network:** One year to two years

**Customer base:** Over the estimated life of such relationships

**Non-compete fee:** Over the period of the agreement, which ranges upto five years

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year-end to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted for prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Further, the cost of intangible assets under development includes the following:

- (a) the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets (refer note 6), if any, for which services are yet to be rolled out and are presented separately in the balance sheet.
- (b) the amount of software / IT platform under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## 2.9 Impairment of non-financial assets

### a. Goodwill

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs'), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

Further detail including the key assumptions adopted to determine the recoverable amount of goodwill are detailed in note 6.

### b. PPE, ROU, intangible assets and intangible assets under development

PPE (including CWIP), ROU (Right-of-use assets), intangible assets under development and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

### Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU previously.

## 2.10 Financial instruments

### a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets in the following categories: a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The Group has classified all the non-derivative financial liabilities as measured at amortised cost.

The Group has classified foreign currency convertible bond denominated in USD that can be converted to ordinary shares at the option of the bondholder at a conversion price fixed in Company's functional currency (INR) as a compound financial instrument comprising of a liability component and an equity component.

The entire hybrid contract, financial assets with embedded derivatives, are considered in their entirety for determining the contractual terms of the cash flow and accordingly, the embedded derivatives are not separated. However, derivatives embedded in non-financial instrument / financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are offset against each other and the resultant net amount is presented in the balance sheet, if and only when, the Group currently has a legally enforceable right to set off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## b. Measurement - Non-derivative financial instruments

### I. Initial measurement

At initial recognition, the Group measures the non-derivative financial instruments at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

### II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

#### i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

#### ii. Financial assets at fair value through other comprehensive income ('FVTOCI')

Equity investments which are not held for trading and for which the Group has elected to present the change in the fair value in other comprehensive income and debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represent solely payment of principal and interest, are measured at FVTOCI.

The changes in fair value are taken through OCI, except for the impairment (on debt instruments), interest (basis EIR method), dividend and foreign exchange differences which are recognised in the statement of profit and loss.

When the financial asset is derecognised, the related accumulated fair value adjustments in OCI as at the date of derecognition are reclassified from equity and recognised in the statement of profit and loss. However, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss in case of equity instruments.

#### iii. Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the statement of profit and loss within finance income separately from the other gains/losses arising from changes in the fair value.

### Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since

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initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **III. Subsequent measurement - financial liabilities**

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured. Interest related to the financial liability is recognised in profit or loss under finance cost. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

### **c. Measurement - derivative financial instruments**

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

### **d. Hedging activities**

#### **I. Fair value hedge**

Some of the Group's entities use derivative financial instruments (e.g. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any

changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the statement of profit and loss over the period to remaining maturity of the hedged item.

#### **II. Cash flow hedge**

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to either a recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within finance income / finance costs. The amounts accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within finance income / finance costs.

#### **III. Net investment hedge**

The Group hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income as foreign

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

currency translation reserve ('FCTR') – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

## e. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The resultant impact of derecognition is recognised in the statement of profit and loss.

## 2.11 Leases

The Group, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

### Group as a lessee

On initial application of Ind AS 116, the Group recognised a lease liability measured at the present value of all the remaining lease payments, discounted using the Group's incremental borrowing rate at April 1, 2019 whereas the Group has elected to measure ROU at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the Group's incremental borrowing rate at April 1, 2019.

For new lease contracts, the Group recognises a ROU and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the balance sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities

include the net present value of fixed payments (including any in-substance fixed payments), any variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including due to changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the balance sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

## **Short-term leases and leases of low-value assets**

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Group as a lessor**

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies Ind AS 115 'Revenue from Contracts with Customers' to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

## **2.12 Taxes**

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

### **a. Current tax**

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted

or substantively enacted as at the reporting date in the respective countries where the group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective group entities' income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets/ under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Group concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Group concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

### **b. Deferred tax**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets/ liabilities recognised for temporary differences arising from a business combination, affect the amount of goodwill or the bargain purchase gain that the Group recognises. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences

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can be utilised. The Group considers the projected future taxable income and tax planning strategies in making this assessment.

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

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet to the extent that it is probable that future taxable profit will be available against which MAT credit can be utilised.

Income tax assets and liabilities are offset against each other and the resultant net amount is presented in the balance sheet, if and only when, (a) the Group currently has a legally enforceable right to set off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

## 2.13 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## 2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject

to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

## 2.15 Share capital / Treasury shares

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

When the Company purchases its ordinary shares through Bharti Airtel Employees' Welfare Trust, they are treated as treasury shares, and the consideration paid is deducted from the Equity. When the treasury shares are subsequently re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

## 2.16 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the group employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

### a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

### b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula. Some of the entities outside India has defined benefit plans in form of 'Retirement Benefits' and 'Severance Pay'.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out

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quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using appropriate discount rate.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligation is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligation are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not reclassified to the statement of profit and loss in any of the subsequent periods.

## c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

## d. Share-based payments

The Group operates equity-settled and cash-settled employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company or cash settled units.

In case of equity-settled awards, the fair value of stock options (at grant date) is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based

payment expenses over the vesting period, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities over the vesting period. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vested irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately. In case of cancellation of cash-settled award, change in the value of the liability, if any, is recognised in statement of profit and loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 2.17 Provisions

### a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

### b. Asset retirement obligations ('ARO')

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

## 2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

## 2.19 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether it is primarily responsible for fulfilling the performance obligation and

whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that received from the intermediary.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

### a. Service revenues

Service revenues mainly pertain to usage, subscription and customer onboarding charges for voice, data, messaging, value added services and Direct to Home (DTH) services. It also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services. Service revenues also includes rental revenue for use of sites and energy revenue for the provision of energy for operation of sites.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customer i.e. upfront except for 'Digital TV services' business, in which case the customer onboarding revenue is deferred over the average expected customer life. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers. The Group collects Goods and service tax ('GST') on behalf of the government and therefore, it is not an economic benefit flowing to the Company, hence it is excluded from revenue.

Service revenues also includes revenue from interconnection / roaming charges for usage of

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

the Group's network by other operators for voice, data, messaging and signaling services. These are recognised upon transfer of control of services over time.

Certain business services revenues include revenue from registration and installation, which are amortised over the period of agreement since the date of activation of service.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services over the period of respective arrangements.

Rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under master service agreement entered with customer. Exit Charges are recognised when uncertainty relating to the amounts receivable on exit is resolved and it is probable that a significant reversal relating to the amounts receivable on exit will not occur. Energy revenue is recognized over the period on a monthly basis upon satisfaction of performance obligation as per contracts with the customers. The transaction price is the consideration received from customers based on prices agreed as per the contract with the customers. The determination of standalone selling prices is not required as the transaction prices are stated in the contract based on the identified performance obligation.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on transfer of monies from one customer wallet to another. Such commissions are recognised as revenue at a point in time on fulfillment of these services by the Group.

## b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their

standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately.

## c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not a distinct performance obligation, revenue is recognised over the customer relationship period.

## d. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

## e. Costs to obtain or fulfil a contract with a customer

The Group incurs certain costs to obtain or fulfill contracts with customers viz. intermediary commission, etc. Where based on group's estimate of historic average customer life derived from customer churn rate is longer than 12 months, such costs are deferred and are recognized over the average expected customer life.

## f. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established. For further details, refer note 2.10.

## 2.20 Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 2.21 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All other borrowing costs are recognised in the statement of profit and loss within finance costs in the period in which they are incurred.

## 2.22 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

## 2.23 Non-operating expense / income

Non-operating expense comprises regulatory levies applicable to finance income in some of the geographies whereas non-operating income pertains to certain fee in one of the group entities.

## 2.24 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

## 2.25 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the parent by the weighted average number of shares outstanding during the period excluding the treasury shares.

Diluted EPS is computed by adjusting the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

## 3. Key sources of estimation uncertainties and critical judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

### 3.1 Key sources of estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

#### a. Impairment reviews

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.9.

In calculating the value in use, the Group is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in earnings before interest, taxes, depreciation and amortisation ('EBITDA') margins, capital expenditure, long-term growth rates and discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU/grouping of CGUs for allocation of the goodwill.

The Group mainly operates in developing markets and in such markets, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten-year information for management reporting purpose, the Group uses ten-year plans for the purpose of impairment testing.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## b. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments. For detail as to provisions and contingencies, refer note 21 and 23 respectively.

## c. Property, plant and equipment

As described at note 2.7 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Group determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges. Refer note 2.7 and 5 for the estimated useful life and carrying value of property, plant and equipment respectively.

## d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending

on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

## e. Contingent liabilities and provisions

The Group is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Group. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

## 3.2 Critical judgements in applying the Group's accounting policies

The critical judgements, which the management has made in the process of applying the Group's accounting policies and have the most significant impact on the amounts recognised in the said financial statements, are discussed below:

### a. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

### b. Separating lease and non-lease components

The consideration paid by the Group in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy etc. services. Therefore, in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Group performs analysis of cost split to arrive at relative stand-alone prices of each of the components. The bifurcation of the consideration paid (excluding energy) between lease versus non-lease component across the Group has been accordingly considered at 55-78% as lease component on an overall basis.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## c. Determining the lease term

Under Ind AS 116 if it is reasonably certain that a lease will be extended / will not be early terminated, the Group is required to estimate the expected lease period which may be different from the contractual tenure. The Group has various tower lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining - contractual lease period / lease period until which significant exit penalties are payable.

## d. Determining the incremental borrowing rate for lease contracts

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Group has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

## e. Determination of functional currency

The Group has determined the functional currency of the group entities by identifying the primary economic environment in which the entity operates - based on under-lying facts / circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not very obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

## f. Taxes

The identification of temporary differences pertaining to the investment in subsidiaries that are expected to reverse in the foreseeable future and the determination of the related deferred income tax liabilities after considering the requisite tax credits require the Group to make significant judgements.

## 4. Significant transactions / new developments

- a) On October 24, 2019, the Hon'ble Supreme Court of India delivered a judgement in relation to a long outstanding

industry-wide case upholding the view of the Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR') ("Court Judgement"). The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to DoT within a period of three months, which ended on January 23, 2020.

Subsequent to the Court Judgment, DoT had issued letters dated November 13, 2019 and February 3, 2020 to the Group to carry out own-assessment of the liability and afforded certain guidelines/clarifications to compute the amounts payable based on the Hon'ble Supreme Court Judgement. Accordingly, in February 2020, the Group based on its interpretation and assessment of the guidelines/clarifications, and the principles laid down in the Court Judgement, made payments aggregating ₹ 127,490 to the DoT, and an additional ₹ 50,000 as a deposit (subject to subsequent refund/ adjustment) to cover differences resulting from re-verification / reconciliation by DoT.

On March 16, 2020, the DoT had filed an application with respect to giving reasonable time to the affected parties (a period of 20 years with 8% interest on unpaid amounts to duly protect the net present value) and to cease the currently applicable interest after a particular date. The Hon'ble Supreme Court, in a hearing on March 18, 2020, ordered that no exercise of self-assessment/ re-assessment is to be done and the dues which were placed before the Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT application would be considered on the next date of hearing, which is pending disposal.

In the absence of any potential reliefs, without prejudice, and given the matter is still being considered by the Hon'ble Supreme Court as stated above, the Group has, on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines/clarifications, provided for, in respect of License Fees, an additional amount of ₹ 179,913 (comprising of Principal of ₹ 32,070 (upto September 30, 2019) and applicable penalty thereon of ₹ 24,920, and, on such unpaid amounts, interest of ₹ 77,015 and interest on penalty of ₹ 45,908 upto March 31, 2020) and in respect of Spectrum Usage Charges, an amount of ₹ 123,774 (comprising of Principal of ₹ 29,570 (upto September 30, 2019) and applicable penalty thereon of ₹ 12,680, and, on such unpaid amounts, interest of ₹ 57,136 and interest on penalty of ₹ 24,388 upto March 31, 2020) as a charge to the statement of profit and loss and disclosed as an exceptional item. From September, 2019, the License Fees/Spectrum Usage Charges have been accounted

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for considering the effect of the Court Judgement, and reflected accordingly in the Statement of Profit and Loss (refer note 31).

- b) During the year ended March 31, 2020, the Company has successfully raised ₹ 215,017 of additional long term financing through a combination of ₹ 144,000 in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid up equity shares of face value ₹ 5 each were issued and allotted at a price of ₹ 445 per equity share) and ₹ 71,017 in the form of 1.50% Foreign Currency Convertible Bond offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount).
- c) During the year ended March 31, 2020, the Group gave effect to the merger of consumer mobile businesses of Tata Teleservices Limited ('TTS'L) and Tata Teleservices (Maharashtra) Limited ('TTML') with the Company and one of its subsidiaries, on July 1, 2019 (being the effective and appointed date of the Scheme of Arrangement under section 230 to section 232 of the Companies Act, 2013). As part of the said transaction, the Group is indemnified, for the ramifications of past liabilities (viz. for the period prior to the completion of the transaction). Considering that the said merger has been completed and as a consequence of the Court Judgement, the incremental liabilities of TTS'L / TTML pertaining to AGR as per the estimates available have been recorded in the books of the Group with a corresponding indemnity asset (included in Other current financial assets) for the same. As the said incremental liabilities pertains to the period before the acquisition, TTS'L / TTML reserve their rights as available to them under law to take appropriate action vis-a-vis the authorities.

The Group, on the basis of the TDSAT orders directing the operationalization of the spectrum and taking all consequent actions, and based on the final approval by Tribunal and Registrar of Companies believes that the required approvals were in place for the Scheme to be effective. Accordingly, the said merger is accounted in accordance with Ind AS 103, 'Business Combinations'. Consequently, the excess of net assets over purchase consideration, amounting to ₹ 13,174 has been recognized as Capital reserve, a component of equity. While the merger is completed in the books of the Company, the same has also been taken on record by the DoT on February 6, 2020.

The summarised aggregated financial information of TTS'L and TTML is as follows:

<b>A. Consideration paid*</b>	<b>338</b>
<b>B. Net assets acquired</b>	
<b>Non-current assets</b>	

Property, plant and equipment (including capital work-in-progress for ₹ 16)	3,359
Right-of-use assets	20,430
Other intangible assets	33,901
Deferred tax assets (net)	15,500
Others	6,811
<b>Current assets</b>	
Indemnification assets	48,092
Others#	9,206
<b>Total Assets (a)</b>	<b>137,299</b>
<b>Non-current liabilities</b>	
Borrowings	3,859
<b>Current liabilities</b>	
Borrowings	45,680
Provisions^	43,085
Others\$	31,163
<b>Total Liabilities (b)</b>	<b>123,787</b>
<b>Net assets acquired (a-b)</b>	<b>13,512</b>

\* 970,668 equity shares of ₹ 5 each and 957 redeemable preference shares of ₹ 100 each

# mainly includes goods and service tax input credit

^ mainly includes regulatory dues

\$ mainly includes trade payable and advances

On above 'land & building' included in 'property, plant and equipment' (refer note 5) amounting to ₹ 2,865 and 'land and building' included in 'ROU' (refer note 35) amounting to ₹ 250, the title deed and lease agreements are held in the name of TTS'L/TTML and are pending to be transferred in the name of Company.

- d) Network i2i Limited (a wholly owned subsidiary of the Company) on October 15, 2019 issued subordinated perpetual securities (original securities) of USD 750 Mn (₹ 53,489) at an issue price of USD 200,000 which were guaranteed by the Company. Subsequently, on February 18, 2020, Network i2i Limited issued subordinated perpetual securities (additional securities) of USD 250 Mn (₹ 17,894) at an issue price of USD 201,300 plus accrued interest from October 15, 2019. The additional securities constitute a further issuance of, and form a single series with, the original securities and have the same terms and conditions as the original securities except the principal amount, issue date and issue price. The interest payments on these securities (original securities and additional securities) may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend until such cumulative interest remains unpaid. Both the securities have been classified as equity instruments.
- e) During the year ended March 31, 2020, a subsidiary of the Company, Bharti Hexacom Limited has listed its commercial papers (CPs) valued at ₹ 26,150 out of which

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₹ 16,150 is listed on SEBI as on March 31, 2020. The listing is pursuant to SEBI circulars dated October 1, 2019 and October 22, 2019 which prohibit mutual fund schemes to invest in unlisted debt instruments including CPs.

- f) Certain group entities have elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 dated September 20, 2019. Accordingly, during the year ended March 31, 2020, these group entities have recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby and the related impact is recognised in the statement of profit and loss; except for Group's share as to the rate change impact on account of deferred tax created on transition to Ind AS 116, 'Leases' relating to one of its joint venture (which has been utilised from general reserves created out of scheme of merger as approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 effective from June 11, 2013, as permitted thereunder). This has resulted as an exceptional charge of ₹ 4,195 in statement of profit and loss and a charge of ₹ 856 in the equity.
- g) During the year ended March 31, 2020, pursuant to the closure of rights issue on May 17, 2019, the Company allotted approximately 1,134 Mn fully paid up equity shares of face value ₹ 5 each at the price of ₹ 220 per equity share (including a premium of ₹ 215 per share) amounting to ₹ 249,390, to the eligible shareholders.
- h) During the year ended March 31, 2020 the government of Tanzania ('GoT'), Bharti Airtel Tanzania B.V. ('BATBV'), Bharti Airtel International (Netherlands) B.V. ('BAIN') and Airtel Tanzania ('AT') executed agreements to resolve all disputes. These mainly cover the following:
  - New shares to be issued by AT to the GoT at no cost such that the GoT will own 49% of the entire share capital of AT and BATBV will own 51%;
  - Tanzania Revenue Authority's ('TRA') tax claim of approximately USD 874 Mn (₹ 66,140) on BAIN will be treated as settled without any liability (no provision has been recognised currently);
  - Tanzania Communications Regulatory Authority's ('TCRA') Compliance Decision of April 20, 2018 imposing on AT a fine of approximately USD 183 Mn (₹ 13,849) too will be treated as settled without any liability (no provision has been recognised currently);
  - TRA's various tax claims against AT of approximately USD 47 Mn (₹ 3,557) will, subject to verification and consideration of the records, be treated as settled without any liability (no provision has been recognised currently);

- AT will be issued a one-time tax clearance certificate in regard to tax disputes in respect of all historical tax claims up to December 31, 2018;
- In all cases this shall not be construed as an admission of fact or law or as a concession or admission of any wrongdoing, obligation, liability by any party;
- AT, subject to verification and consideration of the records by the TRA will be allowed the carry-forward tax loss balance as recorded in AT's corporate tax return for the tax year ended December 31, 2017;
- Parties will cooperate to effect the sale of towers and the proceeds thereof will be distributed in a pre-defined manner towards repayment of AT's shareholder loan, to be retained in AT and balance as a special one-time payout to the GoT. On receipt of its share of the proceeds from sale of towers, BATBV will waive the balance shareholder loan;
- A valid Listing Waiver will be provided to AT and the Group entities in AT in accordance with the laws of Tanzania. Furthermore, in case of listing, the BATBV shares in AT are not subject to listing;
- Group entities will not be subject to any tax in connection with any of the transactions described above;
- AT will pay to GOT, approximately USD 0.4 Mn (₹ 28) every month for a period of 60 months, effective April 1, 2019 for the support services provided; and
- AT will pay a special dividend ('Special Dividend') to its shareholders in proportion of their shareholding of upto 25% EBITDA based on its audited financial statements for the financial year ending December 31, 2019 subject to applicable laws.

Post the agreement following matters have been resolved:

- TRA's tax claim of approx. USD 874 Mn (₹ 66,140), TCRA's imposition of approx. USD 183 Mn (₹ 13,849) and various tax claims against AT of approx. USD 22 Mn (₹ 1,665) have been vacated without any liability. Since the Group did not carry any provisions for these matters, no accounting implications have arisen due to such resolution.
- On November 29, 2019 AT issued 36,176,471 shares to GOT at zero effective cost thus increasing GOT's shareholding in AT to 49%. The Group has thus recognised non-controlling interest to the extent of 9% of carrying value of net assets of AT.
- Corporate tax return for carried forwards tax losses of AT has been concluded until December 31, 2016.

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The completion of all other steps set out above are still in progress at the date of approval of the financial statements.

- i) During the year ended March 31, 2020, Airtel Africa plc. ('AAP', a subsidiary of the Group) listed on London Stock Exchange and Nigeria Stock Exchange by issuing approximately 676 Mn equity shares at 80 pence and 363 NGN per share respectively. Due to the transaction, the shareholding of the Group in Airtel Africa plc. has reduced to approximately 56%.
- j) Pursuant to the requirement of New Telecommunication Act in Malawi, it was made mandatory for companies holding electronic communication licences to have 20% local shareholding. To give effect to this, the Group has transferred by way of a secondary sale, its 20% shareholding in Airtel Malawi plc (Airtel Malawi), a wholly owned subsidiary of Airtel Africa plc, to the public and consequently Airtel Malawi listed on Malawi Stock Exchange on February 24, 2020. Accordingly, with effect from the date of such transfer, the Group has recognised a non-controlling interest equivalent to 20% of the net assets of Airtel Malawi. The excess of carrying value over consideration received from non-controlling interest ('NCI') amounting to USD 20 Mn (₹ 1,493), has been recognised in the 'transaction with NCI reserve', within equity.
- k) In respect of Tower Infrastructure Services Segment of the Group:
  - i) On April 20, 2020, Indus Towers Limited, a Joint Venture Company ('JVC') of a subsidiary of the Company, Bharti Infratel Limited (both in the Tower Infrastructure Service Segment), in its financial statements for the year ended March 31, 2020 reported that the JVC's top two major customers in the telecom services industry contributed substantial portion of the net sales of the JVC, for the same period, which also resulted in significant part of the trade receivables due from these two customers as at March 31, 2020. It also reported that the JVC's largest customer (one of the two major customers) in its declared results for the quarter and nine months period ended December 31, 2019, had expressed its ability to continue as going concern to be dependent on positive outcome of the application for modification of the Supplementary Order before the Hon'ble Supreme Court and subsequent agreement with DoT for the payment in instalments after some moratorium and other reliefs. Further, the loss of a significant customer or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition

of the JVC. The auditors of the JVC have brought out this material uncertainty in their auditor's report.

- ii) On April 23, 2020, Bharti Infratel Limited ('BIL'), a subsidiary of the Company, has indicated that that the largest customer of the JVC (as referred above) is also a major customer of BIL. The loss of a significant customer or the failure to attract new business in both these entities could have an adverse effect on their business and results of operations. The Management of BIL and the Group have respectively also concluded that there is no impairment with respect to property, plant and equipment of BIL and the carrying value of its investment in the JVC.
- l) Telecom Regulatory Authority of India's tariff order in relation to broadcasting services relating to television provided to subscribers has been implemented from February 1 2019, as per the extended timelines. During the quarter ended March 31, 2019, owing to the practical difficulties, there was delay in implementation of the tariff order in its entirety. The distributors were in transition from previous to the new regime and were in the process of implementation of content cost contracts with the Broadcasters. Subsequently, Bharti Telemedia Limited, one of the Company's subsidiary, has entered into revised agreements with the broadcasters. With effect from April 1, 2019, basis such revised agreements and the provisions of the new tariff order, Bharti Telemedia Limited has re-assessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, the Group has considered network capacity fee and, commission and incentives from broadcasters as to subscription services, as part of its revenue from operations. Further, the Telecom Regulatory Authority of India has implemented second amendment to the tariff order effective from March 1, 2020 and Bharti Telemedia Limited has implemented the same to the extent is applicable and is in control of distributor.
- m) During the year ended March 31, 2019 Airtel Kenya, the Group's operating subsidiary in Kenya, entered into an agreement with Telkom Kenya Limited, the third largest mobile network operator in Kenya, to merge their respective mobile, enterprise and carrier services businesses to operate as 'Airtel-Telkom'. As at the date of these financial statements, the transaction remains subject to final approval by the relevant authorities and consequently there is no impact within these financial statements.
- n) During the year ended March 31, 2017, the Group had entered into a scheme of amalgamation for the merger of Telenor (India) Communications Private Limited ('Telenor')

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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with the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said merger were fulfilled, the said transaction was consummated. The difference of ₹ 5,315 between the purchase consideration (issuance of five equity shares and working capital adjustments) and fair value of net assets was recognised as Capital reserve, a component of equity. As part of the said transaction, the Company is indemnified, for the ramification of past liabilities (viz. for the period prior to the completion of the transaction).

Considering that the said merger has been completed and as a consequence of the Court Judgement, during the year ended March 31, 2020, the incremental liabilities of Telenor pertaining to AGR as per the estimates available have been recorded in the books of the Company with a corresponding indemnity asset (included in Other current financial assets) for the same. As the said incremental liabilities pertains to the period before the acquisition, Telenor reserve its rights as available to them under law to take appropriate action vis-à-vis the authorities.

The fair values of the assets and liabilities recognised at the date of merger are as follows:

<b>Non-current assets</b>	
Property, plant and equipment	4,264
(including capital-work-in-progress of ₹ 94)	
Other intangible assets	17,684
(including intangible assets under development of ₹ 655)	
Indemnification assets	8,835
Others	6,309
<b>Current assets</b>	
Cash and cash equivalents	6,931
Others	7,661
<b>Non-current liabilities</b>	
Borrowings	14,842
Others	955
<b>Current liabilities</b>	
Borrowings	1,229
Trade payables	17,301
Others	12,592
<b>Net assets acquired</b>	<b>4,765</b>

Company, has redeemed Euro 1,000 Mn (₹ 79,948) 4% senior notes due in December 2018 ('Notes').

- q) During the year ended March 31, 2019, consequent to the change in shareholder rights in Airtel Payments Bank Limited ('APBL'), APBL ceased to be a subsidiary (under Ind AS 110, 'Consolidated Financial Statements'). APBL has since been considered as an associate (under Ind AS 28, 'Investments in Associates and Joint Ventures'). Hence, in accordance with Ind AS 110, the difference between the fair value of retained interest and the previous carrying amount of the Group's share in the net assets of APBL, of ₹ 8,735 has been recognized as gain within exceptional items.
- r) During the year ended March 31, 2019, the Group acquired 7.95% equity stake in Airtel Gabon S.A. thereby, increasing its shareholding to 97.95%. The excess of consideration paid to NCI over the carrying value of the interest acquired ₹ 1,112 was recognised in the transaction with NCI reserve, a component of equity.
- s) During the year ended March 31, 2019, the Group has acquired 8.52% equity stake in Airtel Networks Limited thereby, increasing its shareholding to 91.77%. The excess of consideration paid to NCI over the carrying value of the interest acquired ₹ 4,684 has been recognised in the transaction with NCI reserve, a component of equity.
- t) During the year ended March 31, 2018, the Group had entered into an agreement to sell 15% equity stake in Bharti Telemedia Limited, a subsidiary of the Company. Further, during the year ended March 31, 2019, as the closing conditions for the said transaction were fulfilled, the said transaction was consummated. Accordingly, the excess of proceeds over the NCI amounting to ₹ 19,064 was recognised directly in NCI reserve, a component of equity.
- u) Pursuant to the share purchase agreement with Millicom International Cellular S.A. entered during the year ended March 31, 2018, the Group acquired 100% equity interest in Tigo Rwanda Limited . The acquisition will make the Group the second largest mobile operator in Rwanda. The difference of ₹ 873 between the fair value of the purchase consideration (including contingent consideration) aggregating ₹ 3,377 and fair value of net assets of ₹ 2,504 was recognised as final goodwill on completion of measurement period during the year ended March 31, 2019. The said goodwill is mainly attributable to the acquired customer base, assembled workforce and economies of scale expected from combining the operations of the Group. Further, with effect from July 1, 2018, Tigo Rwanda Limited had merged with Airtel Rwanda Limited. Accordingly Tigo Rwanda Limited has ceased to exist.

- o) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Group, early redeemed an amount of USD 995 Mn (₹ 70,112) from its USD 1,500 Mn (₹ 105,697) 5.125% Guaranteed Senior Notes due in March 2023 at a consideration equivalent to 98.5% of the par amount of each bond plus interest accrued.
- p) During the year ended March 31, 2019, Bharti Airtel International (Netherlands) B.V., a subsidiary of the

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2020 and 2019:

	<b>Leasehold improvement</b>	<b>Building</b>	<b>Land</b>	<b>Plant and equipment</b>	<b>Furniture &amp; fixture</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Computer &amp; Servers</b>	<b>Total</b>
<b>Gross carrying value</b>									
<b>As of April 1, 2018</b>	<b>9,010</b>	<b>10,157</b>	<b>4,212</b>	<b>1,458,452</b>	<b>2,997</b>	<b>2,282</b>	<b>7,510</b>	<b>78,337</b>	<b>1,572,957</b>
Additions	849	2	211	251,349	571	24	1,111	5,988	260,105
Acquisition through business combinations@				4,450	27		5	82	4,564
Disposals / adjustments	(24)	(53)	87	(6,091)	(130)	(146)	(585)	(1933)	(8,875)
Sale of subsidiaries^	(4)				(1)		(17)	(153)	(175)
Exchange differences	8	(74)	3	(5,719)	(316)	51	50	491	(5,506)
<b>As of March 31, 2019</b>	<b>9,839</b>	<b>10,032</b>	<b>4,513</b>	<b>1,702,441</b>	<b>3,148</b>	<b>2,211</b>	<b>8,074</b>	<b>82,812</b>	<b>1,823,070</b>
<b>Balance as of April 1, 2019</b>	<b>9,839</b>	<b>10,032</b>	<b>4,513</b>	<b>1,702,441</b>	<b>3,148</b>	<b>2,211</b>	<b>8,074</b>	<b>82,812</b>	<b>1,823,070</b>
Transition impact on adoption of Ind AS 116\$									(38,367)
<b>Adjusted balance as of April 1, 2019</b>	<b>9,839</b>	<b>10,032</b>	<b>3,388</b>	<b>1,665,199</b>	<b>3,148</b>	<b>2,211</b>	<b>8,074</b>	<b>82,812</b>	<b>1,784,703</b>
Additions	659	1,239	16	241,735	980	10	1,100	5,906	251,645
Acquisition through business combinations@		235	2,630	478					3,343
Disposals / adjustments	(33)	(571)	(282)	(15,329)	(231)	(263)	(44)	(63)	(17,388)
Sale of subsidiaries^	190	(14)	91	1,760	(65)	215	(O)	1,852	4,029
Exchange differences									
<b>As of March 31, 2020</b>	<b>10,655</b>	<b>10,921</b>	<b>5,843</b>	<b>1,893,843</b>	<b>3,832</b>	<b>2,173</b>	<b>9,130</b>	<b>89,935</b>	<b>2,026,332</b>
<b>Accumulated depreciation</b>									
<b>As of April 1, 2018</b>	<b>7,308</b>	<b>3,780</b>	<b>124</b>	<b>777,406</b>	<b>2,656</b>	<b>2,030</b>	<b>5,390</b>	<b>68,184</b>	<b>866,878</b>
Charge#	490	548	19	146,611	410	112	923	5,799	154,912
Sale of subsidiaries^	(13)	(19)	84	(4,357)	(118)	(134)	(577)	(1,669)	(6,803)
Disposals / adjustments	(4)						(10)	(61)	(75)
Exchange differences	5	(47)	2	(7,211)	(288)	46	49	374	(7,0,0)
<b>As of March 31, 2019</b>	<b>7,786</b>	<b>4,262</b>	<b>229</b>	<b>912,449</b>	<b>2,660</b>	<b>2,054</b>	<b>5,775</b>	<b>72,627</b>	<b>1,007,842</b>
Transition impact on adoption of Ind AS 116\$									(21,655)
<b>Adjusted balance as of April 1, 2019</b>	<b>7,786</b>	<b>4,262</b>	<b>229</b>	<b>912,449</b>	<b>2,660</b>	<b>2,054</b>	<b>5,775</b>	<b>72,627</b>	<b>986,187</b>
Charge#	513	479	-	170,624	435	72	1,248	5,936	179,307
Disposals / adjustments	(33)	(399)	(81)	(13,888)	(203)	(250)	(44)	(154)	(15,052)
Exchange differences	189	(7)	28	(3,626)	49	103	(236)	1,817	(1,683)
<b>As of March 31, 2020</b>	<b>8,455</b>	<b>4,335</b>	<b>0</b>	<b>1,044,080</b>	<b>2,941</b>	<b>1,979</b>	<b>6,743</b>	<b>80,226</b>	<b>1,148,759</b>
<b>Net carrying value</b>									
<b>As of March 31, 2019</b>	<b>2,053</b>	<b>5,770</b>	<b>4,284</b>	<b>789,992</b>	<b>488</b>	<b>157</b>	<b>2,299</b>	<b>10,185</b>	<b>815,228</b>
<b>As of March 31, 2020</b>	<b>2,200</b>	<b>6,586</b>	<b>5,843</b>	<b>849,763</b>	<b>891</b>	<b>194</b>	<b>2,387</b>	<b>9,709</b>	<b>877,573</b>

# Refer note 4 (c), (n) & (u).

\$ Refer note 2.1 and note 35.

^ Refer note 4 (q).

\* It includes ₹ 13,591 (March 31, 2019 ₹ 5,861) on account of exceptional item with respect to plant and equipment (refer note 31 (i) (b) and (ii) (a)) and ₹ 440 (March 31, 2019 ₹ 419) on account of court approved scheme / arrangements.

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The Company has capitalised borrowing cost of ₹ 2,978 and ₹ 930 during the year ended March 31, 2020 and 2019 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.35% for year ended March 31, 2020 and 8.03% for year ended March 31, 2019, which is the weighted average interest rate applicable to the group's general borrowings.

The carrying value of CWIP as at March 31, 2020 and 2019 is ₹ 39,972 and ₹ 88,433 respectively, which mainly pertains to plant and equipment.

For details towards pledge of the above assets refer note 19.2.

## Change in useful life

- i) During the year ended March 31, 2020, the Group has reassessed useful life of customer premise equipment (Digital TV services business) based on internal assessment and technical evaluation, and accordingly has revised the estimate of its useful life from 5 years to 7 years in respect of those assets. The impact of above change on the depreciation charge for the current and future years are as follows:

	For the year ended March 31, 2020	For the year ending			Future period till end of life
		March 31, 2021	March 31, 2022	March 31, 2023	
Impact on depreciation charge	(2,188)	(1,436)	(258)	753	3,129

- ii) During the year ended March 31, 2020, the Group has reassessed useful life of certain categories of network assets due to technological developments and accordingly has revised the estimate of its useful life in respect of those assets. The impact of above change on the depreciation charge for the current and future years are as follows:

	For the year ended March 31, 2020	For the year ending			Future period till end of life
		March 31, 2021	March 31, 2022	March 31, 2023	
Impact on depreciation charge	11,524	(2,419)	(2,180)	(1,808)	(5,117)

## 6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended March 31, 2020 and 2019:

	Goodwill <sup>#</sup>	Other intangible assets				Total
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	
<b>Gross carrying value</b>						
<b>As of April 1, 2018</b>	<b>330,710</b>	<b>21,481</b>	<b>30,637</b>	<b>979,403</b>	<b>10,128</b>	<b>1,041,649</b>
Additions	-	2,740	18,269	47,713	-	68,722
Acquisition through business combinations@	436	1	-	15,691	831	16,523
Disposals / adjustments*	-	(1)	319	326	(23)	621
Sale of subsidiaries^	(3)	(194)	-	-	-	(194)
Exchange differences	4,056	20	1,252	133	53	1,458
<b>As of March 31, 2019</b>	<b>335,199</b>	<b>24,047</b>	<b>50,477</b>	<b>1,043,266</b>	<b>10,989</b>	<b>1,128,779</b>
<b>Balance as of April 1, 2019</b>	<b>335,199</b>	<b>24,047</b>	<b>50,477</b>	<b>1,043,266</b>	<b>10,989</b>	<b>1,128,779</b>
Transition impact on adoption of Ind AS 116\$	-	-	(50,477)	-	-	(50,477)
<b>Adjusted balance as of April 1, 2019</b>	<b>335,199</b>	<b>24,047</b>	<b>-</b>	<b>1,043,266</b>	<b>10,989</b>	<b>1,078,302</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## 6. Intangible assets (Contd..)

	Goodwill*	Other intangible assets				Total
		Software	Bandwidth	Licenses (including spectrum)	Other acquired intangibles	
Additions	3,465			14,685	91	18,241
Acquisition through business combinations@	-			32,890	1,011	33,901
Disposals / adjustments*	41			(9,815)	-	(9,774)
Exchange differences	13,630	33		963	110	1,106
<b>As of March 31, 2020</b>	<b>348,829</b>	<b>27,586</b>	<b>-</b>	<b>1,081,989</b>	<b>12,201</b>	<b>1,121,776</b>
<b>Accumulated amortisation</b>						
<b>As of April 1, 2018</b>	<b>-</b>	<b>16,657</b>	<b>8,359</b>	<b>172,211</b>	<b>6,567</b>	<b>203,794</b>
Charge	-	2,525	2,799	57,515	2,004	64,843
Disposals / adjustments*	-	(1)	104	12	(22)	93
Sale of subsidiaries^	-	(75)	-	-	-	(75)
Exchange differences	-	20	178	(644)	45	(401)
<b>As of March 31, 2019</b>	<b>-</b>	<b>19,126</b>	<b>11,440</b>	<b>229,094</b>	<b>8,594</b>	<b>268,254</b>
<b>Balance as of April 1, 2019</b>	<b>-</b>	<b>19,126</b>	<b>11,440</b>	<b>229,094</b>	<b>8,594</b>	<b>268,254</b>
Transition impact on adoption of Ind AS 116\$	-	-	(11,440)	-	-	(11,440)
<b>Adjusted balance as of April 1, 2019</b>	<b>-</b>	<b>19,126</b>	<b>-</b>	<b>229,094</b>	<b>8,594</b>	<b>256,814</b>
Charge	-	3,143		61,330	1,441	65,914
Disposals / adjustments*	-	-		(10,099)	0	(10,099)
Exchange differences	-	33		(786)	159	(594)
<b>As of March 31, 2020</b>	<b>-</b>	<b>22,302</b>	<b>-</b>	<b>279,539</b>	<b>10,194</b>	<b>312,035</b>
<b>Net carrying value</b>						
<b>As of March 31, 2019</b>	<b>332,562</b>	<b>4,921</b>	<b>39,037</b>	<b>814,172</b>	<b>2,395</b>	<b>860,525</b>
<b>As of March 31, 2020</b>	<b>346,192</b>	<b>5,284</b>	<b>-</b>	<b>802,450</b>	<b>2,007</b>	<b>809,741</b>

\*Net carrying value of goodwill includes accumulated impairment of ₹ 2,637.

@ Refer note 4 (c), (n) & (u)

\$ Refer note 2.1 and note 35.

^ Refer note 4 (q)

\* Mainly pertains to gross block and accumulated amortisation of license (including spectrum) and software whose useful life has expired.

The carrying value of Intangible assets under development as at March 31, 2020 and March 31, 2019 is ₹ 2,851 and ₹ 7,909 respectively, which pertains to spectrum and software / IT platform.

During the year ended March 31, 2020 and 2019 the Group has capitalised borrowing cost of Nil and ₹ 178 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil for year ended March 31, 2020 and 9.3% for year ended March 31, 2019, which is the weighted average interest rate applicable to the group's specific borrowings.

Weighted average remaining amortisation period of licenses as of March 31, 2020 and March 31, 2019 is 13.99 years and 15.01 years respectively.

For details towards pledge of the above assets refer note 19.2.

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## **Impairment review - Goodwill**

The carrying value of Group's goodwill has been allocated to the following six group of CGUs, whereby Nigeria, East Africa and Francophone Africa (previously referred to as Rest of Africa) group of CGUs pertain to Airtel Africa plc. (Airtel Africa) operations.

	As of March 31, 2020	As of March 31, 2019
Mobile Services Africa- Nigeria	103,977	-
Mobile Services Africa- East Africa	140,535	-
Mobile Services Africa- Francophone Africa	54,259	-
Mobile services- Africa	298,771	285,327
Mobile Services- India	40,413	40,413
Airtel business	6,664	6,478
Homes Services	344	344
	<b>346,192</b>	<b>332,562</b>

The Group tests goodwill for impairment annually on 31 December. The recoverable amounts of the above group of CGUs are based on value-in-use, which are determined based on ten-year business plans that have been approved by management for internal purposes. The said planning horizon reflects the assumptions for short-to-mid term market developments. The Group mainly operates in emerging markets and in such markets, the plans for the short term is not indicative of the long-term future prospects and performance. Considering this and the consistent use of such robust ten-year information for management reporting purposes, the Group uses ten-year plans for the purpose of impairment testing. Management believes that this planning horizon reflects the assumptions for medium to long term market developments and better reflects the expected performance in the markets in which the Group operates.

The cash flows beyond the planning period are extrapolated using appropriate long term terminal growth rates. The long term terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with internal/external sources of information.

Details of impairment testing for the Group are as follows:

### **A. Impairment review of goodwill pertaining to Airtel Africa operations**

During March 2019, after the annual impairment testing in December 2018 considering Africa as one group of CGU, due to revision in organisational structure of Mobile Services Africa segment, goodwill was re-allocated to three clusters (namely Nigeria, East Africa and Francophone Africa) based on implicit goodwill approach as an alternative to the relative fair value method.

For the year ended March 31, 2020, the annual impairment testing was carried out in December 2019. The discount rates and long term growth rates applied in performing the impairment assessment at December 31, 2019 were as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Pre tax discount rate	23.0%	15.3%	14.3%
Long term growth rate	2.6%	5.1%	3.8%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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At December 31, 2019, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs.

The discount rate and long term growth rate applied in performing the impairment assessment at December 31, 2018 were as follows:

<b>Mobile Services- Africa</b>	
Pre tax Discount Rate	24.15%
Long term Growth Rate	4.0%

In case of Mobile Services - Africa CGU group, the recoverable amount exceeds the carrying amount by ₹ 153,714 (39.39%) as of December 31, 2018. An increase of 5.67% in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services- Africa CGU group as of December 31, 2018. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

Following the outbreak of the COVID-19 pandemic, the Group's impairment tests and sensitivity analysis were updated at March 31, 2020 for current devaluations in certain countries, in particular Nigeria and Zambia, the potential impact of COVID-19 on the Group and the impact on the discount rates used. The key assumptions in performing the December 31, 2019 and the March 31, 2020 impairment assessments were as follows:

<b>Assumptions</b>	<b>Basis of assumptions</b>
Discount rate	Discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for respective CGUs.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the capital expenditure required to meet coverage and capacity requirements relating to voice, data and mobile money services and facilitate continued revenue and EBITDA growth.
Earnings before interest, taxes, depreciation and amortization ('EBITDA') margins	The margins have been estimated based on past experience after considering incremental revenue arising out of, voice , data services and mobile money services from the existing and new customers. Margins will be positively impacted from the increased flowthrough of revenues, efficiencies and cost optimisation / other initiatives driven by the Company; whereas, factors like higher churn, increased volume based cost of operations may impact the margins negatively. EBITDA incorporates the potential impact of COVID-19 on the Group's cashflows
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

Details around the capital expenditure and growth rates used within the value in use calculations at March 31, 2020 are as follows:

<b>Assumptions</b>	<b>Nigeria</b>	<b>East Africa</b>	<b>Francophone Africa</b>
Capital expenditure <sup>(1)</sup>	10% - 20%	7.5% - 17.5%	6% - 15%
Long term growth Rate	2.6%	5.1%	3.8%

<sup>(1)</sup> Capital expenditure is expressed as a percentage of revenue over the plan period.

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## **Discount rate**

A critical assumption in the impairment assessment is the discount rate. The Group estimates the discount rate for each group of CGUs based on the weighted average cost of capital for each group of CGUs plus additional risk premiums, if required. Key inputs into the weighted average cost of capital calculation include risk free rates, equity risk premiums, country inflation and country risk premiums. Following the outbreak of COVID-19, there was significant volatility within the financial markets over mid and late March 2020. This led to a significant increase in equity and country risk premiums, with the increase in country risk premiums derived from an increase in observed sovereign credit default swap rates across all jurisdictions. Subsequent to April 1, 2020, these rates have reduced, albeit still not back to the levels pre March 2020. This volatility has led to greater complexity in determining the appropriate discount rate for the March 31, 2020 impairment assessment.

The Group has analysed the level of volatility within country risk premiums by reference to credit default swap rates in the period between December 31, 2019 and March 31, 2020, and the reduction in these rates since that date. The Group has concluded that in determining the discount rate at March 31, 2020, using spot country risk premiums would not give a discount rate that a market participant would expect at the balance sheet date in determining the present value of cash flows over the ten year business plan. Consequently, given this volatility, to determine an appropriate discount rate for the purpose of the March 31, 2020 impairment assessment, consideration has been given to average country risk premiums at December 2019, March 2020 and subsequent to March 2020, which in the group's view, better reflects the risks associated with cash flows over ten years and beyond. The rates adopted by management in the March 31, 2020 impairment assessment, taking into account these average country risk premiums, were as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Pre tax Discount Rate	24.5%	17.1%	16.4%

The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by USD 383 Mn (₹ 28,966) for Nigeria (16%), USD 669 Mn (₹ 50,596) for East Africa (22%) and USD 714 Mn (₹ 54,000) for Francophone Africa (46%), as disclosed in the consolidated financial statements of Airtel Africa plc for the year ended March 31, 2020. The Group therefore concluded that no impairment was required to the goodwill held against each groups of CGUs.

## **Reasonably possible change in discount rate and other assumptions**

- Discount rate**

As previously noted, the impairment assessment is sensitive to a change in discount rates. The table below sets out the March 2020 discount rate for spot country risk premiums and the breakeven discount rate for each group of CGUs.

Reasonably possible change in discount rate assumptions	Nigeria	East Africa	Francophone Africa
Pre tax Discount Rate - spot country risk premiums	26.8%	20.0%	19.4%
Pre tax Discount Rate - breakeven	27.3%	19.6%	21.7%

Given the volatility within financial markets, there is a risk that a prolonged pandemic could lead to increased credit default rates and other inputs into determining the discount rate over a prolonged period. This could lead to discount rates moving higher than the levels seen in March 2020, thus giving rise to a possible impairment in future periods (up to USD 100 Mn (₹ 7,568) at the above March 2020 rates). There is also a risk that COVID-19 could lead to a decrease in future revenue growth should the impact of COVID-19 extend further into 2021 and 2022.

- Other assumptions**

The below table, presents the increase in isolation in capital expenditure which will result in equating the recoverable amount with the carrying amount of the group of CGU's:

Assumptions	Nigeria	East Africa	Francophone Africa
Capital expenditure	3.8%	6.2%	8.8%

No reasonably possible change in the terminal growth rate would cause the carrying amount to exceed the recoverable amount.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## B. Impairment review of goodwill pertaining operations other than Airtel Africa

The testing carried out during December 2019, did not result in any impairment in the carrying amount of goodwill. As part of such testing, the key assumptions used in value-in-use calculations are as follows:

Assumptions	Basis of assumptions
EBITDA margins	The margins have been estimated based on past experience after considering incremental revenue arising out of adoption of value added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in competitive scenario. Margins will be positively impacted from the efficiencies and cost rationalisation / others initiatives driven by the Group; whereas, factors like higher churn, increased cost of operations may impact the margins negatively.
Discount rate	Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs and estimated based on the weighted average cost of capital for respective CGU/ group of CGUs. Pre-tax discount rates used are 13.40% for the year ended March 31, 2020 and 13.39% for the year ended March 31, 2019.
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/ external sources of information. The average growth rate used in extrapolating cash flows beyond the planning period is 3.5% for March 31, 2020 and 3.5% for March 31, 2019.
Capital expenditures	The cash flow forecasts of capital expenditure are based on past experience after considering the additional capital expenditure required for roll out of incremental coverage and capacity requirements and to provide enhanced voice and data services.

### Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for Homes Services and Airtel Business, no reasonably possible change in any of the above key assumptions would have caused the carrying amount of these units to exceed their recoverable amount.

In case of Mobile Services- India CGU group, the recoverable amount exceeds the carrying amount by ₹ 787,359 (48.48%) as of December 31, 2019 and ₹ 338,681 (22.99%) as of December 31, 2018. An increase of 4.67% (December 31, 2018: 1.76%) in pre-tax discount rate shall equate the recoverable amount with the carrying amount of the Mobile Services – India CGU group as of December 31, 2019. Further, no reasonably possible change in the terminal growth rate beyond the planning horizon would cause the carrying amount to exceed the recoverable amount.

Following the outbreak of the COVID-19 pandemic, management performed sensitivity analysis for the potential impact of COVID-19 on the recoverable value including the impact of change in discount rates used. Management has concluded that none of these sensitivities resulted in impairment for any of these groups of CGUs.

## 7. Investment in joint ventures and associates

The amounts recognised in the balance sheet are as follows:

	As of March 31, 2020	As of March 31, 2019
Joint ventures	60,781	54,227
Associates	36,027	34,710
	<b>96,808</b>	<b>88,937</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The amounts recognised in the statement of profit and loss are as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Recognised in profit and loss</b>		
Joint ventures	11,069	3,630
Associates	(4,545)	(74)
	<b>6,524</b>	<b>3,556</b>
<b>Recognised in other comprehensive income</b>		
Joint ventures	(9)	(2)
Associates	24	(10)
	<b>15</b>	<b>(12)</b>

During the year ended March 31, 2020, the Group's investment in the joint venture Airtel Ghana Holdings BV (accounted under equity method) was reduced to Nil. Un-recognised share of losses of Airtel Ghana Limited is USD 39 Mn (₹ 2,759) for the year ended March 31, 2020 (Nil for the year ended March 31, 2019) and USD 39 Mn (₹ 2,759) cumulatively.

The summarised financial information of joint venture and associate that are material to the Group are as follows:

## Summarized balance sheet

	As of							
	Joint ventures				Associate			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*		Robi Axiata Limited		Airtel Payment Bank Limited	
<b>Assets</b>								
<b>Non current assets</b>	<b>278,070</b>	<b>193,138</b>	<b>20,861</b>	<b>24,056</b>	<b>139,753</b>	<b>105,957</b>	<b>2,448</b>	<b>1,062</b>
<b>Current assets</b>								
Cash and cash equivalents ('C&CE')	1,355	3,224	181	886	2,178	1,920	423	4,290
Other current assets (excluding 'C&CE')	59,816	47,774	2,932	3,605	13,357	8,456	9,715	7,207
<b>Total current assets</b>	<b>61,171</b>	<b>50,998</b>	<b>3,113</b>	<b>4,491</b>	<b>15,535</b>	<b>10,376</b>	<b>10,138</b>	<b>11,497</b>
<b>Liabilities</b>								
<b>Non current liabilities</b>								
Borrowings	1,667	11,223	11,103	9,705	5,215	11,509	-	-
Other liabilities	110,011	32,429	7,925	5,489	31,247	3,805	86	47
<b>Total non current liabilities</b>	<b>111,678</b>	<b>43,652</b>	<b>19,028</b>	<b>15,194</b>	<b>36,462</b>	<b>15,314</b>	<b>86</b>	<b>47</b>
<b>Current liabilities</b>								
Borrowings	36,254	44,574	2,131	1,654	15,511	11,071	470	-
Other liabilities	54,838	34,279	12,895	8,347	50,061	39,990	9,229	10,579
<b>Total current liabilities</b>	<b>91,092</b>	<b>78,853</b>	<b>15,026</b>	<b>10,001</b>	<b>65,572</b>	<b>51,061</b>	<b>9,699</b>	<b>10,579</b>
<b>Equity</b>	<b>136,471</b>	<b>121,631</b>	<b>(10,080)</b>	<b>3,352</b>	<b>53,254</b>	<b>49,958</b>	<b>2,801</b>	<b>1,933</b>
Percentage of Group's ownership interest	42.00%	42.00%	50.00%	50.00%	25.00%	25.00%	80.10%	80.10%
Interest in joint venture / associate	57,318	51,085	(5,040)	1,676	13,313	12,490	2,244	1,548
Consolidation adjustment (including goodwill / accounting policy alignment)	3,355	1,397	-	-	12,336	11,396	7,766	8,735
<b>Carrying amount of investment</b>	<b>60,673</b>	<b>52,482</b>	<b>-</b>	<b>1,676</b>	<b>25,649</b>	<b>23,886</b>	<b>10,010</b>	<b>10,283</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Summarised information on statement of profit and loss

	For the year ended							
	Joint ventures				Associate			
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Indus Towers Limited		Bharti Airtel Ghana Holdings B.V.*		Robi Axiata Limited		Airtel Payment Bank Limited	
Revenue	188,281	184,775	10,086	11,683	64,557	60,491	4,698	1,434
Depreciation and amortisation	39,895	27,572	4,543	3,689	16,772	15,016	115	45
Finance income	630	534	-	-	70	85	45	-
Finance cost	12,601	6,028	3,887	5,180	3,955	2,697	90	98
Income tax expense	7,047	13,078	-	2	3,973	889	-	-
<b>Profit / (loss) for the year</b>	<b>32,869</b>	<b>24,220</b>	<b>(8,441)</b>	<b>(9,059)</b>	<b>511</b>	<b>2,887</b>	<b>(4,638)</b>	<b>(1,541)</b>
OCI / loss for the year	(22)	(6)	-	-	74	(46)	7	1
Percentage of Group's ownership interest	42.00%	42.00%	50.00%	50.00%	25.00%	25.00%	80.10%	80.10%
Group's share in profit / (loss) for the year	13,805	10,172	(4,221)	(4,529)	128	722	(3,715)	(1,235)
Group's share in OCI / (loss) for the year	(9)	(2)	-	-	18	(11)	6	1
Consolidation adjustments / accounting policy alignment	(654)	(1,294)	(724)	(724)	-	471	(969)	-
<b>Group's share in profit / (loss) recognised</b>	<b>13,151</b>	<b>8,879</b>	<b>(2,114)</b>	<b>(5,253)</b>	<b>128</b>	<b>1,193</b>	<b>(4,684)</b>	<b>(1,235)</b>
Dividend received from joint venture / associate	-	11,261	-	-	-	-	-	-

\*Based on consolidated financial statements of the entity

The aggregate information of joint ventures that are individually immaterial is as follows:

	As of March 31, 2020	As of March 31, 2019
Carrying amount of investments	108	69

### Group's share in joint ventures

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit	32	4
Total comprehensive income	32	4

The aggregate information of associates that are individually immaterial is as follows:

	As of March 31, 2020	As of March 31, 2019
Carrying amount of investments	368	541

### Group's share in associates

	For the year ended March 31, 2020	For the year ended March 31, 2019
Net profit	11	(32)
Total comprehensive income	11	(32)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Details of joint ventures:

S. no.	Name of joint ventures*	Principal place of business	Principal activities	Ownership interest % As of	
				March 31, 2020	March 31, 2019
1	Indus Towers Limited*	India	Passive infrastructure services	22.47	22.47
2	Bharti Airtel Ghana Holdings B.V. <sup>\$</sup>	Netherlands	Investment company	50.00	50.00
3	Bridge Mobile Pte Limited	Singapore	Provision of regional mobile services	10.00	10.00
4	FireFly Networks Limited	India	Telecommunication services	50.00	50.00

\* Investments in joint ventures are unquoted.

\* Bharti Infratel Limited, in which the Group has 53.51% equity interest (53.51% as of March 31, 2019), owns 42% of Indus Towers Limited.

<sup>\$</sup> The joint venture has four subsidiaries namely Airtel Ghana Limited, Airtel Mobile Commerce (Ghana) Limited, Mobile Financial Services Limited and Millicom Ghana Company Limited. For details, refer note 40.

## Details of associates:

S. no.	Name of associates*	Principal place of business	Principal activities	Ownership interest % As of	
				March 31, 2020	March 31, 2019
1	Seychelles Cable Systems Company Limited*	Seychelles	Submarine cable system	14.56	17.76
2	Robi Axiata Limited	Bangladesh	Telecommunication services	25.00	25.00
3	Seynse Technologies Private Limited	India	Financial services	22.54	22.54
4	Juggernaut Books Private Limited	India	Digital books publishing services	17.79	19.35
5	Airtel Payments Bank Limited (w.e.f. October 25, 2018)	India	Mobile commerce services	80.10	80.10

\* Airtel Africa plc, in which the Group has 56.01% equity interest (68.31% as of March 31, 2019), owns 26% of Seychelles Cable Systems Company Limited. The associate has a subsidiary RedDot Digital Limited which was incorporated on November 5, 2019. For details, refer note 40.

# Investments in associates are unquoted.

Refer note 23 for Group's share of joint venture's and associate's commitments and contingencies.

## 8. Investments in subsidiaries

Information as to the subsidiaries which are part of the Group is as follows:

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries	
			As of	
			March 31, 2020	March 31, 2019
1	Telecommunication services	India	3	4
2	Telecommunication services	Africa	0	7
3	Telecommunication services	South Asia	1	1
4	Telecommunication services	Others	6	6
5	Mobile commerce services	Africa	1	13
6	Infrastructure services	Africa	0	3
7	Submarine cable	Mauritius	1	1
8	Submarine cable	Africa	1	0
9	Investment company	Netherlands	0	31
10	Investment company	Mauritius	5	10
11	Investment company	Others	0	3
12	Investment company	India	1	0
13	Others	India	2	3

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 8. Investments in subsidiaries (Contd..)

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			% As of March 31, 2020	% As of March 31, 2019
1	Telecommunication services	India	2	2
2	Telecommunication services	Africa	14	7
3	Mobile commerce services	Africa	15	3
4	Infrastructure services	India	1	1
5	Infrastructure services	Africa	5	2
6	Direct to home services	India	1	1
7	Investment company	Africa	2	2
8	Investment company	Mauritius	5	0
9	Investment company	Netherlands	31	0
10	Investment company	Others	2	0
11	Others	India	1	0
			<b>79</b>	<b>18</b>

Additionally, the Group also controls the employee stock option plan trusts as mentioned here below:

S. no.	Name of trust	Principal place of business
1	Bharti Airtel Employees' Welfare Trust	India
2	Bharti Infratel Employees' Welfare Trust	India

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material non-controlling interests is as follows:

### Summarised balance sheet

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Plc.**	
	As of		As of		As of	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Assets</b>						
Non current assets	158,946	139,923	123,947	103,402	578,466	501,388
Current assets	53,495	42,800	30,400	10,005	127,671	98,248
<b>Liabilities</b>						
Non current liabilities	25,959	13,033	27,946	3,237	267,707	203,033
Current liabilities	42,102	17,752	96,201	52,494	188,789	198,818
<b>Equity</b>	<b>144,380</b>	<b>151,938</b>	<b>30,200</b>	<b>57,676</b>	<b>249,641</b>	<b>197,785</b>
% of ownership interest held by NCI	46.49%	46.49%	30.00%	30.00%	43.99%	31.69%
Accumulated NCI	67,122	70,636	9,060	17,303	109,817	62,678

### Summarised statement of profit and loss

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Plc.**	
	For the year ended		For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Revenue</b>						
Revenue	66,244	65,889	38,920	36,199	242,173	226,079
Net profit / (loss)	31,449	22,085	(27,165)	(7,220)	28,564	29,847
Other comprehensive income / (loss)	(119)	(24)	(2)	3	6,569	(17,195)
Total comprehensive income / (loss)	31,330	22,061	(27,167)	(7,217)	35,133	12,652
Profit / (loss) allocated to NCI	14,618	10,271	(8,150)	(2,160)	8,716	3,486

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Summarised statement of cash flows

	Bharti Infratel Limited*		Bharti Hexacom Limited		Airtel Africa Plc.**	
	For the year ended		For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Net cash (outflow) / inflow from operating activities	23,151	31,586	(3,159)	4,926	98,311	64,827
Net cash (outflow) / inflow from investing activities	(10,122)	15,999	(10,756)	(11,657)	(56,439)	17,557
Net cash (outflow) / inflow from financing activities	(11,854)	(47,947)	18,642	5,595	(27,564)	(41,939)
<b>Net cash (outflow) / inflow</b>	<b>1,175</b>	<b>(362)</b>	<b>4,727</b>	<b>(1,136)</b>	<b>14,308</b>	<b>40,445</b>
Dividend paid to NCI (including tax)	14,408	22,286	-	-	3,533	-

\*Based on consolidated financial statements of the entity.

\*\*Refer note 4 (i)

## 9. Investments

### Non-current

	As of March 31, 2020	As of March 31, 2019
<b>Investment at FVTPL</b>		
Government securities	2	293
Equity instruments	2,900	3,175
Mutual funds	17,002	16,007
Preference shares	374	342
	<b>20,278</b>	<b>19,817</b>
<b>Investment at FVTOCI</b>		
Bonds	-	2,124
	<b>20,278</b>	<b>21,941</b>

### Current

	As of March 31, 2020	As of March 31, 2019
<b>Investment at FVTPL</b>		
Mutual funds	134,489	33,506
Government securities	2,940	11,925
Bonds	-	801
Non-convertible debenture	250	-
	<b>137,679</b>	<b>46,232</b>
<b>Investment at FVTOCI</b>		
Government securities	-	-
Commercial paper	-	-
	<b>137,679</b>	<b>46,232</b>
<b>Aggregate book / market value of quoted investments</b>		
Non-current	17,002	18,424
Current	137,679	46,232
<b>Aggregate book value of unquoted investments</b>		
Non-current	3,276	3,517
Current	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 10. Derivative financial instruments

	As of March 31, 2020	As of March 31, 2019
<b>Assets</b>		
Currency swaps, forward and option contracts	2,716	346
Interest swaps	117	3,185
	<b>2,833</b>	<b>3,531</b>
<b>Liabilities</b>		
Currency swaps, forward and option contracts	600	3,691
Interest swaps*	26	9,579
Embedded derivatives	234	298
	<b>860</b>	<b>13,568</b>
Non-current derivative financial assets	41	3,105
Current derivative financial assets	2,792	426
Non-current derivative financial liabilities	(292)	(826)
Current derivative financial liabilities	(568)	(12,742)

\*During the year ended March 31, 2019 the Company had issued shares to several global investors. The shares subscription agreements included certain indemnities that were embedded derivatives not clearly and closely related to the shares and therefore have been bifurcated and presented separately as a derivative financial liability. The fair value of those embedded derivatives was ₹ 9,095 as of March 31, 2019.

Refer note 36 for details of the financial risk management of the Group.

## 11. Security deposits

	As of March 31, 2020	As of March 31, 2019
Considered good*	8,728	16,452
Considered doubtful	1,548	1,448
Less: allowance for doubtful deposits	(1,548)	(1,448)
	<b>8,728</b>	<b>16,452</b>

Security deposits primarily include deposits given towards rented premises, cell sites and interconnect ports.

\*It includes amount due from related party refer note 34.

For details towards pledge of the above assets refer note 19.2.

## 12. Financial assets - others

### Non-current

	As of March 31, 2020	As of March 31, 2019
Indemnification asset*	14,606	9,082
Bank deposits	16	13
Margin money deposits	74	147
	<b>14,696</b>	<b>9,242</b>

\*pursuant to merger with TTML/TTSL and Telenor (refer note 4 (c) and 4 (n))

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Current

	As of March 31, 2020	As of March 31, 2019
Unbilled revenue (refer note 24)	19,221	17,072
Indemnification assets*	189,718	-
Interest accrued on investments / deposits	296	602
Others#	1,288	2,669
	<b>210,523</b>	<b>20,343</b>

\*primarily includes indemnification assets pursuant to merger with TTML/TTSL and Telenor (refer note 4 (c) and 4 (n)).

#It includes amounts due from related party (refer note 34).

For details towards pledge of the above assets refer note 19.2.

## 13. Income tax

The major components of the income tax expense are:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current income tax</b>		
- For the year	25,400	19,527
- Adjustments for prior periods	(1,662)	(136)
	<b>23,738</b>	<b>19,391</b>
<b>Deferred tax</b>		
- Origination and reversal of temporary differences	(151,653)	(27,924)
- Effect of change in tax rate (refer note 31)	5,090	-
- Adjustments for prior periods	1,002	(25,660)
	<b>(145,561)</b>	<b>(53,584)</b>
<b>Income tax credit</b>		
	<b>(121,823)</b>	<b>(34,193)</b>

## Consolidated statement of other comprehensive income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax on fair value changes of financial assets of FVTOCI	13	3
Net gains on net investments hedge	2,870	5,425
Re-measurement losses on defined benefit plans	(41)	(62)
<b>Deferred tax charge recorded in Other Comprehensive Income</b>	<b>2,842</b>	<b>5,366</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and the income tax charge is summarised below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss before tax	(428,465)	(17,318)
Enacted tax rates in India	34.944%	34.944%
Tax expense @ Company's domestic tax rate 34.944%	(149,723)	(6,052)
Effect of:		
Share of profits in associates and joint ventures	(926)	(1,245)
Tax holiday	516	264
Adjustment in respect to MAT credit recoverability (refer note 31)	12,357	-
Adjustments in respect of previous years	(660)	(25,796)
Effect of changes in tax rate	5,090	-
Additional taxes / taxes for which no credit is allowed	476	3,139
Difference in tax rate applicable to group companies	11,305	(1,589)
Items subject to different tax rate	(43)	(30)
Income (net) not taxable / deductible	(4,998)	(3,028)
Tax on undistributed retained earnings	8,167	2,286
Item for which no deferred tax asset was recognised	2,145	(24)
Settlement of various disputes	233	(2,229)
Deferred tax recognised on losses and deductible temporary differences pertaining to business combination	(2,537)	-
Tax on common control transactions	(4,037)	-
Others	812	111
<b>Income tax credit</b>	<b>(121,823)</b>	<b>(34,193)</b>

The analysis of deferred tax assets and liabilities is as follows:

<b>Deferred tax assets (net)</b>	As of March 31, 2020	As of March 31, 2019
<b>a) Deferred tax liability due to</b>		
Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities	(53,717)	(89,029)
<b>b) Deferred tax asset arising out of</b>		
Allowance for impairment of debtors / advances	13,504	13,023
Carry forward losses	253,351	90,952
Unearned income	171	559
Employee benefits	1,378	1,311
Minimum alternate tax ('MAT') credit	48,081	60,463
Lease rent equalisation	-	6,893
Fair valuation of financial instruments and exchange differences	1,132	3,068
Fair valuation of compulsory convertible debentures	(1,796)	-
Government grant	965	-
Rates and taxes	5,837	1,511
Others	1,254	628
	<b>270,160</b>	<b>89,379</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

<b>Deferred tax liabilities (net)</b>	As of March 31, 2020	As of March 31, 2019
<b>a) Deferred tax liability due to</b>		
Revenue equalisation (net)	1,542	2,804
Fair valuation of financial instruments and exchange differences	699	136
Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities	4,215	5,940
Undistributed retained earnings	11,220	3,367
Others	395	345
<b>b) Deferred tax asset arising out of</b>		
Allowance for impairment of debtors / advances	(762)	(828)
Carry forward losses	(254)	(250)
Unearned income	9	8
Employee benefits	(187)	(225)
	<b>16,877</b>	<b>11,297</b>

<b>Deferred tax income</b>	For the year ended March 31, 2020	For the year ended March 31, 2019
Allowance for impairment of debtors / advances	470	(4,437)
Carry forward losses	161,622	61,811
Unearned income	(272)	(43)
Employee benefits	(45)	47
MAT credit	(12,348)	3,150
Lease rent equalisation (net)	1,258	653
Fair valuation of financial instruments and exchange differences	(4,916)	(14,270)
Fair valuation of compulsory convertible bonds (FCCB)	107	
Rates and taxes	4,330	(955)
Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities	1,872	6,039
Government grant	965	-
Undistributed retained earnings	(7,684)	201
Revenue equalisation	-	-
Revaluation of investments to fair value	-	-
Others	202	1,388
<b>Net deferred tax income</b>	<b>145,561</b>	<b>53,584</b>

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>	<b>78,082</b>	<b>18,724</b>
Tax income recognised in statement of profit or loss	145,561	53,584
Tax expense recognised in equity on FCCBs	(1,903)	-
Tax income during the period recognized in equity under Ind AS 116	13,039	-
Tax arising on business combination	15,500	3,717
Tax income / (expense) recognised in OCI:		
- on net investments hedge	2,870	5,425
- on fair value changes of financial assets of FVTOCI	13	3
- on fair value through OCI investments	(41)	(62)
Exchange differences and others	(3,875)	(3,309)
Tax recognised under common control transaction in equity	4,037	-
<b>Closing balance</b>	<b>253,283</b>	<b>78,082</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses (including capital losses) of ₹ 636,739 and ₹ 509,317 as of March 31, 2020 and March 31, 2019 respectively, as it is not probable that relevant taxable profits will be available in future. The applicable tax rates for the same vary from 3% to 45%, depending on the tax jurisdiction in which the respective group entity operates. Of the above balance as of March 31, 2020 and March 31, 2019, ₹ 154,605 and ₹ 57,130 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

Expiry date	As of March 31, 2020	As of March 31, 2019
Within five years	387,510	86,864
Above five years	94,624	365,323
Unlimited	154,605	57,130
	<b>636,739</b>	<b>509,317</b>

Moreover, deferred tax liability has not been recognised in respect of temporary differences pertaining to the investment in its certain subsidiaries, as where Group is in a position to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The temporary differences associated with respect to such investment in subsidiaries are represented by their retained earnings and other reserves (on the basis of their standalone financial statements), aggregating ₹ 86,245 and ₹ 111,421 as of March 31, 2020 and March 31, 2019 respectively. In case of distribution of the same as dividend, it is expected to attract tax in the range of Nil to 20% (except for companies incorporated in India wherein with effect from April 1, 2020, dividend distribution does not attract tax deduction at source) depending on the tax rates applicable as of March 31, 2020 in the relevant jurisdiction.

## Factors affecting the tax charge in future years

- The group's future tax charge and effective tax rate, could be affected by the following factors:
  - Change in income tax rate in any of the jurisdictions in which group operates
  - Overall profit mix between profit and loss making entities
  - Withholding tax on distributed and undistributed retained earnings of subsidiaries
  - Recognition of deferred tax assets in any of the group entities meeting the criteria
- The group is routinely subject to audit by tax authorities in the jurisdictions in which the group entities operate. The group recognises tax provisions based on reasonable estimates for those matters where tax determination is uncertain but it is considered probable that there will be a future outflow of funds to tax authorities. The amount of such provisions are based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the tax authority in jurisdictions in which the Group operates; the amount ultimately paid in these kind of uncertain tax cases may differ materially and could therefore affect the group's overall profitability and cash flows in future.
- The tax impact of a transaction disclosed as contingent liability can also be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Refer note 23 for details of the contingencies pertaining to income tax.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 14. Other assets

### Non-current

	As of March 31, 2020	As of March 31, 2019
Costs to obtain a contract with the customer (refer note 24)	6,471	-
Revenue equalisation	3,460	3,067
Advances (net) <sup>#</sup>	23,737	34,202
Capital advances	207	939
Prepaid expenses	26,063	2,082
Taxes recoverable	13,509	21,738
Others*	734	9,483
	<b>74,181</b>	<b>71,511</b>

<sup>#</sup>Advances (net) represent payments made to various government authorities under protest and are disclosed net of allowance.

\*It mainly includes advances.

### Current

	As of March 31, 2020	As of March 31, 2019
Costs to obtain a contract with the customer (refer note 24)	5,788	-
Taxes recoverable <sup>#</sup>	135,665	105,603
Advances to suppliers (net) <sup>@</sup>	6,725	20,436
Prepaid expenses	9,635	8,201
Deposit with government authorities <sup>^</sup>	50,000	-
Others*	1,071	2,871
	<b>208,884</b>	<b>137,111</b>

<sup>#</sup> Taxes recoverable primarily include Goods and service tax and customs duty.

<sup>@</sup> Advance to suppliers are disclosed net of allowance of ₹ 3,304 and ₹ 2,866 as of March 31, 2020 and March 31, 2019 respectively.

<sup>^</sup> It represents deposits made with DOT towards the AGR matter (refer note 4 (a)).

\* It includes employee receivables which principally consist of advances given for business purpose.

## 15. Trade receivables

	As of March 31, 2020	As of March 31, 2019
(a) Trade Receivables considered good— unsecured*	91,986	80,856
Less: allowances for doubtful receivables	(45,928)	(37,850)
	<b>46,058</b>	<b>43,006</b>

\*It includes amount due from related party refer note 34.

Refer note 36 (iv) for credit risk.

### The movement in allowances for doubtful debts is as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>	<b>37,850</b>	<b>51,579</b>
Additions	5,199	10,256
Write off (net of recovery)	(697)	(24,353)
Exchange differences	3,576	368
<b>Closing balance</b>	<b>45,928</b>	<b>37,850</b>

For details towards pledge of the above assets refer note 19.2.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 16. Cash and bank balances

### Cash and cash equivalents

	As of March 31, 2020	As of March 31, 2019
Balances with banks		
- On current accounts	14,286	7,064
- Bank deposits with original maturity of 3 months or less	119,487	53,848
Cheques on hand	102	125
Cash on hand	1,632	1,084
	<b>135,507</b>	<b>62,121</b>

### Other bank balances

	As of March 31, 2020	As of March 31, 2019
Balance held under mobile money trust*	22,330	16,478
Earmarked bank balances - unpaid dividend	12	110
Term deposits with bank	153	273
Margin money deposits#	925	1,658
	<b>23,420</b>	<b>18,519</b>

\*It represents cash received from subscribers of mobile commerce services relating to its subsidiaries in Africa and the same is not available for general use by the Group.

#Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

The details of interest accrued on above items (which is included within 'interest accrued on deposits' under current other financial assets) is as below:

	As of March 31, 2020	As of March 31, 2019
<b>Cash and cash equivalents</b>		
- Bank deposits with original maturity 3 months or less	122	106
	<b>122</b>	<b>106</b>
<b>Other bank balance</b>		
- Term deposits with bank	113	47
	<b>113</b>	<b>47</b>
	<b>235</b>	<b>153</b>

For the purpose of statement cash flows, cash and cash equivalents comprise of following:

	As of March 31, 2020	As of March 31, 2019
Cash and cash equivalents as per Balance Sheet	135,507	62,121
Balance held under mobile money trust*	22,330	16,478
Bank overdraft	(27,298)	(24,806)
	<b>130,539</b>	<b>53,793</b>

\*It represents cash received from subscribers of mobile commerce services relating to its subsidiaries in Africa and the same is not available for general use by the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 17. Share capital

	As of March 31, 2020	As of March 31, 2019
<b>Issued, subscribed and fully paid-up shares</b>		
5,455,557,355 (March 31, 2019 - 3,997,400,107) equity shares of ₹ 5 each	27,278	19,987
	<b>27,278</b>	<b>19,987</b>

### a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to cast one vote per share.

### b. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the company

	As of March 31, 2020		As of March 31, 2019	
	No. of shares '000	% holding	No. of shares '000	% holding
<b>Equity shares of ₹ 5 each fully paid up</b>				
Bharti Telecom Limited	2,116,236	38.79%	2,002,818	50.10%
Pastel Limited	759,007	13.91%	591,319	14.79%
Indian Continent Investment Limited	331,436	6.08%	81,151	2.03%

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

- During the year ended March 31, 2020, 970,668 equity shares of ₹ 5 each were issued to the shareholders of TTML as per the terms of the scheme of arrangement (refer note 4 (c)).
- During the year ended March 31, 2019, 5 equity shares of ₹ 5 each were issued to the shareholders of Telenor as per the terms of the scheme of amalgamation (refer note 4 (n)).

### d. Treasury shares

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	No. of shares '000	Amount	No. of shares '000	Amount
Opening balance	1,492	554	1,719	642
Purchased during the year	1,291	497	700	248
Excercised during the year	(564)	(263)	(927)	(336)
<b>Closing balance</b>	<b>2,219</b>	<b>788</b>	<b>1,492</b>	<b>554</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## e. Dividend

The proposed dividend being subject to approval at respective annual general meetings, no related corresponding liability has been recognised in the respective financial years.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Declared and paid during the year:</b>		
Interim dividend for 2019-20: ₹ Nil per share (2018-19: ₹ 2.50 per share)	-	12,044
Dividend on treasury shares	-	4
(including dividend distribution tax 2018-19 @ 20.56% of ₹ 2,054)		
Final dividend for 2018-19: ₹ Nil per share (2017-18 : ₹ 2.50 per share)	-	12,044
Dividend on treasury shares	-	4
(including dividend distribution tax 2018-19 @ 20.56% of ₹ 2,054)		
	<b>24,096</b>	
<b>B Proposed dividend</b>		
Final dividend for 2019-20: ₹ 2 per share (2018-19 : ₹ Nil per share)	10,911	-
	<b>10,911</b>	-

The proposed dividend being subject to approval at respective annual general meetings, accordingly no corresponding liability has been recognised in the respective financial years.

## 18. Other equity

- a. Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 1, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair values over the original book values of the assets transferred to them and the periodic depreciation thereto is adjusted in retained earnings.

In absence of any specific provision under Ind AS with respect to court schemes, and the fact that the court schemes are part of the law, accounting prescribed therein (as explained above) will continue to prevail even in the Ind AS financial statements of the Group after being adjusted for intra-group eliminations / equity accounting, as required.

- b. General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013 ('Act').

Further, on exercise of the stock options, the difference between the consideration (i.e. the exercise price and the related amount of share-based payment reserve) and the cost of the related treasury shares, is transferred to general reserve.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

- c. **Debenture redemption reserve:** Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits and is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve gets transferred to retained earnings.
- d. **Capital reserve:** It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Companies Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).
- e. **Securities premium:** It is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

## Other components of equity

	Foreign currency translation reserve	Cash flow hedge reserve	Fair value through OCI reserve	Treasury shares	Equity component of foreign currency convertible bond	Total
<b>As of April 1, 2018</b>	<b>(75,249)</b>	<b>943</b>	<b>205</b>	<b>(642)</b>	<b>-</b>	<b>(74,743)</b>
Net gains due to foreign currency translation differences	(11,544)	-	-	-	-	(11,544)
Net gains on net investment hedge	2,264	-	-	-	-	2,264
Net losses on cash flow hedge	-	(881)	-	-	-	(881)
Net gains on fair value through OCI investments	-	-	(26)	-	-	(26)
Purchase of treasury shares	-	-	-	(248)	-	(248)
Exercise of share options	-	-	-	336	-	336
<b>As of March 31, 2019</b>	<b>(84,529)</b>	<b>62</b>	<b>179</b>	<b>(554)</b>	<b>-</b>	<b>(84,842)</b>
Transition impact on adoption of Ind AS 116 (note 35)	(129)	-	-	-	-	(129)
<b>Balance as at April 1, 2019</b>	<b>(84,658)</b>	<b>62</b>	<b>179</b>	<b>(554)</b>	<b>-</b>	<b>(84,971)</b>
Net losses due to foreign currency translation differences	(4,478)	-	-	-	-	(4,478)
Net losses on net investment hedge	(7,038)	-	-	-	-	(7,038)
Net gains on cash flow hedge	-	(62)	-	-	-	(62)
Net losses on fair value through OCI investments	-	-	(54)	-	-	(54)
Purchase of treasury shares	-	-	-	(497)	-	(497)
Exercise of share options	-	-	-	263	-	263
Issuance of foreign currency convertible bonds	-	-	-	-	3,542	3,542
<b>As of March 31, 2020</b>	<b>(96,174)</b>	<b>-</b>	<b>125</b>	<b>(788)</b>	<b>3,542</b>	<b>(93,295)</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 19. Borrowings

### Non-current

	As of March 31, 2020	As of March 31, 2019
<b>Secured</b>		
Term loans	-	1,403
Vehicle loans*	1	10
	<b>1</b>	<b>1,413</b>
Less: Current portion (A)	(1)	(1,386)
Less: Interest accrued but not due (refer note 20)	-	(24)
	-	<b>3</b>
<b>Unsecured</b>		
Liability component of a foreign currency convertible bond^	69,856	-
Term loans#	222,746	175,551
Non-convertible bonds@	259,486	253,741
Non-convertible debentures	32,342	32,322
Deferred payment liabilities***	458,892	466,191
	<b>1,043,322</b>	<b>927,805</b>
Less: Current portion (B)	(98,363)	(70,346)
Less: Interest accrued but not due (refer note 20)	(34,167)	(32,561)
	<b>910,792</b>	<b>824,898</b>
<b>Current maturities of long-term borrowings (A + B)</b>	<b>910,792</b>	<b>824,901</b>
	98,364	71,732

### Current

	As of March 31, 2020	As of March 31, 2019
<b>Secured</b>		
Bank overdraft	280	1,682
	<b>280</b>	<b>1,682</b>
<b>Unsecured</b>		
Term loans	114,692	193,988
Commercial papers	25,173	91,826
Bank overdraft	27,018	23,124
	<b>166,883</b>	<b>308,938</b>
Less: Interest accrued but not due (refer note 20)	(129)	(523)
	<b>167,034</b>	<b>310,097</b>

\*These loans are secured by hypothecation of the vehicles.

#It includes re-borrowable term loans of ₹ 511 and ₹ 3,847 as of March 31, 2020 and March 31, 2019 respectively which have daily prepayment flexibility.

@It includes impact of fair value hedge refers note 36 (ii). During the year ended March 31, 2020, Airtel Africa Limited made payment of non-convertible bonds of CHF 350 Mn (₹ 26,486) at maturity.

\*\*During the year ended March 31, 2018, the Government of India had provided one time option to elect higher number of annual instalments prospectively (upto a maximum of 16 instalments) towards the repayment of spectrum liability vis-a-vis earlier allowed 10 instalments. Accordingly, the Company had then exercised the option to increase the remaining number of instalments by 6 annual instalments, for all its existing deferred payment liabilities. Further, during the year ended March 31, 2020, the Government of India deferred the payment of the annual instalments due for year 2020-21 and 2021-22 and revised the remaining instalment amount. The revised instalments amount are based on deferred instalment amount are to be equally spread over the remaining instalment to be paid, without any increase in the existing time period specified for making the instalment payment.

^ During the year ended March 31, 2020, the Company has issued 1.50% Foreign Currency Convertible Bonds ('FCCBs') of USD 1,000 Mn (₹ 71,017) at par, convertible into ordinary shares of the Company at an initial conversion price of INR 534 per share at any time on or after February 27, 2020 and up to the close of business on February 7, 2025, at the option of the FCCB holders. FCCBs, which are not converted to ordinary shares during such specified period, are redeemable at 102.66% of their principal amount on February 17, 2025.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The details of this FCCB issuance is as follows:

	As of March 31, 2020
<b>Face Value of Bond issued</b>	71,017
Equity component of convertible bonds - value of conversion rights <sup>(1)</sup>	(5,488)
Transaction costs	(491)
	<b>65,038</b>
Interest accrued but not due <sup>(2)</sup>	552
Foreign exchange differences	4,266
<b>Borrowings non-current</b>	<b>69,856</b>

<sup>(1)</sup>The equity component of convertible bonds has been presented in 'Other Equity' net of deferred tax of ₹ 1,903 (refer note 13).

<sup>(2)</sup>Interest is calculated by applying effective interest rate of 3.9% to the liability component.

## 19.1 Analysis of borrowings

The details given below are gross of debt origination cost and fair valuation adjustments with respect to the hedged risk.

### 19.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of March 31, 2020						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	8% - 9.5%	Monthly	4 - 6	1	-	-	-
Term loans	6% - 15%	Monthly	1 - 16	16,584	199	252	-
	4.2% - 9%	Quarterly	2 - 12	12,410	15,667	9,552	-
	7.8% - 9.2%	Half - yearly	3 - 6	9,719	46,300	45,653	1,090
	1.9% - 12.9%	One time	1	159,301	9,152	10,204	-
Liability component of a foreign currency convertible bond	1.5%	One time	1	-	-	77,688	-
Non-convertible bonds	3.4% - 5.4%	One time	1	-	62,420	113,902	75,372
Non-convertible debentures	8.3% - 8.4%	One time	1	15,000	15,000	-	-
Deferred payment liabilities	9.3% - 10%	Annual	2 - 10	-	-	22,308	411,185
Commercial papers	6.3% - 7.5%	One time	1	25,215	-	-	-
Bank overdraft	4.3% - 20.8%	Payable on demand	NA	27,298	-	-	-
				265,528	148,738	279,559	487,647

\*The instalments amount due are equal / equated per se.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 19.1.1 Repayment terms of borrowings (Contd..)

	As of March 31, 2019						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	8% - 9.5%	Monthly	3 - 22	8	3	-	-
Term loans	15%	Monthly	60	66	77	316	-
	6.1% - 8.4%	Quarterly	1 - 13	8,556	6,289	9,335	-
	0.8% - 4%	Half yearly	3 - 9	1,426	1,426	8,265	2,350
	0.5% - 5.4%	One time	1	40,527	77,120	14,765	-
	10.6% - 14.5%	Quarterly	6 - 12	1,465	44	1,139	-
	5.4% - 8.8%	Half yearly	1 - 9	4,661	16,913	4,975	-
	8.6% - 8.7%	Annual	1	880	-	3,847	-
	8% - 9.7%	One time	1	162,458	-	-	-
Commercial papers	7.7% - 8.5%	One time	1	91,858	-	-	-
Non-convertible bonds	3% - 5.4%	One time	1	24,282	-	162,059	68,832
Non-convertible debentures	8.3% - 8.4%	One time	1	-	15,000	15,000	-
Deferred payment liabilities	9.3% - 10%	Annual	12 - 16	15,244	16,750	60,851	348,007
Bank overdraft	4.2% - 12.3%	Payable on demand	NA	23,159	-	-	-
	15.8% - 21%	Payable on demand	NA	1,643	-	-	-
				<b>376,233</b>	<b>133,622</b>	<b>280,552</b>	<b>419,189</b>

\*The instalments amount due are equal / equated per se.

## 19.1.2 Interest rate and currency of borrowings

	Weighted average rate of interest	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings
INR	9.08%	756,571	220,320	536,251
USD	3.87%	331,590	64,328	267,262
Euro	3.31%	67,805	-	67,805
XAF	6.84%	6,130	-	6,130
XOF	6.61%	4,389	-	4,389
Others	9% to 20.25%	7,126	5,613	1,513
<b>March 31, 2020</b>		<b>1,173,611</b>	<b>290,261</b>	<b>883,350</b>
INR	9.23%	780,990	202,123	578,867
USD	4.66%	300,054	122,425	177,629
Euro	3.03%	71,763	13,779	57,984
CHF	3.00%	24,282	-	24,282
JPY	0.60%	14,027	14,027	-
XAF	7.40%	4,333	-	4,333
XOF	6.69%	6,251	-	6,251
Others	9.64% to 20.64%	7,896	7,830	66
<b>March 31, 2019</b>		<b>1,209,596</b>	<b>360,184</b>	<b>849,412</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 19.2 Security details

The Group has taken borrowings in various countries mainly for working capital, capital expenditure and refinancing of existing borrowings. The details of security provided by the Group in various countries are as follows:

	<b>Outstanding loan amount</b>		<b>Security detail</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>	
Bharti Airtel limited	1	10	Hypothection of Vehicles
Bharti Airtel Africa B.V and its subsidiaries	303	3,061	Pledge of all fixed and floating assets - Tanzania (March 31, 2019 - Pledge of all fixed and floating assets - Kenya, Nigeria, Tanzania, Uganda and DRC)
	<b>304</b>	<b>3,071</b>	

### Africa operations acquisition related borrowing:

Borrowings include certain loans, which have been taken to refinance the Africa acquisition related borrowing. These loan agreements prevents the Group (excluding Bharti Airtel Africa B.V, Bharti Infratel Limited, and their respective subsidiaries) to pledge any of its assets without prior written consent of the majority lenders except in certain agreed circumstances.

The USD bonds due in 2023 contains certain covenants relating to limitation on indebtedness. All bonds carry restriction on incurrence of any lien on its assets other than as permitted under the agreement, unless the bonds and guarantee are ranked pari-pas with such indebtedness. The limitation on indebtedness covenant on the USD bonds due in 2023 is suspended as the agreed criteria for such covenants to be in force, has not been met. The debt covenants remained suspended as of the date of the approval of the financial statements.

These bonds along with the Euro bonds due in 2021 and the USD bonds due in 2024 are guaranteed by the Company. Such guarantee is considered an integral part of the bonds and therefore accounted for as part of the same unit of account.

## 19.3 Unused lines of credit\*

The below table provides the details of un-drawn credit facilities that are available to the Group.

	<b>As of March 31, 2020</b>	<b>As of March 31, 2019</b>
Secured	38,216	8,409
Unsecured	135,159	138,219
	<b>173,375</b>	<b>146,628</b>

\*Excludes non-fund based facilities

## 20. Financial liabilities - others

### Non-current

	<b>As of March 31, 2020</b>	<b>As of March 31, 2019</b>
Payables against capital expenditure	6,773	16,921
Lease rent equalisation	84	14,859
Interest accrued but not due	25,401	-
Payable towards acquisition®	-	153
Security deposits	734	1,052
Others*	34,407	29,146
	<b>67,399</b>	<b>62,131</b>

\*It includes advance amounting to ₹ 33,415 and ₹ 29,051 as on March 31, 2020 and March 31, 2019 respectively received against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions.

®Refer note 4 (u).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Current

	As of March 31, 2020	As of March 31, 2019
Payables against capital expenditure	122,783	103,722
Mobile money wallet balance	22,074	16,478
Interest accrued but not due	8,874	33,419
Payable against business / asset acquisition®	4,296	5,575
Employees payables	5,041	5,385
Security deposit^	3,565	3,917
Others*	1,721	6,643
	<b>168,354</b>	<b>175,139</b>

®It includes payable to Qualcomm Asia Pacific Pte. Limited for ₹ 4,104 (towards purchase of balance equity shares upon satisfaction of certain conditions as per the share purchase agreement for acquisition of erstwhile Airtel Broadband Services Private Limited) and other acquisitions.

^It pertains to deposits received from subscriber / channel partners, which are repayable on demand after adjusting the outstanding amount, if any.

#The Company had issued shares to several global investors during the year ended March 31, 2019. The Shares Subscription Agreement included certain indemnities for claim under certain stipulated indemnities or for breach of agreed warranties. The liability estimated against these claims was ₹ 4,979 as of March 31, 2019, which expired on May 28, 2019 in accordance with the original Share Subscription Agreement. It also includes refund payable to inactive customers and unclaimed liability and liability towards cash settled employee share based payment plans.

## 21. Provisions

### Non-current

	As of March 31, 2020	As of March 31, 2019
Asset retirement obligations	4,286	3,858
Gratuity	2,713	2,611
Other employee benefit plans	549	354
	<b>7,548</b>	<b>6,823</b>

### Current

	As of March 31, 2020	As of March 31, 2019
Gratuity	987	696
Other employee benefit plans	1,454	1,501
Sub-judice matters*	448,652	4,504
	<b>451,093</b>	<b>6,701</b>

\*This majorly includes provision related to AGR matter reclassified to 'provisions', earlier it was disclosed under 'other non-financial liabilities' and 'trade payables'.

Refer note 26 for movement of provision towards various employee benefits.

The movement of provision towards asset retirement obligations is as below:

	For the year ended March 31, 2020
Opening balance	3,858
Net addition / (reversal)	184
Interest cost	244
<b>Closing balance</b>	<b>4,286</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The provision for asset retirement obligation is in relation to the site restoration related obligation arising from the land taken on leases and represent the management's best estimate of the costs, which will be incurred in the future to meet the Group's obligation under these lease arrangements.

The movement of provision towards sub-judice matters is as below:

- AGR matter (refer note 4 (a)):

	For the year ended March 31, 2020
Opening balance*	68,514
Provisions made during the year <sup>#</sup>	506,605
Payments <sup>^</sup>	(131,360)
<b>Closing balance</b>	<b>443,759</b>

\*In previous year, it was presented under 'other non-financial liabilities' and 'trade payables'.

<sup>#</sup>It includes provision of ₹ 160,196 towards AGR pursuant to merger with TTSL/ TTML and provision of ₹ 29,522 towards AGR pertaining to Telenor. The Company has recognised an indemnification asset towards the said provisions (refer note 4 (c) and 4 (n)).

<sup>^</sup>It includes payment to DoT of ₹ 2,550 towards AGR pertaining to Telenor.

- Other sub-judice matters

	For the year ended March 31, 2020
Opening balance	4,504
Addition during the year	1,526
Reversal during the year	(380)
Utilisation during the year	(757)
<b>Closing balance</b>	<b>4,893</b>

## 22. Other liabilities

### Non-current

	As of March 31, 2020	As of March 31, 2019
Deferred rent	-	429

### Current

	As of March 31, 2020	As of March 31, 2019
Taxes payable*	44,220	38,324
Others	4,108	40

\*Taxes payable mainly pertains to GST and payable towards sub-judice matters related to entry tax and entrainment tax.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 23. Contingencies and commitments

### (i) Contingent liabilities

#### Claims against the Company not acknowledged as debt:

	As of March 31, 2020	As of March 31, 2019
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales Tax, Service Tax and GST	30,075	13,810
- Income Tax	15,331	14,088
- Customs Duty	3,837	6,684
- Entry Tax (note 23(i)(e))	4,315	9,951
- Stamp Duty	596	596
- Municipal Taxes	1,943	1,663
- Department of Telecom ('DoT') demands	52,925	97,794
- Entertainment Tax (note 23(i)(f))	7,826	4,319
- Other miscellaneous demands	1,327	1,226
(ii) Claims under legal cases including arbitration matters		
- Access charges / Port charges	14,393	12,640
- Others	7,108	2,816
	<b>139,676</b>	<b>165,587</b>

Further, refer below for note g (iv) and (v) other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is ₹ 49,849 and ₹ 28,089 as of March 31, 2020 and March 31, 2019 respectively.

The category wise detail of the contingent liability has been given below:

#### a) Sales Tax, Service Tax and GST

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Group under relevant sales tax legislations, which were primarily procedural in nature and the applicable sales tax on disposals of certain property and equipment items. Pending final decisions, the Group has deposited amounts under protest with statutory authorities for certain cases.

The service tax demands relate to Cenvat claimed on tower and related material, levy of service tax on SMS Termination and employee talk time, Cenvat credit disallowed for procedural lapses and usage in excess of 20% limit.

The GST demand relates to procedural compliance in regard to e-way bills.

#### b) Income Tax demand

Income tax demands mainly include the appeals filed by the Group before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin.

#### c) Access charges / Port charges

- i Despite the interconnect usage charges ('IUC') rates being governed by the Regulations issued by Telecom Regulatory Authority of India ('TRAI'); BSNL had raised a demand for IUC at the rates contrary to the regulations issued by TRAI in 2009. Accordingly, the Company filed a petition against the demand with the TDSAT which allowed payments by the Company based on the existing regulations. The matter was then challenged by BSNL and is currently pending with the Hon'ble Supreme Court.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

- ii. The Hon'ble TDSAT allowed BSNL to recover distance based carriage charges. The private telecom operators have jointly filed an appeal against the said order and the matter is currently pending before the Hon'ble Supreme Court.
- iii. BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal.

## **d) Customs Duty**

The custom authorities, in some states, demanded custom duty for the imports of special software on the ground that this would form part of the hardware on which it was pre-loaded at the time of import. The view of the Group is that such imports should not be subject to any custom duty as it is operating software exempt from any custom duty. In response to the application filed by the Group, the Hon'ble Central Excise and Service Tax Appellate Tribunal ('CESTAT') has passed an order in favour of the custom authorities. The Group has filed an appeal with Hon'ble Supreme Court against the CESTAT order.

## **e) 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 also been raised, whereby, in view of the Group, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts. During the year ended March 31, 2020, the Group has reassessed the position and accordingly recorded provision for part of contingent liability.

## **f) Entertainment tax**

The contingent liability for entertainment tax comprise of cases for levying entertainment tax on activation charges and interest on disputed dues. During the year, there was a re-assessment of levies of entertainment tax based on an ex-parte judgment leading to a credit of ₹ 2,812 (refer note 31 (i) (k)) in Bharti Telemedia Limited, a subsidiary of the Company.

## **g) DoT demands**

- (i) DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Company had challenged the matter in TDSAT and it has set aside the respective circulars of DoT vide its Judgment dated April 22, 2010. Thereafter, DoT had challenged the order of TDSAT before the Hon'ble Supreme Court, which is yet to be listed for hearing. Further, TDSAT pronounced its judgment in March 2019 in relation to Unified Licenses which provides for manner of determination of such levies and dates from which such levies can be made applicable. DoT had filed an appeal before the Supreme Court. DoT and another telecom service provider have filed cross appeals before Supreme Court against the TDSAT judgment, wherein the Supreme Court has stayed the TDSAT Judgment and the appeals are pending.
- (ii) Demands for the contentious matters in respect of subscriber verification norms and regulations including validity of certain documents allowed as proof of address / identity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

- (iii) Penalty for alleged failure to meet certain procedural requirements for EMF radiation self-certification compliance.

The matters stated above are being contested by the Company and one of its subsidiaries and based on legal advice, the Company and one of its subsidiaries believes that it has complied with all license related regulations and does not expect any financial impact due to these matters.

- (iv) In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Company in January 2013. In the opinion of the Company, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Company filed a petition in the Hon'ble High Court of Bombay, which vide its order dated January 28, 2013, had directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and this matter is currently pending with Hon'ble High Court of Bombay. The DoT revised demands on the Company aggregating ₹ 84,140 in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the Hon'ble High Court of Bombay. The Company intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its order dated July 4, 2019, has set aside the DoT order for levy of OTSC with retrospective effect. Accordingly, as per the said order of the Hon'ble TDSAT; DoT can levy OTSC on the Spectrum beyond 6.2 MHz allotted after July 1, 2008, only from the date of allotment of such spectrum and in case of Spectrum beyond 6.2 MHz allocated before July 1, 2008, only prospectively i.e. w.e.f. January 1, 2013. Further, demand for OTSC on spectrum allotted beyond start-up and up-to the limit of 6.2 MHz has been set aside. The Hon'ble TDSAT has asked DoT to issue revised demands, if any, in terms of the above directions. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the telecom service providers and did not interfere with the TDSAT judgement. DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. Accordingly, out of prudence, of the total demands of ₹ 84,140, the Company has recorded a charge of ₹ 18,075. Along with interest thereon of ₹ 38,345, the aggregate of ₹ 56,420 is disclosed as an exceptional item (refer note 31 (i) (c)).

- (v) DOT had issued notices to the Company (as well as other telecom service providers) to stop provision of 3G services to its customers (under 3G Intra Circle Roaming ('ICR') arrangements executed with other service providers) in such service areas where the service provider has not been allocated 3G spectrum, and levied a penalty of ₹ 3,500 on the Company. The Company contested the notices before TDSAT, which in 2014 held 3G ICR arrangements between service providers to be competent and compliant to the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is yet to be listed for hearing.
- (vi) In August 2013, DoT issued guidelines for Grant of Unified License, by which it permitted the existing ISP License holders to continue with their existing licenses without migration, but mandated the licenses which are due for renewal to move to the new regime. The ISP Licence of the Company expired in March 2014 and therefore, it had to renew its license under Unified Licence regime, wherein DoT imposed the condition of levy of licence fee on the revenue earned from pure Internet services. The Company via an industry petition challenged the discriminatory stand of DoT, wherein the Tribunal vide its order dated October 13, 2015 stayed the payment with respect to Pure Internet Service, subject to submission of undertaking. The matter is pending for adjudication.

Meanwhile, in other similar petitions filed by ISP Associations and ISPs, the TDSAT, vide its judgment & orders dated October 18, 2019, December 12, 2019 and January 21, 2020, allowed the said petitions and set aside the decision to include revenue from pure internet service in the AGR for levy of license fee on the ISPs under UL regime, accordingly all the impugned demands of license fee were set aside with a direction to raise revised demands for licence fee on the basis of same concept of AGR as is being done in respect of ISPs holding licences under the old regime. Further, the ISPs are allowed to pay such revised demand forthwith after deducting payments, if any, made in the meantime towards licence fee by way of ad hoc payments as per understating.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The Company had made a provision of ₹ 16,931 until September 30, 2019 for the period from FY 2015-16 to FY 2019-20. Subsequently, basis the recent judgment and order the matter has now been assessed to be a contingent liability (refer note 31 (i) (ii)).

Considering the nature of above disputes/ litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

#### **Guarantees:**

Guarantees outstanding as of March 31, 2020 and March 31, 2019 amounting to ₹ 121,627 and ₹ 107,689 respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for subjudice matters / compliance with licensing requirements, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

In addition to the above the Group's share of guarantees of joint ventures and associates is ₹ 600 and ₹ 901 as of March 31, 2020 and March 31, 2019 respectively.

- (ii) Airtel Bangladesh Limited was amalgamated with Robi Axiata Limited vide merger agreement dated January 28, 2016 and as a result the Company held 25% shareholding in Robi via its step-down subsidiary, Bharti International (Singapore) Pte. Limited. On November 16, 2016, a 'Tax Offset' Agreement was entered into between Robi Axiata Limited, Axiata Investments (Labuan) Limited and Bharti International (Singapore) Pte. Limited. Based on the terms of the tax offset arrangement, if Robi Axiata Limited is able to effect any tax offset of an amount attributable to Airtel Bangladesh Limited's tax relief (in form of carried forward tax losses and unabsorbed depreciation) following the issuance of a final order by Bangladesh tax authorities, Robi Axiata Limited shall transfer an amount equal to 40% of the tax relief to the Group. The Group believes that at this stage, it is not possible to ascertain the probability of such future benefits considering uncertainties around timing and amount of future cash inflows.

#### **(iii) Commitments**

##### **Capital commitments**

The Group has contractual commitments towards capital expenditure (net of related advance) of ₹ 87,885 and ₹ 93,336 as of March 31, 2020 and March 31, 2019 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is ₹ 3,031 and ₹ 2,904 as of March 31, 2020 and March 31, 2019 respectively.

#### **24. Revenue**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Service revenue	871,139	805,002
Sale of products	4,251	2,800
	<b>875,390</b>	<b>807,802</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Disaggregation of Revenue

Revenue is disaggregated by primary geographical market; major products/service lines and timing of revenue recognition are as follows:

Particulars	Mobile Services	Airtel Business Services	Tower Infrastructure Services	Homes Services		Digital TV Services	Others	Total
				2018-19	2019-20			
<b>Geographical Markets*</b>								
India	442,956	394,707	85,448	82,967	28,625	31,291	22,287	29,201
South Asia	4,366	4,199	-	-	-	-	-	-
Africa	236,975	210,333	-	-	-	-	-	-
Others	-	25,532	20,268	-	-	-	-	-
	<b>684,297</b>	<b>609,239</b>	<b>110,980</b>	<b>103,235</b>	<b>28,625</b>	<b>31,291</b>	<b>22,287</b>	<b>29,201</b>
<b>Major Product/ Services lines</b>								
Data and Voice Services	533,312	485,877	83,801	81,000	-	21,250	21,196	-
Setting up, operating and maintaining towers	-	-	-	28,625	31,291	-	-	-
Others	150,985	123,362	27,179	22,235	-	1,037	1,039	29,201
	<b>684,297</b>	<b>609,239</b>	<b>110,980</b>	<b>103,235</b>	<b>28,625</b>	<b>31,291</b>	<b>22,287</b>	<b>29,201</b>
<b>Timing of Revenue Recognition</b>								
Products and services transferred at a point in time	3,094	2,896	2,919	1,748	-	22	39	1,232
Products and services transferred over time	681,203	606,343	108,061	101,487	28,625	31,291	22,265	29,201
	<b>684,297</b>	<b>609,239</b>	<b>110,980</b>	<b>103,235</b>	<b>28,625</b>	<b>31,291</b>	<b>22,287</b>	<b>29,201</b>

\*Basis location of entity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of March 31, 2020	As of March 31, 2019
Unbilled revenue (refer note 12)	19,221	17,072
Deferred revenue	80,037	61,979

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	Unbilled revenue	Deferred revenue
Revenue recognised that was included in the Deferred revenue at the beginning of the year	-	43,993
Increases due to cash received, excluding amounts recognised as revenue during the year	-	62,052
Transfers from unbilled revenue recognised at the beginning of the year to receivables	17,072	-

The Company has entered into an agreement with Universal Service Obligation Fund ('USOF') to provide mobile services in identified uncovered villages and seamless mobile coverage on the national highways in north-eastern region. The Company has recognised deferred income for front loaded subsidy (representing 50% of eligible USOF subsidy) on receipt of approved Proof of Concept (PoC) for a particular USOF site and for equated quarterly subsidy (representing remaining 50% of the eligible USOF subsidy receivable in twenty quarterly instalments) on quarterly basis. The deferred income is amortised over the period of contract entered with the government. The company has recognised Government grant of ₹ 297 during the year ended March 31, 2020.

## Costs to obtain or fulfil a contract with a customer

The Group (except Airtel Africa plc and its subsidiaries), during the current year, has estimated that the historical average customer life is longer than 12 months and believes that its churn rate provides the best indicator of anticipated average customer life and, hence, started deferral of such costs prospectively. The financial impact of this change has resulted in increase of the Group's profits before tax by ₹ 12,132 for the year ended March 31, 2020.

Airtel Africa plc and its subsidiaries have updated the policy on cost deferral recognition within these financial statements and now capitalise and amortise customer acquisition costs. The financial impact of this change in Airtel Africa plc and its subsidiaries has resulted in increase of profits before tax in total by USD 33 Mn (₹ 2,335), out of which USD 6 Mn (₹ 424) is relating to the current year, USD 6 Mn (₹ 424) is relating to prior year and USD 21 Mn (₹ 1,486) is relating to earlier years.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Costs to obtain a contract with a customer</b>		
Opening balance	-	-
Costs incurred and deferred	17,457	-
Less: Cost amortised	5,198	-
<b>Closing balance</b>	<b>12,259</b>	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 25. Network operating expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Passive infrastructure charges	28,081	74,492
Power and fuel	91,249	80,436
Repair and maintenance	41,458	39,310
Internet, bandwidth and leasedline charges	18,516	14,550
Others*	18,381	16,344
	<b>197,685</b>	<b>225,132</b>

\*It includes charges towards managed services, installation, insurance and security.

## 26. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries	31,849	32,092
Contribution to provident and other funds	2,043	2,004
Staff welfare expenses	1,968	1,723
Defined benefit plan / other long term benefits	1,294	835
Employee share-based payment expense		
- Equity-settled plans	338	347
- Cash-settled plans	(13)	187
Others*	593	787
	<b>38,072</b>	<b>37,975</b>

\*It mainly includes recruitment and training expenses.

### 26.1 Share based payment plans

The following table provides an overview of all existing share option plans of the Group:

Scheme	Plan	Vesting period (years)	Contractual term (years)
<b>Equity settled Plans</b>			
Scheme I	2006 Plan	1 - 5	7
Infratel plan	Infratel 2008 Plan	1 - 5	7
Scheme 2005	Long Term Incentive (LTI) Plan	1 - 3	7
Infratel plan	Infratel LTI plans	1 - 3	7
Africa Plan	Replacement stock awards	1-2	2
Africa Plan	IPO Awards	1-3	3
Africa Plan	IPO share options	1-3	10
Africa Plan	IPO executive share options	1-3	10
<b>Cash settled Plans</b>			
Performance Unit Plan (PUP)	PUP 2013 - PUP 2017	1 - 5	3-5
Infratel plan	PUP	1 - 3	7
Africa Plan	Shadow stock plan	1-2	-

The stock options vesting is subject to service and certain performance conditions mainly pertaining to certain financial parameters.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The movement in the number of stock options and the related weighted average exercise prices are given in the table below:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of share options (‘000)	Weighted average exercise price (₹)	Number of share options (‘000)	Weighted average exercise price (₹)
<b>2006 Plan</b>				
Outstanding at beginning of year	65	5.00	115	5.00
Granted	30	-	-	-
Exercised	(8)	5	(50)	5.00
Forfeited / expired	(57)	-	-	-
Outstanding at end of year	30	-	65	5.00
Exercisable at end of year	-	-	8	5.00
<b>Infratel 2008 Plan</b>				
Outstanding at beginning of year	58	109.67	108	109.67
Granted	-	-	-	-
Exercised	(10)	109.67	(49)	109.67
Forfeited / expired	(2)	109.67	(1)	109.67
Outstanding at end of year	46	109.67	58	109.67
Exercisable at end of year	46	109.67	58	109.67
<b>LTI Plans</b>				
Outstanding at beginning of year	3,412	5.00	2,977	5.00
Granted	1,682	-	2,274	-
Exercised	(556)	5.00	(877)	5.00
Forfeited / expired	(1,343)	5.00	(962)	5.00
Outstanding at end of year	3,195	5.00	3,412	5.00
Exercisable at end of year	112	5.00	478	5.00
<b>Infratel LTI plans</b>				
Outstanding at beginning of year	295	10.00	238	10.00
Granted	135	10.00	158	10.00
Exercised	(76)	10.00	(63)	10.00
Forfeited / expired	(20)	10.00	(38)	10.00
Outstanding at end of year	334	10.00	295	10.00
Exercisable at end of year	73	10.00	48	10.00
<b>Replacement stock awards*</b>				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	674	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	-	-
Outstanding at end of year	674	-	-	-
Exercisable at end of year	-	-	-	-
<b>IPO Awards*</b>				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	755	-	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	-	-
Outstanding at end of year	755	-	-	-
Exercisable at end of year	-	-	-	-
<b>IPO share options*</b>				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	3,132	77	-	-
Exercised	-	-	-	-
Forfeited / expired	-	-	-	-
Outstanding at end of year	3,132	-	-	-
Exercisable at end of year	-	-	-	-
<b>IPO executive share options*</b>				
Outstanding at beginning of year	-	-	-	-
Converted from performance unit plans	12,517	77	-	-
Exercised	-	-	-	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 26.1 Share based payment plans (Contd..)

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Number of share options (‘000)	Weighted average exercise price (₹)	Number of share options (‘000)	Weighted average exercise price (₹)
Forfeited / expired	(636)	-	-	-
Outstanding at end of year	11,881	-	-	-
Exercisable at end of year	-	-	-	-
<b>Performance Unit Plans*</b>				
Outstanding at beginning of year <sup>#</sup>	1,287	-	1,401	-
Granted	-	-	670	-
Exercised <sup>#</sup>	(423)	-	(503)	-
Forfeited / expired <sup>#</sup>	(236)	-	(281)	-
Converted into shadow stock plan <sup>#</sup>	(479)	-	-	-
Converted into replacement stock awards <sup>#</sup>	(142)	-	-	-
Outstanding at end of year	7	-	1,287	-
Exercisable at end of year	7	-	23	-
<b>Shadow stock plan</b>				
Outstanding at beginning of year	-	-	-	-
Converted into shadow stock plan <sup>#</sup>	2,276	-	-	-
Forfeited / expired <sup>#</sup>	(433)	-	-	-
Outstanding at end of year	1,843	-	-	-

\*On IPO in one of subsidiary company, these PUPs have been replaced with 'shadow stock plan' awards and 'replacement stock awards' and the benefits under the new replaced plans are based on share price of Airtel Africa plc. For IPO awards, Replacement Stock Awards and Shadow Stock awards, vesting is subject to service, total shareholder return ('TSR') and financial performance conditions while for IPO share options and IPO executive share options, vesting is subject to service condition only.

<sup>#</sup>Below share options has been converted into shadow stock plan and replacement stock and these plan no longer exist as on 31 March 2020:

	March 31, 2020	March 31, 2019
	Number of share options (in ‘000)	Number of share options (in ‘000)
<b>Performance unit plans ('PUP')</b>		
Outstanding at beginning of year	1,130	980
Granted	-	670
Exercised	(407)	(303)
Forfeited / Expired	(102)	(217)
Converted into shadow stock plan	(479)	-
Converted into replacement stock awards	(142)	-
Outstanding at end of year	-	1,130
Exercisable at end of year	-	-

The fair value of options is measured using Black-Scholes / Binomial valuation model. The key inputs used in the measurement of the grant date fair valuation of equity settled plans and fair value of cash settled plans are given in the table below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Risk free interest rates	0.12% to 6.56%	6.31% to 8.03%
Expected life	1 to 78 months	4 to 60 months
Volatility	26.46% to 36.38%	29.06% to 34.54%
Dividend yield	0.68% to 10.00%	0.74% to 4.74%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The expected life of the stock options is based on the Group's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

For details as to exercise price, refer table above.

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

Weighted average	March 31, 2020	March 31, 2019
Remaining contractual life for the options outstanding as of (years)	1 to 9	0.35 to 8.44
Fair value for the options granted during the year ended (₹)	0.00 to 409.73	258.29 to 409.73
Share price for the options exercised during the year ended (₹)	247.60 to 412.43	188.62 to 598.01

The carrying value of cash settled plans liability is ₹ 46 and ₹ 227 as of March 31, 2020 and March 31, 2019 respectively.

## 26.2 Employee benefits

The details of significant employee benefits are as follows:

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Retirement benefits	Compensated absence	Retirement benefits	Compensated absence
<b>Obligation:</b>				
Balance as at beginning of the year	3,311	1,253	3,272	1,424
Current service cost	427	402	453	266
Interest cost	283	111	281	120
Benefits paid	(524)	(373)	(648)	(344)
Transfers	16	5	(45)	(0)
Remeasurements	76	72	(48)	(286)
Exchange Difference	116	150	46	73
<b>Present value of funded obligation</b>	<b>3,705</b>	<b>1,620</b>	<b>3,311</b>	<b>1,253</b>
<b>Assets:</b>				
Balance as at beginning of year	4	-	16	-
Interest income	1	-	1	-
Benefits paid	-	-	(12)	-
Remeasurements	-	-	(1)	-
<b>Fair value of plan assets</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>Liability recognised in the balance sheet</b>	<b>3,700</b>	<b>1,620</b>	<b>3,307</b>	<b>1,253</b>
<b>Current portion</b>	<b>987</b>	<b>1,294</b>	<b>696</b>	<b>1,253</b>
<b>Non-current portion</b>	<b>2,713</b>	<b>326</b>	<b>2,611</b>	<b>-</b>

As at March 31, 2020, expected contributions for defined benefit plans for Indian entities for the next annual reporting period is ₹ 550.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Amount recognised in other comprehensive income for the above plans

	For the year ended March 31, 2020	For the year ended March 31, 2019
Experience losses	(72)	(49)
Losses from change in demographic assumptions	(6)	(13)
Gains from change in financial assumptions	154	14
<b>Remeasurements on liability</b>	<b>76</b>	<b>(48)</b>
Return on plan assets, excluding interest income	-	(1)
<b>Remeasurements on plan assets</b>	<b>-</b>	<b>(1)</b>
<b>Net remeasurements recognised in OCI</b>	<b>76</b>	<b>(47)</b>

The above mentioned plan assets are entirely represented by funds invested with LIC.

## Due to its defined benefit plans, the Group is exposed to the following significant risks:

**Changes in bond yields** - A decrease in bond yields will increase plan liability.

**Salary risk** - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of March 31, 2020	As of March 31, 2019
Discount rate	9.38%	9.08%
Rate of return on plan assets	3.45%	3.83%
Rate of salary increase	5.82%	5.60%
Rate of attrition	5.57%– 43%	7.49%– 27%
Retirement age	58 to 60	58

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

	Change in assumption	As of March 31, 2020	As of March 31, 2019
		Retirement benefits	Retirement benefits
Discount Rate	+1%	(162)	(156)
	-1%	156	188
Salary Growth Rate	+1%	154	180
	-1%	(163)	(168)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Within one year	988	725
Within one-three years	973	689
Within three-five years	1,002	771
above five years	2,085	2,296
	<b>5,048</b>	<b>4,481</b>
Weighted average duration (in years)	6.24	5.15

## 27. Sales and marketing expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales commission and distribution	18,185	24,662
Advertisement and marketing	10,412	10,599
Business promotion	1,895	3,023
Other ancillary expenses	3,833	3,284
	<b>34,325</b>	<b>41,568</b>

## 28. Depreciation and amortisation expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation (including on ROU)	210,982	148,632
Amortisation	65,914	64,843
	<b>276,896</b>	<b>213,475</b>

## 29. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Content cost	8,778	24,646
Cost of good sold	12,959	10,855
IT expenses	5,998	7,547
Customer care expenses	7,120	7,670
Legal and professional fees	3,737	2,026
Allowance for doubtful debts	4,502	(14,037)
Collection and recovery expenses	1,486	1,320
Travelling and conveyance	2,372	2,236
Bad debts written off	697	24,353
Charity and donation	1,320	1,292
(Reversal of earlier allowance) / allowance for diminution in value of inventory	-	(163)
Others <sup>#</sup>	10,288	14,797
	<b>59,257</b>	<b>82,542</b>

<sup>#</sup>It includes rent, printing and stationary, security, repair and maintenance expenses etc. Further, it includes political contributions amounting to ₹ 393 and ₹ 542 made under Section 182 of the Companies Act, 2013 during the year ended March 31, 2020 and 2019 respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 30. Finance costs and income

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Finance costs</b>		
Interest expense	79,438	90,566
Net foreign exchange loss	14,824	5,973
Other finance charges <sup>#</sup>	45,656	9,683
	<b>139,918</b>	<b>106,222</b>
<b>Finance income</b>		
Dividend from mutual funds	57	231
Interest income	3,981	5,025
Net gains on FVTPL investments	7,208	3,394
Net gain on derivative financial instruments	4,852	1,678
	<b>16,098</b>	<b>10,328</b>

<sup>#</sup>It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards subjudice matters.

## 31. Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2020:

- a. charge on account of license fee and Spectrum Usage Charges (SUC) aggregating ₹ 303,687 as detailed in note 4(a).
- b. charge of ₹ 13,757 towards accelerated depreciation on 3G network equipments / operating costs on network re-farming and up-gradation program.
- c. charge of ₹ 56,420 on account of reassessment of regulatory cost based on a recent judgement on related matter as detailed in note 23 (i)(g)(iv).
- d. charge of ₹ 1,681 on account of licence fees and interest based on a recent judgment on a similar matter.
- e. provision of ₹ 18,633 on account of rates and taxes including aged balances.
- f. charge of ₹ 766 on other miscellaneous items.
- g. deferment of customer acquisition cost of ₹ 1,911 following reassessment of customer life for some of the subsidiaries of Airtel Africa plc.
- h. an incremental provision ₹ 27,447 pertaining mainly to customary indemnities to a clutch of investors of Airtel Africa plc determined on the basis of methodology settled prior to listing.
- i. credit of ₹ 15,540 pertaining to re-assessment of levies based on a recent judgement note 23 (i)(g)(vi).
- j. net charge of ₹ 216 due to adjustments towards certain indemnity assets / liabilities pertaining to past transactions.
- k. net credit of ₹ 2,812 due to re-assessment of levies based on ex-parte judgement (refer note 23 (i) (f)).

(ii) For the year ended March 31, 2019:

- a. Charge of ₹ 6,399 mainly towards accelerated depreciation / operating costs on network re-farming and up-gradation program.
- b. Credit of ₹ 28,568 due to re-assessment of levies, based on a recent pronouncement related to the manner of determination of such levies and settlement of litigations.
- c. Charge of ₹ 1,368 mainly towards net integration related cost / reversal pertaining to the business combination.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

- d. Charge of ₹ 248 related to the early redemption of the USD 1,500 Mn (₹ 105,697) 5.125% Guaranteed Senior Notes due in March 2023 (refer note 4 (o)).
- e. Credit of ₹ 8,735 Mn due to de-consolidation of APBL (refer note 4 (q)).

Tax credit include:

- (a) Net benefit of ₹ 114,221 (including credit resulting from internal restructuring, charge due to adoption of new tax regime in certain group entities and reversal of tax credit and deferred tax asset pertaining to one of the subsidiaries recognized) (refer note 13) and net charge of ₹ 9,579 during the year ended March 31, 2020 and 2019 respectively on above exceptional items.
- (b) Net charge of ₹ Nil and ₹ 407 on account of re-assessment of tax provisions for the year ended March 31, 2020 and 2019 respectively on above exceptional items.

The net impact for non-controlling interests is charge of ₹ 7,032 and ₹ 579 during the year ended March 31, 2020 and 2019 respectively, relating to the above exceptional items.

## 32. Earnings per share ('EPS')

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	As of March 31, 2020	As of March 31, 2019
	In thousands	In thousands
Weighted average shares outstanding for basic EPS	5,075,636	4,284,371
Effect of dilution due to employee share options*	-	2,044
<b>Weighted average shares outstanding for diluted EPS</b>	<b>5,075,636</b>	<b>4,286,415</b>

(Loss) / profit attributable to equity holders for basic and diluted EPS is ₹ (321,832) and ₹ 4,095 for the year ended March 31, 2020 and 2019 respectively.

\*During the year ended March 31, 2019, the effect of employee share options was dilutive, hence, these have been included in the calculation of diluted earnings per share.

During the year ended March 31, 2020, the effect of employee share options and newly issued foreign currency convertible bonds is anti-dilutive, hence, these have not been included in the calculation of diluted earnings per share. Refer note 19 for terms of the bonds.

## 33. Segment reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman of the Group (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax, after excluding charity and donation cost but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating (income) / expenses and exceptional items are not allocated to individual segment.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments / Group accounting policy alignments are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, ROU, property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily include operating and lease liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, and intangible assets under development, ROU and capital advances.

The reporting segments of the Group are as below:

**Mobile Services India:** These services cover voice and data telecom services provided through wireless technology (2G / 3G / 4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra-city fibre networks.

**Mobile Services Africa:** These services cover provision of voice and data telecom services provided through wireless technology (2G / 3G / 4G) offered to customers in Africa. This also includes corporate headquarter costs of the Group's Africa operations.

**Mobile Services South Asia:** These services cover voice and data telecom services provided through wireless technology (2G / 3G) in Sri Lanka.

**Airtel Business:** These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

**Tower Infrastructure Services:** These services include setting up, operating and maintaining wireless communication towers in India.

**Homes Services:** These services cover voice and data communications through fixed-line network and broadband technology for homes.

**Digital TV Services:** This includes digital broadcasting services provided under the direct-to-home platform.

**Others:** It includes certain other strategic investment in joint venture / associates, and administrative / support services provided to other segments.

**Unallocated:** It includes expenses / results, assets and liabilities primarily of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2020 is as follows:

	<b>Mobile Services India</b>	<b>Mobile Services Africa</b>	<b>Mobile Services South Asia</b>	<b>Airtel Business</b>	<b>Tower Infrastructure Services</b>	<b>Homes Services</b>	<b>Digital TV Services</b>	<b>Others</b>	<b>Unallocated</b>	<b>Eliminations / Adjustments</b>	<b>Total</b>
Revenue from external customers	442,956	236,975	4,366	110,980	29,406	22,287	29,201	-	-	(781)	875,390
Inter-segment revenue	16,707	5,198	186	21,351	38,017	164	38	50	-	(81,711)	-
<b>Total revenue</b>	<b>459,663</b>	<b>242,173</b>	<b>4,552</b>	<b>132,331</b>	<b>67,423</b>	<b>22,451</b>	<b>29,239</b>	<b>50</b>	<b>-</b>	<b>(82,492)</b>	<b>875,390</b>
Share of results of joint ventures and associates	5	13	-	-	13,805	31	-	(6,676)	-	(654)	6,524
Segment results	(31,379)	64,488	(1,055)	31,889	38,127	5,191	11,394	(6,629)	(2,975)	(8,367)	100,684
<b>Less:</b>											
Finance costs											139,918
Finance income											(16,098)
Non-operating expense (net)											1,272
Charity and donation											1,713
Exceptional items (net) (refer note 31)											402,344
<b>Loss before tax</b>											<b>(428,465)</b>
<b>Other segment items</b>											
Capital expenditure	108,373	45,417	1,513	26,058	8,720	5,589	10,512	-	-	-	206,182
Addition to ROU	50,106	10,980	438	1,912	5,626	789	410	-	-	-	70,261
Depreciation and amortisation expense	200,926	42,786	1,485	10,774	12,815	6,147	8,565	-	1,276	(7,878)	276,896
<b>As of March 31, 2020</b>											
Segment assets	2,108,687	675,156	8,188	200,255	202,823	42,425	39,749	36,724	441,744	(147,961)	3,607,790
Segment liabilities	1,025,832	201,937	3,943	131,256	41,839	23,355	41,224	437	1,236,696	(120,024)	2,586,495
Investment in joint ventures and associates (included in segment assets above)	77	264	-	-	60,670	31	-	35,766	-	-	96,808

During the year ended March 31, 2020, the Group transferred its operations pertaining to optical fibre on a going concern basis on August 1, 2019 from Company to its wholly owned subsidiary. As a result, the Group reorganised the business, whereby, the assets and liabilities pertaining to bandwidth capacities have been allocated to Mobile Services India, Airtel Business and Homes Services. Previously, these operations were part of Mobile Services India and bandwidth capacities were billed by Mobile Services India to Airtel Business and Homes Services. Without such reorganisation, for the year ended March 31, 2020 and as of that date, segment revenue, segment results, segment assets and segment liabilities for Mobile Services India would have been ₹ 464,759, ₹ (32,730), ₹ 2,154,218 and ₹ 1,075,354 respectively; segment results, segment assets and segment liabilities for Airtel Business would have been ₹ 32,946, ₹ 176,660 and ₹ 109,978 respectively; and for Homes Services would have been ₹ 4,583, ₹ 44,658 and ₹ 17,541 respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2019 is as follows:

	<b>Mobile Services India</b>	<b>Mobile Services Africa</b>	<b>Mobile Services South Asia</b>	<b>Airtel Business</b>	<b>Tower Infrastructure Services</b>	<b>Homes Services</b>	<b>Digital TV Services</b>	<b>Others</b>	<b>Unallocated</b>	<b>Eliminations / Adjustments</b>	<b>Total</b>	
Revenue from external customers	394,707	210,333	4,199	103,235	32,047	22,235	40,935	867	-	(756)	807,802	
Inter-segment revenue	20,833	4,695	237	21,302	36,138	156	66	296	-	(83,723)	-	
<b>Total revenue</b>	<b>415,540</b>	<b>215,028</b>	<b>(7)</b>	<b>4,436</b>	<b>124,537</b>	<b>68,185</b>	<b>22,391</b>	<b>41,001</b>	<b>1,163</b>	<b>-</b>	<b>(84,479)</b>	<b>807,802</b>
Share of results of joint ventures and associates	4	-	-	10,172	3	-	(5,324)	-	-	(1,292)	3,556	
Segment results	(56,762)	52,390	(1,069)	27,631	31,974	3,376	7,447	(7,228)	(1,717)	(3,026)	53,016	
<b>Less:</b>												
Finance costs											106,222	
Finance income											(10,328)	
Non-operating expense (net)											1,894	
Charity and donation											1,834	
Exceptional items (net) (refer note 31)											(29,288)	
<b>Loss before tax</b>											<b>(17,318)</b>	
<b>Other segment items</b>												
Capital expenditure	235,770	50,846	1,228	18,986	9,107	8,931	8,791	41	-	(5,769)	327,931	
Depreciation and amortisation expense	150,991	31,234	1,196	13,014	10,658	7,453	8,275	50	11	(9,407)	213,475	
<b>As of March 31, 2019</b>												
Segment assets	1,700,637	569,606	6,774	149,445	169,693	45,889	31,234	37,927	133,120	(92,765)	2,751,560	
Segment liabilities	408,088	110,571	2,515	87,225	22,303	21,729	35,423	2,181	1,313,444	(101,399)	1,902,080	
Investment in joint ventures and associates (Included in segment assets above)	66	230	-	52,479	3	-	36,159	-	-	-	88,937	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Geographical information\*:

### (a) Revenue from external customers:

	For the year ended March 31, 2020	For the year ended March 31, 2019
India	608,518	573,002
Africa	236,975	210,333
Others	29,897	24,467
	<b>875,390</b>	<b>807,802</b>

### (b) Non-current assets#:

	As of March 31, 2020	As of March 31, 2019
India	1,773,398	1,608,049
Africa	541,850	470,490
Others	20,334	27,057
	<b>2,335,582</b>	<b>2,105,596</b>

\*Basis location of entity.

#Non-current operating assets for this purpose consist of PPE, CWIP, ROU, intangible assets, intangible assets under development, capital advances and goodwill.

## 34. Related party disclosures

### (a) List of related parties

#### i. Ultimate controlling entity

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

#### ii. Entity having control over the Company

Bharti Telecom Limited

#### iii. For list of subsidiaries, joint venture and associates refer note no. 40.

#### iv. Other entities with whom transactions have taken place during the reporting periods

- Entities having significant influence over the Company

Pastel Limited

Singapore Telecommunications Limited

- Fellow companies (subsidiaries / joint ventures / associates other than that of the Company)

  - a) Subsidiaries

Bharti Axa General Insurance Company Limited

Bharti Axa Life Insurance Company Limited

Bharti Enterprises Limited (formerly known as Bharti Ventures Limited)

Bharti Insurance Holdings Private Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18<sup>th</sup> October, 2018)

Cedar support Services Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18<sup>th</sup> October, 2018)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## b) Associates

Bharti General Ventures Private Limited

Bharti Life Ventures Private Limited

## - Others related parties\*

### a) Entities where Key Management Personnel and their relatives exercise significant influence

Bharti Airtel Employees Welfare Trust

Bharti Foundation

Satya Bharti Foundation

Hike Private Limited (formerly known as Hike Limited)

## b) Others

Bharti Land Limited

Bharti Realty Holdings Limited (merged with Bharti Realty Limited w.e.f. December 4, 2019)

Bharti Realty Limited

Bharti Support Services Private Limited (Merged with Bharti Airtel Enterprises (Holdings) Private Limited w.e.f. 18<sup>th</sup> October, 2018)

Brightstar Telecommunication India Limited

Centum Learning Limited

Centum Work skills India Limited

Deber Technologies Private Limited

Fieldfresh Foods Private Limited

Gourmet Investments Private Limited

Indian Continent Investment Limited

Jersey Airtel Limited

Nile Tech Limited (merged with Bharti Realty Limited w.e.f. December 4, 2019)

Oak Infrastructure Developers Limited

\*Other related parties' though not 'Related Parties' as per the definition under Ind AS 24, Related party disclosures have been included by way of a voluntary disclosure, following the best corporate governance practices.

## v. Key Management Personnel ('KMP')

Sunil Bharti Mittal

Gopal Vittal

Raghunath Venkateswarlu Mandava

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

In the ordinary course of business, there are certain transactions among the group entities. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with related parties (other than with KMPs which are disclosed in note 34 (d)) for the year ended March 31, 2020 and 2019 respectively, are described below:

**(b) The summary of transactions with the above mentioned parties is as follows:**

Relationship	For the year ended March 31, 2020				For the year ended March 31, 2019			
	Significant influence entities	Associates	Joint ventures	ORP / FC*	Significant influence entities	Associates	Joint ventures	ORP / FC*
Purchase of assets	(313)	-	-	(1,339)	-	-	(334)	(967)
Sale / rendering of services	757	309	88	179	983	105	121	153
Purchase of goods / receiving of services	(706)	(2,831)	(15,706)	(821)	(609)	(287)	(43,647)	(2,985)
Reimbursement of energy expenses	-	-	(33,818)	(1)	-	-	(24,760)	(1)
Receiving of assets (related to ROU)*	-	-	(16,592)	-	-	-	-	-
Dividend paid	-	-	-	-	(13,013)	-	-	(414)
Dividend received	-	-	-	-	-	-	(11,261)	-
Sale of fixed assets / IRU	241	-	-	124	-	-	-	-
Fund transferred / Expenses incurred on behalf of others	-	252	8	18	-	150	4	4
Fund received / Expenses incurred on behalf of the Company	-	(307)	(1)	(515)	-	(289)	-	(530)
Security deposit given	-	-	-	33	-	-	170	22
Loans given	-	-	-	497	-	-	-	-
Repayment of Loans given	-	-	-	(262)	-	-	-	-
Interest charged by the company	-	-	0	-	-	-	1	-
Refund of Security deposit given	-	-	(4,460)	-	-	-	-	(15)
Interest charged by others	-	-	(43)	-	-	-	(11)	-
Commission paid	-	-	(93)	-	-	-	(108)	-

\*Other related parties / fellow companies

#Amount disclosed is net of termination

The significant related party transactions are summarised below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(i) Purchase of fixed assets</b>		
<b>Entities having control over the Company / entities having significant influence over the Company</b>		
Singapore Telecommunications Limited	(313)	-
<b>Other related parties</b>		
Brightstar Telecommunication India Limited	(1,339)	(856)
<b>Joint venture</b>		
Indus Towers Limited	-	(111)
<b>(ii) Rendering of services</b>		
<b>Entities having control over the Company / entities having significant influence over the Company</b>		
Singapore Telecommunications Limited	687	983

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The significant related party transactions are summarised below: (Contd..)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>(iii) Receiving of services</b>		
<b>Entities having control over the Company / entities having significant influence over the Company</b>		
Singapore Telecommunications Limited	(693)	(596)
<b>Associates</b>		
Airtel Payment bank Limited	(2,795)	(224)
<b>Joint venture</b>		
Indus Towers Limited#	(15,579)	(43,533)
<b>(iv) Reimbursement of energy expenses paid</b>		
<b>Joint Venture</b>		
Indus Towers Limited	(33,829)	(24,764)
<b>(v) Refund of security deposit given</b>		
<b>Joint Venture</b>		
Indus Towers Limited	4,460	-
<b>(vi) Repayments of loans given</b>		
<b>Other related parties</b>		
Bharti Airtel Employees Welfare Trust	497	-
<b>(viii) Receiving of assets(ROU)**</b>		
<b>Joint venture</b>		
Indus Towers Limited	(16,592)	-

#Amount does not include GST

\*Amount disclosed is net of termination

## (c) The outstanding balances of the above mentioned related parties are as follows:

Scheme	Significant influence entities	Associates	Joint ventures	ORP / FC*
<b>As of March 31, 2020</b>				
Trade payables	(57)	(38)	(16,301)	(260)
Trade receivables	-	1,886	-	838
Other financial assets - Loans given	-	-	8	-
Security deposit	1	-	1,148	1,248
Lease liability#	-	-	(98,440)	(7,910)
<b>As of March 31, 2019</b>				
Trade payables	(219)	(71)	(21,566)	(227)
Trade receivables	-	406	-	54
Security deposit	2	-	4,604	1,214

\*Other related parties / fellow companies

#It include discounted value of future cash payouts

- (1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.
- (2) In addition to the above, ₹ 714 and ₹ 844 donation has been given to Satya Bharti Foundation and Bharti Foundation during the year ended March 31, 2020 and 2019 respectively.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## (d) Transactions and balances with KMPs

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Short-term employee benefits	340	339
Performance linked incentive ('PLI') <sup>#</sup>	203	178
Post-employment benefits	29	28
Other long-term benefits	18	24
Other awards	71	-
Share-based payment	47	64
	<b>708</b>	<b>633</b>

<sup>#</sup>Value of PLI considered above represents incentive at 100% performance level and a one-time special performance incentive of ₹ 16 for the financial year 2019-20. The balance PLI is paid in the next year on the basis of actual performance parameters. During the year ended March 31, 2020 and 2019, PLI of ₹ 205 and ₹ 188 respectively has been paid. As at March 31, 2020, an amount of ₹ 6 was recoverable from one of the KMPs, which has been since recovered.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Group as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

In addition to above, Nil and ₹ 2 have been paid as dividend to key management personnel during the year ended March 31, 2020 and 2019 respectively.

## 35. Leases

### Impact of adoption of Ind AS 116 where the Group is a lessee

The adoption of the said change in accounting policy affected the following items in the balance sheet on April 1, 2019:

	As of March 31, 2019
Property, plant and equipment (including CWIP amounting to ₹ 114 )	(16,830)
Right-of-use assets	222,866
Other intangible assets	(39,037)
Intangible assets under development	(3,038)
Deferred tax assets (net)	14,480
Other non-current assets	22,025
Other current assets	399
Lease liabilities	(239,721)
Other non-current liabilities	14,210
<b>Decrease in Equity</b>	<b>(24,646)</b>

### Impact of adoption of Ind AS 116 where the Company is a lessor

The Company did not have any material impact due to transition to Ind AS 116.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Group as a lessee

### ROU

The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2020:

	<b>Bandwidth</b>	<b>Plant and equipment</b>	<b>Building</b>	<b>Lease hold land</b>	<b>Transponder</b>	<b>Vehicle</b>	<b>Total</b>
As of April 1, 2019	16,010	177,868	14,261	12,855	1,754	117	222,865
Additions	6,444	54,915	331	8,161	410	-	70,261
Acquisition through Business Combinations®	20,180	-	235	15	-	-	20,430
Depreciation/Amortisation	(3,238)	(35,605)	(2,894)	(2,623)	(1,272)	(74)	(45,706)
Dismantle/adjustments	422	(9,484)	(14)	(1,864)	(23)	-	(10,963)
Foreign currency translation reserve	14	1,916	250	-	-	(18)	2,162
<b>As of March 31, 2020</b>	<b>39,832</b>	<b>189,610</b>	<b>12,169</b>	<b>16,544</b>	<b>869</b>	<b>25</b>	<b>259,049</b>

©Refer note 4 (c)

- Bandwidth

The Group's leases of bandwidth comprise of dark fiber taken on lease.

- Plant and equipment

The Group leases passive infrastructure for providing telecommunication services under composite contracts that include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy etc. services.

- Building

The Group's leases of building comprise of lease of offices, warehouses and shops.

- Leasehold land

The Group's leases of land comprise of land taken on lease on passive infrastructure is built and offices.

- Transponder

The Group's leases comprise of capacity in the space segment in satellite system in direct to home business.

### Amounts recognised in profit or loss

**For the year ended  
March 31, 2020**

Interest on lease liabilities	25,662
Expenses relating to short-term leases	427
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	173

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Amounts recognised in statement of cash flows

	For the year ended March 31, 2020
Total cash outflow for leases	47,740

## Termination options

Termination options are included in a number of property and equipment leases across the Group, where the Group is a lessee. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive not to exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated by the Group. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The reconciliation of operating lease commitments disclosed as at March 31, 2019 to lease liabilities recognised as at April 1, 2019 is given below:

	For the year ended March 31, 2020
<b>Operating lease commitment at March 31, 2019</b>	<b>448,063</b>
<b>Discounted using the incremental borrowing rate at April 1, 2019</b>	<b>354,738</b>
Non - lease component	(126,868)
Short term lease	(356)
Lease component in service contract	12,207
<b>Lease liabilities recognised at April 1, 2019</b>	<b>239,721</b>

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The incremental borrowing rate used across the Group ranges from 6.09% to 18.82%.

The Group has made use of the following practical expedients available on transition to Ind AS 116: (a) used a single discount rate to a portfolio of leases of similar assets in similar economic environment, (b) not recognised ROU assets and lease liabilities for leases with less than twelve months of remaining lease term and low-value assets on the date of initial application, (c) relied on previous assessments that none of the leases were onerous and concluded that there is no need for impairment review and (d) used hindsight in determining the lease term where the contracts contained options to extend or terminate the lease.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	As of March 31, 2020
Not later than one year	86,271
Later than one year but not later than five years	221,900
Later than five years	98,978
<b>Total</b>	<b>407,149</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Group as a lessor- operating lease

### Amounts recognised in profit or loss

	For the year ended March 31, 2020
Lease income	22,634

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

### Operating leases under Ind AS 116

	As of March 31, 2020
Less than one year	17,013
One to two years	15,636
Two to three years	14,813
Three to four years	13,130
Four to five years	11,241
More than five years	22,203
<b>Total</b>	<b>94,036</b>

### Operating leases under Ind AS 17

	As of March 31, 2020
Not later than one year	17,586
Later than one year but not later than five years	57,291
Later than five years	25,289
<b>Total</b>	<b>100,166</b>

Group has entered into non-cancellable lease arrangements to provide dark fiber on indefeasible right of use ('IRU') basis and tower assets on site-sharing basis. Due to the nature of these transactions, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2020 and March 31, 2019 and accordingly, the related disclosures are not provided.

## 36. Financial and Capital risk

### 1. Financial risk

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management strategies focus on the unpredictability of these elements and seek to minimise the potential adverse effects on its financial performance. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Group is driven by the Group's senior management ('GSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Group does not undertake any speculative transactions either through derivatives or otherwise. The GSM are accountable to the Board of Directors and Audit Committee. They ensure that the Group's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BoD of the respective operating entities periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The Group policy requires for material translation exposure to be established under effective hedge relationships by ensuring that the critical terms of the hedging instruments match with the terms of the hedged item so as maintain the hedge ratio to be 1:1. The Group uses prospective effectiveness assessment (dollar offset / hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

## **(i) Foreign currency risk**

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the transacting group entity. The Group, through its parent entity, several intermediary entities and subsidiaries; operates across multiple geographies in the Africa and Asia continent. Accordingly, the Group is exposed to translation risk on the net investment in foreign subsidiaries. The Group has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from borrowings and trade payables denominated in foreign currencies and certain net investment in foreign currency. Consequently, the Group is mainly exposed to foreign exchange risks related to USD / Euro vis-à-vis the functional currencies and the translation risk related to USD to INR and USD to XAF-XOF (pegged to Euro).

The foreign exchange risk management policy of the Group requires it to manage the foreign exchange risk either through derivatives or reducing the exposure by transacting as far as possible in the functional currency. Moreover, the Group monitors the movements in currencies in which the borrowings / capex vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. For further details as to foreign currency borrowings, refer note 19. Further, for the details as to the fair value of various outstanding derivative financial instruments designated in a hedge relationship or otherwise refer note 10.

As per the Group's hedging policy certain foreign currency liability, highly probable forecast transactions and material net investment of the Group in foreign subsidiaries have been designated under cash flow hedge and net investment hedge respectively. The following table analyses the movement in the cash flow hedge reserve / net investment hedging in FCTR due to said hedges and details thereto.

### **a) Cash flow hedge**

	March 31, 2020	March 31, 2019
Currency exchange risk hedged	CHF to USD*	Euro to USD
Nominal amount of hedging instruments	CHF 350 Mn	Euro 870 Mn
Maturity date	March 2020	December 2018
Weighted average forward price	1 CHF: 1.12 USD	1 Euro: 1.12
		USD
Carrying value of derivative instruments (liabilities)	-	1,806
Change in fair value during the year		
Hedged item	(1,806)	7,377
Hedging instrument	1,806	(7,377)
CFHR for continuing hedge	-	138
Hedging loss recognised during the year	-	(2,173)
Gain reclassification during the year to P&L	109	6,968
		1,778

\*Bharti Airtel International (Netherlands) BV, a subsidiary of the Company, had redeemed CHF 350 Mn (₹ 26,486) 3% senior notes in March 2020 and Euro 1,000 Mn (₹ 79,948) 4% senior notes in December 2018. Consequently, the cash flow hedges on these bonds were discontinued.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## b) Net investment hedge

	March 31, 2020		March 31, 2019	
Currency exchange risk hedged	Euro to USD	USD to INR	Euro to USD	USD to INR
Nominal amount of hedging instruments	Euro 160 Mn	USD 1883 Mn	Euro 365 Mn	USD 1405 Mn
Maturity date	May 2021	June 2025 - February 2028	May 2021	June 2025 - February 2028
Carrying value of hedging instruments (borrowings)	13,364	142,473	28,335	97,163
Change in fair value during the year				
Hedged item	(377)	11,232	(3,101)	4,855
Hedging instrument	377	(11,232)	3,101	(4,855)
FCTR loss for continuing hedge (net of tax and NCI)	(1,941)	(25,067)	(2,153)	(16,707)
Hedging loss recognised during the year	377	(11,232)	3,101	(4,855)

## Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2020</b>			
US Dollar	+5%	(8,017)	(10,567)
	-5%	8,017	10,567
Euro	+5%	(2,696)	(681)
	-5%	2,696	681
Others	+5%	(174)	-
	-5%	174	-

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2019</b>			
US Dollar	+5%	(10,269)	(9,109)
	-5%	10,269	9,109
Euro	+5%	(2,368)	(1,590)
	-5%	2,368	1,590
Others	+5%	(905)	-
	-5%	905	-

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The sensitivity disclosed in the above table is mainly attributable to, in case of foreign exchange gains / (losses) on translation of USD / Euro / CHF denominated borrowings, derivative financial instruments, trade and other payables, and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Group's Management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

## **(ii) Interest rate risk**

As the Group does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Group's interest rate risk arises mainly from borrowings.

### **Borrowings**

Borrowings with floating and fixed interest rates expose the Group to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Group do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the GSM in a manner which enables the Group to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

The Group has designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically it accounts for substantial portions of the total fair value change of the bonds.

The following table analyses the financial impact of fair value hedge and details thereto.

	March 31, 2020	March 31, 2019
Interest rate risk covered for currency	USD	USD
Nominal amount of Hedging instruments	USD 2200 Mn <sup>#</sup>	USD 2200 Mn
Maturity date	- March 2023 - June 2025	
Carrying value of hedging instruments (derivative assets)	- 1,468	
Carrying value of hedging instruments (derivative liabilities)	- 476	
Carrying value of hedged item (borrowings)	- 152,141	
Change in fair value during the year		
Hedged item	(5,752) 8	(5,055) 283
Hedging instrument	5,759	5,338
Hedge ineffectiveness recognised in finance income/cost during the year		
Cumulative change in fair value of hedged item	- 943	
Unamortised portion of fair value hedge adjustment	(4,484) 735	

<sup>#</sup>During the year, the derivatives designated for fair value hedges has been cancelled.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

Interest Rate sensitivity	Increase / decrease (basis points)	Effect on profit before tax
<b>For the year ended March 31, 2020</b>		
INR - borrowings	+100	(2,166)
	-100	2,166
USD - borrowings	+25	(161)
	-25	161
Other currency - borrowings	+100	(56)
	-100	56
<b>For the year ended March 31, 2019</b>		
INR - borrowings	+100	(2,021)
	-100	2,021
USD - borrowings	+25	(306)
	-25	306
Euro - borrowings	+25	(34)
	-25	34
Other currency - borrowings	+100	(219)
	-100	219

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Group's borrowings in INR, USD and Euro (being the significant currencies in which it has borrowed funds), while assuming all other variables (in particular foreign currency rates) to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Group's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

## (iii) Price risk

The Group invests its surplus funds in various fixed income products, including but not limited to debt mutual funds, short term debt funds, corporate debt, government securities and fixed deposits. In order to manage its price risk arising from investments, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The Group has exposure across debt securities, mutual fund and money market instruments.

Debt investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of money market instruments and the underlying portfolio in liquid schemes, these do not pose any significant price risk. On the duration investment balance, an increase / decrease of 25 basis points in market yields (parallel shift of the yield curves), will result in decrease / increase in the marked to market value of the investments by ₹ 44 and ₹ 147 as on March 31, 2020 and March 31, 2019 respectively.

## (iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## **Trade receivables**

The Trade receivables of the Group are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Group, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Group's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days except Airtel business segment wherein it ranges from 7-90 days.

The Group uses a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer note 15 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, Management considers that the trade receivables are credit impaired if the payments are more than 270 days past due in case of interconnect debtors in Africa Mobile Segment and 90 days past due in all other cases.

The ageing analysis of trade receivables as of the reporting date is as follows:

	<b>Neither past due nor impaired</b>	<b>Past due but not impaired</b>				<b>Total</b>
		<b>Less than 30 days</b>	<b>30 to 60 days</b>	<b>60 to 90 days</b>	<b>Above 90 days</b>	
March 31, 2020	11,891	16,860	7,128	6,402	3,777	46,058
March 31, 2019	12,548	12,109	6,765	5,183	6,401	43,006

The Group performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

## **Financial instruments and cash deposits**

The Group's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds & debt securities, and enters into derivative financial instruments - with banks, financial and other institutions, having good reputation and past track record, and high / sovereign credit rating. Similarly, counterparties of the Group's other receivables carry either no or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

## **(v) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available un-drawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the borrowings, refer note 19.

Based on past performance and current expectations, the Group believes that the cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	As of March 31, 2020						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings**	1,210,463	20,406	161,779	115,322	168,813	1,263,802	1,730,122
Lease liabilities*	306,091	-	36,827	49,520	74,869	246,008	407,224
Other financial liabilities#	201,480	29,238	93,008	37,460	39,553	2,872	202,131
Trade payables	250,199	-	250,199	-	-	-	250,199
<b>Financial liabilities (excluding derivatives)</b>	<b>1,968,233</b>	<b>49,644</b>	<b>541,813</b>	<b>202,302</b>	<b>283,235</b>	<b>1,512,682</b>	<b>2,589,676</b>
Derivative liabilities	860	-	319	239	-	302	860

	As of March 31, 2019						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings**	1,240,149	24,802	304,325	153,248	197,561	1,058,793	1,738,729
Lease liabilities*	47,553	-	5,049	5,049	10,097	45,593	65,788
Other financial liabilities#	203,851	19,100	113,102	10,649	9,804	51,196	203,851
Trade payables	263,138	-	263,138	-	-	-	263,138
<b>Financial liabilities (excluding derivatives)</b>	<b>1,754,691</b>	<b>43,902</b>	<b>685,614</b>	<b>168,946</b>	<b>217,462</b>	<b>1,155,582</b>	<b>2,271,506</b>
Derivative liabilities	13,568	-	10,651	2,112	149	656	13,568

\*It includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest swaps, over the tenor of the borrowings.

#Interest accrued but not due has been included in interest bearing borrowings and excluded from other financial liabilities.

## vi) Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Balance sheet caption	Statement of cash flows line item	April 1, 2019	Cash flows	FCCBs	Non-cash movements					March 31, 2020
					Interest expense	Foreign exchange	Fair value changes	FCTR	Others	
Borrowings*	Proceeds / repayments of borrowings (including short-term)	741,071	(179,553)	65,012	-	14,362	2,476	23,211	48,821	715,399
Interest accrued but not due / derivative instruments	Interest and other finance charges paid	39,052	(94,859)	-	112,314	(6,084)	(3,925)	749	(14,709)	32,538

\*It does not include deferred payment liabilities and bank overdraft but include obligations towards Africa tower sale, and lease back transaction.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 2. Capital risk

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Group's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Group may issue new shares, declare dividends, return capital to shareholders, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Group monitors capital using a gearing ratio calculated as below:

	As of March 31, 2020	As of March 31, 2019
Borrowings	1,176,190	1,206,730
Less: cash and cash equivalents	135,507	62,121
Less: term deposits with bank	153	273
<b>Net debt</b>	<b>1,040,530</b>	<b>1,144,336</b>
Equity	771,448	714,222
<b>Total capital</b>	<b>771,448</b>	<b>714,222</b>
<b>Capital and net debt</b>	<b>1,811,978</b>	<b>1,858,558</b>
<b>Gearing ratio</b>	<b>57.4%</b>	<b>61.6%</b>

## 37. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of		
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
<b>Financial assets</b>						
<b>Fair value through profit and loss</b>						
Derivatives						
- Currency swaps, forward and option contracts	Level 2	2,716	346	2,716	346	
- Interest swaps	Level 2	117	3,185	117	3,185	
Investments-quoted	Level 1	154,682	62,546	154,682	62,546	
Investments-unquoted	Level 2	3,275	3,515	3,275	3,515	
<b>Fair value through other comprehensive income</b>						
Investments-quoted	Level 1	-	2,112	-	2,112	
<b>Amortised cost</b>						
Security deposits		8,728	16,452	8,728	16,452	
Trade receivables		46,058	43,006	46,058	43,006	
Cash and cash equivalents		135,507	62,121	135,507	62,121	
Other bank balances		23,420	18,519	23,420	18,519	
Other financial assets		225,219	29,585	225,219	29,585	
		<b>599,722</b>	<b>241,387</b>	<b>599,722</b>	<b>241,387</b>	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 37. Fair value of financial assets and liabilities (Contd..)

	Level	Carrying value as of		Fair value as of		
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
<b>Financial liabilities</b>						
<b>Fair value through profit and loss</b>						
Derivatives						
- Currency swaps, forward and option contracts	Level 2	600	3,691	600	3,691	
- Interest rate swaps / others	Level 2	26	9,579	26	9,579	
- Embedded derivatives	Level 2	234	298	234	298	
<b>Amortised cost</b>						
Borrowings - fixed rate	Level 1	333,510	254,194	325,204	256,985	
Borrowings - fixed rate	Level 2	502,343	625,002	575,157	663,523	
Borrowings - floating rate		340,337	375,087	340,337	375,087	
Trade payables		250,199	263,138	250,199	263,138	
Other financial liabilities		235,753	237,270	235,753	237,270	
		<b>1,663,002</b>	<b>1,768,259</b>	<b>1,727,510</b>	<b>1,809,571</b>	

The following methods / assumptions were used to estimate the fair values:

- i. The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- ii. Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- iv. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity, as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of March 31, 2020 and March 31, 2019:

Financial assets / liabilities	Inputs used
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, Interest rates
- Interest swaps	Prevailing / forward interest rates in market, Interest rates
- Embedded derivatives	Forward currency exchange rates, Interest rates
Investments	Prevailing interest rates in market, Interest rates
Fixed rate borrowings	Prevailing interest rates in market, Future payouts, Interest rates

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>	9,139	-
Issuance: recognised in finance costs / finance income	-	9,139
Increase in fair value (net): recognised in finance costs / finance income	31,979	-
Payment	<u>(41,118)</u>	-
<b>Closing balance</b>	<u>-</u>	<b>9,139</b>

As part of issue of equity shares to global investors, the Group had committed indemnities pertaining to acquisition of non-controlling interest in Group's operations and other protections (together referred as 'indemnities'). The derivative liabilities for such indemnities derived its value based on the price of the shares. The significant input to valuation was the probability of payout of these indemnities. The liability was valued on the basis of probability weighted amount payable for these indemnities and was considered a significant unobservable input to the valuation, thereby resulting in the embedded derivative being classified as Level 3 in the fair value hierarchy.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's embedded derivative categorized within level 3.

## Narrative description of sensitivity of fair value changes to changes in unobservable inputs

Any increase/ decrease in probability of expected payouts under non-controlling indemnity liability by 5% will result in 5% increase/ decrease in the derivative liability value.

## 38. COVID-19

Covid 19 pandemic has resulted in a nationwide locked down with restrictions imposed on movement of people and goods. Telecommunications, Internet, Broadcast and Cable Services" have been mentioned as an "Essential" service in all government orders/notifications. Consequently, the Group formulated a robust Business Continuity Plan to ensure that its operations are not disrupted. The Group has considered a range of possible scenarios to understand potential outcomes on its business and plan appropriately.

A detail assessment has been carried out by the Group for each business segment with regards to impact on revenue and costs. Impact due to any extended credit terms, cancelled orders, change in contractual terms, price concession request, onerous obligations etc. were comprehensively evaluated for any risk due to Covid-19 on revenue recognized and collectability thereof and no material impact has been noted. The Group has not experienced any loss of significant customer on account of force majeure clauses in the revenue contracts. Besides, the Group has also assessed its other arrangements, including leasing and borrowing arrangements and no changes in terms of those arrangements are expected due to COVID-19. In borrowing arrangements, the Group has not defaulted and there is no breach of any of the debt covenants. Further, impairment testing of tangible assets, goodwill and Group's investments in joint ventures and associates was also re-performed to assess any potential impairment on account of COVID 19. Based on the impairment assessment performed as at March 31, 2020, no further impairment was required to be recorded in the books of accounts.

The Group has also re-assessed its financial risk management policies and impact of any change on the related disclosures in the financial statements, on counterparty credit risk, liquidity risk and foreign currency risk and no material impact has been noted. Further, the Group has also evaluated its hedging arrangements and hedge effectiveness and no material impact was noted.

Accordingly, there is no material impact on the consolidated financial statements for the year ended March 31, 2020.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 39. Other matters

- (i) In 1996, the Company had obtained the permission from DoT to operate its Punjab license through one of its wholly owned subsidiary. However DoT cancelled the permission to operate in April, 1996 and subsequently reinstated in March, 1998. Accordingly, for the period from April 1996 to March, 1998 ('blackout period') the license fee was disputed and not paid by the Company.

Subsequently, basis the demand from DoT in 2001, the Company paid the disputed license fee of ₹ 4,856 for blackout period under protest. Consequently, the license was restored subject to arbitrator's adjudication on the dispute. The arbitrator adjudicated the matter in favour of DoT, which was challenged by the Company before Hon'ble Delhi High Court. In 2012, Hon'ble Delhi High Court passed an order setting aside the arbitrator's award, which was challenged by DoT and is pending before its division bench. Meanwhile, the Company had filed a writ petition for recovery of the disputed license fee and interest thereto. However, the single bench, despite taking the view that the Company is entitled to refund, dismissed the writ petition on the ground that the case is still pending with the larger bench. The Company therefore has filed appeal against the said order with division bench and is currently pending. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing.

- (ii) TRAI vide Telecom Interconnect Usages Charges Regulation (Eleventh Amendment) 2015 has reduced the IUC charges for mobile termination charges to 14 paisa from 20 paisa and abolished the fixed-line termination charges. The Company has challenged the said Regulation before the Hon'ble Delhi High Court and the matter is currently pending.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 40. Additional information as required under Schedule III of the Companies Act, 2013

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L') As % of consolidated N A	Share in total comprehensive income ('TCI') As % of TCI	Amount
				As % of consolidated N A	Amount			
<b>Parent</b>								
1	Bharti Airtel Limited	100%	India	99.32%	1,014,306	112.13%	(360,882)	108.21% (360,952)
<b>Subsidiaries</b>								
<b>A. Indian</b>								
- <b>Telecommunication services</b>								
1	Bharti Hexacom Limited	70%	India	2.96%	30,200	8.44%	(27,165)	8.14% (27,167)
2	Nxta Data Limited	100%	India	0.10%	1,056	-0.22%	712	-0.21% 711
3	Smartx Services Limited	53.51%	India	0.00%	7	0.02%	(66)	0.02% (66)
4	Telesonic Networks Limited	100%	India	0.48%	4,895	-1.27%	4,098	-1.22% 4,081
5	Airtel Digital Limited (formerly known as Wynk Limited)	100%	India	-0.01%	(1,39)	0.20%	(628)	0.19% (630)
- <b>Direct To Home services</b>								
1	Bharti Telemedia Limited	80%	India	-0.74%	(7,601)	-1.20%	3,857	-1.15% 3,852
- <b>Infrastructure sharing services</b>								
1	Bharti Infratel Limited	53.51%	India	7.32%	74,743	-6.18%	19,900	-5.93% 19,790
- <b>Investment Company</b>								
1	Nettel Infrastructure Investments Limited	100%	India	-6.13%	(62,645)	-1.49%	4,805	15.52% (51,782)
- <b>Others</b>								
1	Bharti Airtel Services Limited	100%	India	0.00%	(32)	-0.08%	254	-0.08% 255
2	Airtel International LLP ^	100%	India	0.01%	77	-0.01%	44	-0.01% 44
- <b>Uplinking channels for broadcasters</b>								
1	Indo Teleports Limited	100%	India	-0.07%	(672)	0.02%	(70)	0.02% (70)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities As % of consolidated N A	March 31, 2020		Share in total comprehensive income ('TCI') As % of TCI Amount
					Amount	As % of consolidated P&L	
<b>B. Foreign</b>							
1	Congo RDC Towers S.A. ^	100%	Democratic Republic of Congo	-0.07%	(675)	0.01%	(18)
2	Gabon Towers SA # ^	97.95%	Gabon	0.00%	(2)	0.00%	(0)
3	Madagascar Towers S.A. ^	100%	Madagascar	0.08%	809	-0.06%	185
4	Malawi Towers Limited ^	100%	Malawi	-0.03%	(339)	0.00%	7
5	Tanzania Towers Limited ^	51.00% <sup>(i)</sup>	Tanzania	0.00%	(35)	0.00%	1
<b>- Infrastructure sharing services</b>							
1	Airtel Mobile Commerce BV. ^	100%	Netherlands	-0.07%	(708)	0.03%	(98)
2	Airtel Mobile Commerce Holdings BV. ^	100%	Netherlands	-0.02%	(201)	0.03%	(83)
3	Airtel Mobile Commerce Mauritius Limited	100%	Netherlands	0.00%	3	0.00%	2
4	Airtel Africa Mauritius Limited	100%	Mauritius	10.91%	111,382	10.18%	(32,760)
5	Airtel Africa Plc	56.01% <sup>(ii)</sup>	United Kingdom	31.21%	318,702	-8.33%	26,803
6	Airtel Mobile Commerce Nigeria BV. ^	100%	Netherlands	0.00%	0	0.00%	-
7	Airtel Mobile Commerce Seychelles) BV. ^	100%	Netherlands	0.00%	0	0.00%	-
8	Airtel Mobile Commerce Congo BV. ^	100%	Netherlands	0.00%	0	0.00%	-
9	Airtel Mobile Commerce Kenya BV. ^	100%	Netherlands	0.00%	0	0.00%	-
10	Airtel Mobile Commerce Madagascar BV. ^	100%	Netherlands	0.00%	0	0.00%	-
11	Airtel Mobile Commerce Malawi BV. ^	100%	Netherlands	0.00%	0	0.00%	-
12	Airtel Mobile Commerce Rwanda BV. ^	100%	Netherlands	0.00%	0	0.00%	-
13	Airtel Mobile Commerce Tchad BV. ^	100%	Netherlands	0.00%	0	0.00%	-
14	Airtel Mobile Commerce Uganda BV. ^	100%	Netherlands	0.00%	0	0.00%	-
15	Airtel Mobile Commerce Zambia BV. ^	100%	Netherlands	0.00%	0	0.00%	-
16	Bharti Airtel Africa B.V. ^	100%	Netherlands	11.04%	112,795	-6.98%	22,452

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities As % of consolidated N A	March 31, 2020		Share in total comprehensive income ('TCI') As % of TCI Amount
					Amount	As % of consolidated P&L	
17	Bharti Airtel Chad Holdings BV.^	100%	Netherlands	-0.06%	(637)	0.000%	0
18	Bharti Airtel Congo Holdings BV.^	100%	Netherlands	0.45%	4,636	-0.06%	202
19	Bharti Airtel Developers Forum Limited ^	96.36%	Zambia	-	-	0.00%	-
20	Bharti Airtel Holding (Mauritius) Limited	100%	Mauritius	0.01%	11,545	0.00%	(1)
21	Bharti Airtel Overseas (Mauritius) Limited	100%	Mauritius	0.01%	7,963	-0.35%	1,142
22	Bharti Airtel Gabon Holdings BV.^	100%	Netherlands	0.95%	9,655	0.00%	(0)
23	Bharti Airtel International (Mauritius) Limited	100%	Mauritius	1.87%	19,109	-0.16%	528
24	Bharti Airtel International (Netherlands) BV.^	100%	Netherlands	22.78%	232,661	-8.67%	27,917
25	Bharti Airtel Kenya BV.^	100%	Netherlands	-2.78%	(28,401)	0.91%	(2,925)
26	Bharti Airtel Kenya Holdings BV.^	100%	Netherlands	-0.33%	(3,372)	0.04%	(142)
27	Bharti Airtel Madagascar Holdings BV.^	100%	Netherlands	-0.47%	(4,808)	0.00%	0
28	Bharti Airtel Malawi Holdings BV.^	100%	Netherlands	0.42%	4,240	-0.68%	2,200
29	Bharti Airtel Mali Holdings BV.^	100%	Netherlands	0.00%	(22)	0.01%	(24)
30	Bharti Airtel Niger Holdings BV.^	100%	Netherlands	1.55%	15,792	-0.27%	867
31	Bharti Airtel Nigeria BV.^	100%	Netherlands	-9.38%	(95,774)	1.11%	(3,560)
32	Bharti Airtel Nigeria Holdings II BV.^	100%	Netherlands	-0.01%	(125)	0.00%	(0)
33	Bharti Airtel RDC Holdings BV.^	100%	Netherlands	-0.11%	(1,167)	0.00%	1
34	Bharti Airtel Rwanda Holdings Limited ^	100%	Mauritius	0.00%	(24)	0.00%	(1)
35	Bharti Airtel Services BV.^	100%	Netherlands	0.04%	361	0.00%	(14)
36	Bharti Airtel Tanzania BV.^	100%	Netherlands	-0.45%	(4,600)	0.00%	(0)
37	Bharti Airtel Uganda Holdings BV.^	100%	Netherlands	0.02%	197	-2.31%	7,442
38	Bharti Airtel Zambia Holdings BV.^	100%	Netherlands	1.15%	11,761	0.00%	-2.23%
39	Celtel (Mauritius) Holdings Limited ^	100%	Mauritius	0.29%	2,945	0.00%	(0)
					0	0.00%	0

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities As % of consolidated N A	March 31, 2020		Share in total comprehensive income ('TCI') As % of TCI Amount	
					Share in profit or loss (P&L)			
					As % of consolidated P&L	Amount		
40	Channel Sea Management Company (Mauritius) Limited ^	100%	Mauritius	0.00%	36	0.00%	(1) 0.00%	
41	Indian Ocean Telecom Limited ^	100%	Jersey	0.16% 0.00%	1,654 (17)	-0.09% 0.00%	303 (1) -0.09%	
42	Montana International ^	100%	Mauritius	-	-	-	303 (1) 0.00%	
43	Partnership Investments Sarl ^	100%	Democratic Republic of Congo	-	0.00%	-	- 0.00%	
44	Société Malgache de Téléphone Cellulaire S.A. ^	100%	Mauritius	0.01% 0.00%	116 (1)	0.00% 0.00%	(1) 0.00%	
45	Bharti Airtel International (Mauritius) Investments Limited	100%	Mauritius	0.00%	(1)	0.00%	(1) 0.00%	
<b>- Mobile commerce services</b>								
1	Airtel Mobile Commerce (Kenya) Limited ^	100%	Kenya	0.00%	0	0.00%	- 0.00%	
2	Airtel Mobile Commerce (Seychelles) Limited ^	100%	Seychelles	0.00%	(40)	0.00%	(3) 0.00%	
3	Airtel Mobile Commerce (Tanzania) Limited ^	100%	Tanzania	0.00%	0	0.00%	(0) 0.00%	
4	Airtel Mobile Commerce (Malawi) Limited ^	100%	Malawi	0.08% 0.02%	798 207	-0.06% -0.04%	198 130 -0.04%	
5	Airtel Mobile Commerce Madagascar S.A. ^	100%	Madagascar	-	-	-	- 130	
6	Airtel Mobile Commerce Rwanda Limited ^	100%	Rwanda	0.00%	1	0.00%	- 0.00%	
7	Airtel Mobile Commerce Tchad Sarl ^	100%	Chad	0.00%	0	0.00%	- 0.00%	
8	Airtel Mobile Commerce Uganda Limited ^	100%	Uganda	0.00%	0	0.00%	- 0.00%	
9	Airtel Mobile Commerce Zambia Limited ^	100%	Zambia	0.07% 0.18%	721 1,796	-0.26% -0.26%	852 831 -0.26%	
10	Airtel Money (RDC) S.A. ^	98.50%	Democratic Republic of Congo	-	-	-	- 831 -0.25%	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities		Share in profit or loss ('P&L')	Share in total comprehensive income ('TCI')	As % of consolidated P&L Amount	As % of TCI Amount
				As % of consolidated N A	Amount				
11	Airtel Money Niger S.A. ^	90%	Niger	0.00%	199	-0.03%	111	-0.03%	111
12	Airtel Money SA (Gabon) ^	100%	Gabon	0.23%	2,298	-0.37%	1,200	-0.36%	1,200
13	Airtel Money Transfer Limited ^	100%	Kenya	0.00%	14	0.00%	(1)	0.00%	(1)
14	Mobile Commerce Congo S.A. ^	100%	Congo Brazzaville	0.00%	1	0.00%	-	0.00%	-
15	Airtel Money Tanzania Limited ^	51.00% <sup>(i)</sup>	Tanzania	0.03%	275	-0.18%	564	-0.17%	564
16	Airtel Mobile Commerce Nigeria Limited ^	91.74% <sup>(ii)</sup>	Nigeria	-	-	0.00%	-	0.00%	-
<b>- Submarine Cable System</b>									
1	Network i21 Limited	100%	Mauritius	17.90%	182,764	0.21%	(681)	0.20%	(681)
2	Network i21 (Kenya) Limited (incorporated w.e.f July 3, 2019)	100%	Kenya	0.00%	-	0.00%	-	0.00%	-
<b>- Telecommunication services</b>									
1	Airtel (Seychelles) Limited ^	100%	Seychelles	0.05%	508	-0.06%	197	-0.06%	197
2	Airtel Congo (RDC) S.A. ^	98.50%	Democratic Republic of Congo	-5.37%	(54,840)	-1.25%	4,032	-1.21%	4,032
3	Airtel Congo S.A. ^	90.00%	Congo Brazzaville	-0.17%	(1,742)	0.39%	(1,259)	0.38%	(1,259)
4	Airtel Gabon S.A. ^	97.95%	Gabon	-0.52%	(5,336)	0.08%	(243)	0.07%	(243)
5	Airtel Madagascar S.A. ^	100%	Madagascar	-0.94%	(9,607)	0.53%	(1,716)	0.51%	(1,716)
6	Airtel Malawi Plc ^	80.00% <sup>(iv)</sup>	Malawi	0.23%	2,364	-0.75%	2,422	-0.73%	2,422
7	Airtel Networks Kenya Limited @^	100%	Kenya	-3.15%	(32,146)	0.95%	(3,048)	0.91%	(3,048)
8	Airtel Networks Limited ^	91.74% <sup>(ii)</sup>	Nigeria	2.91%	29,737	-7.95%	25,571	-7.67%	25,571
9	Airtel Rwanda Limited ^	100%	Rwanda	-2.04%	(20,810)	1.07%	(3,428)	1.03%	(3,428)
10	Airtel Tanzania Public Limited Company ^ (Formerly known as Airtel Tanzania Limited)	51.00% <sup>(i)</sup>	Tanzania	-3.08%	(31,501)	-0.43%	1,386	-0.42%	1,386
11	Airtel Tchad S.A. ^	100%	Chad	-0.59%	(5,986)	-0.01%	44	-0.01%	44
12	Airtel Uganda Limited ^	100%	Uganda	0.12%	1,269	-1.95%	6,260	-1.88%	6,260
13	Bharti Airtel (France) SAS	100%	France	0.08%	835	-0.06%	185	-0.06%	185

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities As % of consolidated N A	March 31, 2020		Share in total comprehensive income ('TCI') As % of TCI Amount
					As % of consolidated P&L	Share in profit or loss ('P&L') As % of Amount	
14	Bharti Airtel (Hong Kong) Limited	100%	Hong Kong	0.04%	374	-0.05%	161 -0.05%
15	Bharti Airtel (Japan) Private Limited	100%	Japan	0.00%	9	0.00%	4 0.00%
16	Bharti Airtel (UK) Limited	100%	United Kingdom	0.13%	1,346	-0.13%	403 -0.12%
17	Bharti Airtel (USA) Limited	100%	United States of America	0.09%	960	0.00%	9 0.00%
18	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	-0.25%	(2,552)	0.67%	(2,165) 0.65%
19	Bharti International (Singapore) Pte. Ltd.	100%	Singapore	1.26%	12,881	0.01%	(47) 0.01%
20	Celtel Niger S.A. <sup>^</sup>	90%	Niger	-0.31%	(3,142)	0.67%	(2,158) 0.65%
21	Airtel Networks Zambia Plc ^	96.36%	Zambia	-0.22%	(2,289)	0.32%	(1,034) 0.31%
<b>Minority interests in all subsidiaries</b>				24.46%	249,847	4.72%	(15,190) 7.03%
<b>Associates (Investment as per the equity method)</b>							
<b>A. Indian</b>							
- <b>Financial Services</b>							
1	Seyne Technologies Private Limited	22.54%	India	0.00%	-	0.00%	- 0.00%
- <b>Mobile commerce services</b>							
1	Airtel Payments Bank Limited	80.10%	India	0.98%	10,010	1.46%	(4,684) 1.40%
- <b>Others</b>							
1	Jugernaut Books Private Limited	17.79% <sup>(v)</sup>	India	0.01%	107	0.00%	(2) 0.00%
<b>B. Foreign</b>							
- <b>Submarine cable system</b>							
1	Seychelles Cable Systems Company Limited ^	26%	Seychelles	0.03%	261	0.00%	13 0.00%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 1 - Details pertaining to share in net assets, profit or loss and total comprehensive income (Contd..)**

S. No.	Name of the entity / Principal activities	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	Net Assets ('N A'), i.e., total assets minus total liabilities As % of consolidated N A	Share in profit or loss ('P&L') As % of consolidated P&L	March 31, 2020 Share in total comprehensive income ('TCI') As % of TCI	Amount
<b>- Telecommunication services</b>							
1	Robi Axiata Limited	25%	Bangladesh	2.51% 0.00%	25,649 -	-0.04% 0.00%	128 -
2	RedDot Digital Limited (Incorporated on 5 November 2019)	25%	Bangladesh	2.51% 0.00%	25,649 -	-0.04% 0.00%	146 -
<b>Joint Ventures (Investment as per the equity method)</b>							
<b>A. Indian</b>							
<b>- Passive infrastructure services</b>							
1	Indus Towers Limited	22.47%	India	5.94% 0.00%	60,673 31	-4.09% -0.01%	13,151 27
<b>- Telecommunication services</b>							
1	FireFly Networks Limited	50%	India	0.00% 0.01%	77	0.00% 0.00%	5 5
<b>B. Foreign</b>							
<b>- Provision of regional mobile services</b>							
1	Bridge Mobile Pte Limited	10%	Singapore	0.01% 0.00%	77 (1,174,380)	0.00% 0.66%	5 (2,114) (37,225)
<b>- Telecommunication services</b>							
1	Bharti Airtel Ghana Holdings B.V. Inter-company eliminations / adjustments on consolidation	50%	Netherlands	0.00% 0	0 (1,174,380)	0.63% (2,114) (37,225)	(2,114) 16,077
<b>Total</b>							
					100%	1,021,295	100% <b>(321,832)</b> <b>100% <b>(333,580)</b></b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Table 2 - Details pertaining to share in other comprehensive income.**

S. No.	Name of the entity	% of shareholding as at March 31, 2020 and 2019 (Refer note 1 and 2)	Principal place of operation / country of incorporation	March 31, 2020				
				Share in other comprehensive income ('OCI')	As % of OCI			
				Amount				
<b>Parent</b>								
<b>Telecommunication services</b>								
1	Bharti Airtel Limited	100%	India	0.60%	(70)			
<b>Subsidiaries</b>								
- <b>Indian</b>								
- <b>Telecommunication services</b>								
1	Bharti Hexacom Limited	70%	India	0.02%	(2)			
2	Nxtra Data Limited	100%	India	0.01%	(1)			
3	Telesonic Networks Limited	100%	India	0.14%	(17)			
4	Airtel Digital Limited (formerly known as Wynk Limited)	100%	India	0.02%	(2)			
- <b>Direct To Home services</b>								
1	Bharti Telemedia Limited	80%	India	0.04%	(5)			
- <b>Infrastructure sharing services</b>								
1	Bharti Infratel Limited	53.51%	India	0.94%	(110)			
- <b>Investment Company</b>								
1	Nettel Infrastructure Investments Limited	100%	India	481.67%	(56,587)			
- <b>Other</b>								
1	Bharti Airtel Services Limited	100%	India	-0.01%	1			
- <b>Foreign</b>								
- <b>Telecommunication services</b>								
1	Bharti Airtel Lanka (Private) Limited	100%	Sri Lanka	0.02%	(2)			
<b>Minority Interests in all subsidiaries</b>								
<b>Associates (Investment as per the equity method)</b>								
<b>A. Foreign</b>								
- <b>Telecommunication services</b>								
1	Robi Axiata Limited	25%	Bangladesh	-0.15%	18			
- <b>Mobile commerce services</b>								
1	Airtel Payments Bank Limited	80.10%	India	-0.05%	6			

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in millions of Indian Rupee; unless stated otherwise)

S. No.	Name of the entity (Refer note 1 and 2)	% of shareholding as at March 31, 2020 and 2019	Principal place of operation / country of incorporation	March 31, 2020 Share in other comprehensive income ('OCI') As % of OCI	Amount
<b>Joint Ventures (Investment as per the equity method)</b>					
<b>A. Indian</b>					
- Passive infrastructure services					
1	Indus Towers Limited	22.47%	India	0.08%	(9)
	Inter-company eliminations / adjustments on consolidation				53,302
	<b>Total</b>			<b>100%</b>	<b>(11,748)</b>

## Notes:

### 1 Changes in shareholding during the year ended March 31, 2020:

- i) The Company has reduced its shareholding to 51.00% (60% in March 31, 2019) during the year ended March 31, 2020.
- ii) The Company has reduced its shareholding to 56.01% (68.31% in March 31, 2019) during the year ended March 31, 2020.
- iii) The Company has reduced its shareholding to 91.74% (91.77% in March 31, 2019) during the year ended March 31, 2020.
- iv) The Company has reduced its shareholding to 80.00% (100.00% in March 31, 2019) during the year ended March 31, 2020.
- v) The Company has reduced its shareholding to 17.79% (19.35% in March 31, 2019) during the year ended March 31, 2020.

### 2 Others

#Under liquidation.

@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.

<sup>^</sup>During the period effective shareholding of Airtel Africa Plc ('AAP') has been changed to 56.01%, due to which effective shareholding of entities owned by AAP directly/ indirectly will undergo change vis-à-vis the % presented in the above table.

The figures which are appearing as '0' are result of rounding off.

## Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2020, pursuant to Section 129 (3) of the Companies Act 2013

### Part A - Subsidiaries

S. No.	Name of the Subsidiary	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2020	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend	% of shareholding	
₹ in Million																		
1	Bharti Airtel (France) SAS	France	EUR	Apr'19 to Mar'20	March 31, 2020	83.53	1	834	3,730	2,895	-	2,297	277	02	185	-	100%	
2	Bharti Airtel (Hong Kong) Limited	Hong Kong	HKD	Apr'19 to Mar'20	March 31, 2020	9.76	27	347	779	405	-	620	191	30	161	-	100%	
3	Bharti Airtel (Japan) Private Limited	Japan	JPY	Apr'19 to Mar'20	March 31, 2020	0.70	0	9	49	40	-	39	6	1	5	-	100%	
4	Bharti Airtel Services Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	1	(33)	3,740	3,772	-	3,867	509	255	254	-	100%	
5	Bharti Airtel (UK) Limited	United Kingdom	GBP	Apr'19 to Mar'20	March 31, 2020	93.85	24	1,322	5,482	4,136	-	36,371	98	96	401	-	100%	
6	Bharti Airtel (USA) Limited	United States of America	USD	Apr'19 to Mar'20	March 31, 2020	75.68	-	960	1,530	570	-	1,334	18	9	9	-	100%	
7	Bharti International (Singapore) Pte Ltd	Singapore	USD	Apr'19 to Mar'20	March 31, 2020	75.68	115,422	(102,541)	44,848	31,967	25,956	9,791	142	190	(48)	-	100%	
8	Bharti Airtel International (Mauritius) Limited	Mauritius	USD	Apr'19 to Mar'20	March 31, 2020	75.68	225,122	(26,013)	19,128	19	-	542	14	528	-	-	100%	
9	Bharti Airtel Lanka (Private) Limited	Sri Lanka	LKR	Apr'19 to Mar'20	March 31, 2020	0.40	23,117	(25,669)	8,188	10,740	-	4,552	(2,148)	17	(2,165)	-	100%	
10	Bharti Hicom Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	2,500	-	27,700	148,311	118,111	6,224	38,741	(34,346)	(7,183)	(27,169)	-	70%
11	Indo Teleports Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	200	(902)	439	1,111	260	(70)	-	-	-	-	-	100%
12	BhartiInfratel Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	18,96	116,927	200,145	67,722	111,701	67,423	37,874	4,889	3,2985	7,583	-	53.51%
13	Smartx Services Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	30	(23)	447	440	-	146	(59)	7	(66)	-	53.51%	
14	Bharti Telemedia Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	5,100	(12,703)	36,980	44,581	7,293	9,008	5,151	3,857	-	-	80%	
15	Network 121 Limited	Mauritius	USD	Apr'19 to Mar'20	March 31, 2020	75.68	154,227	28,337	31,301	130,357	3,012	6,413	(492)	189	(681)	-	100%	
16	Teleonic Networks Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	939	3,956	21,883	16,988	-	17,689	5,586	4,098	-	-	100%	
17	Nxta Data Limited	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	90	966	14,095	10,039	4	10,854	904	192	712	-	100%	
18	Airtel Digital Limited (formerly known as Wynk Limited)	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	1	(140)	2,623	2,764	-	5,466	(810)	(182)	(628)	-	100%	
19	Nettleinfrastructure Investments Limited (formerly known as Nettle Developers Limited)	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	1	(62,646)	72,367	135,012	320	-	4,805	-	4,805	-	100%	
20	Bharti Airtel International (Mauritius) Investments Limited	Mauritius	USD	Apr'19 to Mar'20	March 31, 2020	75.68	2	(3)	(1)	0	-	-	(1)	-	(1)	-	100%	
21	Bharti Airtel Holding (Mauritius) Limited	Mauritius	USD	Apr'19 to Mar'20	March 31, 2020	75.68	10,789	756	11,546	1	-	(1)	-	(1)	-	100%		
22	Bharti Airtel Overseas (Mauritius) Limited	Mauritius	USD	Apr'19 to Mar'20	March 31, 2020	75.68	10,87	(2,85)	7,962	0	7,902	-	11,42	-	-	11,42	-	100%
23	Airtel Africa (Mauritius) Limited	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	137,026	(25,766)	151,724	40,342	-	(32,766)	-	(32,766)	-	-	100%	
24	Bharti Airtel International (Netherlands) BV	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	178,551	104,231	504,661	221,879	-	29,232	(564)	29,887	-	-	56.01%	
25	Bharti Airtel Africa BV	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	42	114,005	45,478	340,431	-	24,036	1	24,035	-	-	56.01%	
26	Bharti Airtel Chad Holdings BV	Netherlands	XOF	Apr'19 to Mar'20	March 31, 2020	75.68	1	510	15,886	15,375	-	0	0	0	0	-	56.01%	
27	Airtel Total 5A	Chad	XOF	Jan'19 to Dec'19	December 31, 2019	0.13	3,540	(9,099)	12,865	18,424	-	7,875	311	402	(91)	-	56.01%	
28	Bharti Airtel Gabon Holdings BV	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	2	10,267	10,577	3,06	-	(0)	-	(0)	-	-	56.01%	
29	Airtel Gabon SA	Gabon	XAF	Jan'19 to Dec'19	December 31, 2019	0.13	764	(6,111)	10,338	15,685	-	9,430	(105)	212	(317)	-	54.86%	
30	Bharti Airtel Congo Holdings BV	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	2	1,390	2,572	19,408	11,834	-	218	-	-	218	-	56.01%
31	Airtel Congo SA	Congo Brazzaville	XAF	Jan'19 to Dec'19	December 31, 2019	0.13	490	(1,748)	20,721	23,979	-	8,444	(1,342)	50	(1,392)	-	50.41%	
32	Bharti Airtel RDG Holdings BV	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	1	(1,128)	62,394	65,521	-	(0)	(0)	(0)	(0)	-	56.01%	
33	Airtel Congo (RDG) SA	Democratic Republic of Congo	USD	Jan'19 to Dec'19	December 31, 2019	75.68	26	(58,704)	38,952	97,630	-	20,798	688	(2834)	3,522	-	55.17%	
34	Bharti Airtel Mall Holdings BV	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	75.68	1	182	750	567	-	(25)	-	(25)	-	-	56.01%	
35	Bharti Airtel Kenya Holdings BV	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	75.68	1	(3,373)	92,243	96,615	-	(152)	-	(152)	-	-	56.01%	
36	Bharti Airtel Kenya BV	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	75.68	2	(5,956)	60,682	96,636	-	(3,063)	-	(3,063)	-	-	56.01%	
37	Airtel Networks Kenya Limited #	Kenya	KES	Dec'19 to Dec'19	December 31, 2019	0.72	18,800	(46,164)	55,945	15,375	(1,922)	26	(1,948)	-	-	-	-	56.01%
38	Bharti Airtel Malawi Holdings BV	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	75.68	2	3,385	3,177	(12,10)	-	2,765	433	69	(3,132)	-	56.01%	
39	Airtel Malawi Pte	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	0.10	0	2,823	10,593	7,770	8	11,779	679	1,016	-	-	44.81%	
40	Bharti Airtel Niger Holdings BV	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	75.68	1	16,292	16,301	14	-	10,57	1,15	942	-	-	56.01%	
41	Celtel Niger SA	Niger	XOF	Jan'19 to Dec'19	December 31, 2019	0.13	191	(1,453)	20,571	21,833	-	9,039	(857)	(366)	(491)	-	50.41%	
42	Bharti Airtel RDG Holdings BV	June 8, 2010	ZMW	Apr'19 to Mar'20	March 31, 2020	75.68	4	(170)	10,769	10,935	1,112	9,077	888	50	50	-	53.97%	
43	Bharti Airtel Uganda Holdings BV	June 8, 2010	USD	Apr'19 to Mar'20	March 31, 2020	75.68	2	691	1,805	1,112	-	7978	-	-	7978	-	56.01%	



## Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2020, pursuant to Section 129 (3) of the Companies Act 2013

### Part A - Subsidiaries

S. No.	Name of the Subsidiary	Date on which subsidiary was acquired / incorporated	Country of Registration	Reporting Currency	Reporting Period	Financial Year End	Exchange Rate as of March 31, 2020	Share Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/(Loss) Before Taxation	Profit/(Loss) After Taxation	Provision for Taxation	Proposed Dividend	% of shareholding
90	Airtel Mobile Commerce Madagascar BV.	January 29, 2019	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	0	-	(0)	(0)	-	-	-	-	-	56.01%	
91	Airtel Mobile Commerce Malawi BV.	January 29, 2019	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	0	-	(0)	(0)	-	-	-	-	-	56.01%	
92	Airtel Mobile Commerce Rwanda BV.	January 29, 2019	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	0	-	(0)	(0)	-	-	-	-	-	56.01%	
93	Airtel Mobile Commerce Tchad BV.	January 29, 2019	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	0	-	(0)	(0)	-	-	-	-	-	56.01%	
94	Airtel Mobile Commerce Uganda BV.	January 29, 2019	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	0	-	(0)	(0)	-	-	-	-	-	56.01%	
95	Airtel Mobile Commerce Zambia BV.	January 29, 2019	Netherlands	USD	Apr'19 to Mar'20	March 31, 2020	75.68	0	-	(0)	(0)	-	-	-	-	-	56.01%	
96	Airtel Money Transfer Limited	July 20, 2015	Kenya	KES	Jan'19 to Dec'19	December 31, 2019	0.72	-	18	4	0	-	-	-	-	-	56.01%	
97	Airtel International LLP	March 27, 2019	India	INR	Apr'19 to Mar'20	March 31, 2020	1.00	33	44	249	172	-	44	-	44	-	56.01%	

#### Notes:

- The above financial information is basis audited / unaudited financial statements / financial information considered for the purpose of consolidated audited Ind AS financial statements.
  - The figures which are appearing as '0' are result of rounding off.
  - All particulars has been converted using closing exchange rate as on March 31<sup>st</sup> 2020.
  - During the period effective shareholding of Airtel Africa Plc directly / indirectly will undergo change vis-à-vis the % presented in the above table.
- 5 Financial information has been extracted from the submission considered for the purpose of consolidated audited Ind AS financial statements.
- # Share capital includes preference share capital.
- ## The subsidiary is under liquidation as at March 31, 2020.
- \* Investments exclude investments in subsidiaries.

#### Other details:

##### I. Subsidiaries yet to commence operations:

- Partnership Investments SARL

2 Bharti Airtel Developers Forum Limited

3 Network I2I (Kenya) Limited (incorporated on July 3, 2019)

##### II. Subsidiaries have been liquidated/sold during the year:

- Bharti Digital Networks Private Limited (Formerly known as Tikona Digital Networks Private Limited)

Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2020,  
pursuant to Section 129 (3) of the Companies Act 2013

Part B - Associates and Joint Ventures

S. No.	Name of the Associate / Joint Venture	Date on which Associate / Joint Venture was associated or acquired	Latest audited Balance Sheet date	Share of Associates / Joint Ventures held by the company as of March 31, 2020		Description of how there is significant influence / joint control	Net Worth attributable to shareholders as per latest audited Balance Sheet	Profit / (loss) for the year ended March 31, 2020 Considered in consolidation	Not Considered in consolidation
				Number of shares	Amount of Investment in Associate / Joint Venture				
<b>Associates</b>									
1	Robi Axata Limited @	November 16, 2016	December 31, 2019	1,178,535,001	25,649	25%	By virtue of shareholding	13,313	128
2	Seyns Technologies Private Limited	February 21, 2017	March 31, 2019	6,824	-	22.54%		18	-
3	Seychelles Cable Systems Company Limited**	June 8, 2010	June 30, 2019	260	261	14.56%		134	13
4	Airtel Payments Bank Limited	October 25, 2018	March 31, 2020	805,025,128	100,10	80.10%	By virtue of shareholder agreement	2,244	(4,684)
5	Juggernaut Books Private Limited***	November 26, 2017	March 31, 2019	2,100,471	107	17.79%		11	(2)
<b>Joint Ventures</b>									
1	Bridge Mobile Pte Limited	November 3, 2004	March 31, 2019	800,000	77	10%		72	5
2	Indus Towers Limited *	December 7, 2007	March 31, 2020	500,504	60,673	22.47%		30,671	13,151
3	FireFly Networks Limited	February 4, 2014	March 31, 2019	1,000,000	31	50%	By virtue of shareholding	17	27
4	Bharti Airtel   Ghana Holdings BV #	October 12, 2017	March 31, 2017	18,000	0.000,001^	50%		NA#	(2,114)^
5	Airtel Ghana Limited #	October 12, 2017	December 31, 2018	440,709,862	49,95%			0	-

@RedDot Digital Limited is incorporated on November 5, 2019 and is subsidiary of Robi Axata Limited.

\* Profit / (loss) considered for consolidation is based on direct shareholding of Bharti Infratel Limited as against effective shareholding of the Company.

\*\* The group has reduced its shareholding to 14.56% (17.79% in March 31, 2019) during the year ended March 31, 2020.

\*\*\* The group has reduced its shareholding to 17.79% (19.35% in March 31, 2019) during the year ended March 31, 2020.

# The group has acquired stake in joint venture during the year ended March 31, 2018. However, the latest audited balance sheet is pertaining to the period prior to the acquisition date.

^ Amount considered for Ghana entities are consolidated number.

**Notes :**

Amount of investment in joint venture / associate is based on the carrying value of investments in the consolidated financial statements of Bharti Airtel Limited. Mobile Financial Services Limited and Millicom Ghana Company Limited have been liquidated during financial year 2020.

## NOTES

## NOTES

## NOTES

# CIRCLE OFFICES

## Andhra Pradesh

1-8-437, 438 & 445, Splendid Towers  
Opp. Begumpet Police Station,  
Huda Road, Begumpet,  
Hyderabad - 500016,  
Telangana

## Assam & North East States

Bharti House, Six Mile,  
Khanapara, Srimanta Sankardev Path,  
Guwahati - 781022,  
Assam

## Bihar & Jharkhand

Airtel Campus, Plot no 18,  
Patliputra Industrial Area,  
Patna - 800013,  
Bihar

## Delhi NCR

Plot No. 16, NH-8  
Udyog Vihar, Phase-IV,  
Gurgaon - 122015,  
Haryana

## Gujarat

2<sup>nd</sup> Floor, Zodiac Square,  
Opp. Gurudwara, S. G. Highway,  
Ahmedabad - 380054,  
Gujarat

## Haryana, Punjab, Himachal and J&K

Plot No. 21,  
Rajiv Gandhi Technology Park,  
Chandigarh - 160101

## Karnataka & Odisha

Divyasree Towers, No. 55,  
Bannerghatta Main Road,  
Opp. Jayadeva Hospital,  
Bangalore - 560029,  
Karnataka

## Kerala & Tamil Nadu

No-42/147 & 44/146,  
Santhome high road &  
Rosary Church Road,  
Mylapore - 600 004,  
Tamil Nadu

## Madhya Pradesh & Chhattisgarh

3<sup>rd</sup> & 4<sup>th</sup> Floor, Scheme No. 54,  
A. B. Road, Metro Tower,  
Near Vijay Nagar Square,  
Indore - 452010,  
Madhya Pradesh

## Maharashtra & Goa

Vega Centre, A - Building,  
2<sup>nd</sup> Floor, Shankarsheth Road,  
Next to Income tax office  
Swargate, Pune - 411037,  
Maharashtra

## Mumbai

6<sup>th</sup> & 7<sup>th</sup> Floor,  
Interface Building No. 7,  
Mindspace, Malad Link Road,  
Malad (W), Mumbai - 400064,  
Maharashtra

## Rajasthan

K-21, Sunny House,  
Malviya Marg, C-Scheme,  
Jaipur - 302001,  
Rajasthan

## Uttar Pradesh & Uttarakhand

TCG - 7/7, Vibhuti Khand,  
Gomti Nagar,  
Lucknow - 226010,  
Uttar Pradesh

## West Bengal

1<sup>st</sup>, 5<sup>th</sup>, 6<sup>th</sup> & 7<sup>th</sup> Floor, Infinity Building,  
Salt Lake Electronics Complex,  
Block GP, Sector V, Kolkata - 700091,  
West Bengal



**Registered & Corporate Office**

**Bharti Airtel Limited**

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