bharti

August 09, 2021

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

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

**Ref: Bharti Airtel Limited (BHARTIARTL/532454)**

**Sub: Notice of 26th Annual General Meeting, Integrated Report and Annual Financial Statements 2020-21**

Dear Sir / Madam,

Pursuant to Regulations 30, 34, 44 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we hereby submit as under:

1. The 26th Annual General Meeting (AGM) of the Company will be held on **Tuesday, August 31, 2021 at 03:00 P.M. (IST) through video conferencing/ Other Audio Visual Means** in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ('Circulars').

2. In terms of the said Circulars, the AGM notice including e-voting instructions and the Integrated Report and Annual Financial Statements 2020-21 have been sent to all the members of the Company whose email addresses are registered with the Company/ Depository Participant(s). AGM Notice may be referred for detailed instructions on registering email addresses(s) and voting/ attendance for the AGM.

3. The AGM notice including e-voting instructions and Integrated Report and Annual Financial Statements 2020-21, are enclosed herewith and are available on the Company's website at www.airtel.com.

4. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all resolutions (as set out in the AGM notice) to those members, who are holding shares either in physical or in electronic form as on the cut-off date i.e. **Tuesday, August 24, 2021**. The remote e-voting shall commence from **9.00 a.m. (IST) on Friday, August 27, 2021 and end at 5:00 p.m. (IST) on Monday, August 30, 2021.**

Kindly take the above on record.

Thanking you,
Sincerely Yours,

**For Bharti Airtel Limited**

Bharti Airtel Limited

**Rohit Krishan Puri**
**Dy. Company Secretary & Compliance Officer**

CC:
Through email:
1. Central Depositary Services (India) Limited
2. National Securities Depository Limited
3. KFin Technologies Private Limited

**Bharti Airtel Limited**

**CIN:** L74899HR1995PLC095967

**Registered Office:** Airtel Center, Plot no. 16, Udyog Vihar, Phase - IV, Gurugram - 122 015

**Corporate Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II New Delhi - 110 070

**T.:** +91 124 4222222, **F.:** +91 124 4248063

**E-mail Id:** compliance.officer@bharti.in **Website:** www.airtel.com

# Notice of Annual General Meeting

Notice is hereby given that the Twenty Sixth (26th) Annual General Meeting ("AGM") of the members of Bharti Airtel Limited ("the Company"), will be held on Tuesday, August 31, 2021 at 03:00 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

## Ordinary Business(s)

To consider and, if thought fit, to pass the following resolution(s) as Ordinary Resolution(s):

**1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and of the Auditors thereon**

"Resolved that the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, together with the reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered and adopted."

**2. To re-appoint Mr. Rakesh Bharti Mittal as a Director, liable to retire by rotation**

"Resolved that Mr. Rakesh Bharti Mittal (DIN 00042494), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

## Special Business(es)

**3. Appointment of Mr. Tao Yih Arthur Lang as a Director, liable to retire by rotation**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with provisions of the Articles of Association of the Company, Mr. Tao Yih Arthur Lang (DIN: 07798156), who was appointed as an Additional Director in the category of Non-Executive Director of the Company by the Board of Directors w.e.f. October 27, 2020, and who holds office till the date of this AGM in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**4. Appointment of Ms. Nisaba Godrej as an Independent Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Nisaba Godrej (DIN 00591503), who was appointed as an Additional Director in the category of an Independent Director of the Company by the Board of Directors w.e.f. August 4, 2021, be and is hereby appointed as an Independent Director of the Company, and to hold office for a period of five consecutive years from the original date of appointment i.e. August 4, 2021 upto August 3, 2026."

**5. Re-appointment of Mr. Sunil Bharti Mittal as the Chairman of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), subject to Regulation 17(1B), 17(6)(e) and all other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force and in accordance with provisions of Article 108, 133 of the Articles of Association of the Company, pursuant to the recommendations of HR and Nomination Committee and the Board of Directors of the Company and subject to such other approvals as may be required in this regard, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Sunil Bharti Mittal (DIN 00042491) as Chairman (in executive capacity) of the Company for a further period of five years with effect from October 1, 2021 or such other shorter period as may be permitted under Regulation 17(1B) or other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, at such remuneration as detailed in the explanatory statement attached hereto.

Resolved further that the Board of Directors of the Company, be and is hereby authorised to vary, alter and modify the terms and conditions of re-appointment including designation, remuneration / remuneration structure of Mr. Sunil Bharti Mittal within the limits prescribed above.

Resolved further that the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things as may be required and to delegate all or any of its powers herein conferred to any Director(s) or Committee of Directors to give effect to the aforesaid resolution."

**6. Payment of commission to Non-Executive Directors (including Independent Directors) of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that in supersession of the earlier resolution passed in this regard and pursuant to the provisions of Section 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(a) and all other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force, and in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of HR and Nomination Committee and the Board of Directors of the Company and subject to such other approvals as may be required in this regard, the approval of the members of the Company be and is hereby accorded to pay remuneration by way of commission to Non-Executive Directors (including Independent Directors) notwithstanding the profits / absence of profits / inadequacy of profits in the Company upto one percent (1%) of EBITDA of the Company during the relevant financial year in a manner that the aggregate commission payable to all the Non-Executive Directors (including Independent Directors) shall not exceed ₹25 Crores in any financial year in accordance with the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (the 'Act') and such commission be paid to the said Non-Executive Directors (including Independent Directors) of the Company in such amounts or proportions and in such manner as may be determined by the Board of Directors of the Company for a period of three Financial Years i.e. 2020-21, 2021-22, 2022-23 or such other time period as may be permitted under the Act.

Resolved further that the above remuneration shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

Resolved further that the Board of Directors or any duly constituted committee of the Board, be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

**7. Ratification of remuneration to be paid to Sanjay Gupta & Associates, Cost Accountants, Cost Auditors of the Company for the FY 2021-22**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of actual travel and out of pocket expenses, as approved by the Board on the recommendation of the Audit Committee, to be paid to Sanjay Gupta & Associates, Cost Accountants, (Registration no. 00212), Cost Auditors of the Company for the cost audit w.r.t. the FY 2021-22, be and is hereby ratified, confirmed and approved."

**Registered Office:**
Airtel Center
Plot no. 16,
Udyog Vihar, Phase IV,
Gurugram – 122 015
CIN: L74899HR1995PLC095967
E-mail id: compliance.officer@bharti.in

Date: August 3, 2021
Place: New Delhi

By order of the Board
For **Bharti Airtel Limited**

**Pankaj Tewari**
Company Secretary
Membership no. A15106
Address: Bharti Airtel Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase II, New Delhi-110 070

## Notes:

1. **In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular No. 14/ 2020 dated April 8, 2020, Circular No. 17/ 2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and Securities Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") has permitted the holding of the AGM through Video Conferencing ('VC') / Other Audio Visual means ('OAVM'), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue for the 26th AGM shall be the Registered Office of the Company.**

2. An explanatory statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, read with the relevant Rules made thereunder (the 'Act'), setting out the material facts and reasons, in respect of Item Nos. 3 to 7 of the Notice of 26th AGM ('Notice'), is annexed herewith. The Board of Directors of the Company considered that the special businesses under Item no. 3 to 7, being unavoidable, shall be transacted at this AGM of the Company.

3. The Company has appointed KFin Technologies Private Limited (KFIN), to provide the VC/ OAVM facility for conducting the AGM and for voting through remote e-voting or through e-voting at the AGM. The procedure for participating in the meeting through VC/ OAVM is explained in this notes and is also available on the website of the Company at www.airtel.com.

4. Since the AGM is being held through VC/ OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available, as provided in the MCA Circulars and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The attachment of the route map for the AGM venue is also dispensed with.

5. Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting at the AGM through e-voting facility.

   Body corporates are entitled to appoint authorized representative(s) to attend the AGM through VC/ OAVM and to cast their votes through remote e-voting/ e-voting at the AGM. In this regard, the body corporates are required to send a latest certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorising their representative(s) to attend the meeting and vote on their behalf through e-voting. The said resolution/ letter/ power of attorney shall be sent by the body corporate through its registered e-mail ID to the Scrutinizer by email through its registered email address to contact@cssanjaygrover.in with a copy marked to einward.ris@kfintech.com (KFIN's ID).

### ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT

6. In accordance with the MCA Circulars and SEBI Circulars:

a) Notice of the AGM along with the Integrated Report and Annual Financial Statements ('Integrated Report') for the financial year 2020-21 is being sent to the Members and to all other persons so entitled in electronic mode only, whose email addresses has been registered with the Company/ Depository Participants ('DPs')/ Depositories/ KFIN. Members are requested to verify/ update their details such as email address, mobile number etc. with their DPs, in case the shares are held in electronic form and with KFIN, in case the shares are held in physical form.

b) Those Members who have not yet registered their email addresses and consequently, have not received the Notice and the Integrated Report, are requested to get their email addresses and mobile numbers registered with KFIN, by following the guidelines mentioned below.

### Guidelines to register email address:

i) Visit the link https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

ii) Select the company name i.e. Bharti Airtel Limited.

iii) Enter DPID-CLIENT ID (in case shares are held in electronic form)/ Physical Folio no. (in case shares are held in physical form) and PAN.

iv) If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating the records.

v) In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate no. in respect of the shares held by you.

vi) Enter the email address and Mobile no.

vii) System will check the authenticity of DPID-CLID/ Physical Folio no. and PAN/Certificate no., as the case may be, and will send the OTPs at the registered Mobile no. as well as email address for validation.

viii) Enter the OTPs received by SMS and email to complete the validation process. Please note that the OTPs will be valid for 5 minutes only.

ix) The Company through KFIN will send the Notice, Integrated Report and the e-voting instructions along with the User ID and Password to the email address given by you.

x) Members holding shares in physical form who have not registered their e-mail addresses with the Company are requested to register the same by following the procedure specified in the Notice, i.e. either by registering through the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx or by writing to KFIN at einward.ris@kfintech.com along with the scanned copy of signed request letter mentioning their name and address; scanned copy of the share certificate (front and back); self-attested scanned copy of PAN card; and self-attested scanned copy of any document (viz. Aadhar card, Driving License, Passport) in support of their address.

xi) Kindly note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of Notice, Integrated Report and the e-voting instructions along with the User ID and Password. Such Members will have to register their email address with their DPs permanently, so that all future communications are received by them in electronic form.

xii) In case of queries, Members are requested to write to einward.ris@kfintech.com or call at the toll-free number 1800 309 4001.

7. The notice of AGM along with Annual Report will be sent to those members/ beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on Friday, August 6, 2021.

8. The Notice of the AGM and the Integrated Report for the financial year 2020-21 will be available on the website of the Company (www.airtel.com), on the website of KFIN https://evoting.kfintech.com/public/downloads.aspx) and on the website of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com), in compliance with the MCA Circulars.

## PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM

9. The Company is providing VC/OAVM facility to its members for joining/participating at the AGM. Members may join the Meeting through Desktops, Laptops, Smartphones, Tablets. Further, Members are requested to use Internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective cellular network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

10. Members are requested to follow the procedure given below to attend the AGM through VC/ OAVM or view the live webcast:

    i) Launch internet browser (latest version of Chrome/ Firefox/Safari/ Internet Explorer 11 or MS Edge) by typing the URL: https://emeetings.kfintech.com.

    ii) Enter the login credentials (i.e., User ID and password for e-voting).

    iii) After logging in, click on "Video Conference" option.

    iv) Then click on camera icon appearing against AGM event of Bharti Airtel Limited to attend the AGM. Please do the echo test once you enter into the AGM room.

11. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions.

12. The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM and will continue till the expiry of 15 minutes after conclusion of the AGM. Large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are encouraged to attend the AGM.

13. To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of Speaker Registration. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The facility of 'Speaker Registration' will open at 9:00 A.M. (IST) on Saturday, August 28, 2021 and will end at 6:00 P.M. (IST) on Sunday, August 29, 2021. Only those members who are registered as Speaker will be allowed to express their views or ask questions at the AGM.

14. Members can submit their questions in advance with regard to the accounts or any other matter to be placed at the AGM by sending an e-mail to the Company at compliance.officer@bharti.in and marking a copy to evoting@KFintech.com mentioning their name, DP ID-Client ID / Folio number on or before Sunday, August 29, 2021 or they can post their questions from 9:00 A.M. (IST) on Saturday, August 28, 2021 to 6:00 P.M. (IST) on Sunday, August 29, 2021, by logging on to https://emeetings.kfintech.com. They can also upload their video by registering themselves as speaker by accessing the facility provided at https://emeetings.kfintech.com->speaker registration. The maximum duration of the video should be three minutes. At the AGM, such questions will be replied by the Company suitably. The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time, for smooth conduct of the AGM.

15. In case of any query relating to the procedure for attending AGM through VC/ OAVM or for any technical assistance, Members may call on toll free no.: 1800 309 4001 or send an e-mail at einward.ris@kfintech.com.

16. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company at www.airtel.com.

18. Institutional shareholders are encouraged to attend and vote at the AGM.

## PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

19. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by listed entities, the Company is pleased to provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.

20. The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of KFin as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting). The instructions for e-voting are given below:

    I. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Entities" e-Voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants (DPs) in order to increase the efficiency of the voting process.

    II. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

21. The Members attending the AGM who have not cast their vote by remote e-voting shall be entitled to vote at AGM through e-voting system. Facility to cast vote at the AGM will be made available on the Video Conferencing screen and will remain active throughout the Meeting.

22. The members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting at AGM will not be considered. The members who have cast their vote by remote e-voting may also attend the AGM but can't vote at the AGM.

23. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

24. The remote e-voting facility will be available during the following period:

    **Commencement of remote e-voting:**

    From 9.00 a.m. (IST) on Friday, August 27, 2021

    **End of remote e-voting:**

    Upto 5.00 p.m. (IST) on Monday, August 30, 2021

25. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of aforesaid period.

26. The voting rights of Members for remote e-voting and for e-voting at AGM shall be in proportion to the paid up value of their shares in the equity share capital of the Company as at close of business hours on Tuesday, August 24, 2021 ('cut-off date').

27. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/ e-voting at AGM. The person who is not a member/ beneficial owner as on the cut-off date should treat this Notice for information purpose only.

28. Any person who becomes member of the Company after dispatch of the Notice of AGM and is holding shares as on the cut-off date i.e. Tuesday, August 24, 2021 may obtain the User ID and password in the manner as mentioned below:

    a) If the mobile number of the member is registered against Folio no./ DPID Client ID, the Member may send SMS: MYEPWD E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399 Example for NSDL: MYEPWDIN12345612345678 Example for CDSL: MYEPWD1402345612345678 Example for Physical: MYEPWD XXXX1234567890.

    b) If e-mail address or mobile number of the member is registered against Folio no./ DPID Client ID, then on the home page of https://evoting.kfintech.com, the member may click "Forgot Password" and enter Folio no. or DPID Client ID and PAN to generate a password.

    c) Member may call at KFin's Toll free number 1800 3094 001.

    d) Member may send an e-mail request to evoting@kfintech.com.

29. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

30. The members who will be attending the AGM through VC/ OAVM and have not already cast their vote(s) through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

## INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING

31. The details of the process and manner for remote e-Voting and AGM are explained herein below:

    **Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

    **Step 2:** Access to KFIN e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

    **Step 3:** Access to join virtual meetings AGM of the Company on KFIN system to participate and vote at the AGM.

| Type of shareholders | Login Method |
|---|---|
| **Individual Shareholders holding securities in demat mode with NSDL** | **1. User already registered for IDeAS facility:**<br>i) Visit URL: https://eservices.nsdl.com<br>ii) Click on the "Beneficial Owner" iconunder "Login" under 'IDeAS' section.<br>iii) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"<br>iv) Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.<br>**2. User not registered for IDeAS e-Services**<br>i) To register click on link: https://eservices.nsdl.com<br>ii) Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>iii) Proceed with completing the required fields.<br>iv) Follow steps given in points 1.<br>**3. Alternatively by directly accessing the e-Voting website of NSDL**<br>i) Open URL: https://www.evoting.nsdl.com/<br>ii) Click on the icon "Login" which is available under 'Shareholder/Member' section.<br>iii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.<br>iv) Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFIN.<br>v) On successful selection, you will be redirected to KFIN e-Voting page for casting your vote during the remote e-Voting period. |
| **Individual Shareholders holding securities in demat mode with CDSL** | **1. Existing user who have opted for Easi/Easiest**<br>i) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com<br>ii) Click on New System Myeasi<br>iii) Login with your registered user id and password.<br>iv) The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFIN e-Voting portal.<br>v) Click on e-Voting service provider name to cast your vote.<br>**2. User not registered for Easi/Easiest**<br>i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>ii) Proceed with completing the required fields.<br>iii) Follow the steps given in point 1<br>**3. Alternatively, by directly accessing the e-Voting website of CDSL**<br>i) Visit URL: www.cdslindia.com<br>ii) Provide your demat Account Number and PAN no.<br>iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.<br>iv) After successful authentication, user will be provided links for the respective ESP, i.e KFIN where the e- Voting is in progress. |
| **Individual Shareholders login through their demat accounts / Website of Depository Participant** | 1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.<br>2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.<br>3. Click on options available against company name ore-Voting service provider KFIN and you will be redirected to e-Voting website of KFIN for casting your vote during the remote e-Voting period without any further authentication. |

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990 and 1800 22 44 30** |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738 or 022-23058542-43** |

**Details on Step 2 are mentioned below:**

A. Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

a) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFIN which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL:https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFIN for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'BHARTI AIRTEL LIMITED" and click on "Submit".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID contact@cssanjaygrover.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even no."

b) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFIN, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii. Members holding shares in physical form who have not registered their e-mail addresses with the Company are requested to register the same by following the procedure specified in the Notice, i.e. either by registering through the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx or by writing to KFIN at einward.ris@kfintech.com along with the scanned copy of signed request letter mentioning their name and address; scanned copy of the share certificate (front and back); self-attested scanned copy of PAN card; and self-attested scanned copy of any document (viz. Aadhar card, Driving License, Passport) in support of their address.

In order to enable the Company to comply with MCA circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) permanently for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

III) Instructions for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting for all the shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFIN. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFIN. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox22 via Wi-Fi or LAN connection.

iii. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iv. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

v. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

32. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.

33. In case of any query pertaining to e-voting, please visit Help & FAQs section available at KFIN website (https://evoting.kfintech.com/public/Faq.aspx). In case of any other queries/ grievances connected to remote e-voting or shares, you may contact Mr. Raj Kumar Kale, an official of KFIN, at telephone number: 040-67162222 or the toll-free number 1800-309-4001 or at email: evoting@kfintech.com.

34. The Board of Directors has appointed Mr. Devesh Kumar Vasisht (FCS-8488; C.P. no. 13700), Partner, of M/s. Sanjay Grover & Associates, Company Secretaries, and failing him, Ms. Priyanka (FCS-10898 C.P. no.: 16187), Partner, of M/s. Sanjay Grover & Associates, Company Secretaries, as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

35. The Scrutinizer, after scrutinizing the voting through e-voting / remote e-voting at AGM and through remote e-voting shall, within two working days from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or a person authorised by him. The Chairman or the authorized person shall declare the results. The results declared shall be available on the website of the Company (www.airtel.com) and on the website of KFIN (https://evoting.kfintech.com) and shall also be displayed on the notice board at the registered and corporate office of the Company. The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

36. All documents referred to in the Notice will be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. Tuesday, August 31, 2021. Members seeking to inspect such documents can send an email to compliance.officer@bharti.in.

37. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all the documents referred to in the Notice and explanatory statement, including certificate from the Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 will be available electronically for inspection by the members during the AGM.

**IEPF RELATED INFORMATION**

38. Members wishing to claim dividends due to them which has remained unclaimed or unpaid are requested to contact KFIN.

39. Pursuant to the provisions of Section 124 and 125 of the Companies Act 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 (IEPF Rules), the dividend which remains unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Members may visit the Company's website www.airtel.com for tracking details of any unclaimed amounts, pending transfer to IEPF. Members may note that they can claim their unclaimed dividend declared for the FY 2013-14 (Final Dividend) and FY 2014-15 (Interim Dividend) till October 6, 2021 and September 17, 2021 respectively. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

As per Section 124 of the Companies Act, 2013 read with the IEPF Rules, the shares on which dividend remains unclaimed for seven consecutive years or more are required to be transferred to the Investor's Education and Protection Fund (IEPF). Accordingly, during the financial year, the Company has transferred 19,145 equity shares to the IEPF.

The shareholders whose equity shares are transferred to the IEPF can request the Company / RTA as per the prescribed provisions for claiming the shares out of the IEPF. The process for claiming the equity shares out of the IEPF is also available on the Company's website at http://www.airtel.in/about-bharti/equity/shares.

**OTHER INFORMATION:**

40. Information regarding particulars of the Directors to be re-appointed requiring disclosure in terms of the Secretarial Standard 2, Listing Regulations and the explanatory statement pursuant to Section 102 of the Act are annexed hereto. The directorships held by the Directors considered for the purpose of disclosure do not include the directorships held in foreign companies.

41. As per Regulation 40 of Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or KFIN for assistance in this regard.

42. Members who are holding shares in physical form are requested to address all correspondence concerning registration of transmissions, sub-division, consolidation of shares or any other share related matters and/ or change in address or updation thereof to KFIN. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.

43. Non-resident Indian shareholders are requested to inform about the following to the Company or KFIN or the concerned DP, as the case may be, immediately of:

    a) The change in the residential status on return to India for permanent settlement;

    b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.

44. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form duly filled in to KFIN. The Nomination Form in the prescribed format is available on the website of the Company at www.airtel.com. Members interested in obtaining a copy of the Nomination Form may write to the Company Secretary at the Company's registered office.

45. Securities and Exchange Board of India has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to KFIN.

46. Members who are holding shares in physical form in identical names in more than one folio are requested to write to KFIN enclosing their share certificates to consolidate their holding into one folio.

47. At the twenty second AGM held on July 24, 2017, the members approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration no. 117366W/ W - 100018) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of twenty seventh AGM to be held in financial year 2022-23, subject to ratification of their appointment by members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

## Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 3

The Board of Directors of the Company had appointed Mr. Tao Yih Arthur Lang (DIN: 07798156) as an Additional Director in the category of Non-Executive Director of the Company with effect from October 27, 2020. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 110 of the Articles of Association of the Company, Mr. Tao Yih Arthur Lang will hold office upto the date of this AGM. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Tao Yih Arthur Lang as Director of the Company, liable to retire by rotation.

Mr. Tao Yih Arthur Lang is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmations including his consent to be appointed as a Director. Keeping in view his rich and varied experience, the Board of Directors is of the opinion that it is in the best interest of the Company to appoint Mr. Tao Yih Arthur Lang as Director on the Board. He would be liable to retire by rotation.

Brief profile of Mr. Tao Yih Arthur Lang is enclosed and detailed profile is available on www.airtel.com.

The Board of Directors recommends the Ordinary Resolution set out at Item no. 3 of the Notice for approval by the members.

Save and except Mr. Tao Yih Arthur Lang and his relatives to the extent of their shareholding in the Company, if any, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 3 of the Notice.

### Item No. 4

The Board of Directors of the Company had appointed Ms. Nisaba Godrej as an Additional Director in the category of an Independent Director on the Board of the Company with effect from August 4, 2021. In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Nisaba Godrej shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years. Ms. Nisaba Godrej has confirmed her eligibility and has given her consent to be appointed as Independent Director of the Company. The Company has received declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing obligations and disclosure requirements) Regulations 2015 (the 'SEBI Listing Regulations') and she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered herself in the Independent Director's data bank.

In terms of Regulation 25(8) of SEBI Listing Regulations, she has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Ms. Nisaba Godrej to be appointed as an Independent Director as per the provisions of the Companies Act, 2013.

In terms of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed that Ms. Nisaba Godrej be appointed as an Independent Director for a term of five consecutive years from the original date of appointment i.e., August 4, 2021 upto August 3, 2026. Brief profile of Ms. Nisaba Godrej is enclosed and detailed profile is available on www.airtel.com.

In the opinion of the Board, Ms. Nisaba Godrej fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment as Independent Director of the Company and is independent of the management of the Company.

A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of appointment of Independent Director is available for inspection at the Registered Office of the Company during any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and is also available on the website of the Company www.airtel.com.

In view of her diversified and vast experience, it is proposed that Ms. Nisaba Godrej be appointed as Independent Director of the Company. Accordingly, the Board of Directors recommends the Ordinary Resolution set out at Item no. 4 of the Notice for approval by the members.

Save and except Ms. Nisaba Godrej and her relatives to the extent of their shareholding in the Company, if any, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the Notice.

### Item No. 5

Mr. Sunil Bharti Mittal was re-appointed as the Chairman of the Company w.e.f. October 1, 2016 for a period of 5 years i.e. upto September 30, 2021 pursuant to the resolution passed by the Shareholders at the 21$^{st}$ AGM of the Company held on August 19, 2016 and is due for re-appointment.

At the time of re-appointment of Mr. Sunil Bharti Mittal at 21$^{st}$ AGM, the Company had adequate profits and the remuneration paid / payable to him was well within the limits prescribed under the Companies Act, 2013. However, the Company had incurred losses during FY ended on March 31, 2019 and accordingly, in compliance with the provisions of the Companies Act, 2013 and other applicable laws, the shareholders vide their special resolution passed at the 24$^{th}$ AGM held on August 14, 2019 had approved (i) the waiver of recovery of excess managerial remuneration paid to Mr. Sunil Bharti Mittal for the financial year ended March 31, 2019; and (ii) payment of remuneration to Mr. Sunil Bharti Mittal for the period from April 1, 2019 to September 30, 2021, in the event of absence of profits and/ or inadequacy of profits.

The following remuneration was paid to Mr. Sunil Bharti Mittal during last five (5) years:

₹ in million

| Financial Year | Fixed: Variable ratio | Fixed pay | Variable pay* | Total |
|---|---|---|---|---|
| 2016-17 | 70:30 | 210 | 90 | 300 |
| 2017-18 | 70:30 | 210 | 90 | 300 |
| 2018-19 | 70:30 | 210 | 90 | 300 |
| 2019-20 | 70:30 | 210 | 90 | 300 |
| 2020-21 | 70:30 | 105 | 45 | 150 |

*At 100% performance. The actual variable pay paid to Mr. Sunil Bharti Mittal was ₹105 Mn; ₹105 Mn; ₹90 Mn and ₹105 Mn for the financial years 2016-17, 2017-18, 2018-19 and 2019-20 respectively. The Board is yet to decide final variable pay of Sunil Bharti Mittal for 2020-21.

Mr. Sunil Bharti Mittal is the founder Director of the Company and has been involved in the strategic matters since inception. The Board of Directors is of the opinion that the leadership and guidance of Mr. Sunil Bharti Mittal is required by the Company. It will be in the best interests of the Company and its stakeholders that Mr. Sunil Bharti Mittal continues as Chairman of the Company.

The Board of Directors, at its meeting held on May 17, 2021, based on the recommendation of HR and Nomination Committee and subject to approval of members, approved the re-appointment of Mr. Sunil Bharti Mittal as Chairman in executive capacity i.e. as Chairman and whole time director of the Company for a further period of 5 years i.e. from October 1, 2021 to September 30, 2026 including terms of his remuneration.

Pursuant to Regulation 17(1B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (originally proposed to be effective from April 1, 2020), the Chairman of top 500 listed companies shall be a Non-Executive Director. However, SEBI vide its notification dated January 10, 2020 had deferred the implementation of the said provisions by 2 years i.e. upto April 1, 2022. Hence, the aforesaid appointment as Chairman and whole time director of the Company shall be for a period of five years i.e. from October 1, 2021 to September 30, 2026 or such other shorter period as may be allowed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Sunil Bharti Mittal is neither disqualified from being appointed as a Director in terms of Section 164 (2) of the Companies Act, 2013 nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including his consent to be re-appointed as a Chairman of the Company.

In terms of the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Article 108, 133 of Articles of Association of the Company, re-appointment of the Chairman in executive capacity requires approval of the shareholders.

During the last few years, the Indian Telecom industry has been going through unprecedented disruption due to ongoing price war and as a result of this industry upheaval, the Company has been incurring losses continuously. During the financial year ended on March 31, 2021, the Company incurred a Loss before tax of ₹184,652 million and Loss after tax of ₹251,976 million.

Pursuant to the provisions of Section 197 read with Schedule V to the Act relating to payment of managerial remuneration in case of absence of profits and/ or inadequacy of profits (calculated under Section 198 of the Act), the Company may pay such remuneration over and above the ceiling limit as specified in Schedule V, provided the members' approval by way of a Special Resolution has been obtained for payment of minimum remuneration for a period not exceeding 3 years, compliance of disclosure requirements and other conditions stated therein. In view of the foregoing factors, the approval of the members is being sought for payment of remuneration to the Chairman from October 1, 2021 to September 30, 2024, as may be permitted under applicable laws, in case of absence of profits and / or inadequacy of profits in the Company.

In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members by way of special resolution is required where the overall remuneration payable to an Executive Director exceeds rupees 5 crore or 2.50% of the net profit of the company (whichever is higher), where such director is promoter or member of promoter group.

The members may note that there was an adjustment in the existing remuneration of Mr. Sunil Bharti Mittal, Chairman by 50% i.e. from ₹300 million to ₹150 million w.e.f. April 1, 2020. The Board of Directors had approved the above on account of the enhanced role and split duties of Mr. Sunil Bharti Mittal towards overseas operations / subsidiaries of the Company. The total remuneration fixed including from subsidiary (ies) remains unchanged from last year. The details of the remuneration paid to the Chairman during financial year 2020-21 are disclosed in Corporate Governance Report forming part of the Annual Report.

The details of proposed remuneration, as approved by the Board of Directors at its meeting held on May 17, 2021 based on the recommendation of HR and Nomination Committee, to be paid to Mr. Sunil Bharti Mittal, Chairman is as under:

a) **Fixed Pay (inclusive of salary, allowances and retirement benefits) payable on monthly basis:** ₹105 Mn per annum or such other amount as may be determined by the Board of Directors of the Company, provided that increment if any during the subsequent years, shall not exceed 10% per annum of the fixed pay of preceding financial year.

b) **Variable Pay (Performance Linked Incentive) to be paid annually after the end of financial year:** ₹45 Mn (at 100% performance) or such sum as may be determined by the Board from time to time, provided however that the total Variable Pay shall not exceed 50% of the annual fixed pay in any financial year.

c) **Perquisites:** As per Company's policy(s) or as approved by the Board from time to time, provided however that the aggregate value of the perquisites shall not exceed 50% of the fixed pay in any financial year.

d) **Other Benefits:** Other benefits including leave encashment as per Company's Policy(s).

e) Mr. Sunil Bharti Mittal shall also be entitled to reimbursement of all legitimate expenses incurred by him in performance of his duties and such reimbursement will not form part of his remuneration.

f) **Minimum Remuneration**

In the event of absence of profits and/ or inadequacy of profits, in any financial year during the currency of tenure of Mr. Sunil Bharti Mittal as Chairman, the payment of above remuneration by way of fixed pay, variable pay (Performance Linked Incentives), perquisites, allowances and other benefits shall be made notwithstanding such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 or under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under any other law for the time being in force, if any.

Brief profile of Mr. Sunil Bharti Mittal is enclosed and detailed profile is available on www.airtel.com. The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 190 of the Companies Act, 2013.

The information as required to be disclosed under paragraph (iv) of the second proviso after Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure to the Notice.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

The Board of Directors recommends the Special Resolution set out at item no. 5 of the Notice for approval by the members.

Save and except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal and their relatives to the extent of their shareholding in the Company, if any, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 5 of the Notice.

## Item No. 6

The members of the Company, at their 23rd AGM held on August 8, 2018, had approved the payment of commission to Non-Executive Directors (including Independent Directors) of the Company upto 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 w.e.f. FY 2017-18 onwards and had authorised the Board of Directors to fix the criteria of payment of such commission to the directors.

However, the Company had losses under section 198 of the Companies Act 2013 during the financial year(s) 2018-19 and 2019-20 and could not make payment of remuneration to Non-Executive Directors (including Independent Directors) during the aforesaid period.

The Ministry of Corporate Affairs (MCA) vide notification dated March 18, 2021 amended provisions of Sections 149 and 197 of the Companies Act, 2013 by the Companies (Amendment) Act, 2020 to enable the companies having no profits or inadequate profits to pay remuneration to its Non-Executive Directors (including Independent Directors), in accordance with the provisions of Schedule V of the Act. To give effect to the amendments made to Sections 149 and 197, a concurrent amendment was made by MCA to Schedule V of the Companies Act, 2013 vide Notification dated March 18, 2021. This notification has prescribed the limits of the remuneration payable to Non-Executive Directors (including Independent Directors), in the event of absence of profits and/ or inadequacy of profits.

Under Section II of Part II of Schedule V of the Companies Act, 2013, in the event of absence of profits and/ or inadequacy of profits, Non-Executive Directors (including Independent Directors) can receive remuneration in accordance with the limits prescribed therein, which are based on the 'effective capital' of the Company.

The remuneration in accordance with the prescribed limits shall be paid upon satisfaction of the following conditions:

(i) Payment of remuneration is approved by a resolution passed by the Board and, in the case of a Company covered under sub-section (1) of Section 178, also by the Nomination and Remuneration Committee;

(ii) The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, has been obtained by the Company before obtaining the approval of the shareholders in the general meeting; and

(iii) Payment of remuneration is approved by the shareholders by way of an Ordinary Resolution for a period not exceeding 3 years.

Further, in terms of Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the payment of any fees or compensation to Non-Executive Directors (including Independent Directors) require approval of shareholders in general meeting.

It is pertinent to note here that the Non-Executive Directors (including Independent Directors) of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as strategic leadership and management experience, technology and digital expertise, industry and sector experience / knowledge, financial and risk management, governance, global business / international expertise, public policy, social impact / philanthropy etc.

It may also be emphasised that remuneration to Non-Executive Directors (including Independent Directors) is linked to the factors like chairmanship of committees, membership of committees, performing the role of Lead Independent Director etc. as defined in the Nomination, Remuneration and Board Diversity policy of the Company available on its 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.

Considering the rich experience and expertise brought into the Board by the Non-Executive and Independent Directors, the time-commitment, guidance and oversight provided by them, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of Shareholders have recommended and approved payment of remuneration to the Non-Executive Directors (including Independent Directors) notwithstanding the profits / absence of profits / inadequacy of profits in the Company, upto one percent (1%) of EBITDA of the Company during the relevant financial year in a manner that the aggregate commission payable to all the Non-Executive Directors (including Independent Directors) shall not exceed ₹25 Crores in any financial year in accordance with the limits prescribed under Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013. The said approval shall be valid for a period of three Financial Years 2020-21, 2021-22 and 2022-23.

The payment of such commission shall be in addition to the sitting fees for attending Board / Committee meetings.

The information as required to be disclosed under paragraph (iv) of the second proviso after Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure to the Notice.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

The Board of Directors recommends the Ordinary Resolution set out at Item no. 6 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholdings in the Company, if any in the resolution as set out in Item no. 6 of the Notice. Non-Executive Directors (including Independent Directors) of the Company, shall be deemed to be concerned or interested in resolution set out at Item no. 6 of the Notice to the extent of the compensation that may be received by them in future.

## Item No. 7

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the company at the general meeting.

The Board of Directors, on the recommendation of the Audit Committee has appointed Sanjay Gupta & Associates, Cost Accountants, (Registration no. 00212) as Cost Auditors to conduct the audit of the cost records of the Company at a remuneration of ₹12,50,000/- (Rupees Twelve Lacs Fifty Thousand Only) plus applicable taxes and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2022.

Ratification of the members is being sought for the proposal contained in the resolution set out at Item no. 7 of the notice.

The Board of Directors recommends the Ordinary Resolution set out at Item no. 7 of the Notice for approval by the members.

None of the Directors, Key Managerial Personnel and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution as set out in item no. 7 of the Notice, except to the extent of their shareholdings in the Company.

## THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 W.R.T. ITEM NO. 5

### I. GENERAL INFORMATION

(a) Nature of Industry:

Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed home broadband, DTH, enterprise services including national & international long-distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce.

(b) Date or expected date of commencement of commercial production:

The Company was incorporated on July 7, 1995 and the Certificate of Commencement of Business was granted on January 18, 1996. Since then, the Company had commenced its business.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

(d) Financial performance based on given indicators:

| Financial year | 2020-21 | 2019-20 | 2018-19 |
|---|---|---|---|
| Gross Revenue | 643,259 | 543,171 | 496,060 |
| Profit before Interest, Depreciation and Tax | 303,720 | 223,761 | 149,097 |
| Profit after Tax | (251,976) | (360,882) | (18,692) |
| Rate of dividend | Nil | 40% | 50% |
| Earnings per share | (46.18) | (71.08) | (4.36) |

(e) Foreign investments or collaborations, if any:

The Company has not entered into any material foreign collaboration during the previous three financial years. The foreign investors, mainly comprising Promoter Group entities, FIIs and NRIs are on account of issuances of securities and/ or secondary market purchases, from time to time. As on March 31, 2021, the aggregate foreign shareholding in the Company was approx 41.06%.

### II. INFORMATION ABOUT THE APPOINTEE(S):

(a) Mr. Sunil Bharti Mittal, Chairman

Mr. Sunil Bharti Mittal is the Founder and Chairman of Bharti Enterprises, one of India's leading conglomerates with diversified interests in telecom, insurance, real estate, agri and food, in addition to other ventures. Bharti has joint ventures with several global leaders viz. SingTel, SoftBank, AXA, and Del Monte, amongst others.

Bharti Airtel, the flagship company of Bharti Enterprises, is amongst the world's largest telecommunications companies offering mobile, fixed broadband, digital TV solutions and mobile commerce to over 400 million customers across India, South Asia and Africa.

He has been the pioneer of the mobile revolution in India. At a time when mobile telecom was considered inaccessible for the masses, Bharti Airtel revolutionised the business model to offer affordable voice and data services. Starting from operations in one Indian city in 1994, to a presence across 18 countries today, Bharti Airtel has transformed the quality of lives of millions of people globally, providing connectivity and digital empowerment. The Company continues to focus on driving data as the ensuing growth frontier, and is leading the rollout of next generation data networks across India and Africa.

He serves on many international bodies and think tanks; after serving as Chairman for two years, he is now Honorary Chairman of the International Chamber of Commerce (ICC). He was the Chairman of GSM Association (GSMA) from Jan 2017 to Dec 2018. He is a member of International Business Council-WEF, a member of the Telecom Board of International Telecommunication Union (ITU), and Commissioner of the Broadband Commission, a member of the Global Board of Advisors at the Council on Foreign Relations (CFR), a Trustee at the Carnegie Endowment for International Peace and on the Board of Qatar Foundation Endowment. From 2007 to 2008, he also served as President of the Confederation of Indian Industry (CII), the premier industry body in India. He has served on the board of several multinational companies including Unilever PLC, Standard Chartered Bank PLC and SoftBank Corp.

He is closely associated with spearheading the Indian industry's global trade, collaboration and policy – he has served on the Prime Minister of India's Council on Trade and Industry. He is also a member of the India-US, India-UK and India-Japan, India-Sweden CEO Forums. He is Co-Chair of the India-Africa Business Council and India-Sri Lanka CEO Forum.

Deeply associated with the cause of education, He is on Harvard University's Global Advisory Council and the Governing Board of the Indian School of Business. He has also served on the Board of Dean's Advisors at Harvard Business School.

He believes that a responsible corporate has a duty to give back to the community in which it operates. This belief has resulted in Bharti Foundation, which operates nearly 200 Satya Bharti Schools as well as supports over 750 government schools under Quality Support Program to ensure holistic education for nearly 270,000 under-privileged children in rural India. Sunil was ranked among the Top 25 Philanthropists in the World in 2009 by the Barron's Magazine. He is also a Member of the Board of Trustees of Qatar's Education Above All Foundation.

(b) Past remuneration and remuneration proposed:

Details on proposed remuneration have been stated in the Item no. 5 to the Explanatory Statement of the Notice. In monetary terms, the remuneration for the last 3 financial years is given hereunder:

₹ In Mn.

| Financial Year | 2020-21 | 2019-20 | 2018-19 |
|---|---|---|---|
| Mr. Sunil Bharti Mittal | 161.97 | 301.33 | 310.05 |

### (c) Recognition or awards:

Mr. Sunil Bharti Mittal is a recipient of the Padma Bhushan, one of India's highest civilian honors, awarded to individuals for demonstrating distinguished services of high order. He has also been awarded Harvard Business School's Alumni Achievement Honor – the utmost honor accorded by the institute to its alumni. He is the recipient of GSMA's prestigious Chairman award, besides being decorated with numerous industry honors. Sunil has been conferred Honorary Doctorates by several leading universities in India and Europe.

### (d) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):

Considering the size of the Company, the profile of the Chairman, his responsibilities and the industry benchmarks, the remuneration proposed is in line with remuneration drawn for similar positions in companies of similar scale and size.

### (e) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:

Mr. Sunil Bharti Mittal has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of the Chairman. He is brother of Mr. Rakesh Bharti Mittal, Non-Executive Director of the Company. He does not hold any share in the Company in his personal capacity.

## III. OTHER INFORMATION:

### (a) Reason of loss or inadequate profits:

Over the last few years, the Indian telecom industry witnessed headwinds with the new entrant offering services below cost. To stay competitive in the market and protect the precious market share, each of the industry player had to reduce tariffs to unsustainably low levels. Currently, in India, while the data usage per customer is among the highest globally, the mobile wireless tariffs are among the lowest globally. This led to massive industry consolidation from more than 8 players to the current 3+1 player industry structure. Even when the investments in the 4G network continued to be substantial, the industry ARPUs fell below the pre-4G levels. Continued network and spectrum investments meant pressure on company's bottom line with elevated levels of depreciation & amortization and finance costs.

Despite all these industry headwinds, it is heartening to see that Bharti Airtel has been able to defend its market share and even grow it on the back of brilliant customer experience and a smartly invested network. During FY21, Bharti Airtel clocked the industry's highest 4G customer additions of 43.0 million, demonstrating customer's preference for its strong network and aspirational brand. With wireless telecom subscribers of 1.17 billion in India and wireless broadband penetration being ~63.6% and growing, Airtel is committed to ushering in a digital transformation of the country.

### (b) Steps taken or proposed to be taken for improvement:

During the industry turmoil over last few years, Bharti Airtel focused on the implementation of a well laid out strategy with a relentless obsession with the customer experience and a razor-sharp focus on quality customers. Focus remained on four additional enablers, the First is digitising the core to improve the experience. Second, modularising these capabilities to drive new revenue streams through products and partnerships. Third, bringing together the power of Airtel through a unified customer view and integrated channel approach. And Fourth, doing all of this while waging a war on waste.

As a result, Bharti Airtel maintained and even witnessed growth in market share in mobile wireless. Recent spectrum acquisition will enable the company to reach even more customers and improve the network even further. Equally, all other non-businesses – Home Broadband, Digital TV, Airtel Business and Payments bank are already firing on all cylinders. Company has started reaping fruits of its resilient strategy in form of a positive bottom line in quarter ended 31st December 2020 and 31st March 2021, after negative bottom line for consecutive last 6 quarters.

In order to strengthen the Balance Sheet, the Company is continuously aspiring to achieve a well-balanced and efficient capital structure through timely fund raises. This can be seen from the fact that the company has successfully raised more than $15 billion over the last few years through a combination of instruments including equity, convertible bonds, perpetual bonds, monetisation to private equity / strategic investor.

### (c) Expected increase in productivity and profits in measurable terms:

Even when the world is witnessing the unprecedented impact of the ongoing pandemic, telecom industry continues to provide an essential service which is actually the oxygen for the digital platforms that are enabling customers to work, study, consult doctors, help others and be entertained. In the new normal, company mobile and non-mobile segments are becoming even more important, which will ultimately prove beneficial for the sector as a whole. Industry has already implemented the first round of tariff hikes in December 2019 and witnessed a strong response from the customers with minimal to nil down-trading. Given one of the lowest tariffs globally, the inelasticity of customer demand is likely to continue and benefit the industry in further tariff hikes. Even without the tariff hikes in FY21, the company has already started seeing green shoots of growth with organic customer upgrades and increasing wireless broadband penetration. During FY21, consolidated revenues were up 18.8% YoY which translated into a healthy YoY increase of 32.7% in consolidated EBITDA. The growth was broad-based with each of the business segment contributing to the overall growth. In FY21, Mobile services (India) segment revenues (recasted for IUC) and EBITDA grew 26.1% YoY and 43.1% YoY respectively.

With substantial capital expenditure in the network over the last few years, the company expects to benefit from a strong operating leverage leading to a higher percentage of incremental revenue flowing to the EBITDA and free cash flows. In addition, non-mobile businesses are expected to witness strong growth in the new normal, Africa to maintain its profitable growth journey and digital initiatives to continue providing additional upside for the business with minimal incremental investments.

## THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 W.R.T. ITEM NO. 6

The members are requested to refer the disclosures made under Item no. 5 above for the information required under Section II(B)(iv)(I) pertaining to General Information and Section II(B)(iv)(III) pertaining to Other Information, of Part II of Schedule V to the Companies Act, 2013.

The requisite disclosures required under Section II(B)(iv)(II) pertaining to information about the appointee(s), of Part II of Schedule V to the Companies Act, 2013 are as under:

| Particulars | Chua Sock Koong[1] | Craig Edward Ehrlich[2] | Dinesh Kumar Mittal[3] | Kimsuka Narasimhan[4] | Manish Kejriwal[5] | Rakesh Bharti Mittal[6] | Shishir Priyadarshi[7] | Tao Yih Arthur Lang[8] | V. K. Viswanathan[9] | Nisaba Godrej[10] |
|---|---|---|---|---|---|---|---|---|---|---|
| Background Details, Job Profile and Suitability, Recognition and Rewards | The details are available on the website of the company at [https://www.airtel.in/about-bharti/equity/corporate-governance](https://www.airtel.in/about-bharti/equity/corporate-governance) | | | | | | | | | |
| Past Remuneration excluding sitting fees, if any (₹ In Mn.) | | | | | | | | | | |
| FY 2019-20 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | N.A. | Nil | N.A. |
| FY 2018-19 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | N.A. | Nil | N.A. |
| FY 2017-18 | 3.91 | 8.47 | 7.08 | N.A. | 6.34 | 3.00 | 9.78 | N.A. | 8.00 | N.A. |
| Remuneration Proposed | The proposed remuneration to Non-Executive Directors (including Independent Directors) shall be linked to the factors like chairmanship of committees, membership of committees, performing the role of Lead Independent Director etc. as defined in the Nomination, Remuneration and Board Diversity policy<br>The said policy is available on the website of the Company 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). | | | | | | | | | |
| Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Considering the size of the Company, the profile of the Directors, their responsibilities and the industry benchmarks, the remuneration is in line with remuneration drawn for similar positions in companies of similar scale and size. | | | | | | | | | |
| Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any. | Mr. Rakesh Bharti Mittal, Non-Executive Director is brother of Mr. Sunil Bharti Mittal, Chairman of the Company. He has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of the Non-Executive Director. He does not hold any share in the Company in his personal capacity.<br>Save and except mentioned above, other Non-Executive Directors and Independent Directors do not have any pecuniary relationship with the Company except to the extent of Sitting Fees, Commission or Remuneration, as applicable, and reimbursement of out of pocket expenses received by them for attending the meetings. | | | | | | | | | |

[1] Re-appointed w.e.f. August 14, 2019
[2] Re-appointed w.e.f. April 29, 2018
[3] Re-appointed w.e.f. March 13, 2019
[4] Re-appointed w.e.f. March 30, 2019
[5] Re-appointed w.e.f. September 26, 2017
[6] Proposed for re-appointment w.e.f. August 13, 2021
[7] Re-appointed w.e.f. February 4, 2020
[8] Appointed w.e.f. October 27, 2020
[9] Re-appointed w.e.f. January 14, 2019
[10] Appointed w.e.f. August 4, 2021

## Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in accordance with provisions of Companies Act, 2013 and Secretarial Standards, as on the date of Notice.

| **Name of the Director** | **Mr. Rakesh Bharti Mittal** | **Mr. Sunil Bharti Mittal** | **Mr. Tao Yih Arthur Lang** | **Ms. Nisaba Godrej** |
|---|---|---|---|---|
| Directors Identification Number (DIN) | 00042494 | 00042491 | 07798156 | 00591503 |
| Date of Birth (Age in years) | September 18, 1955 (65) | October 23, 1957 (63) | January 6, 1972 (49) | February 12, 1978 (43) |
| Original date of appointment | January 7, 2016 | July 7, 1995 | October 27, 2020 | August 4, 2021 |
| Qualifications | Diploma in Electronics and Controls from Y.M.C.A. Institute of Engineering | Graduated from Panjab University<br>Alumnus of Harvard Business School | Master of Business Administration, Harvard University<br>Bachelor of Arts in Economics (Magna cum laude), Harvard University | BSC, Wharton School, Pennsylvania<br>MBA, Harvard Business School |
| Experience and expertise in specific functional area | General Management | General Management | Technology and General Management | Industrialist |
| Remuneration Last Drawn | As mentioned in Corporate Governance Report | | | |
| Number of Meetings of Board attended during the year | As mentioned in Corporate Governance Report | | | |
| Shareholding in Bharti Airtel Limited including shareholding as a beneficial owner | Nil | Nil | Nil | Nil |
| Relationship with other Directors / KMPs | Mr. Sunil Bharti Mittal (Brother) | Mr. Rakesh Bharti Mittal (Brother) | Nil | Nil |
| Terms and conditions of re-appointment and remuneration | As per the Policy on Nomination, Remuneration and Board diversity (annexed to Board's Report) | | | |
| Directorships held in other companies in India | » FieldFresh Foods Private Limited<br>» DM Buildwell Private Limited<br>» Bharti (RM) Holdings Private Limited<br>» Bharti AXA Life Insurance Company Limited<br>» Bharti AXA General Insurance Company Limited<br>» Bharti Realty Limited<br>» Bharti Overseas Private Limited<br>» Bharti (RM) Resources Private Limited<br>» Bharti (RM) Services<br>» Private Limited<br>» Bharti Enterprises (Holding) Private Limited<br>» Bharti (RM) Trustees Private Limited<br>» Bharti (Satya) Trustees Private Limited<br>» Indian School of Business*<br>» Satya Bharti Foundation*<br>» Bharti RM Trustees S2 Private Limited<br>» Bharti RM Trustees S1 Private Limited<br>» Bharti RM Trustees II Private Limited | » Bharti Telecom Limited<br>» Airtel Payments Bank Limited<br>» Bharti (SBM) Holdings Private Limited<br>» Bharti Overseas Private Limited<br>» Bharti (SBM) Resources Private Limited<br>» Bharti Enterprises (Holding) Private Limited<br>» Bharti (Satya) Trustees Private Limited<br>» Bharti (SBM) Trustees II Private Limited<br>» Bharti (SBM) Services Private Limited<br>» Bharti (SBM) Trustees Private Limited<br>» Satya Bharti Foundation*<br>» Bharti SBM Trustees S2 Private Limited<br>» Bharti SBM Trustees D1 Private Limited<br>» Bharti SBM Trustees S1 Private Limited | » Bharti Telecom Limited | » Godrej Consumer Products Limited<br>» Godrej Agrovet Limited<br>» VIP Industries Limited<br>» Mahindra & Mahindra Limited<br>» Godrej Seeds & Genetics Limited<br>» Innovia Multiventures Private Limited |

| Name of the Director | Mr. Rakesh Bharti Mittal | Mr. Sunil Bharti Mittal | Mr. Tao Yih Arthur Lang | Ms. Nisaba Godrej |
|---|---|---|---|---|
| Membership/ Chairmanship of committees in companies in India | » Bharti Airtel Limited – HR & Nomination Committee (Member)<br>» Bharti Airtel Limited – Stakeholder Relationship Committee (Chairman)<br>» Bharti Airtel Limited – Risk Management Committee (Member)<br>» Bharti Airtel Limited – CSR Committee (Chairman)<br>» Bharti Airtel Limited – Committee of Directors (Chairman)<br>» Bharti Realty Limited – Corporate Social Responsibility Committee (Chairman)<br>» Bharti (RM) Holdings Private Limited – Corporate Social Responsibility Committee (Chairman)<br>» Bharti Enterprises (Holding) Private Limited – Corporate Social Responsibility Committee (Chairman) | » Airtel Payments Bank Limited – Special Committee on Frauds (Chairman) | » Bharti Airtel Limited – Audit Committee (Member)<br>» Bharti Telecom Limited – Audit Committee (Member)<br>» Bharti Telecom Limited - Asset Liability Committee (Member)<br>» Bharti Telecom Limited - CSR Committee (Member)<br>» Bharti Telecom Limited - Risk Management Committee (Member)<br>» Bharti Telecom Limited -Stakeholders' Relationship Committee (Member)<br>» Bharti Telecom Limited - BTL Committee of Directors (Member) | » Godrej Consumer Products Limited – Sustainability Committee (Chairperson)<br>» Godrej Consumer Products Limited – Management Committee (Chairperson)<br>» Godrej Consumer Products Limited – Corporate Social Responsibility Committee (Member)<br>» Godrej Consumer Products Limited – Risk Management Committee (Member)<br>» Godrej Agrovet Limited – Nomination & Remuneration Committee (Member)<br>» Godrej Agrovet Limited – Managing Committee (Member)<br>» Godrej Seeds and Genetics Limited – Corporate Social Responsibility Committee (Member)<br>» VIP Industries Limited- Nomination & Remuneration Committee (Member)<br>» Mahindra & Mahindra Limited- Governance, Nomination & Remuneration Committee (Member) |

*A company limited by guarantee

airtel

## Bharti Airtel Limited

**CIN:** L74899HR1995PLC095967
**Registered Office:** Airtel Center, Plot no. 16, Udyog Vihar, Phase - IV, Gurugram -122 015
**Corporate Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II New Delhi - 110 070
**T.:** +91 124 4222222, **F.:** +91 124 4248063
**E-mail Id:** compliance.officer@bharti.in **Website:** www.airtel.com

# ECS MANDATE FORM

**[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]**

To
KFin Technologies Private Limited
Unit: **Bharti Airtel Limited**
Karvy Selenium Tower B, Plot number 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500032

| | |
|---|---|
| Name of the First / Sole Member | |
| Folio no. | |

PAN / E-mail information

| | |
|---|---|
| Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card) | |
| Email ID | |

Particulars of Bank Account

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Bank Name | | | | | | | | | |
| Branch Name & Address | | | | | | | | | |
| Bank Account Type (tick) | SB | | | Current | | | Others | | |
| Bank Account Number | | | | | | | | | |
| 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of the Cheque) | | | | | | | | | |
| IFSC Code | | | | | | | | | |

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through email towards dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder / Sole Holder

**Bharti Airtel Limited**
**CIN:** L74899HR1995PLC095967
**Registered Office:** Airtel Center, Plot no. 16, Udyog Vihar, Phase - IV, Gurugram -122 015
**Corporate Office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II New Delhi - 110 070
**T.:** +91 124 4222222, **F.:** +91 124 4248063
**E-mail Id:** compliance.officer@bharti.in **Website:** www.airtel.com

# E-Mail Registration Form

**[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]**

To
KFin Technologies Private Limited
Unit: **Bharti Airtel Limited**
Karvy Selenium Tower B, Plot number 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500032

| | |
|---|---|
| Name of the First / Sole Member | |
| Folio no. | |
| Email ID | |
| Mobile no. | |
| Address | |

Signature of the 1st Registered Holder / Sole Holder airtel

# **Customer obsessed.**
# Innovation driven.

# Highlights FY 2020-21

## Customer Base

**471.36** Mn
Total
Growth of 11.4% Y-o-Y

**321.37** Mn
Mobile India
Growth of 13.3% Y-o-Y

**3.07** Mn
Homes Services
Growth of 27.0% Y-o-Y

**17.72** Mn
Digital TV Services
Growth of 6.6% Y-o-Y

**118.19** Mn
Africa
Growth of 6.9% Y-o-Y

## Consolidated

**₹1,006,158** Mn
Revenue
Growth of 18.8% Y-o-Y

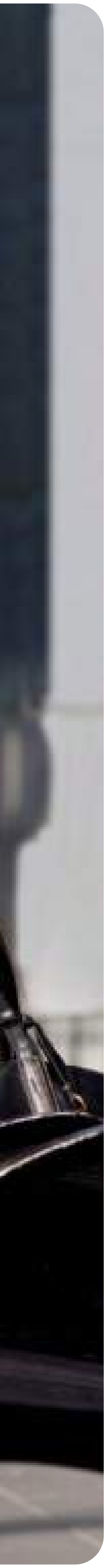
**₹461,387** Mn
EBITDA*
Growth of 32.7% Y-o-Y

## Standalone

**₹643,259** Mn
Revenue
Growth of 18.4% Y-o-Y

**₹286,502** Mn
EBITDA*
Growth of 38.9% Y-o-Y

*Before exceptional items



# Customer-obsessed. Innovation-driven

## Customer obsession is a true differentiator for Airtel. It is in our DNA.

It is what drives us to listen to our customers every day and ask ourselves – how can we improve their experience, make their product journeys frictionless as they navigate the ebb and flow of life? It is what propels us to consistently raise the bar on innovation through cutting-edge technology and process engineering, to make a difference to the lives of our customers. It's a relentless pursuit; a continuous journey laden with many milestones, and yet it seems as exciting as if we just got started.

In the year gone by, when India and the world faced a crisis that had few parallels in human history and permanently altered the 'normal' way of life, Airtel leveraged its digital capabilities and strong technology backbone to seamlessly serve its customers and the nation.

When connectivity became the lifeline for more than a billion put under suspended animation, our ground teams worked round the clock to make sure the networks were running 24x7, new connections were installed and complaints addressed, so that our customers could work, study, get entertained as well as access online services from the safety of their homes.

We innovated with new programmes like Airtel Superhero that allowed our customers to recharge for others using the Airtel Thanks app and also earn a commission. Pharmacies, Groceries, Bank ATMs and Post Offices were turned into recharge points so that customers never run out of recharges. And, for those less privileged, we went the extra mile to offer free talk time and extended validity when many were robbed of their livelihoods by the pandemic.

The large-scale disruptions notwithstanding, we did not take our foot off the innovation pedal. We rolled out industry-first solutions like Airtel Safe Pay to make digital payments secure through an additional layer of authentication. For our enterprise customers, we launched Airtel IQ, Airtel Secure, Airtel IoT, and Airtel Ads to accelerate their digital transformation.

We also took a leap into the future with India's first 5G demo over a LIVE network in Hyderabad. With a 5G ready network and industry-leading spectrum holdings, we are ready to usher in a new era of hyper-connectivity. As always, we will continue to reimagine the possibilities in this new digital world by keeping our customers at the core.

# Contents

## Who We Are



## Our Leadership



## Our Performance



## Our Responsible Approach



## Our Capitals





# Customer-obsessed. Innovation-driven

## Stories

# About the report

Our Integrated Reporting continues to evolve towards enhanced disclosures to meet the requirements of our investors and other stakeholders. We are pleased to present our fourth Integrated Report, which presents key quantitative and qualitative disclosures on our relationships with the stakeholders and an insight on how our strategic approaches are aligned to deliver value for our stakeholders while managing risks and changes to the external environment.

## Reporting boundary 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 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 reporting period as April 01, 2020 to March 31, 2021. However, some of the sections of the report present facts and figures of previous years or the information upto the date of approval of the report, in order to provide a holistic view to the stakeholders.

## Reporting framework

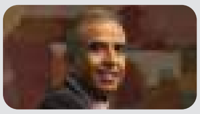
The Integrated Report follows the International Framework as developed by International Integrated Reporting Council (IIRC) (www.integratedreporting.org). The Company has also referred the Global Reporting Initiative (GRI) Standards and United Nations Sustainable Development Goals (UN SDGs) while developing the report. The financial and statutory data in the report is in accordance with the requirements of the Companies Act, 2013, Indian Accounting Standards, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India and the applicable laws.

## Key company information

**Bharti Airtel Limited**
**ISIN:** INE397D01024
**BSE Code:** 532454
**NSE Code:** BHARTIARTL
**CIN:** L74899HR1995PLC095967

## 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)

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding the 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.

### Fair usage of third party trademarks

All third party trademarks referenced by Bharti Airtel Limited herein remain the property of their respective owners. Any references by Airtel to any third party trademarks in this Report, is merely being used to identify the corresponding engagement that Airtel has entered into with the brand/ trademark owners and shall be considered fair use under trademark law.

## Financial Capital

Our disciplined approach towards raising, lending and managing our financial capital enables us to maintain sustained value-creation for our stakeholders. Our Financial Capital includes our shareholder equity and external borrowings amongst others.

Pg 68

## Manufactured Capital

Our Manufactured Capital comprises our pan-India network facilitating connectivity for our customers. We persistently invest in our network quality, expansion and transformation to enable our future growth plans.

Pg 70

## Intellectual Capital

We constantly innovate solutions to the minutest and most pertinent problems of our customers to enable a faster digital transformation across the country. We also collaborate with the other world leaders to adopt the latest emergent technologies. Our continuous innovations and robust tech-driven partnerships constitute our Intellectual Capital.

Pg 82

## Human Capital

Our people are our biggest brand ambassadors and constitute our Human Capital. We are focused towards their health, well-being and development to transform them as winning future leaders.

Pg 90

## Social & Relationship Capital

Our Social & Relationship Capital constitutes value creation for our stakeholders. It includes the multiple endeavours undertaken to constantly enhance our customers' experience, in addition to our sustainable supply chain management, collaboration with the government and initiatives for the community as a whole.

Pg 110

## Natural Capital

The natural resources we consume to conduct our operations and seamlessly deliver products and solutions constitute our Natural Capital. We are committed to using our resources judiciously and staying environmentally responsible as we grow our operations.

Pg 124

## Our Stakeholders

Customers | Investors | Suppliers | Employees | Channel Partners | Network Partners | Regulatory Bodies | Community/ NGOs

Pg 50

## Business Performance


Mobile Services


Homes Services


Digital TV Services


Airtel Business

Pg 28

COVID-19 Response

# Adversity breeds innovation. Powered by ingenuity.

## We mobilised our resources to deliver practical solutions to millions trying to come to terms with the rapidly altered reality.

### Enabling adaptation to a new way of life

The pandemic has upended how economies operate by swiftly changing physical into digital. We understood it was important for businesses, employees, customers and regulators to remain connected. We expanded our network capacity well ahead of the curve to address the surge in traffic due to increased work-from-home, remote learning, online entertainment and financial transactions. To provide a fully secure and seamless 'office-like experience at home', we launched Airtel Work@Home and introduced custom high-speed data packs.

### Ensuring access to quality healthcare

As people have become sceptical of visiting hospitals, accessing routine healthcare services has emerged as a major challenge for most. We partnered with Apollo Healthcare to provide seamless and single point health facility for online consultations, diagnostics, pharmacy and wellness at our customers' fingertips through the Airtel Thanks app.

## Our COVID Warriors

In Mumbai, when every other service provider refused to install a broadband connection in the home of a COVID positive customer, the team of **Manoj** and **Sanjay** from Airtel donned their PPE kits, followed the strictest of safety protocols and did it.

**Sarfaraz,** a store executive in Lucknow, didn't just home deliver a SIM but also organised urgently required medicines for the customer's pregnant daughter since the family could not step out.

To ensure that no customers were inconvenienced, **Manoj** from Mumbai's Fault Management Team worked on a war footing to repair a site inside a residential society, even though it was a containment zone.

# The pandemic has upended how economies operate by swiftly changing physical into digital. We understood it was important for businesses, employees, customers and regulators to remain connected.

- Extended validity and additional ₹10 talk time for 80 million low-income group customers
- Redesigned our internship program to keep our commitment to provide summer internship to 50 students from top business schools
- Paid basic income to nearly 25,000 employees of our distribution partners and retail franchise network
- Committed along with other group companies/ affiliates/ associates over ₹100 crores for India's fight against COVID-19
- Collaborated with AI tech start-up Vahan to connect the impacted workers in Delhi and Bengaluru with the nearest support centres and NGOs

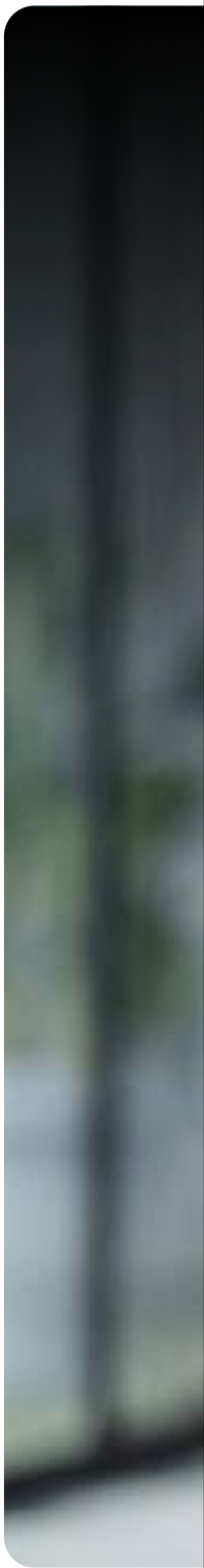
## Who We Are

# About us

Bharti Airtel Limited (Airtel) is one of the largest homegrown consumer brands to have emerged out of India. Over the last 25 years, we have grown to become a global communications solutions provider with over 471 million customers in 18 countries* across South Asia and Africa.

We rank amongst the top three# mobile operators globally and our networks cover over two billion people. We are India's largest integrated communications solutions provider and the second# largest mobile operator in Africa. Our retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds up to 1 Gbps with convergence across linear and on-demand entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, we offer a gamut of solutions that includes secure connectivity, cloud and data centre services, cyber security, IoT, Ad Tech and cloud based communication. All these services are rendered under a unified brand "airtel" either directly or through subsidiary companies.

Airtel's evolution and the plethora of industry firsts to its credit are a testament to our drive to constantly innovate to serve our customers better. We connect with millions to transform their lives for the better through multiple services offered across our four business segments of Mobile, Home, Digital TV and Airtel Business services.



## Vision

Enrich the lives of customers. Our obsession is to win customers for life through an exceptional experience.

## Values

Alive
Inclusive
Respectful

## Objectives

Grow market share
Grow revenue
Drive down cost

## Our Winning Strategy

### Quality Customers

Deliver differentiated services to acquire and retain high quality customers across homes and businesses

### Brilliant Experience

From Search to Referral: Focus on delivering best-in-class experience across the customer lifecycle

### Services at Scale

Build an integrated digital ecosystem to solve real customer problems through digital services at scale

### Micromarketing

Bring together the power of Airtel through a unified customer view and an integrated channel approach

### War on waste

Drive dramatic simplification, structured collaboration with partners and sweat assets to attack costs

### People One Airtel

Build a culture of starting Green, delivering promises and solving problems while keeping health and well-being at core

* Including JVs in Ghana and Bangladesh

# As per GSMA Intelligence Q1 2021 Data

## Strong Coverage

**24%**
World Population Covered*

**95.5%**
Indian Population Covered

**15**
Countries in Africa#

## Dynamic Workforce

**18,017**
Global

**14,491**
India & South Asia

**3,526**
Africa

* Based on UN Report dated January 1, 2013
# Including JV with Ghana

# Connecting people across geographies

**365,000** RKMS+

Global Fiber network

(including IRU), covering 50 countries and 5 continents

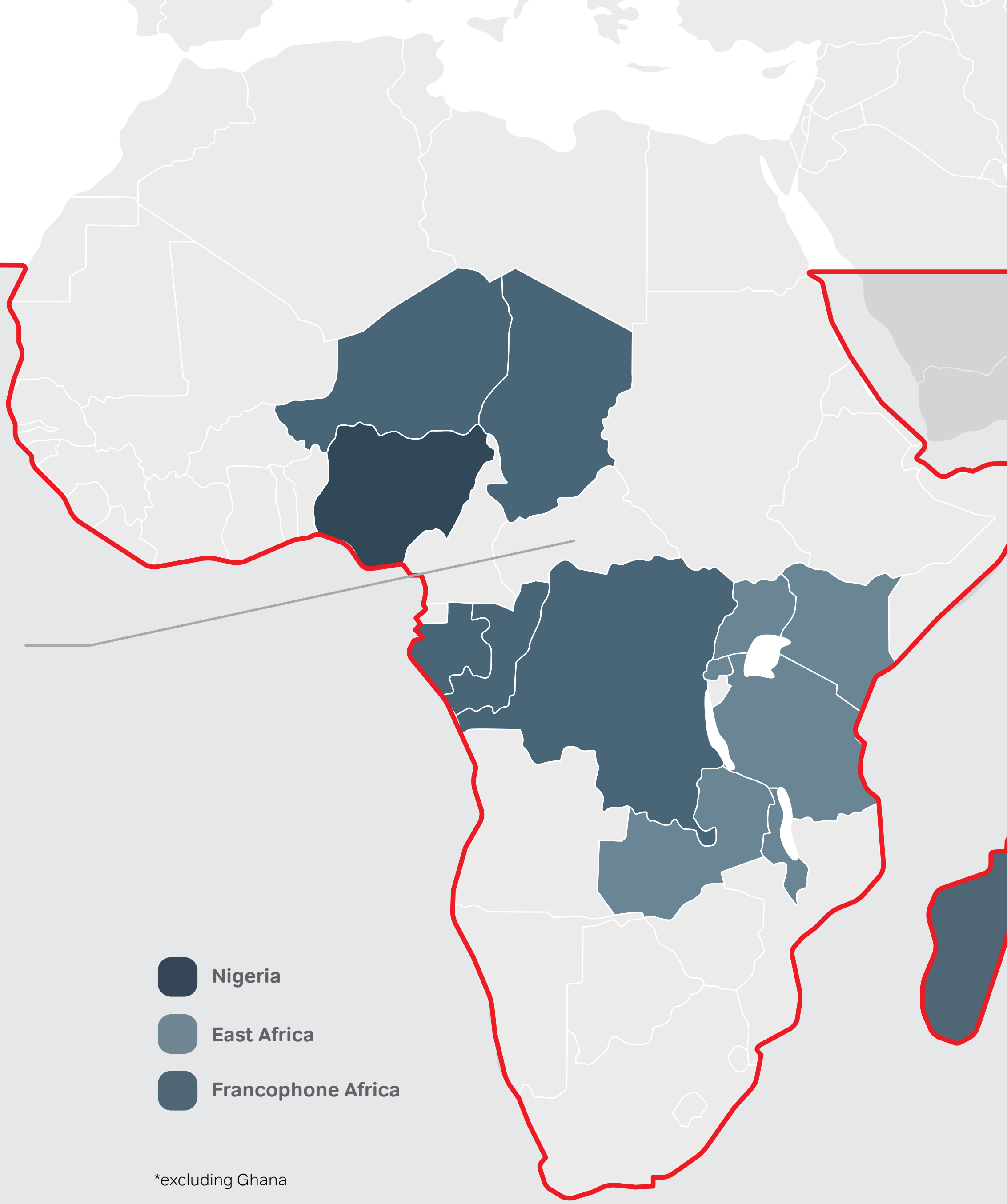
Africa Customers

**118.19*** Mn

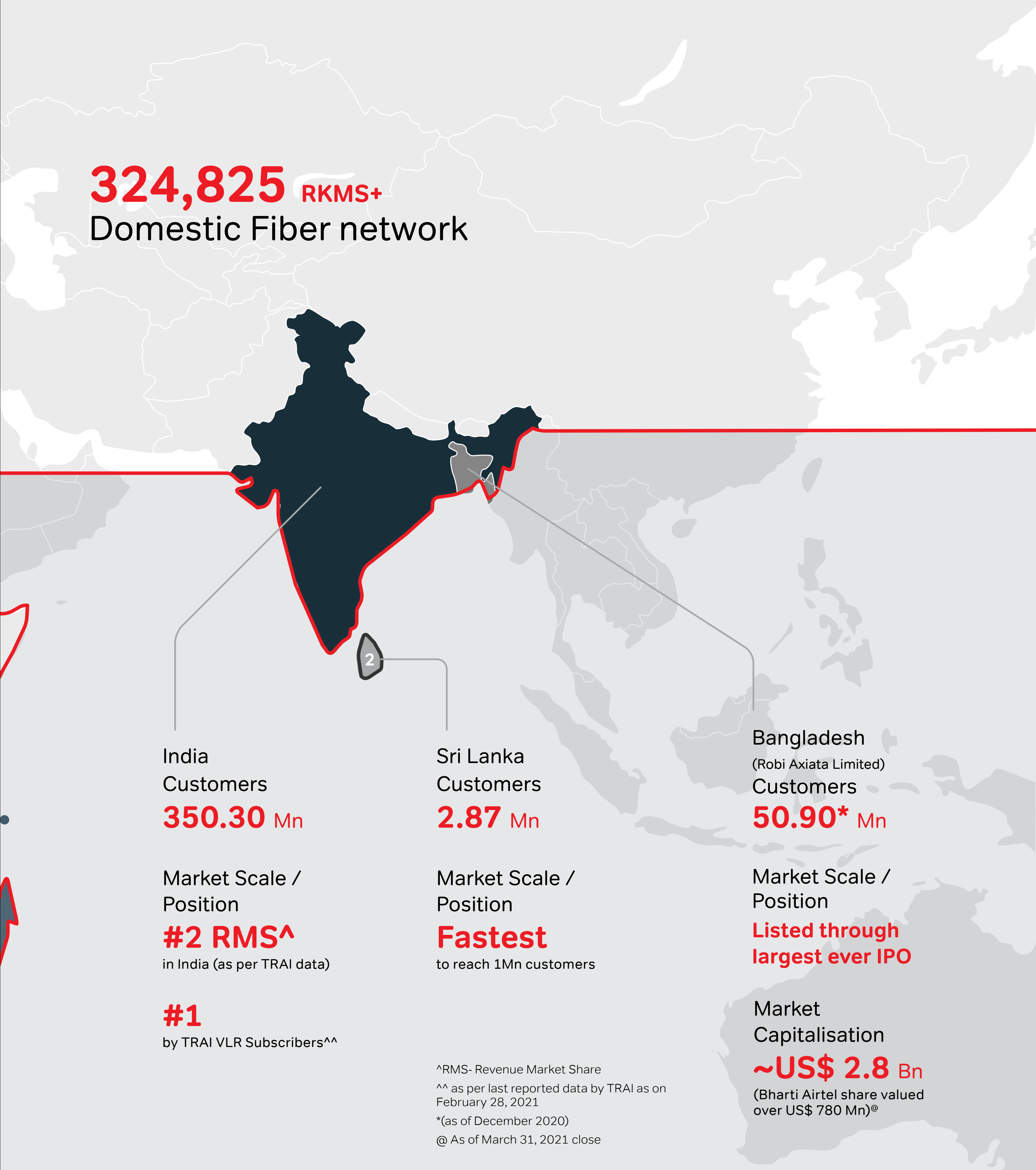
Market Scale / Position

**#2**

Operator in Africa




*excluding Ghana




**324,825** **RKMS+**
Domestic Fiber network

India
Customers
**350.30** Mn

Market Scale / Position
**#2 RMS^**
in India (as per TRAI data)

**#1**
by TRAI VLR Subscribers^^

Sri Lanka
Customers
**2.87** Mn

Market Scale / Position
**Fastest**
to reach 1Mn customers

Bangladesh
(Robi Axiata Limited)
Customers
**50.90*** Mn

Market Scale / Position
**Listed through largest ever IPO**

Market Capitalisation
**~US$ 2.8** Bn
(Bharti Airtel share valued over US$ 780 Mn)@

^RMS- Revenue Market Share
^^ as per last reported data by TRAI as on February 28, 2021
*(as of December 2020)
@ As of March 31, 2021 close

# Supported by a strong ecosystem

Our performance is supported by a robust ecosystem across our business segments. We are constantly evolving our offering by leveraging our platform strengths and entering into collaboration with multiple international and domestic players to enhance our customer service.

## Business Segments

| Mobile Services (India) | Homes Services | Digital TV Services | Airtel Business |
|---|---|---|---|

## Digital Services

**Consumer**

airtel Xstream

WYNK MUSIC

airtel Thanks

airtel Payments Bank

**Enterprise**

**Airtel Secure, Airtel Cloud, Airtel IQ, Airtel Ads, Airtel IoT, Airtel BlueJeans**

## Strengths

Network | Data | Payments | Distribution

## Partnerships

### Consumer

Apollo Hospitals
Vedantu
amazon prime video
ZEE5
LIONSGATE
Aakash Edu TV
EROS NOW
Disney+ hotstar
bharti AXA
HDFC Life

### Enterprise

aws
Symantec
radware
paloalto
Google Cloud
verizon
FORCEPOINT
CISCO
vmware

# Creating sustainable stakeholder value

**Governance** Page 210

## Inputs

### Financial Capital

**₹773,601 Mn** Equity
**₹934,149 Mn** Net debt
Lowest ever yield for ten-year senior bonds

### Intellectual Capital

Highly skilled and experienced people
Powerful strategic partnerships
Impactful brand engagement solutions
Robust systems and processes

### Manufactured Capital

**216,901** Mobile network towers
**606,783** Mobile broadband base stations
**324,825 Rkms** Optic fiber network
**7** Submarine cable system
**65** Global points of presence
Fortified strong spectrum holdings by securing Pan-India foot print of sub-GHz spectrum

### Natural Capital

**1,115,011 MWh** Electricity consumed in own operations**
**16,338 KL** Diesel consumed in own operations**
**82,917 MWh** Renewable energy consumed in own operations
**73,609** Green sites$ (with less than 100L quarterly diesel consumption)

### Social & Relationship Capital

**350 Mn+** Total India customers
**700,000+** Investors
**2,600+** Active supplier base
**9,400+** Pan India channel partners
**1.1 Mn+** Pan India retailers
**~₹500 Mn** Spent on social activities

### Human Capital

**14,000+** Employees on roll
**34,600+** Contractual employees
**₹87 Mn** Spent on all trainings
Employee Assistance Programme during COVID-19 pandemic

**Our Capitals** Pg 68


airtel

### Vision

Enrich the lives of our customers. Our obsession is to win customers for life through an exceptional experience.

### Values

Alive | Inclusive | Respectful

### Objectives

Grow market share

Grow revenue

Drive down cost

**Risks and opportunities** Page 58

**Stakeholders** Page 50 | **Customers** | **Investors** | **Suppliers** | **Employees**

** Now including Airtel owned stores & fixed network.

$ Own and partner sites.

| Outputs | Outcomes | SDGs Impacted |
|---|---|---|
| **Financial Capital**<br>**44.5%** EBITDA margin<br>**₹(251,976) Mn** Profit after tax<br>**₹2,841 Bn** Market capitalisation (BSE)<br>**₹330,282 Mn** Paid to exchequer<br>**3.3 times** Net debt to EBITDA ratio<br>**₹643,259 Mn** Revenue | Strengthened balance sheet<br>Strong financial and operating performance | 7, 8, 9, 10 |
| **Intellectual Capital**<br>**₹765,586 Mn** Intangible assets and goodwill<br>**200 Mn+** Total digitally engaged monthly active users<br>Numerous digital innovations including Airtel IQ, Airtel Secure, Airtel IoT and Airtel Ads | Most Aspirational Brand<br>Integrated digital ecosystem built on foundational strengths of Data, Distribution, Payments and Network | 8, 9, 13, 16 |
| **Manufactured Capital**<br>**Data Traffic:**<br>Mobile Services: **32,541 Bn MBs** \| ~54% Y-o-Y ▲<br>Homes Services: **5,283 Bn MBs** \| ~80% Y-o-Y ▲<br>**Minutes on Network (Gross): 4,318 Bn** \| ~22% Y-o-Y ▲<br>**Coverage:**<br>**95.5%** Population (Mobile)<br>**291** Cities (Homes)<br>**639** Districts (Digital TV) | 5G-ready network<br>Only operator with potential to offer full gamut of services to high-value homes: mobile, fixed voice, broadband and DTH<br>Rated as India's best video, gaming and voice app experience network* | 9, 13 |
| **Natural Capital**<br>**11%** Increase in Renewable energy in own operations<br>**11,542 MWh** Energy savings through conservation initiatives[&]<br>**5,554.3 tonnes** E-waste recycled<br>**667 tonnes** Paper saved due to E-bill initiatives | Committed to net-zero carbon emissions by 2050<br>100% compliance to EMF Radiation Norms | 7, 12, 13 |
| **Social & Relationship Capital**<br>**56%** reduction in customer complaint calls over FY 2019-20 (across all businesses)<br>**10** Investor complaints received and resolved<br>**₹773,957 Mn** Payments to suppliers<br>**Impact (cumulative) through programmes of Bharti Foundation since inception:**<br>**2.2 Mn+** Community members<br>**4.5 Lakhs+** Students<br>**2,500+** Schools | Customer obsession through exceptional experience<br>Impacting lives of millions of stakeholders<br>Enhanced supplier governance | 3, 4, 8, 9, 12 |
| **Human Capital**<br>**₹4,269,768** Gross revenue per employee per month<br>**4.3** Employee engagement score (out of 5)<br>**67%** Succession rate for middle and top level management<br>**317,333** Total training hours<br>**~9%** Women out of total employees | World-class experience across employee lifecycle<br>Community of winning future leaders<br>Increased convergance for employee health and well being aiming safety for the people at core | 3, 5, 8, 10 |

**Channel Partners** **Network Partners** **Regulatory Bodies** **Community/NGOs**

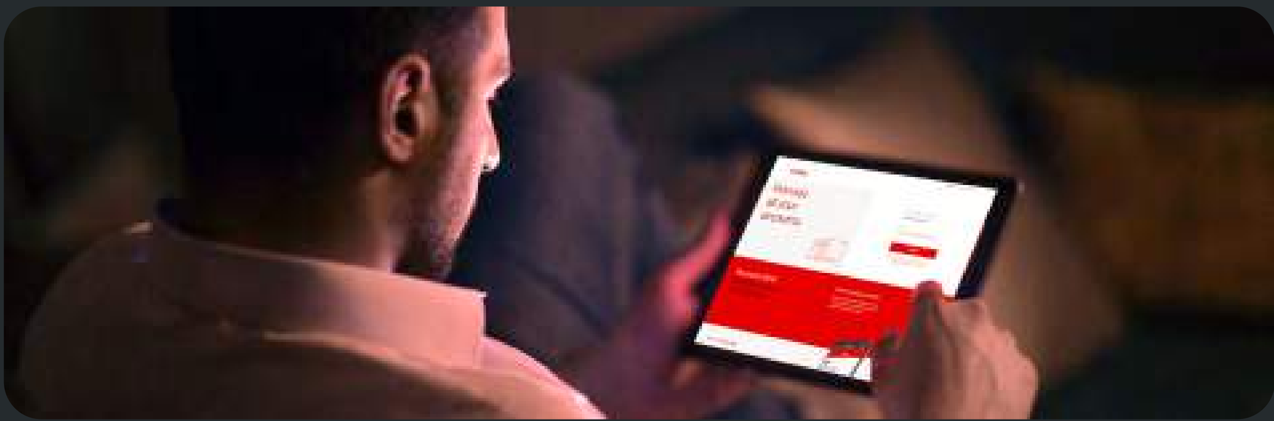
[&] Savings from data centers, facilities and Main Switching Centers.

* Opensignal Awards India: Mobile Network Experience Report, March 2021.

Megatrends
Page 44

## Digital Services

# Modularising strengths. Driving new revenue streams.



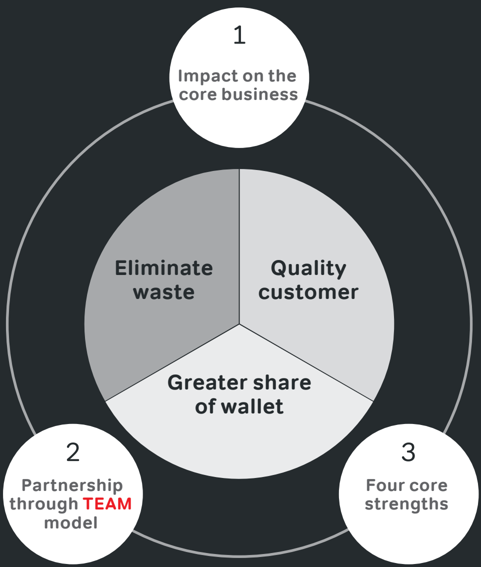
## How do we acquire and retain more quality customers? How do we create greater lifetime value? How can we make the business leaner, sharper and more efficient? These were some of the problem statements we wanted to solve.

We are proud to say that the investments we have made in the past few years to enhance our capabilities to solve real-world customer problems at scale are now yielding rich dividends for our customers as well as the business. These investments are not only playing a pivotal role in resolving critical business issues but are also enabling us to deliver differentiated solutions to customers without incurring additional capex. Airtel Secure, Airtel Cloud, Airtel IQ, Airtel Ads, and Airtel BlueJeans have all been launched during the year on these capabilities and the tremendous digital talent base of 1,500+ people we now have in-house.

We continue to leverage our inherent strengths across data, payments, distribution and network to build out digitally and reimagine every customer journey from an omni-channel perspective. Our rich understanding of our large high-value customer base, ability to close the loop from engagement to purchase and ubiquitous network coverage provide enormous capability to create value for the business and our partners.

We continue to scale up and leverage these capabilities to create new revenue streams. We believe that the future of our platforms will have the foundation of a customer focused telco that will allow us to deliver a range of services in partnership with best-in-class players to create value for the ecosystem. All of this we believe must be done with a passion for data privacy.

We continue to leverage our inherent strengths across data, payments, distribution and network to build out digitally and reimagine every customer journey from an omni-channel perspective.




1

Reimagined customer journey with an omni-channel delivery
Substantial reduction in faults leading to reduced cost

2

Transparent commercials
Ease of integration
Accelerated adoption of partner service
Mutual growth leading to easy plug and play through APIs

3

| | Data | Distribution | Payments | Network |
|---|---|---|---|---|
| **Strength** | Rich customer understanding | Access to customer B2C/ B2B | Omni-channel capabilities | Ubiquitous presence with APIs |
| | Customer insights | App web store | Payments bank | Location |
| **Capabilities** | AML recommendation engine | Homes | Digitising cash | Coverage |
| | Credit score | Enterprise hub | Add to bill | Edge capabilities |

## Airtel Secure, Airtel Cloud, Airtel IQ, Airtel Ads, and Airtel BlueJeans have all been launched during the year on these capabilities.

| | |
|---|---|
| Airtel Xstream | Airtel IoT |
| Wynk Music | Airtel IQ |
| Airtel Thanks | Airtel Secure |
| Airtel BlueJeans | Airtel Cloud |
| Airtel Ads | Airtel Mitra |

**Our leadership**

# Digital-ready to serve digital India

"India continues to be a promising destination for long-term investors. We have the opportunity to transform India into a global leader in the digital economy. We must continue to evolve our policies to realise these opportunities while encouraging investments, entrepreneurship and innovation through collaboration. Airtel is ready to play its part."

**Sunil Bharti Mittal**
Chairman

## Dear Shareholders,

The COVID-19 pandemic continued unabated and impacted each day of the last financial year posing extreme challenges for many people, communities and businesses. Never before have we felt so interdependent and in need for human ability to come to the fore. We witnessed the medical fraternity responding to the crisis emphatically and healthcare workers putting themselves on the frontline of this fight which helped to save countless lives. Scientists worked tirelessly to develop vaccines at a miraculous speed and Drug Administrators fast-tracked approvals to bring vaccines urgently to the public. The personal sacrifices and unrelenting efforts of these individuals have put humanity on the road to recovery and we cannot thank them enough.

Against this backdrop, our shareholders have reason to feel proud of the contribution made by Airtel and the rest of the telecom industry in helping India and Africa tide over the pandemic. Over the past 25 years, the telecom sector has been the chief catalyst in the transformation of India and its economy. But the industry truly played a seminal role during this pandemic by keeping a nation of over one billion connected, which is an outstanding feat. Airtel kept its networks running when it mattered the most. In Africa, we strengthened our mobile networks and mobile money services, and achieved our highest ever network availability.

As our sector's role in the economy becomes more pervasive, our challenges loom larger. Unsustainable pricing and low returns in a highly capital-intensive environment, coupled with legacy legal issues, have extracted their toll. The industry requires long overdue support to maintain its current 3+1 industry structure and allow players to earn a respectable return on their investments. I am hopeful that the Government and the Regulators will step in to ensure there is adequate balance in the industry and it remains a viable place for continued investments.

Despite the pandemic and industry challenges, your Company has demonstrated remarkable resilience and has in fact, come out much stronger during the last financial year. Our focus on executing our strategy while showing financial prudence has ensured that we deliver in the midst of perennial challenges. We continue to have a very healthy balance sheet with enough and more headroom to continue investing strategically for our growth.

Our India mobile business is now at a lifetime high revenue market share along with industry-leading metrics such as ARPU and data usage. With our large investments in networks and spectrum, we are well positioned to lead in the introduction of emerging technologies such as 5G. We became the first telecom operator in India to demonstrate 5G over a live network and are at the forefront of O-RAN Alliance initiatives. We aim to collaborate with domestic and global companies to make India a hub for 5G technology development.

Airtel's non-mobile businesses in India also gathered significant momentum. Our Fiber to Home footprint is rapidly expanding across the country to serve the demand for quality high-speed Wi-Fi in households. With our growing scale, we now have over 3 million connected broadband homes and about 18 million Digital TV customers. Our Enterprise business, with a revenue of $2 billion, has now become a big growth engine as we look to deliver a range of solutions beyond connectivity by leveraging our deep relationships and trust. During last year, we launched a range of new enterprise services in promising segments such as Adtech, IoT, cloud communications, cloud and security. With digital platforms operating at scale across the organisation, we believe that we have all the building blocks for the next phase of our growth.

Our Africa operations have been growing profitably and are generating healthy cashflows to meet their own investment requirements. On the towers side, we achieved the long-awaited merger of Bharti Infratel and Indus Towers to create a pan-India tower company operating across all 22 telecom service areas. Given the strong growth prospects and the increasing importance of passive infrastructure, we acquired an additional stake of just under 5% in Indus Towers.

With large investments over the past few years, Airtel has built a formidable integrated product portfolio which will give us the opportunity to tap emerging opportunities and deliver services at scale. As the Indian economy digitises further, there are large opportunities ahead in areas such as data centres, submarine cable deployment, cloud services and cyber security. We will look to scale up our investments in these areas in the coming fiscal. The year witnessed the induction of Carlyle Group as a strategic partner in our journey of the data centre business.

We have also laid a strong foundation for making Airtel a truly digital-first company to serve Digital India. Today, we have the ability to develop world-class platforms and digital solutions on the back of our in-house engineering talent and strong partnerships with best-in-the-class players including Amazon, Google, Verizon, Ericsson, Nokia, Qualcomm, Intel, IBM, Cisco and Apollo Hospitals. This is a big transformation as we embed digital into our DNA and sharpen our focus on serving customers who live in a world of connected devices.

Airtel and its employees have a proud legacy of fulfilling their responsibility to society and uplifting communities. This is displayed through the constant support to Bharti Foundation, the Group's philanthropic arm which is bringing quality education to underprivileged children in rural India through Satya Bharti Schools. Over the years, the Foundation has positively impacted the lives of over 450,000 students across 18 states of India. Despite the pandemic, Bharti Foundation ensured that a majority of these children were not deprived of learning opportunities and made classes accessible for them through digital channels. In Africa, we announced a partnership with UNICEF to zero-rate select educational websites to provide access to children cut-off from schools.

India continues to be a promising destination for long-term investors. We have the opportunity to transform India into a global leader in the digital economy. We must continue to evolve our policies to realise these opportunities while encouraging investments, entrepreneurship and innovation through collaboration. Airtel is ready to play its part.

I want to thank Ms. Tan Yong Choo and Mr. Craig Edward Ehrlich for their guidance, contribution and service to the company as a Director and also welcome Mr. Tao Yih Arthur Lang and Ms. Nisaba Godrej to the Board. My sincere gratitude to our Board of Directors, Management, resilient employees and our esteemed customers, partners, suppliers, entire distribution network and our shareholders for their continued support and confidence.

**Sunil Bharti Mittal**

# Keeping customers at the core

"Despite these harrowing circumstances, everyone in Airtel has stayed true to our purpose of serving customers. They have done all they could do to keep the nation connected. For this, I am enormously grateful. I am proud that our services are the digital oxygen that has kept the country going by enabling people to work, study, consult doctors, help others and be entertained."

**Gopal Vittal**
Managing Director and CEO, India & South Asia

# Dear Shareholders,

The Financial Year 2020-21 has been unprecedented. The devastation caused by the pandemic has been a source of deep pain all around. Many of our families and friends have been deeply impacted by this. Our people too have faced the brunt of COVID-19.

Despite these harrowing circumstances, everyone in Airtel has stayed true to our purpose of serving customers. They have done all they could do to keep the nation connected. For this, I am enormously grateful. I am proud that our services are the digital oxygen that has kept the country going by enabling people to work, study, consult doctors, help others and be entertained.

At Airtel, our strategy remains simple and consistent. A relentless obsession with customer experience and a razor-sharp focus on quality customers. There are four enablers to these choices. The first is digitising the core to improve experience. Second, modularising our capabilities to drive new revenue streams through products and partnerships. Third, bringing together the power of Airtel through a unified customer view and integrated channel approach. And fourth, doing all of this with financial discipline while waging a war on waste. This strategy is the thread that ties all our businesses together and creates alignment and cohesion across teams.

**Quality customers –** We have a relentless focus on acquiring and retaining quality customers, which is reflected in our best-in-class ARPU. Over the last year, we added 43 million 4G customers to our mobile network. The Broadband business has grown to over 3 million customers on the back of strong demand for home broadband. Our DTH and Enterprise businesses have continued to outperform competition and we have grown market share. All of this has enabled our brand to become the most aspirational and highly trusted in the country. Going forward, our recently acquired sub-GHz spectrum will enable us to cover 90 million additional customers across the country. Further, we have relationships with majority of the 50 million high-value homes in India through at least one of our services – Post-paid, DTH or Broadband. We plan to bring the full power of Airtel to the home by bringing all our services together for the customer.

**Customer experience –** Delivering a superior experience to our customers is the cornerstone of our strategy. We continue to invest in strengthening the foundational components of experience in the customer lifecycle – search, discover, purchase, onboard, experience and refer. As part of the customer's search and discover journey, we are focused on omni-channel acquisition across all businesses to provide a truly differentiated and unified One Airtel experience. For seamless purchase and onboarding on our platform, we have integrated our channels across businesses to leverage the full power of Airtel. Lastly, we continue to strengthen our spectrum footprint across sub-GHz, mid-band and capacity bands, enabling us to deliver the best customer experience across the country. We added more than 22,000 sites and 20,000 km of optical fiber network during the year, further strengthening our core and transport infrastructure. We have developed state-of-the-art digital tools to help us proactively fix experience issues in a granular and real-time manner. Moreover, we conclusively demonstrated future-readiness of our networks with our announcement of 5G ready network during the year.

**Digital platforms –** We have reached a significant milestone, crossing the 200 million Monthly Active Users mark across our digital assets. This scale is the foundation of our digital flywheel that does three things. First, it allows us to become more efficient and deliver a better omni-channel experience on the core business. Every customer journey is being reimagined and delivered in an omni-channel way. Second, it helps us to build new revenue streams on our foundational strengths of Data, Payments, Distribution and Network. These strengths are now translating into differentiated products that solve real customer problems. Every one of these services, be it Airtel Ads, Airtel IQ or Airtel Secure is being delivered to our customers at minimal capex. Finally, it leads to the creation of an ecosystem of powerful partnerships that leverage these foundational strengths.

**War on waste –** Our focus on stripping out waste remains steadfast. As a result, our margins continue to improve. We will continue to sweat our assets to the optimum level and drive structured collaboration with our partners to attack costs, while reducing complexity in our processes through re-engineering and digitisation.

At the end, as we continue to strive to create value for our customers and other stakeholders, we are ever more focused on our responsibility to the environment and our obligation to society. Our Integrated Report spells out our initiatives for environment sustainability and community development. We have been ahead of the curve in embracing green energy to power our networks and data centres and have made massive progress in reducing our carbon footprint. We are aligned to GSMA's commitment to transform the global mobile industry to reach net zero carbon emissions by 2050. Bharti Foundation has been doing remarkable work to improve the accessibility and quality of education across rural India, with a special focus on the girl child. These initiatives have made our corporate citizenship more meaningful.

In closing, 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**

# Ensuring robust governance

**Mr. Sunil Bharti Mittal**

Chairman

**Mr. Gopal Vittal**

MD & CEO (India & South Asia)

**Ms. Chua Sock Koong**

Non-Executive Director

**Mr. Rakesh Bharti Mittal**

Non-Executive Director

**Mr. Tao Yih Arthur Lang**

Non-Executive Director

**Mr. Craig Ehrlich***

Independent Director

*Resigned w.e.f. August 03, 2021

| Audit Committee | HR and Nomination Committee | Corporate Social Responsibility Committee | Risk Management Committee | Stakeholder Relationship Committee | Committee of Directors |
|---|---|---|---|---|---|
| Chairman | Chairman | Chairman | Chairman | Chairman | Chairman |
| Member | Member | Member | Member | Member | Member |

**Mr. D.K. Mittal**

Independent Director

**Ms. Kimsuka Narasimhan**

Independent Director

**Mr. Manish Kejriwal**

Independent Director

**Ms. Nisaba Godrej#**

Independent Director

**Mr. Shishir Priyadarshi**

Independent Director

**Mr. V. K. Viswanathan**

Independent Director

#Appointed as an Additional Director w.e.f. August 04, 2021 to hold office as an Independent Director, subject to the approval of members.

## Senior Management

The Board of Directors is adequately supported by Senior Management including Key Managerial Personnel (KMP) and the members of Airtel Management Board (AMB). Brief profiles of KMP and AMB comprising their qualification, experience, domain knowledge and expertise and number of years of working experience etc. is available on the website of the Company at https://www.airtel.com.

Taking Businesses Digital

# Empowering enterprises for smart transformation

## To help our enterprise customers reduce costs, we have upgraded our capacity and strengthened our customer service platform to support their devices and applications for enterprise productivity.

In an increasing digitally connected world, enterprises are compelled to adopt digital transformation as a 'must have' strategy, but the journey is laden with a plethora of challenges. Businesses need innovative ways to keep costs low, engage digitally with their customers and gain insights from their data to drive growth while protecting information and data from cybersecurity risks.

We strive to address these challenges by creating additional capacity in our network efficiently and launching solutions that take away the hassle of dealing with multiple partners and meet the highest standards of security and reliability on the back of our innovative security solutions and robust connectivity.

To help our enterprise customers reduce costs, we have upgraded our capacity and strengthened our customer service platform to support their devices and applications for enterprise productivity such as our WFH solution Airtel@home, collaboration tool Airtel BlueJeans and Airtel Office in a Box for start-ups.

We are also partnering with the best in industry to offer best solutions in the world. Our partnership with Amazon Web Services (AWS) for **Airtel Cloud** is one such example to help customers adopt new services across analytics, data warehousing, Internet of Things (IoT), and Machine Learning (ML) and migrate to the cloud from legacy infrastructures.

Our partnership with Verizon to offer **BlueJeans** is intended to bring secure, world-class video conferencing solutions to businesses in India.

We are continuously working on offering solutions such as Airtel IQ and Airtel Secure as a step in the direction of digital transformation. **Airtel IQ** is a cloud-based omni-channel communications platform to help enterprises engage with their customers in a safe and secure manner and is gaining significant traction with leading consumer brands in India. **Airtel Secure** has been built in partnership with global leaders in cyber security solutions to protect our customers' data from cyber threats that everyone faces today. This is achieved through a world-class Security Intelligence Centre that uses AI and ML to do real time monitoring of security threats across all business applications.

To simplify the IoT journeys of enterprises, we have launched **Airtel IoT** to seamlessly integrate data from billions of devices with existing IT systems to make the IoT data actionable. At its core is Airtel's robust 5G Ready network and the platform is already being used by leading companies in manufacturing, logistics, automobiles and BFSI with use cases spanning connected cars and homes, smart factories, etc.

With the increasing need for safe and secure data localisation, we are rapidly growing **Nxtra**, our Data Centre business that allows customers to store their data in India. Nxtra by Airtel, with a portfolio of 10 large data centres and more than 120 edge data centres, offers secure data centre services to leading Indian and global enterprises, hyperscalers, start-ups, SMEs and governments. During the year, to scale up the infrastructure and offering, the Carlyle Group announced an investment of US$235 million for a 25% stake in Nxtra at a post money valuation of US$1.2 billion. As a part of the MoU with the Maharashtra Industrial Development Corporation, Nxtra will be setting up two new data centre campuses in Maharashtra.

Leveraging the insights derived from customer interactions and guided by our **Customer Advisory Board** on emerging issues and technology trends, we are in a way co-creating our product innovation roadmap with our customers. New functionalities are being added to elevate customer experience while focused investments are being carried out to tailor offerings to the dynamic needs and preferences. Together, with our customers and partners, we are reimagining a new and better future in the digital world.

**Airtel Cloud:** Comprehensive set of innovative cloud solutions

**Airtel IQ:** Cloud-based omni-channel communications platform

**Airtel IoT:** 5G Ready Platform for the World of Connected Things

**Airtel BlueJeans:** Secure enterprise-grade video conferencing solution

**Airtel Secure:** Suite of advanced cyber security solutions

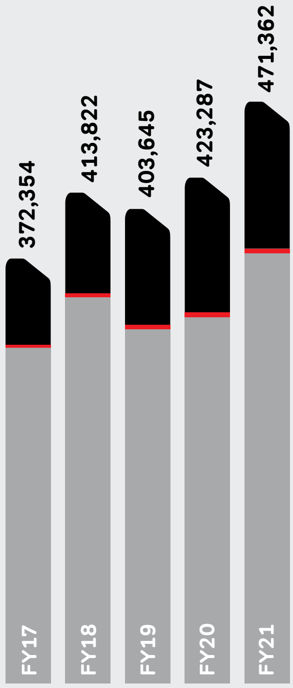
**Nxtra by Airtel:** Secure data centre services in India

## Our Performance

# Year in review

Financial year ended March 31, 2021

## Operating Highlights (000's)



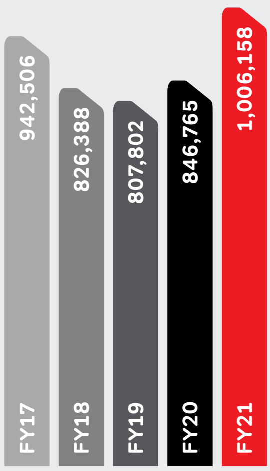

| Operating Highlights (000's) | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Total Customer Base | 372,354 | 413,822 | 403,645 | 423,287 | 471,362 |
| India | 290,329 | 322,292 | 302,206 | 309,754 | 350,304 |
| South Asia | 1,964 | 2,267 | 2,587 | 2,929 | 2,866 |
| Africa | 80,061 | 89,262 | 98,851 | 110,604 | 118,192 |

**471,362**

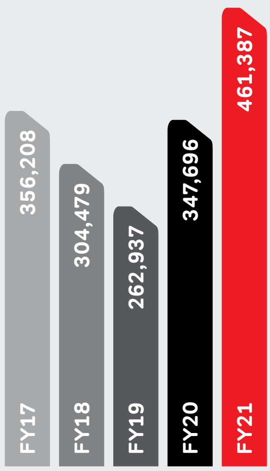
Total Customer Base in 000's (FY21)

## Consolidated Financials (₹ Mn)

### Total revenues

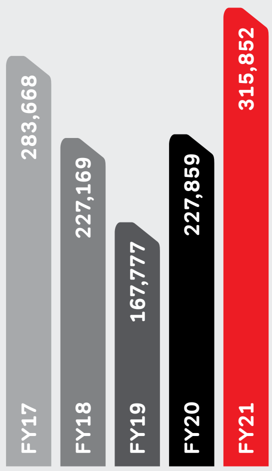



### EBITDA^



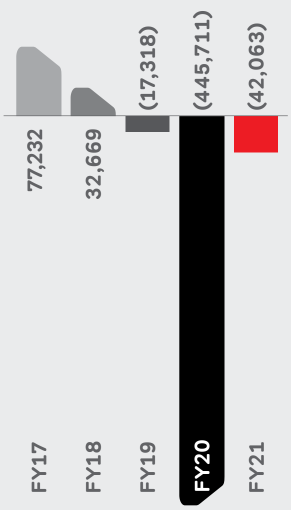

^(before exceptional items)

### Cash Profit from Operations^^

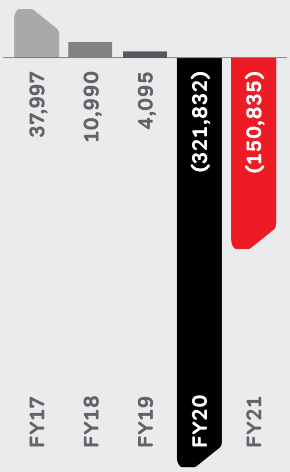



^^before derivative and exchange fluctuation (before exceptional items)

### Earnings Before Tax



## Net Profit




## Consolidated Financials (₹ Mn)

| Particulars (000's) | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|
| Shareholder's Equity | 674,563 | 695,344 | 714,222 | 771,448 | 589,527 |
| Net Debt @ | 970,547 | 1,001,060 | 1,129,899 | 1,245,209 | 1,485,076 |
| Capital Employed | 1,645,110 | 1,696,404 | 1,844,121 | 2,016,657 | 2,074,603 |

## Key Ratios

| Key Ratios | Units | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|
| Capex Productivity | % | 64.51 | 49.26 | 40.65 | 43.77 | 47.25 |
| Opex Productivity | % | 40.62 | 42.16 | 46.36 | 36.48 | 33.64 |
| EBITDA Margin | % | 37.79 | 36.84 | 32.55 | 41.06 | 45.86 |
| EBIT Margin | % | 16.63 | 13.41 | 5.90 | 8.93 | 16.52 |
| Return on Shareholder's Equity | % | 5.66 | 1.60 | 0.58 | (35.47) | (22.17) |
| Return on Capital employed | % | 9.42 | 6.26 | 2.53 | 4.00 | 7.38 |
| Net Debt to EBITDA | Times | 2.72 | 3.29 | 4.30 | 3.58 | 3.22 |
| Interest Coverage ratio | Times | 5.20 | 4.37 | 2.84 | 3.16 | 3.62 |
| Book Value Per Equity Share | ₹ | 168.8 | 174.0 | 178.7 | 141.4 | 107.3 |
| Net Debt to Shareholders' Equity | Times | 1.44 | 1.44 | 1.58 | 1.61 | 2.52 |
| Earnings Per Share (Basic) | ₹ | 9.51 | 2.75 | 0.96 | (63.41) | (27.65) |

**Note:**

** With effect from April 1, 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.

FY17 to FY19 figures are on the reported basis including Bharti Infratel, while FY20 & FY21 figures are excluding Bharti Infratel due to merger of Indus Towers with Bharti Infratel. Earnings per share for FY20 and FY21 includes earnings from continuing and discontinued operations.

With the adoption of Ind AS116 Leases, effective April 1, 2019, the results and ratios of period commencing April 1, 2019 are not comparable with the past period results.

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

# Robust performance across businesses

## Mobile Services (India)

Airtel offers postpaid, prepaid, international roaming, data connectivity and other value-added services to customers. It has distribution channel spread across 1.11 million outlets with network presence in 7,907 census and 791,672 non-census towns and villages in India.

**First to launch 4G in India; Country's first telco to successfully demonstrate 5G readiness over a commercial network**

**Launched industry first Voice Over Wi-Fi service**

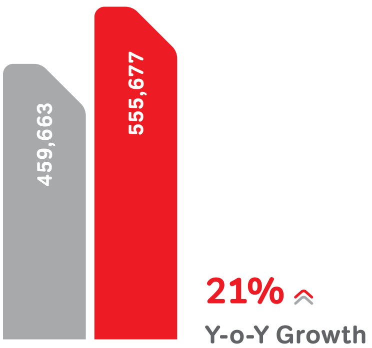
**An Industry First Exclusive Rewards Program: #AirtelThanks**

**Expanded digital reach with Airtel Thanks, Wynk Music and Airtel Xstream**

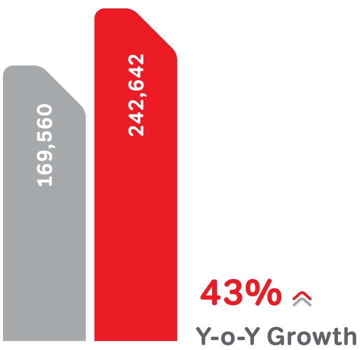
**Rated as the network with India's best video, games and voice app experience by Opensignal**

**Airtel acquired 355.45 MHz spectrum across sub-GHz, mid-band and 2300 MHz bands for a total consideration of ₹187,034 million. Refarmed its 3G spectrum to expand 4G coverage**

### Financial Performance



Revenue (₹ Mn)



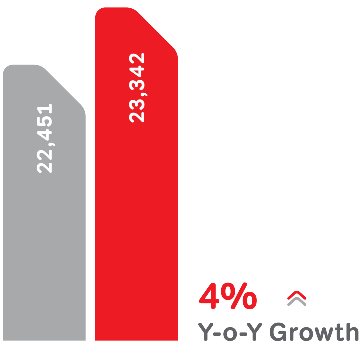
EBITDA (₹ Mn)

FY 2019-20 FY 2020-21

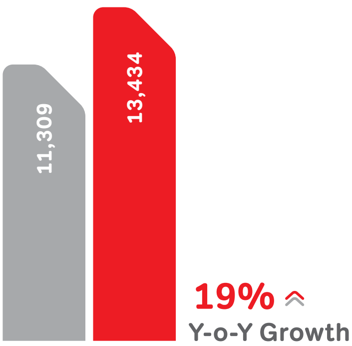
# Homes Services

Airtel provides fixed-line telephone and broadband services for homes in 291 cities (including LCOs) pan-India. The product offerings include high-speed broadband on copper and fiber and voice connectivity, up to speeds of 1 Gbps for the home segment.

**Financial Performance**




Revenue (₹ Mn)




EBITDA (₹ Mn)

FY 2019-20 FY 2020-21

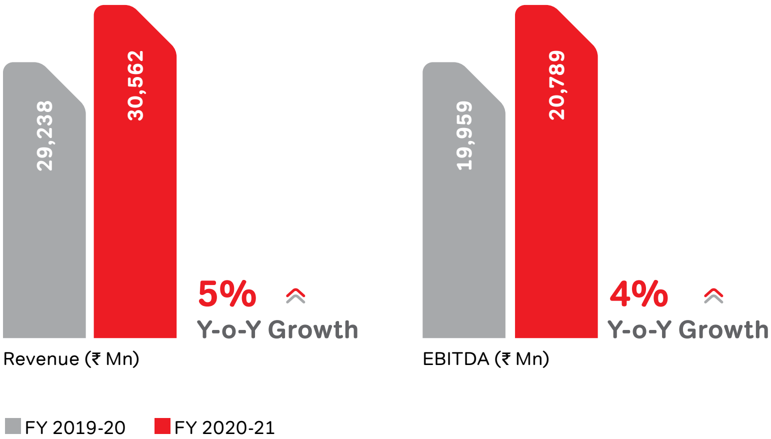
India's largest private sector broadband player

Airtel Xstream Fiber with speeds up to 1 Gbps unlimited data, first-of-its-kind Airtel Xstream Android 4K TV Box and access to all OTT content

# Digital TV Services

Airtel's Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound.

**Financial Performance**




**Converged digital TV solutions through the Airtel Xstream 4K Hybrid Box that offers satellite TV and OTT content**

**650 channels including 85 HD channels (including 3 HD SVOD services), 60 SVOD services, 6 international channels and 2 interactive services**

# Airtel Business

Airtel is 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 conferencing, cloud, network integration, data centres, managed services, enterprise mobility applications and digital media.

**Strategically located submarine cables**

**Integrated suite of services across connectivity, collaboration, cloud and security for businesses**

**Launched Airtel IQ, a cloud-based communications platform**

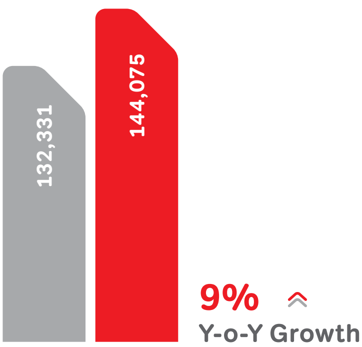
**Launched Airtel Secure, a comprehensive suite of advanced cyber security solutions**

**Global network running across 365,000 Rkms+ (including IRU), covering 50 countries and 5 continents**

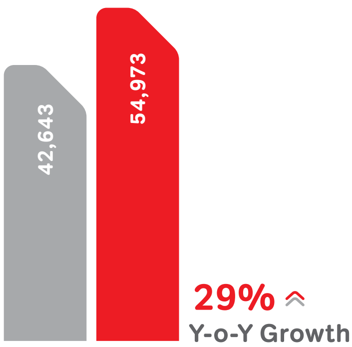
**Partnered with National Small Industries Corporation (NSIC) to hasten the digital transformation of MSMEs**

**Carlyle agreed to acquire approximately 25% stake in Airtel's Data Centre business, Nxtra**

### Financial Performance




Revenue (₹ Mn)




EBITDA (₹ Mn)

FY 2019-20 FY 2020-21

# Quarterly Strategic Progress

## Quarter 1, FY 2020-21

## Digital innovation & customer delight

- **Airtel Thanks** customers got FREE unlimited access to ZEE 5's premium catalogue
- **Airtel Digital TV** launched exclusive curiosity stream channels to its customers of Airtel Digital TV
- **Airtel Payment Banks** and Mastercard partnered to develop customised financial products for farmers and SMEs in India to accelerate digital payments. Airtel Payment Banks also launched the 'Suraksha Salary' account for Indian MSMEs during the COVID-19 lockdown
- **Airtel Business** launched **work@home** – India's first enterprise grade 'Work from Home' solution for buinesses
- Launched a massive customer outreach campaign **"Open to Questions"** where it has set targets for answering and resolving every single customer query

### Capitals impacted

### Material issues impacted

- Digital Inclusion & Enhanced Access to ICT
- Enhancing Customer Experience & Satisfaction
- Innovation of Product & Services

## Strategic allinaces & partnership

- Apollo Hospital Group and Airtel joined forces to help India break the COVID-19 chain with the **Airtel Thanks app** allowing millions of customers to access the risk profile of their respective geographies
- Airtel partnered with NODWIN Gaming to take E-Sports in India to the next level bringing multiple games to followers

### Capitals impacted

### Material issues impacted

- Innovation of Product & Services
- Corporate Citizenship & Community Development

## Network expansion & transformation

- **Nokia and Airtel** signed a multi-year agreement to deploy Nokia's SRAN solution across nine circles in India, enhance its 4G network and lay the foundation for 5G connectivity
- Airtel appointed IBM and Red Hat to build an open hybrid cloud network to support 5G network in India

### Capitals impacted

### Material issues impacted

- Network Quality, Expansion & Transformation
- Enhancing Customer Experience & Satisfaction

## Merger & Acquisition/ Investments / Monetisation

- Bharti International (Singapore) Pte Ltd, a wholly owned subsidiary of Bharti Airtel (directly and through its affiliates), acquired additional 6.3% stake in Bangladesh's telecom operator, Robi Axiata Limited from NTT DOCOMO INC and its Group entities
- Expanding **Airtel's accelerator program,** the Company acquired a strategic stake in **Voicezen,** an early stage startup focused on delivering a better experience using conversational AI. This acquisition enabled interactions in Indian regional languages for customers
- As part of the **Airtel accelerator program,** the Company added Ed-tech to its digital portfolio with a stake in **Lattu Kids**

### Capitals impacted

### Material issues impacted

- Enhancing Customer Experience & Satisfaction
- Innovation of Product & Services

# Quarter 2, FY 2020-21

## Digital innovation & customer delight

- Launched **Airtel Secure** in India to bring cutting-edge solutions to customers in partnership with global leaders
- Launched new Airtel Xstream Bundle, which combined the power of Airtel Xstream Fiber with speeds upto 1 Gbps, unlimited data, first-of-its-kind Airtel Xstream Android 4K TV Box and access to all OTT content
- Wynk Music from Airtel launched an innovative campaign #ExpresswithHellotune, to enable customers to share their current moods and feeling with friends and loved ones through music, with a song of their choice

### Capitals impacted

### Material issues impacted

- Information Security & Customer Data Privacy
- Enhancing Customer Experience & Satisfaction
- Innovation of Product & Services

## Strategic alliances & parnterships

- Entered into a strategic agreement with Amazon Web Services to deliver innovative cloud solutions to large and small and medium enterprises in India
- Partnered with Verizon to offer Airtel BlueJeans, a range of secure, simple and seamless video conferencing solutions to enterprises in India

### Capitals impacted

### Material issues impacted

- Innovation in Product & Services
- Information Security & Customer Data Privacy

## Network expansion & transformation

- Became the first mobile operator to bring Ultra-fast 4G Services to Andaman & Nicobar Islands in India
- Airtel renewed its partnership with Ericsson, the global networking leader, to transform and optimise operations, enhance network and IT capabilities and deliver Enterprise-to-Enterprise customer-centric operations
- Deployed India's largest open cloud-based VoLTE network with Nokia software products

### Capitals impacted

### Material issues impacted

- Network Quality, Expansion & Transformation
- Regulatory compliances
- Digital Inclusion & Enhanced Access to ICT

## Merger & Acquisition / Investments / Monetisation

- As a part of **Airtel's accelerator program,** the Company picked up a strategic stake in Waybeo, a Kerala-based tech start-up for scaling up their cloud offerings
- Signed an agreement with Carlyle, whereby Carlyle acquired approximately 25% stake in Airtel's Data Centre business at a post-money enterprise valuation of US$1.2 billion

### Capitals impacted

### Material issues impacted

- Enhancing Customer Experience & Satisfaction
- Innovation of Product & Services
- Network Quality, Expansion & Transformation

# Quarter 3, FY 2020-21

## Digital innovation & customer delight

- Airtel Business announced the launch of its Customer Advisory Board with the objective of making its customers equal stakeholders in its product development journey
- **Airtel's Wynk music** announced Navaratri nights, an online concert to engage users during the popular festival with social distancing during the pandemic

### Capitals impacted

### Material issues impacted

- Innovation of Product & Services
- Corporate Governance & Business Ethics
- Enhancing Customer Experience & Satisfaction

## Strategic alliances & partnership

- Airtel Digital TV and Vedantu announced an innovative partnership to make quality education accessible to students across India by leveraging the deep reach of Airtel
- **Airtel Digital TV and Aakash Institute** launched India's first dedicated channel to coach students for competitive examinations like JEE and NEET

### Capitals impacted

### Material issues impacted

- Innovation of Product & Services
- Enhancing Customer Experience & Satisfaction
- Corporate Citizenship & Community Development

## Network expansion & transformation

- Airtel hosted India region's first O-RAN Global ALLIANCE Plugfest. The event demonstrated the growing maturity of the O-RAN ecosystem to serve customers through emerging technologies such as 5G
- Airtel entered the fast-moving cloud communication market with Airtel IQ to help businesses drive deeper customer engagement through seamless and secure communication delivered through cloud

### Capitals impacted

### Material issues impacted

- Network Quality, Expansion & Transformation
- Regulatory compliances
- Digital Inclusion & Enhanced Access to ICT

## Merger & Acquisition/ Investments / Monetisation

- **Airtel's subsidiary Nxtra Data Centre** signed a Memorandum of Understanding with the Maharashtra Industrial Development Corporation for setting up two new data centres in Mumbai and Pune
- Merger between Indus Towers & Bharti Infratel was made effective to create a pan-India tower company operating across all 22 telecom service areas

### Capitals impacted

### Material issues impacted

- Enhancing Customer Experience & Satisfaction

## Quarter 4, FY 2020-21

### Digital innovation & customer delight

- To protect Airtel customers from the growing incidents of online payment frauds, Airtel Payments Bank launched 'Airtel Safe Pay' – India's safest mode for making digital payments
- Amazon joined hands with Airtel for the first roll-out of Prime Video Mobile Edition, making high quality entertainment accessible to hundreds of millions of Airtel customers
- Became India's first telecom player to successfully test, demonstrate and orchestrate a LIVE 5G service over a commercial network in Hyderabad city
- **Airtel Business** released its first business insights under the aegis of its Customer Advisory Board, which has identified five pillars for redefining the customer engagement journey
- Airtel forayed into the Ad Tech industry with **Airtel Ads** – a brand engagement solution that enables brands of all sizes to curate consent-based and privacy safe campaigns to one of the biggest pool of quality customers in India
- **Airtel Xstream Fiber launched the Gigabit Wi-Fi experience to enable seamless 1** Gbps Wi-Fi coverage across homes and small offices with a highly advanced 4*4 Wi-Fi router

**Capitals impacted**

**Material issues impacted**

- Enhancing Customer Experience & Satisfaction
- Fair Marketing & Advertising
- Digital Inclusion & Enhanced Access to ICT

### Strategic alliances & partnership

- **Airtel** joined hands with **National Small Industries Corporation** to help millions of small and medium businesses in India access the Company's Connectivity, Conferencing, Cloud, Security, and Go-to-Market solutions
- Airtel has joined a select group of companies empanelled by the Computer Emergency Response Team (CERT-IN) – India's natioanl incident response centre for cyber Incidents across India. With this empanelment, Airtel will offer its cybersecurity solutions to Union and State Governments and public sector entities

**Capitals impacted**

**Material issues impacted**

- Enhancing Customer Experience & Satisfaction
- Corporate Citizenship & Community Development
- Network Quality, Expansion & Transformation

### Network expansion & transformation

- Airtel and Qualcomm announced their partnership for 5G in India. Through Airtel's network vendors and device partners, Airtel will utilise the Qualcomm® 5G RAN Platforms to roll out virtualised and Open RAN-based 5G networks
- Airtel acquired 355.45 MHz spectrum across sub-GHz, mid-band and 2300 MHz bands for a total consideration of ₹187,034 million in the spectrum auction conducted by the Department of Telecom, Government of India

**Capitals impacted**

**Material issues impacted**

- Network Quality, Expansion & Transformation
- Digital Inclusion & Enhanced access to ICT

### Merger & Acquisition/ Investments / Monetisation

- Airtel acquired a 20% stake in Bharti Telemedia Limited from Warburg Pincus to increase its shareholding to 100%

**Capitals impacted**

**Material issues impacted**

- Enhancing Customer Experience & Satisfaction
- Innovation in Product & Services

**Note:** The information reported in 'Quarterly Strategic Progress' above is on overall organization basis and may not come under the boundary of 'Integrated Reporting'.

# Performance across ESG pillars

## Environment

**82,917 MWh**
Renewable energy consumed

**~508 Mn**
Sheets of Paper saved through e-bill initiatives

**284 MWh**
Energy saved at our facilities

**5,554.28 Tonnes**
E-waste recycled

**49%***
Reduction in network emission intensity for mobile ($CO_2$ emissions per terabyte)

**24%***
Reduction in $CO_2$ emission per rack in our data centres

**28%***
Reduction in $CO_2$ emission per square feet in our facilities

Read more about our Environment initiatives in Natural Capital on page 124

*Note: Considering FY 2018-19 as a base year.

# Social

**4.5 Lakhs+**
Students impacted since inception through Bharti Foundation

**₹500 Mn**
Spent on social activities across Indian operations

**56%**
Reduction in customer complaint calls over FY 2019-20 (across all businesses)

**200 Mn+**
Total digitally engaged monthly active users

**317,333**
Total training hours

**₹87 Mn**
Spent on training our people

**₹330,282 Mn**
Paid to Exchequer (on standalone basis)

**₹773,957 Mn**
Paid to suppliers across Indian operations

**Read more about our Social initiatives in Social & Relationship Capital on page 116 and Human Capital on page 90.**

# Governance

**Quarterly audited financial reporting**
in line with global standards

**Enhanced sustainability reporting & stakeholder engagement**

**Centralised Enterprise Risk Management framework**
with Climate Change Risk as its integral part

**Strengthened disclosures**
around Board Evaluation and Succession Planning

**Robust policies & processes**
governing ethical conduct of our businesses

**Well-defined governance structure**
including Group Governance Unit as its key pillar

**~ 82%**
Non-Executive Directors on Board

**~ 27%**
Board gender diversity

**Read more about our Governance in Materiality & Stakeholder Engagement on page 46, Risk Management on page 58 and Report on Corporate Governance on page 210.**

# Innate to our ethos – safeguarding the future generation

For us at Airtel, it is the credo of growing together as a nation and society that motivates us to take up multiple CSR initiatives and go beyond the mandate of two percent contribution. We believe that strengthening the education system is an essential investment in our country's future and have pledged to contribute towards it. Given below is an update on Bharti Foundation's programs that have been supported over the years. This year, our employees have undertaken special volunteering programs virtually wherein they reached out and supported students and teachers.

## SDGs impacted


For the last two decades, Bharti Foundation, the philanthropic arm of Bharti Group, in collaboration with multiple other organisations and government, has taken it upon itself to bring transformation in the field of education for underprivileged children in the country. It aims to impact the lives of children and youth by proactively implementing and supporting programs in primary, secondary, and higher education as well as sanitation through its Satya Bharti School Program, Satya Bharti Quality Support Program, Higher Education Programs and Satya Bharti Abhiyan program. These also contribute to the national programmes and government missions such as Sarva Shiksha Abhiyan, Beti Bachao Beti Padhao, National Nutrition Mission, and Swachh Bharat Abhiyan.

### Satya Bharti School Program

**40,148**

Students impacted during the year, 50% of them girls; 183 schools and 1,382 teachers participated in the program

### Satya Bharti Quality Support Program

**2,45,556**

Students impacted during the year, 50% of them girls; 800 government schools and 9,980 teachers participated in the program

### Students impacted during the year

**2.8 lakhs+**

**4.5 lakhs+**

Since inception

### Satya Bharti Abhiyan

**5,844**

Toilets constructed during the year; 31,661 since inception, benefiting 2,17,129 people

### Higher Education Program

At present, 161 students are pursuing various courses in Bharti School of Telecommunication Technology and Management, Indian Institute of Technology Delhi. Other institues supported – Bharti Institute of Public Policy, ISB Mohari campus, Bharti Center for Communicaiton IIT Mumbai and Plaksha University.

### Impact of pandemic on education

IMF in its recent report in WEO April 2021 stresses on the adverse impact of education losses during the pandemic. It states that the interruption of schooling during the pandemic has taken a severe toll on the building of human capital, essential for sustained growth of the world. As per IMF, early evidence shows that education losses were larger in economies with pre-existing gaps in infrastructure (such as access to electricity and internet), which constrained their ability to effectively implement remote learning programs. Remedial measures are essential to prevent the scarring effect on human capital stock, which would lead to further economic divergence and calls for urgent policy action.

Our role and contribution towards education has become all the more important in light of the pandemic.

## Rural children continued to learn during the pandemic

Since March 2020, children's access to schools has been disrupted owing to preventive measures put in place in response to the COVID-19 pandemic in India. To help children, especially in rural India, help them keep up with their learning and stay in touch with their peers and educators while staying safe at home, Bharti Foundation adapted online methods to facilitate remote learning. Through its presence in 16 States, Bharti Foundation ensured that a large number of rural children in India continue to learn during the pandemic. Although a majority of families of underprivileged children did not have a personal computer, Bharti Foundation ensured that students continue to learn through the following ways:

### Students' engagement

Class-wise WhatsApp groups were formed, which were used for effective dissemination and communication, video call lessons, sharing homework assignments, and more. Along with WhatsApp, various online teaching-learning tools, such as TicTac Learn, Hello English, Khan Academy, TV-DD Swayamprabha, EDUSAT, Ticklinks, Diksha, Doubtnut, Sampark Baithak and NIIT (for Senior Secondary Schools) were used. Virtual events/ competitions were organised on important days to creatively engage children from the safety of their homes. Several entries were submitted for virtual competitions like Ambassador of Hope, Khula Aasmaan, Bricsmath, Scholastic writing, Brainfeed Picasso painting, Ganga quest, etc.

**1,000+**

**Class-wise WhatsApp groups created**

Students who did not have access to smart phones were reached through the initiative, 'Phone Shala', under which a group of students were reached through a basic phone (of their parents) and teachers held short classes to orient on a particular chapter and take assessments as well. As the situation improved, our teachers also held Gram Shala (Community outreach program) through which students were supported through direct home/community visit by our teachers.

### Continuously striving for education for all in the post-COVID world

Bharti Foundation developed frameworks for reopening schools in a phased manner. It developed clear and easy-to-understand protocols on physical distancing measures, prohibited activities that require large gatherings, staggered start and close of the school day, meal times, moved classes to temporary spaces or outdoors, and ran school in shifts to reduce class size. Detailed protocols on hygiene measures, including hand washing, respiratory etiquette, use of protective equipment and cleaning procedures were strictly followed. Initially, five Satya Bharti Secondary schools welcomed their senior students; and gradually the elementary and primary schools opened their doors for children to continue their classes safely.

### Teachers' engagement

Online trainings and capacity-building sessions were conducted to ensure that teachers were up-to-date and motivated. Mentoring and monitoring of lesson planning with feedback on areas of improvement, Teaching Learning Material (TLM) preparation were some of the activities undertaken. During the lockdown, Bharti Foundation's teachers trained themselves so that they could create video-based lessons, initiate online activities and assessments. As a result, today the Foundation has its own Digital Content Repository (DCR) wherein content created by teachers are uploaded for use by other teachers.

**3,831**

**Videos created by teachers for use by peers uploaded to the DCR till March 2021**

### Parents' involvement

As Satya Bharti, teachers are recruited locally, so that they are not only sensitive to the circumstances of students, but they bond with parents and the community resulting in full support from parents. Parents have been actively involved in their child's learning process at home and have shared pictures of their children's homework and reports to teachers in the groups, every single day. In addition, virtual PTM and SMC have been conducted across all Satya Bharti Schools.

### Standing with the nation

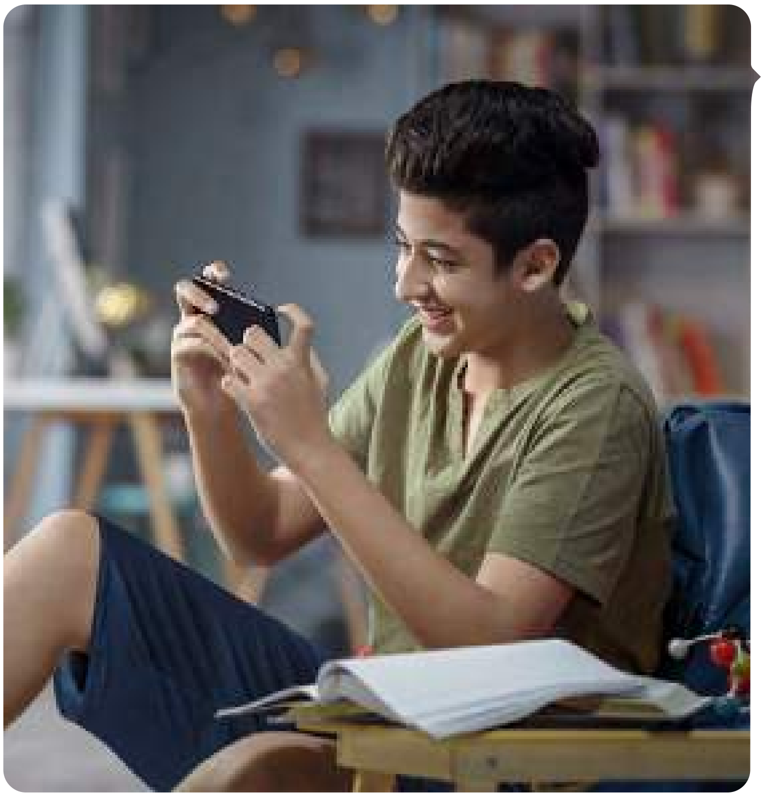
In cognizance of our commitment to stand with the nation in one of the most difficult times mankind has faced, we collectively contributed to the PM CARES fund. We, along with Bharti Enterprises, and all its group companies and affiliates, made contributions to aid the government's effort at mitigating the impact of COVID-19.

**₹859.48 Mn**

**Contribution to the PM CARES Fund**
Bharti Airtel Limited and its group companies/ affiliates/ associates

For more information, including other initiatives undertaken during the year please refer to the annual report of Bharti Foundation https://bhartifoundation.org/annual-report/.

# Creating benchmarks



Airtel Thanks App was recognised as the most innovative among mobile applications, driven by an advanced technological model and bringing unmatched benefits to customers or enterprises in the mobile industry at the prestigious ET Telecom Awards 2020.

Airtel Xstream Fiber won the Best Broadband Service Provider for its super reliability and advanced network coverage that delivered a great experience to customers at the prestigious ET Telecom Awards 2020.

Airtel Business was recognised as the Best Enterprise Service Provider for enabling enterprises to remain productive and meet their business objectives effectively with a host of innovative products and services at the ET Telecom Awards 2020.

Airtel won four awards in each category of Video Experience, Games Experience, Voice App Experience and Download Speed Experience in the Open Signal Report in September 2020, for the second time in a row.

It was rated as the network providing India's best in three categories of video, gaming and voice app experience in the Opensignal Awards India: Mobile Network Experience Report March 2021.

Innovative Brand Engagement Solution

# Real Impact. Novelty lies beyond vanity metrics.

## Airtel Ads provides brands with tailormade access to one of India's biggest pools of quality customers across multiple platforms.

The rapidly evolving digital economy has spawned new challenges for businesses striving to drive top-of-the-mind brand engagement online. On the other hand, customers are inundated with offer and are worried about the security of their data. To create a win-win solution for brands and customers alike, we launched Airtel Ads – a platform for multi-channel, consent-based, and privacy safe campaigns.

The platform provides brands tailormade access to one of India's biggest pools of quality customers – 350 million across multiple platforms including Display, Audio, Video, SMS, Call and DTH services.

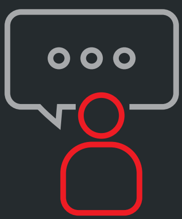
Airtel Ads brings science to the art of advertising by leveraging deep data science capabilities, ensuring complete transparency with advertisers by eliminating the scope for false impressions or clicks and allowing them to run targeted,

# We have already worked with over 100 brands in the Beta phase.

high-impact campaigns based on demography, socio-economic status, behaviours and interests. This leads to higher conversions and superior returns on advertising spend. At the same time, it empowers customers to receive only the most relevant brand offerings, increasing brand recall significantly.

It also enables Airtel to capture a massive and growing market. We have already worked with over 100 brands in the Beta phase itself and are beginning to clock meaningful revenues.

## Airtel Ads, an India-first advertising solution



### Built for India

One platform to reach India's biggest pool of quality customers and premium households

### Built for Outcomes

Focus on end customer relevance and delight ensures superior conversion

### Built for Trust

Telco-grade security ensures customer privacy and zero Ad fraud

### Our Responsible Approach

# Our operating environment & megatrends

We work in a dynamic operating environment. Customer expectations are changing with new experiences around the corner. The COVID-19 pandemic has further impacted the unpredictability of the operating environment, with uncertainty in 5G rollout and its returns. We continue to invest in providing better services and experiences to our customers. Our strategy is to have 'customers for life', ensuring relevance and reliability in a dynamic operating environment.

## Megatrends that drive our business

### Indian economy's shift towards digital

According to a study released by KPMG and Indian Cellular and Electronics Association, India's smart phone base is estimated to reach 820 million in the next two years. Also, for the first time, India has more internet users in rural India – 227 million active internet users, 10% more than urban, according to a study by Internet & Mobile Association of India (IAMAI) and Nielsen. These factors coupled with India's demographic advantage in terms of a young population driving mobile data penetration and consumption growth, present a scenario of growth and opportunity. Currently, on an average, a customer on Airtel network is using upwards of 16 GB per month of data.

(1) https://economictimes.indiatimes.com/industry/telecom/telecom-news/indian-to-have-820-million-smartphone-users-by-2022/articleshow/76876369.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

(2) http://timesofindia.indiatimes.com/articleshow/75566025.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

### Impact of the pandemic

COVID-19 has led to increase in remote working and higher content consumption on mobile and TV screens, thus increasing data needs. Data consumption has shifted from commercial locations to residential location with increasing work from home.

As per IDC, the Indian smart phone market, which is the second largest in the world, even after the COVID-19 led disruption witnessed sales of 150 million smart phones during the year. Migration from feature phones to smart phones continues to fuel smart phone shipments into the country. Rising rural income and increasing rural tele-density are providing significant opportunity for the telecommunications industry. Aggressive push by the government on the 'Make in India' front can help in reducing the cost of manufacturing of locally produced smart phones, thus fuelling smart phone adoption in the country.

## 5G rollout

With rollout of 5G still some time away in India, the development of standards and ecosystem for 5G has already gathered pace with more and more use cases coming into the picture. The telecom players have started working on testing 5G and keeping their networks ready for the rollout.

Gaming is emerging as a promising 5G B2C customer use case globally given the low latency of 5G networks. Emergence of several game streaming models and e-sports is opening up new revenue streams and expanding opportunities for slicing of 5G networks.

Internet of Things (IoT) use cases are expanding rapidly. GSMA expects global IoT market to triple in the next five years and reach US$906 billion in revenues.

## Looking towards a digital payments world

With government push towards cashless economy and increasing acceptability of contactless digital transactions in a pandemic-affected world, payments via smart phones have increased substantially. The telecom industry, with an established distribution network, is best placed to capture this opportunity through payments bank.

## Opportunities on the back of convergence

Convergence of fixed and wireless technologies is becoming more useful with possibilities to provide enhanced voice calls experience using Wi-Fi calling (Voice over Wi-Fi). Even convergence of postpaid, broadband, DTH and OTT is opening up multiple opportunities for players to offer a proposition of serving the customer under one brand.

# Materiality Assessment and Stakeholder Engagement

Airtel's 26-year pioneering journey has been a story of innovation-led growth, resilience against risks and long-term value creation. The onslaught of the pandemic has heightened the awareness that we need to monitor the economic, social and environmental risks that may impact our business even more closely. We are on the cusp of a new world defined by new paradigms and expectations of a new generation of stakeholders. As we recalibrate our business, our purpose-led response to existing and emerging risks will determine our ability to lead and drive sustainable value creation for all our stakeholders.

In a world that is ever changing, for organisations the ability to embrace the 'New Normal' every day is key to survival and growth. From technology shifts to changing customer demands, from disruptive business models to evolving regulatory norms and environmental concerns, organisational imperatives need to transcend economic and financial performance. Organisations need to adopt new strategic frameworks that encompass the financial and non-financial goals, agile execution models, and relevant skill sets to adapt to the new business reality to lead with purpose beyond profits.

While the telecommunications market and tele-density have been growing, there have also been significant sustainability-led demands and developments in the industry. This change in the business environment is reflected in the growing prevalence of transparent and timely sustainability reporting and disclosures. Such developments along with growing investor demand for more disclosures have led to a sharper focus on different parts of the value chain to assess the material issues.

Materiality Assessment is an exercise in stakeholder engagement designed to gather insights on specific environmental, social and governance (ESG) issues that may impact a business.

Synergies with global reporting frameworks and financial market coverage are key drivers of the need for detailed materiality assessments. The issues identified in materiality assessment touch every aspect of the Company's business model – they influence strategic planning decisions, the paths the Company must focus on for sustainable value creation, strategic communications, risk mitigation, the choice of opportunities to be pursued, and operational management.

Airtel seeks to constantly evolve to meet stakeholder expectations. In keeping with this philosophy, every two years, Airtel conducts a thorough materiality assessment exercise to re-evaluate its material topics. Airtel undertook a comprehensive materiality assessment exercise in FY 2020-21 following GRI Standards and guided by Account Ability's AA1000 principles (2018). Telecom industry specific reports were also reviewed along with various ESG rating assessments.

## Approach and Methodology

Stakeholder engagement and materiality assessment was conducted by an independent third-party. The process of identifying and prioritising the material issues, took into account the following three aspects:

**Economic, Environmental and Social Impacts of the Company**

**Business Goals & Priorities of the Company**

**Needs and Concerns of the Company's major stakeholders**

# Materiality Assessment Methodology

## Desk review to identify material issues

A comprehensive desk review was carried out to identify a set of material topics relevant for Airtel. This included:

### Trends on horizon

Review of current and emerging telecom industry trends, business risks and priorities

### Benchmarking best practices

Review of peer practices in Indian and global markets to identify sector-specific ESG material issues

## Stakeholder engagement to prioritise material issues

### External Stakeholders

**Objectives**

- Understand the key concerns, expectations and level of satisfaction in engaging with Airtel
- Incorporate their views into the materiality assessment
- Identify and prioritise material issues

**Mapping the existing stakeholders**

Stakeholders who can impact or influence the organisation

### Internal Stakeholders

**Objectives**

- Understand top management vision on business goals and priorities and the emerging risks and opportunities for Airtel
- Ascertain how sustainability issues feature in the risk radar of the organisation across different departments
- Incorporate their perception of important material issues into the materiality assessment

**Questionnaire development**

Questionnaire was designed and online surveys undertaken to engage with internal stakeholders

**Stakeholder consultation**
Structured and open-ended questionnaires were designed and scale-based survey was conducted

**Analysis of responses**
Responses were collated and material issues were prioritised

**Stakeholder consultation**
Interviews conducted with all identified stakeholders

**Analysis of results**
Analysed to understand business priorities and prioritise material issues

## Results

### Data analysis

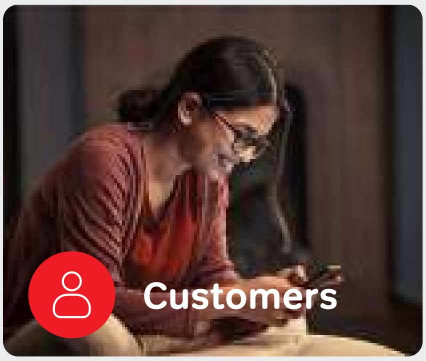
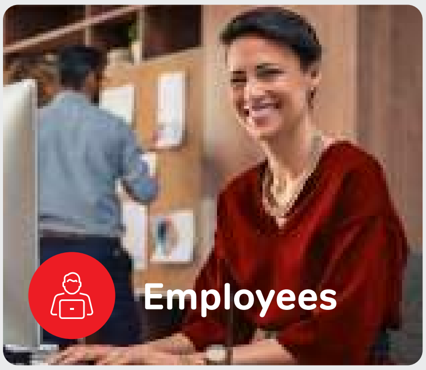
Survey results were aggregated to draw inferences on the areas of concern for the stakeholders, and material topics of priority for them.

The insights gathered through external and internal stakeholder engagement were analysed and synthesised with the findings from desk review to develop the materiality matrix.

### Prioritised material topics

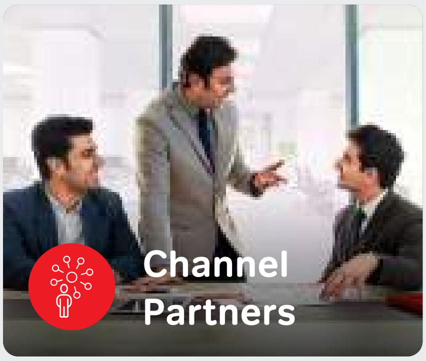
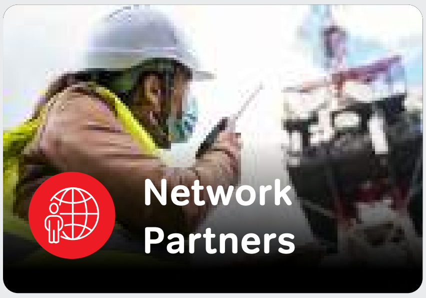
Arrived at the final list of material topics for Airtel from both management and stakeholder view, further categorised as per level of priority (Critical-High-Low).

# Stakeholder dialogue and its results

| Stakeholders | Value proposition | Why they are important to us |
|---|---|---|
|  Customers | » Service quality<br>» Data protection<br>» Innovation through strategy and technology | » Revenue growth and generation<br>» Streamline goals and process<br>» Demand-led innovation |
|  Investors | » Return on investment<br>» Short term and long-term financial viability<br>» Risk management | » Funding and capital investments |
|  Suppliers | » Fair trade practices<br>» Protecting interests and providing opportunities to minority suppliers<br>» Sustainable supply chain | » Operations without barriers<br>» New developments and innovation<br>» Competitive – stay ahead based on quality, technology, pricing and quality |
|  Employees | » Performance review and feedback<br>» Training and development<br>» Health and Safety – well-being | » Drivers to achieve the target set for them<br>» Satisfied and engaged employees perform good at work<br>» Right talent gives us competitive advantage |

| How we engage with them | Key material issues | Capital linkage |
|---|---|---|
| » Stores and contact centres across operational cities<br>» Digitalisation and social media engagement<br>» Technical support interactions | » Network quality, expansion and transformation<br>» Innovative products and services<br>» Information security and customer data privacy<br>» Enhancing customer experience and satisfaction<br>» Resource efficiency and waste management<br>» Fair marketing and adverstising | Financial capital<br>Social & Relationship capital<br>Manufactured capital<br>Intellectual capital |
| » Annual General Meeting<br>» Face-to-face electronic and correspondence<br>» Press briefings<br>» Analyst meets<br>» Earning calls | » Regulatory compliances<br>» Corporate governance and business ethics<br>» Climate change, energy efficiency and emission reduction | Financial capital<br>Natural capital<br>Social & Relationship capital |
| » Supplier audits<br>» Supplier awards<br>» Face-to-face and electronic correspondence | » Sustainable supply chain management<br>» Green ICT solutions<br>» Innovation of products and services | Financial capital<br>Natural capital<br>Social & Relationship capital |
| » Annual Employee surveys<br>» Skip level meetings<br>» Regular employee communication forums | » Employee health and well-being<br>» Talent attraction and human capital development<br>» Diversity and inclusion<br>» Innovation of products and services<br>» Promoting human rights | Financial capital<br>Social & Relationship capital<br>Human capital<br>Intellectual capital |

# Stakeholder dialogue and its results

| Stakeholders | Value proposition | Why they are important to us |
|---|---|---|
|  Channel Partners | » Skill development<br>» Capacity building<br>» Promoting innovation of products and services | » Boosting productivity<br>» Increased loyalty and engagement<br>» Lead generation |
|  Network Partners | » User satisfaction and productivity<br>» Enhancing and expanding network quality<br>» Optimising energy efficiency | » Increase reach of service<br>» Revenue growth<br>» Addressing social and environmental issues<br>» Improving environmental footprint |
|  Regulatory Bodies | » Formulation of policies and procedures to shape the present and future of business for its growth and development | » To ensure smooth operation of the Company, it needs to abide to various regulations<br>» Licencing and permissions<br>» Sector sustainability |
|  Community/ NGOs | » Transform the lives of children and youth through education<br>» Improving sanitation conditions and awareness about health and hygiene among community members and educational institutions<br>» Promoting employment of local youth as teachers, e-learning as well as community-awareness on girl child's education, etc. | » To create long lasting value for societies<br>» To partner with the government, educational institutions and local communities to help address key challenges |

| How we engage with them | Key material issues | Capital linkage |
|---|---|---|
| » Superior commission & reward scheme<br>» Sustained marketing support<br>» Extensive product portfolio | » Sustainable supply chain management<br>» Enhancing customer experience & satisfaction<br>» Network quality, expansion and transformation | Financial capital<br>Social & Relationship capital<br>Manufactured capital<br>Intellectual capital |
| » Online portal<br>» Training modules & partner documents<br>» Face to face interactions | » Network quality, expansion and transformation<br>» Climate change, energy efficiency & emission reduction<br>» Sustainable supply chain management | Financial capital<br>Natural capital<br>Social & Relationship capital |
| » Face to face electronic and correspondence<br>» Public policy - Advocacy<br>» Making representations whenever needed | » Corporate governance & Business ethics<br>» Regulatory compliances<br>» Information security and customer data privacy | Social & Relationship capital<br>Manufactured capital<br>Intellectual capital |
| » Field-visits and volunteering work including e-volunteering; reviewing program achievements and impact/ outcomes<br>» Direct stakeholder consultation | » Corporate citizenship and community development<br>» Regulatory compliances<br>» Digital inclusion and enhanced access to ICT<br>» Water efficiency | Financial capital<br>Social & Relationship capital<br>Manufactured capital |

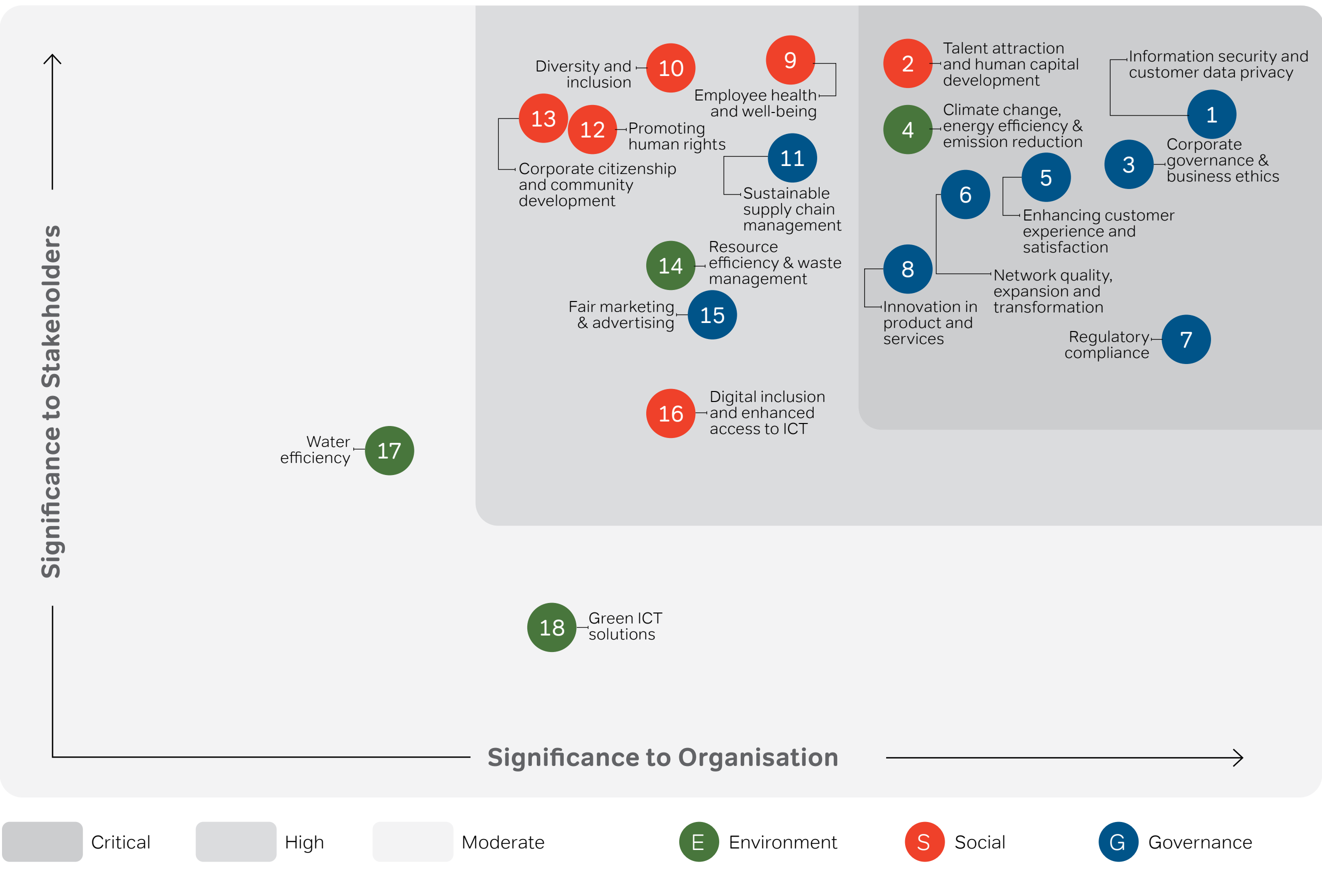
# Material Issues

Dynamic management of risks is central to Airtel's strategy. It enables Airtel to capture growth through innovation ahead of market trends. The materiality assessment exercise unlocks the parameters for risk assessment and is integrated across all levels of management in the Company to deliver the best results.

To strengthen stakeholder relationships and understand their expectations, Airtel regularly reviews its materiality analysis. Airtel's sustainability initiatives address these priority challenges through improvement plans, indicators, short-term and long-term goals, and enabling policies.

A comprehensive desk review was undertaken to identify a set of material topics relevant to Airtel. This included reviewing current and emerging telecom industry trends, business risks and priorities and practices of peer companies in Indian and global markets. The identified material topics were further prioritised based on their significance to Airtel and its key stakeholders, derived from its engagement with them. The aspect of significance to stakeholders considers their key concerns and expectations from Airtel. The element of significance to the organisation considers Airtel's business goals, impacts, and the level of internal controls present to manage issues. Airtel's 18 material topics span five areas: environmental stewardship, operational experience & customer delight, employee stewardship, community stewardship, and responsible governance. We depict the relative significance of issues through the materiality matrix.

## Airtel materiality matrix



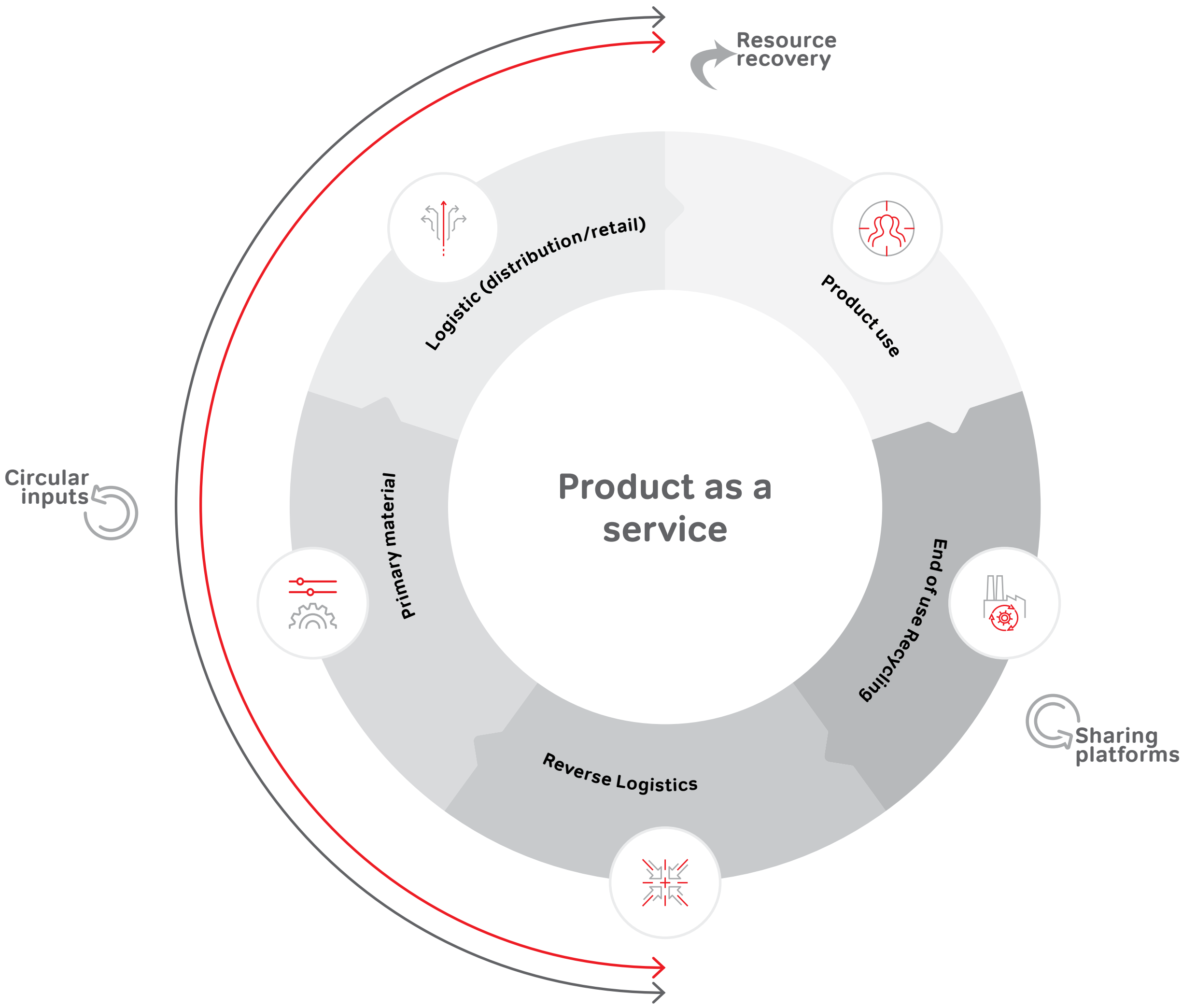
| Material issues | SDGs impacted |
|---|---|
| 1. Information security and customer data privacy | 16 Peace, Justice and Strong Institutions; 9 Industry, Innovation and Infrastructure |
| 2. Talent attraction and human capital development | 8 Decent Work and Economic Growth; 10 Reduced Inequalities |
| 3. Corporate governance and business ethics | 16 Peace, Justice and Strong Institutions |
| 4. Climate change, energy efficiency and emission reduction | 7 Affordable and Clean Energy; 13 Climate Action |
| 5. Enhancing customer experience and satisfaction | 9 Industry, Innovation and Infrastructure |
| 6. Network quality, expansion and transformation | 9 Industry, Innovation and Infrastructure; 13 Climate Action |
| 7. Regulatory compliance | 16 Peace, Justice and Strong Institutions |
| 8. Innovation in product and services | 9 Industry, Innovation and Infrastructure |
| 9. Employee health and well-being | 3 Good Health and Well-being |
| 10. Diversity and inclusion | 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities |
| 11. Sustainable supply chain management | 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production |
| 12. Promoting human rights | 8 Decent Work and Economic Growth; 10 Reduced Inequalities |
| 13. Corporate citizenship and community development | 3 Good Health and Well-being; 4 Quality Education |
| 14. Resource efficiency and waste management | 12 Responsible Consumption and Production |
| 15. Fair marketing and advertising | 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions |
| 16. Digital inclusion and enhanced access to ICT | 9 Industry, Innovation and Infrastructure |
| 17. Water efficiency | 12 Responsible Consumption and Production |
| 18. Green ICT solutions | 7 Affordable and Clean Energy; 13 Climate Action |

# Circular Economy

We, at Bharti Airtel, are committed to our mission of ensuring superior customer experience all throughout their engagement with us. And we aim to do it in a manner that has the least impact on the environment and minimises the ecological imbalance. We are also committed to continuously improve our performance and strive towards excellence in environmental stewardship.

We aspire to achieve environmental excellence not only in our own operations, but also extend it to our value chain, through deep focus on innovations that lead to strategic changes in our value creation model, converting it from a linear model to a circular one. This shift from linear to circular model has helped us significantly to reduce the volume of waste we generate, thereby minimising the ecological impact to deliver the same output. Our focus on circular economy is designed through transformative digital initiatives across our value chain through new collaborations and strategic partnerships. By sharing our strategy and approach, we aim to maximise the impact of our efforts while empowering others.

At Airtel, we believe that circularity can be achieved at different stages in the value chain. We have been continuously upgrading our products and services through design innovation including sustainable principles, circular sourcing, improving resource use efficiency, and adopting products as a service model. The key focus areas under circularity include e-waste management with authorised recyclers across the value chain, minimisation of office waste (mainly, organic waste and paper waste) generation, reducing the environmental impact resulting from excavation of soil, stones and gravel during the construction of network towers, and reducing the overall environmental footprint of data centre operations through greater focus on renewable energy. We have developed strategies around resource use optimisation, recycling, upcycling or remanufacturing, reuse/redistribution and sharing platforms with peers for scaling up such interventions. We have also initiated programmes with external stakeholders to enhance recycling post usage of the products and reduce the value leakage from discarding products/materials after use.



The table below briefly outlines some of our circular, restorative, and regenerative measures that we have adopted to ensure sustainable and efficient business operations and shift to a circular model from a linear one.

### Focus areas for circularity

## Product as a service

IoT enabled services (ICT Services, IoT based Cloud and Video-Conferencing Services) provided by Airtel to enterprise customers reduce the need for customer mobility and enhance energy efficiency and reduced environmental emissions.

## Primary Materials

- Initiatives on circular inputs focus both on material and energy through complete elimination or reduction of usage of non-circular inputs and their replacement with alternative circular inputs. Our initiatives under this category include:
- Shift from DG to solar-DG hybrid model across various network sites
- Power wheeling agreements for procurement of green energy
- Rooftop solar PV plants at 28 locations including data centres and MSC sites
- Replacing VRLA batteries with Li-ion batteries in 41,462 sites

**Manufacturing**

## Logistic (Distribution/Retail)

- We encourage our suppliers to adhere to the Code of conduct applicable which requires them to:
- Reduce greenhouse gas outputs through higher share of renewable energy and adoption of energy efficient technologies and processes
- Reduce and minimise waste of all types and encourage and promote the recycling and re-use of materials
- Identify and use minimum packaging materials that is safe, hygienic, recyclable, efficient and protective for transport of goods

## Product Use

**Sharing platforms**

Our strategy of site sharing with partners has enabled us to optimise resource consumption and reduce carbon emission significantly through effective utilisation of passive infrastructure. Currently 26% of our sites are deployed as shared sites

## End of use- Recycling

**e-Waste**

- We, at Airtel, consider repairing of faulty modules at in-house as well as third-party repair centres to avoid fresh material purchase
- Before declaring any electronic module as scrap, we double validate the repair possibility, first by a strategic partner and then by local repair agency
- We use the Metal Scrap Trade Corporation Limited (MSTC) portal to auction the scrap
- Scrap vendors are allocated through an auction scheme, post which Airtel executes the scrap sale transactions

**Paper waste**

- We have initiated a drive in our offices to collect wastepaper from desks and printing stations
- We have also entered contracts with partners to provide office stationery against the recycled paper

## Reverse Logistic

We have collaborated with third parties for collection of waste of all kinds for further use. Airtel Setup Box has been collected for upcycling and remanufacturing

# Risk Management

**This section includes**



Airtel's DNA is defined by our innate ability to anticipate and tap emerging trends and opportunities, design innovative offerings and carve path breaking business and operating models. Many of these game changing steps we take have rarely been done before. However, we understand that opportunities come with their own risks and uncertainties. Airtel monitors and tracks these risks through a robust risk management framework covering parameters across strategy, legal, financial, operational and climate. We work relentlessly to identify and mitigate material risks which may disrupt business operations or impact our growth and sustainability goals.

The telecom industry is characterised by growing competition, vast infrastructural requirements and ever-changing technology. Organisations are constantly looking for solutions to reduce operational risks. Risk management is critical to overall profitability, competitive market positioning, and long-term viability of telecom firms. There is also a need for the industry to comply with changing government regulations to maintain privacy and information security standards. The investment required to meet all these expectations is significant. It is only by transitioning risk and compliance efforts into a structured and controlled process that organisations like Airtel can grow profitably and sustainably.

# Responsibility and accountability

## Board of Directors

An annual evaluation of the Company's risk management framework is conducted by the Board of Directors along with frequent evaluations by the Risk Management Committee. The Board of Directors is the apex body that reviews critical risks and deliberates and approves action plans which can potentially mitigate those risks. The responsibility of assisting the Risk Management Committee lies with the internal audit function who assess the nature, quantum and likely impact of different risks.

## Airtel Management

The CEOs of Airtel businesses in India, South Asia and Africa (AMB and Africa Exco) are responsible for managing the strategic risks that may impact their operations. These risks are generally identified by their Circle teams, the national level leadership and teams from the international Operating Companies. The management team draws on internal audit reports for identification of risks and scans internal and external environments for ascertaining developments that could pose material risks for the Company. Internal audit reports are also considered for the identification of key risks.

## Operational Teams

The Executive Committees (EC) of Circles in India and Operating Companies from international operations manage risks at the ground level. The EC has local representation from all functions, including central functions like Finance, SCM, Legal & Regulatory and customer facing functions, such as Customer Service, Sales & Distribution and Networks. It is the responsibility of the Circle CEO or Country Managing Director to engage functions and partners to manage the risks. They are also responsible for the identification of risks and escalating it to the central teams for agreement on mitigation plans.

# Maintaining an effective risk culture

**1** 
### Financial incentives
Risks are identified and prioritised at the beginning of a financial year and mapped to the Key Responsibility Areas (KRAs) of senior executives. These metrics are then cascaded down to line managers. Delivery on the metrics is reviewed via a 'Performance Management Process' which also awards financial rewards and incentives for performing team members and partners.

**2** 
### Risk and compliance training
The risk and compliance process emanates from an overarching governance platform. Specific risk and compliance issues are mapped to functions and individuals. Relevant trainings and certifications ensure that employees and functionaries understand the risks and the required compliances.

**3** 
### Performance review
Risk areas are included in the KRAs of employees. The performance review process evaluates employee performance against delivery on KRAs.

**4** 
### Risks reporting and identification
A cross functional team is employed to identify risks across the Company. The functional representatives work closely with their respective functions to identify the risks in each process and the same are collated, mapped and monitored on an ongoing basis. Every employee in the organisation is sensitised to highlight areas of risk within or outside their function through their functional representative.

**5** 
### Regular feedback
Functional representatives take regular feedback from employees on the risk and compliance monitoring process of the Company. Employee views are sought on key risks identified by the Company. The severity of the risk, its impact on a business area and the likelihood of mitigation are all decisions in which the subject matter expert is involved. Employees are also asked to report on any potential and perceived risks.

**6** 
### Incorporating risk criteria
There is a well-defined product approval process for each line of business, where stakeholders across functions are required to approve any new product. These cross functional teams ensure that all associated risks relating to their functions are holistically identified and addressed.

**7** 
### Means of measuring and innovating risk culture
The Company expands its risk management capability by undertaking training and spreading awareness on risk identification, prevention, reporting and addressal. We are taking measures to involve a broader base of employees in the exercise by including risk management as part of employee KRAs. Airtel has a digital compliance tool, operated by a third party, which tracks applicable regulations across operating locations and compliance to them. Any new rules and regulations that become applicable to Airtel are added to the tool and compliance to them is regularly monitored.

# Enterprise Risk Management

The ERM is a clear three step process at Airtel that includes risk identification, risk mitigation and monitoring are reporting. In the first step, a well laid criteria helps in the identification of enterprise level strategic risks that pose a significant threat to the organisation regarding business and operational continuity, brand and market perception, ability to raise resources for future expansion and adapting to radical changes in industry/ technology etc. The documentation of the top risks and their sub-risks is done, and responsibility is assigned to a risk owner.

The next step, risk mitigation, involves identification of actions to eliminate exposure to potential risks and reduce the likelihood and negative impact of such risks. Once the risks are identified, a mitigation plan is formulated. Criteria that are generally used for identifying effective mitigation plan is explained in this ERM. In the final stage, bi-annual and monitoring is done by the Risk Management Committee (RMC) of key strategic risks as well as the effectiveness of the mitigation plan.

## Risk identification

**Identify potential risks**
Scanning the entire business environment – internal and external

**Risk assessment**
Classifying the various risks in terms of probability, impact and nature

**Measuring**
Developing objective measurement methodology for such risks

**Risk mitigation action**
Fixing accountability of people and positions to implement the mitigating action plans

**Agreements**
Agreeing on detailed action plans to manage key risks

**Listing & prioritising**
Listing and prioritising the key risks to be addressed and managed

**Budget approval**
Approving resources, including budgets for risk management

**Reviewing action plan**
Reviewing progress of action plans, taking stock of gross and net exposures and mandating corrective actions

**Reporting progress**
Reporting progress to the Board, Audit Committee and Risk Management Committee

**Reporting issues**
Reporting on specific issues to the Audit Committee and Risk Management Committee

# Risks categorisation

The global risk landscape has shifted in the last decade towards the evaluation of ESG risks. Companies need to take an active role in understanding, addressing, and reporting on ESG-related risks as they have the potential to erode brand trust and financially impact the Company. As a part of the materiality assessment process, an independent third party has evaluated the material existing and emerging risks for the industry.

## Sector-specific risks across the three ESG categories include:

### Economic & governance risks

Encompasses all aspects that directly impact economic performance of a business, such as taxation, regulatory compliance, technological changes as well as risks arising from lack of sound governance.

### Social risks

Risks which occur due to adverse changes in stakeholder relationships within operations and in the value chain with employees, partners, customers, vendors and suppliers.

### Environmental risks

Risks arise on account of environmental uncertainties such as climate change or due to potential adverse impact of business on the environment.


- Intellectual capitals
- Financial capitals
- Social & Relationship capitals
- Human capitals
- Manufactured capitals
- Natural capitals
- 1 Economic & governance risks
- 2 Social risks
- 3 Environmental risks

# Top risks

| Risk category | Mitigation measures | Y-o-Y Risk movement | Capitals impacted | Material issues for Airtel |
|---|---|---|---|---|

## Regulatory and political uncertainties

Volatility and uncertainty in the macro environment with geo-political tensions in countries of operations, and non-compliance of regulations.

| | | | | |
|---|---|---|---|---|
| 1 | A continuous assessment is done to assess the changing political scenarios. Airtel contributed to socio-economic growth through high quality services to our stakeholders. We maintain cordial relation with the government in the countries we operate. The country MDs and CEOs carry direct accountability for maintaining neutral government relations.<br>We actively work with industry bodies like CII, FICCI for espousing industry issues.<br>The regulatory team along with legal and networks ensure compliances with prevailing regulations and laws.<br>Airtel engages with government authorities to ensure that requisite support by way of permissions for movement of employees and other requisites is extended by the government to facilitate uninterrupted operations and maintenance of telecom network. | | | **Regulatory compliance**<br>**Corporate governance & business ethics** |

## Economic uncertainties

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

| | | | | |
|---|---|---|---|---|
| 1 | Airtel has diversified its risks and opportunities across markets with an extensive services portfolio to widen customer base.<br>To mitigate currency risks, we have hedging mechanisms in place to protect cash flows along with a prudent cash management policy to minimise the risks of blockages at times of capital controls.<br>In addition to entering interest rate swaps to reduce interest rate risk, we have also spread our debt profile across local and overseas sources of funds to create natural hedges.<br>Our pricing strategy is based on the principles of mark to market, profitability and affordability to protect margins. | | | **Regulatory compliance** |

## Poor network infrastructure

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

| Risk category | Mitigation measures | Y-o-Y Risk movement | Capitals impacted | Material issues for Airtel |
|---|---|---|---|---|
| 1 | State-of-the-art network operations to monitor real-time network activity, and take proactive and immediate action to ensure maximum uptime.<br>In-house network planning to ensure intellectual control on architecture. Quality improvement programme in place to reduce and eliminate network risk.<br>Tighter SLAs with network partners for their delivery. We also have a conservative insurance cover policy along with disaster management guidelines in place.<br>We share infrastructure with other operators and enter into SLA-based outsourcing arrangements to ensure high quality of assets.<br>We work with partners to enhance network availability and reduce failures, along with continuous monitoring, upgradation and automation to increase customer experience. | | | **Network quality, expansion and satisfaction** |

## Fiercely competitive battleground

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

| Risk category | Mitigation measures | Y-o-Y Risk movement | Capitals impacted | Material issues for Airtel |
|---|---|---|---|---|
| 1 | We are streamlining our product portfolio, reducing redundancies and eliminating unused products.<br>In order to derive higher extraction and enhance ARPUs, we have introduced plans with minimum recharge commitment, while keeping the affordability factor in mind.<br>The acquisition processes were further strengthened by launching mandatory first recharge.<br>Staying ahead of the curve and future ready in terms of technology adoption of the online payment by customers.<br>Peer market study and staying competitive in the changing environment. | | | **Corporate governance & business ethics** |

## Data loss prevention

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

| Risk category | Mitigation measures | Y-o-Y Risk movement | Capitals impacted | Material issues for Airtel |
|---|---|---|---|---|
| 1 | We implement stringent processes and relevant technologies to ensure the privacy of personal information is maintained during its entire lifecycle through multiple policies including **Bharti Airtel Information Privacy Policy (BIPP)** and **Data Leakage Protection (DLP)** strategy.<br>All our endpoints are equipped with specialised software to help monitor various channels for potential violation, alert generation and real time action.<br>A centralised team reviews the alerts and raises an incident for investigation and consequent actions. All incidents are tracked to closure in a time-bound manner.<br>A monthly review of all incidents and their closure is conducted to regularly refine the existing policies. | | | **Information security and customer data privacy** |

| Risk category | Mitigation measures | Y-o-Y Risk movement | Capitals impacted | Material issues for Airtel |
|---|---|---|---|---|

## Operating expenses

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

| Risk category | Mitigation measures | Material issues for Airtel |
|---|---|---|
| 1 | We have institutionalised the War on Waste (WoW) programme, an enterprise-wide cost-reduction and cost-efficiency initiative. Digitisation and automation with significant programmes across the board are continuously monitored through the WoW initiative. We have been progressively striving to keep its debt at acceptable levels and continue to take decisions on inorganic sources of funding to meet the same. | **Innovation in product and services**<br>**Talent attraction and human capital development** |

## Network experiences

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

| Risk category | Mitigation measures | Material issues for Airtel |
|---|---|---|
| 2 | Airtel has been continuously investing in innovation and network expansion to match the changes in the industrial landscape with an objective to provide high quality experience to its stakeholders and meet high customer demand for a better and stronger network quality. | **Innovation in product and services**<br>**Enhancing customer experience and satisfaction** |

## Internal controls and processes

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.

| Risk category | Mitigation measures | Material issues for Airtel |
|---|---|---|
| 2 | We monitor our compliances carefully at all stages of operations to ensure compliance with all accounting, legal and regulatory requirements proactively.<br>Besides internal audits, we have multiple other processes in place to identify and rectify deviations early enough.<br>Internal Financial Controls and the Corporate Audit Group monitor if such controls are in place. | **Corporate governance & business ethics** |

## Digitalisation and innovation

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

| Risk category | Mitigation measures | Material issues for Airtel |
|---|---|---|
| 1 | Digitalisation and automation continue to be a prime focus area for us with several initiatives constantly being undertaken to improve customer experience and expand the product portfolio. | **Digital inclusion and enhanced access to ICT** |

## Climate change

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

| Risk category | Mitigation measures | Material issues for Airtel |
|---|---|---|
| 3 | We are cognizant of the negative impact that climate change has on our business and have identified 'Energy, Climate Change and Resource Optimisation' as one of our high-priority material issues.<br>We undertake multiple initiatives to adopt green energy solutions, reduce energy consumption, create green data centres, facilitate equipment optimisation, outdoor BTS sites, and minimise e-waste and paper waste. | **Climate change and carbon emissions of telecom infrastructure**<br>**Sustainable supply chain management** |

For further details on the risk and mitigation strategy please refer to page 167 of the report

Converging Solutions

# Bringing the power of One Airtel & Airtel Xstream to homes

## How to make the journey more convenient for the 30 million+ high-value homes across India which are connected to at least one of our services – Postpaid, DTH or Broadband – was a persistent question on our minds.

### One Airtel

We found the answer in creating a comprehensive service that enables our high-value customers to harness the full power of Airtel. We reimagined customer journeys from a digital and omni-channel perspective, bringing all our services under a single build – One Airtel– with one bill, one relationship manager for enhanced customer experience.

The platform has been built by stitching billing stacks of mobility, broadband and DTH together for a seamless go-to-market, creating one mass retail channel driving all our businesses. We have also combined our 2,000 stores with our broadband sales channels to seamlessly deliver and install all Airtel services in our customers' homes, creating one integrated Direct to Customer Channel. The now combined large mobility distribution system creates a single retail channel driving all our businesses, enabling us to further our customer obsession and unified customer view with an integrated channel strategy.

Seeing the strong traction and positive customer feedback during the Beta phase, we plan to further converge our offerings through a commercial launch in FY 2021-22.

We reimagined customer journeys from a digital and omni-channel perspective, bringing all our services under a single build – One Airtel

**50** Mn
High value homes

**30** Mn
High value homes use at least one Airtel service

**16.63** Mn
Postpaid customers

**17.72** Mn
Airtel Digital TV customers

**3.07** Mn
Homes Services (Broadband) customers

## Airtel Xstream Fiber

With COVID-19 as the trigger point, we are seeing a rapid increase in work from home, online education and streaming services leading to an increased demand for reliable high speed broadband. We brought the full power of Airtel and our partner services to deliver an integrated converged offer encompassing connectivity, entertainment and more through our Airtel Xstream Bundle. This combines the power of Airtel Xstream Fiber, unlimited data, first-of-its-kind Airtel Xstream Android 4K TV Box and access to an intuitive customer interface which is delivered seamlessly across screens.

## Airtel Xstream

Airtel Xstream is a simple and intuitive customer interface platform built for our B2C customers that brings together the power of linear TV and OTT content across Mobile and Home into one seamless experience on the large screen. In addition to linear content, we have built partnerships with Zee, Disney, Amazon, Eros, Curiosity Stream and several others to provide an endless array of entertainment to our Home customers.

## Enabling a platform where partners can bundle services seamlessly

We believe that the future of our platforms will have a strong customer focused foundation delivering a range of services on the back of a partnership based ecosystem. As a part of our strategy, we want to partner with best-in-class players in their respective areas, bundle and offer world-class services to our customers. This asset-light model helps us to enhance customer experience and stickiness while maintaining a lean balance sheet.

# We plan to further converge our offerings through a commercial launch in FY 2021-22

**Our Capitals**

# Financial Capital

We maintain an optimal capital structure through well-timed fundraises and the refinancing of our debts. We judiciously allocate capital across our business to strengthen the balance sheet and to enhance efficiencies across our operations for long-term value creation for our stakeholders.

# 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 enable us to maintain our network and functional units, fund expansion and modernisation. The components of the debt portfolio are determined by the Company's senior management in a manner to achieve an optimal debt-mix based on its overall objectives and future market expectations.

This year we witnessed a continued momentum for fund raising and we saw phenomenal confidence from the Investors. The Company raised US$750 million through 10-year Senior bonds. The yield on the above 10-year bonds is the lowest ever for Airtel.

# Highlights of Financial Performance

The Company reported the highest ever revenue of ₹643,259 million for the financial year ending March 31, 2021 with splendid growth rate of 18.4%, backed by strong customer additions. Despite challenging conditions, the Company continued its focus on operational efficiencies which propelled the EBITDA margins from 38.0% to 44.5%. The Company continued to invest in its core businesses and develop new streams of revenue.

## Pillars to improve financial performance

**Customer –** Our culture of customer obsession and differential service has helped us win quality customers and propelled our revenue.

**War on Waste –** Structural cost containment through our flagship "War on Waste" program helped in driving operational efficiencies and improving EBITDA margin.

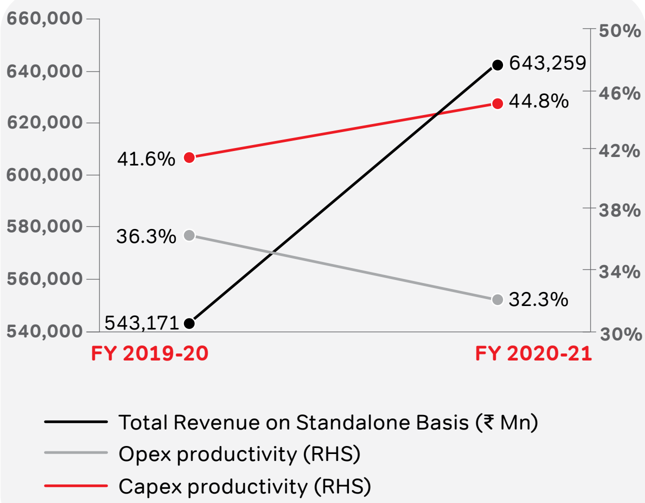
**Digital Platform –** Strong focus on digital platform by delivering best in class customer experience has helped in building a new revenue streams to the portfolio.

**Capex Investment –** We continue to invest in the best of emerging technologies and network infrastructure to make our networks future ready.

## 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** | |
| **Opex productvity** | Operating expenses/revenues |
| **Capex productivity** | Revenue/cummulative capex |




# Outcomes

### Value creation

| EBITDA margin (%) | Net Debt to EBITDA Ratio (times) |
|---|---|
| **44.5%** | **3.3** |
| 38.0% in FY 2019-20 | 3.8 in FY 2019-20 |

| PAT (₹ in Mn) | Cash generated from operation (₹ in Mn) |
|---|---|
| **(251,976)** | **343,923** |
| (360,882) in FY 2019-20 | 40,264 in FY 2019-20 |

### Contribution to stakeholders

| Market Capitalisation – BSE (₹ in Bn) | Contribution to exchequer (₹ in Mn) |
|---|---|
| **2,841** | **330,282** |
| 2,404 in FY 2019-20 | 434,878 in FY 2019-20 |

# Manufactured Capital

At Airtel, everything we do centres around delivering an unparalleled experience to our customers. For our new generation of customers, connectivity and the internet are redefining how they live, work and play. We are mindful that ability of our customers to realise new possibilities depends on our capability to provide a strong network and world-class services. Therefore, we are constantly investing in a smart way and expanding our infrastructure and growing our spectrum portfolio to be more future-ready than ever before.

**This section includes**

- Network quality, expansion and transformation
- Spectrum enhancement and re-farming
- Network reliability
- Strategic partnerships to enhance network security

**SDGs impacted**

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

India is home to the second-highest number of internet users globally. The Government of India's vision for a 'Digital India', coupled with technological advances, growing demand for digital services and customer demand for a seamless experience, has prompted us to make substantial investments in our network infrastructure.

We now connect 7,907 census towns and 792,827 census and non-census towns and villages through our mobile telephonic services, covering 95.5% of India's population with our network. We also remain focused on expanding our reach further into rural areas.

**216,901**
Mobile Network Towers

**606,783**
Total Mobile Broadband Base Stations

**3,603 Bn**
Minutes on Network (Mobile)

**32,541 Bn MBs**
Data Traffic (Mobile)

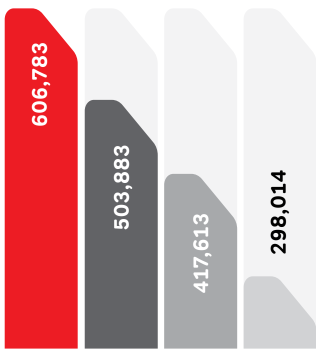
**324,825 RKms**
Optical Fiber Network

## Network quality, expansion and transformation

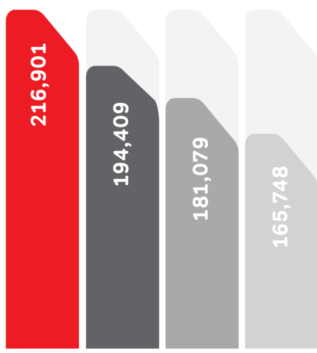
The growth in data traffic has spurred us to strengthen our footprint across different bandwidth spectrums. Led by our commitment to deliver outstanding customer experience, we are expanding our network to cover new locations, strengthen the network in existing ones, and add more sites and small cells in hotspot areas.

A total of 22,492 mobile network towers were installed in FY 2020-21 across all 22 telecom circles, an increase of 11.56% compared to FY 2019-20.

**Mobile Broadband Base Stations (in No.)**




**Mobile Network Towers (in No.)**




FY 2020-21 FY 2019-20 FY 2018-19 FY 2017-18

# Spectrum enhancement and re-farming

Airtel has built the most formidable spectrum holdings in the country. In the latest spectrum auction conducted by the Government of India, we acquired 355.45 MHz spectrum across Sub GHz, mid-band and 2300 MHz bands for a total consideration of ₹187,034 million.

## Airtel's Spectrum snapshot* (Unpaired)

**55** MHz
Spectrum in 800 MHz Band

**285.60** MHz
Spectrum in 900 MHz Band

**370** MHz
Spectrum in 2100 MHz Band

**606.50** MHz
Spectrum in 1800 MHz Band

**790** MHz
Spectrum in 2300 MHz Band

*Note:

1) Includes all spectrum acquired in 2021 auction and excludes spectrum due for expiry in September, 2021.

2) In April 2021, Airtel announced an agreement with another Telecom Service Provider to transfer the 'Right to Use' of its 800 MHz spectrum in Andhra Pradesh (7.50 MHz), Delhi (2.50 MHz) and Mumbai (5.00 MHz) on unpaired terms which is subject to statutory approvals as on the date of this report.

We have re-farmed our spectrum from legacy technologies like 2G and 3G to 4G to enhance coverage and capacity. Refarming of 3G spectrum led to additional spectrum usage for L900 and L2100 which boosted the network's 4G capacity and complimented the services we offer in the 2300 MHz and 1800 MHz bands. In the last two years, a total of 100,000 sites for 120 MHz have been re-farmed to a 4G spectrum from 3G.

We deployed 280 Massive Multiple-Input Multiple-Output (MIMO) in FY 2020-21 to scale capacity and meet throughput requirements. MIMO has been deployed to support traffic surges during cricket matches in the Arun Jaitley Stadium, New Delhi or in cities like Bengaluru to manage the high customer and payloads.

Airtel is the first operator in India to deploy 4G in licenced and unlicenced bands using Licensed Assisted Access (LAA) technology to tap into the unlicenced band spectrum and expand capacity.

We ran a special programme with our partners to improve spectral efficiency, which offered new features and fine-tuned parameters to increase spectral efficiency by up to 5% in all circles. As on March 31, 2021, our customer churn decreased to 2% for the fiscal year on a customer base of 321.4 million.

# Network reliability

Providing customers with consistent network coverage is an essential service, and its continuity needs to be ensured even during catastrophes. We have supported the 'Digital India Mission' by taking up several initiatives to improve network reliability.

A comprehensive Business Continuity Plan (BCP) ensures that our network is live even during adverse conditions. We have taken many measures and introduced various new initiatives to ensure uninterrupted connectivity during the nation-wide lockdown due to COVID-19 outbreak. An ecosystem was created wherein remote access was set up for the entire field staff including our partners. Automation and digitisation of our processes enables us to monitor our network remotely and resolve issues with minimal field visits. New tools like Groundhog have removed dependency on manual drive test of sites. We have introduced new automated tools for Root Cause Analysis and appointed resources from Microsoft for faster and accurate cause analysis and complaint resolution. We proactively inform our customers whenever a new site goes live or in case of mass outages in the Radio Access Network (RAN). As a result of such initiatives, our customer complaints have decreased drastically.

Further, as the traffic shifted from urban to rural areas, we diverted incremental capacities to rural areas. We rolled out aggressive capacity plans across circles to maintain customer experience standards despite the sudden change in traffic patterns. Moreover, we ensured adequate spares availability for corrective maintenance.

To strengthen the Airtel network across urban and rural areas, for better speed and voice quality, we rolled out the following initiatives during FY 2020-21:

- Deployed over 22,000 coverage sites across multiple geographies
- Total 43 PB capacity added in the network
- Spectrum maximisation on 4G carried out for 23,800 sites
- 3G services were shut down in a phased manner for 24,000 sites across eight circles and converted to 4G
- Maximisation of 4G spectrum through the deployment of L900 technology solutions
- Standardised cloud hardware to bring more efficiency across domains (VOLTE/PACO/VAS/IN/VRAN)
- Software Defined Networking automation to simplify multivendor applications

These measures reduced upgrade time, made operations more efficient, improved network resilience and reduced network interruption, with 0.005269 Average Network Interruption Frequency and 0.000014 Average Network Interruption Duration.

## Ready for a 5G future

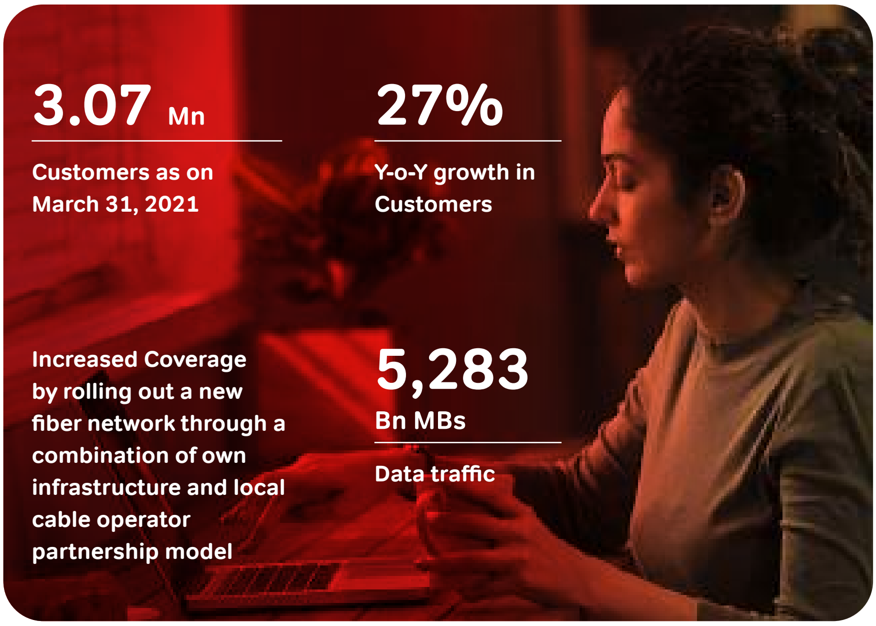
We are partnering with leading technology providers in our journey to roll out world-class 5G in India and are the first in India to test live 5G services over existing network. Our 5G network will be capable of delivering ultra-fast speeds with low latency and high concurrency compared to existing technologies. For customers, this will unlock a digital world of limitless possibilities.

## Homes services

Airtel now provides fixed-line telephone and broadband services for homes in 291 cities across India as compared to 111 cities at the end of the previous year.

There has been an unprecedented surge in demand for home broadband due to the ongoing pandemic. Homes broadband has become necessary to enable work-from-home, e-learning, online entertainment, digital payments and various other online services. A robust and reliable fiber network is key to addressing the growth in demand for home broadband.

During the year, we rolled out a new fiber network across major cities in India. Overhauling our network from Copper to FTTH continued to ensure that our customers enjoy higher speed and seamless connectivity. Additionally, local cable operator partnerships, an innovative and entirely digital-led model developed internally, has enabled Airtel to work with them in providing convenient last mile, accessing more cities and expanding the scale of its business. At the same time, we are unleashing entrepreneurial energy of these cable operators, in managing the last mile for us while providing them the backing of the Airtel brand – its customer support, billing systems, technology and its backhaul fiber connectivity.




## Digital TV services

Airtel Digital TV is one of the leading DTH service providers in the country. It offers the largest number of entertainment channels, including premium ones, to our subscribers. Our Direct-To-Home (DTH) platform offers standard and high definition (HD) digital TV services with Dolby surround sound.

Airtel Digital TV has witnessed a step up in customer additions on the back of its premium HD content. Airtel DTH keeps launching innovative products for its customers and provides them with best-in-class customer service. It is one of the fastest-growing DTH operators, with operations in 639 districts.

To deliver modern-day entertainment services to its customers, Airtel Digital TV launched the Airtel Xstream 4K Android Box (Connected Box) in September 2019, which saw a strong rise in demand for this first-in-kind Android Box and currently has 700,000 active users. We also launched the 'Airtel Xstream Bundle', which provides access to Linear Pay TV and OTT streaming apps such as Disney+ Hotstar, Amazon Prime Video and ZEE5.


**17.72** Mn
6.6% Y-o-Y growth
Customers as on March 31, 2021

**99.8%**
Coverage

**639**
Districts covered

## Airtel Business

Airtel is the most trusted provider of ICT services to individuals and enterprises in India. Our strategically located submarine cables and satellite networks connect customers across the world in the remotest of areas.

We offer a diverse portfolio of services to enterprises, governments, carriers and small and medium businesses, including:

- Fixed-line voice and data
- MPLS (Multiprotocol Label Switching), VoIP (Voice over Internet Protocol), SIP (Session Initiation Protocol) trunking to small and medium enterprises
- VAS services like International Toll-Free Services and SMS hubbing

**7**
Submarine Cable Systems

**365,000**
Rkms

**50**
countries

**5**
continents

**65**
Global PoPs (Points of Presence)

**Data centres in Maharashtra by Nxtra Data Limited**
Nxtra Data Limited, a subsidiary of the Company, offers secure data centre services to leading Indian and global enterprises, hyperscalers, start-ups, SMEs and governments through its nationwide portfolio of 10 large data centres and more than 120 edge data centres. During the year, we signed a Memorandum of Understanding (MoU) with the Maharashtra Industrial Development Corporation for setting up two new data centre campuses in the state.

## Enhancing digitisation for growing network capacity and improving customer experience

- We introduced network digitisation with auto-ticketing with solutions from Netcool and Remedy to reduce the time taken to isolate faults and rectify them.
- A Homes Network View (HNV) web portal and mobile app were created for Airtel's Call Centre and Field operations. This predictive Decision Tree tool tracks the real-time network quality of a customer's home connection to enable faster fault identification and resolution.
- We set up a dedicated Customer Experience Analytics portal to analyse quota and speed of usage across rental plans. This initiative upgraded speed plans for 3,500,000 customers.
- We introduced the Multi Router Traffic Grapher (MRTG) portal to generate broadband utilisation reports and develop productivity-enhancing tools.

- An application for capturing customer complaints was included in the Airtel Thanks App eliminating the need for customers to visit our premises, especially during the pandemic.
- We launched High-Speed V Fiber technology across India to deliver superfast broadband to digital homes covering 19 telecom circles and 3.06 million customers.

## Strategic partnerships to enhance network security

Airtel and Qualcomm announced their partnership for 5G in India. Airtel will use the Qualcomm® 5G RAN Platforms to roll out virtualised and Open RAN-based 5G networks as well as collaborate on a wide array of use cases, including 5G Fixed Wireless Access (FWA) designed to deliver broadband connectivity at Gigabit speeds to homes and businesses.

Airtel renewed its agreement with Ericsson to provide managed network operations across India. Ericsson will deploy the latest automation, machine learning and artificial intelligence (AI) technologies to enhance Airtel's mobile network performance and customer experience. Ericsson will also manage Airtel's network operations centres and field maintenance activities across India.

Extending its long-standing relationship with Nokia, Airtel announced a strategic partnership with Nokia's CloudBand-based software products to power Airtel's VoLTE network in India to support over 110 million customers, making it the largest cloud-based VoLTE network in India and also the largest Nokia-run VoLTE in the world. The deployment will allow Airtel to provide its mobile customers with faster, more reliable, cost-efficient call connectivity.

Airtel hosted India's First O-RAN ALLIANCE Plugfest, offering a great opportunity to Indian organisations with innovative hardware, software and services capabilities to build a 'Make in India - O-RAN solution' - for Indian and global markets.

Airtel selected Ceragon's products and services to expand its 4G network to meet the growing demand for broadband amid a sharp rise in data consumption across India. Airtel is looking to increase its 4G network capacity in urban areas and expand its coverage in rural regions and prepare for its future evolution to 5G.

Airtel selected IBM and Red Hat to build Open Hybrid Cloud Network. Though this collaboration, Airtel will build a modern, innovative and more responsive network infused with automation and AI, that will provide the consistency and agility needed for today's rapidly changing marketplace.

## Improving coverage in difficult terrains/ remote and rural areas

Nubra is a subdivision and a tehsil in the Indian union territory of Ladakh situated 10,135 ft above sea level. Called 'The valley of flowers', Nubra is a popular tourist destination. Given its location and remoteness, Nubra faces a challenge of connectivity and communication with only one VSAT-based service provider. Airtel has now laid an OFC passing through the Khardungla pass near the valley. While laying the cable at such a high altitude and punishing temperatures was challenging; however, our teams worked hard to beat the weather and delivered fiber connectivity to Nubra. We are the first and only operator to provide a high-speed quality network in Nubra with seven towers in the valley. Our 4G services have empowered the locals to improve tourism and access digital channels to grow business.

First and only operator of high-speed quality network in Nubra

365 new sites added in FY 2020-21

10 new sites in the Ladakh region

## Broaden our reach in rural India in the North-East

The Government of India has approved a proposal to implement a comprehensive telecom development plan for the North-Eastern states. This project will provide mobile coverage to a set of under-served villages across Arunachal Pradesh, Assam, Manipur, Mizoram, Nagaland, and Tripura. As part of this initiative, Airtel has installed 1,350 mobile towers along national highways to bring 4G services to these villages. We appreciate the contributions of our network teams, who have overcome the challenges of harsh weather and rugged terrain to bring these services to the people.

These 4G services enable local communities, the army and tourists visiting the region to avail of digital services like HD quality videos, superfast downloads and high-speed internet browsing.

**1,350**
New Towers Installed

**8.5 Lakhs**
New customers

## Airtel operates 5G and 4G on the same spectrum block

Airtel became India's first telco to demonstrate and orchestrate LIVE 5G service over a commercial network in Hyderabad over its existing liberalised spectrum in the 1800 MHz band through the NSA (Non-Stand Alone) network technology.

Airtel seamlessly operated 5G and 4G concurrently within the same spectrum block using a first-of-its-kind dynamic spectrum sharing. This demonstration has further validated the 5G readiness of Airtel's network across all domains - Radio, Core and Transport.

India's first telco to demonstrate and orchestrate LIVE 5G-service over a commercial network

Safety and Convenience

# Enabling a secured digital world for our customers

## The accelerated pace of digital transformation has brought with it heightened risks of data security and privacy.

One of the critical requirements of our customers is to ensure cyber security in their journey of digital transformation. To cater to such demand, we launched Airtel Secure – a comprehensive suite of advanced cyber security solutions offered through strategic partnerships with global leaders such as Cisco, Radware, VMWare, and Forcepoint. It combines our robust network security with cutting-edge solutions delivered through global partnerships so as to provide end-to-end managed security services. As part of Airtel Secure, we launched our state-of-the-art Security Intelligence Centre.

As far as our payments bank customers are concerned, the accelerated pace of digital transformation has brought with it heightened risks of data security and privacy, exposing digital transactions to cyber fraud, data theft and phishing attacks. Our Airtel Safe Pay is India's safest mode for making digital payments that leverage our network intelligence to provide an additional layer of security compared to the industry norm of two-factor authentication. With Airtel Safe Pay, our customers making UPI or Netbanking based payments through Airtel Payments Bank, no longer have to worry about money leaving their accounts without their explicit consent.



During the pandemic, when the disproportionately impacted marginalised migrant workers were unable to access banking facilities and government benefits, we enabled Airtel Payments Bank on their mobile SIM through our Bank Wala SIM endeavour. Similarly, we collaborated with Mastercard to provide customised healthcare solutions to MSME workers, helping them tide over the crisis and bringing them into the economic mainstream.

We believe that we have a strong point of differentiation that solves a real customer problem: convenience and security.

## With Airtel Safe Pay, our customers no longer have to worry about money leaving their accounts without their explicit consent.

**In this section**

# Intellectual Capital

Our robust portfolio of intangible assets, including the 'Airtel' brand, legal licences to operate, collective intellectual capability and functional expertise, the strategic innovation encoded in our products and services, powerful brand engagement solutions and our business processes constitute our Intellectual Capital. Together, these key pillars help us realise our brand's commitment to customer-centricity. We are growing our investments in Intellectual Capital to meet the needs and solve problems of a digital-first and new generation of customers.

**This section includes**

- Airtel – the most aspirational brand in India
- Advancing innovation of products & services
- Building an ecosystem of highly skilled people to foster innovation
- Supporting growth of startups through our digital platforms and capabilities
- Strategic Partnerships

**SDGs impacted**


# Airtel – the most aspirational brand in India

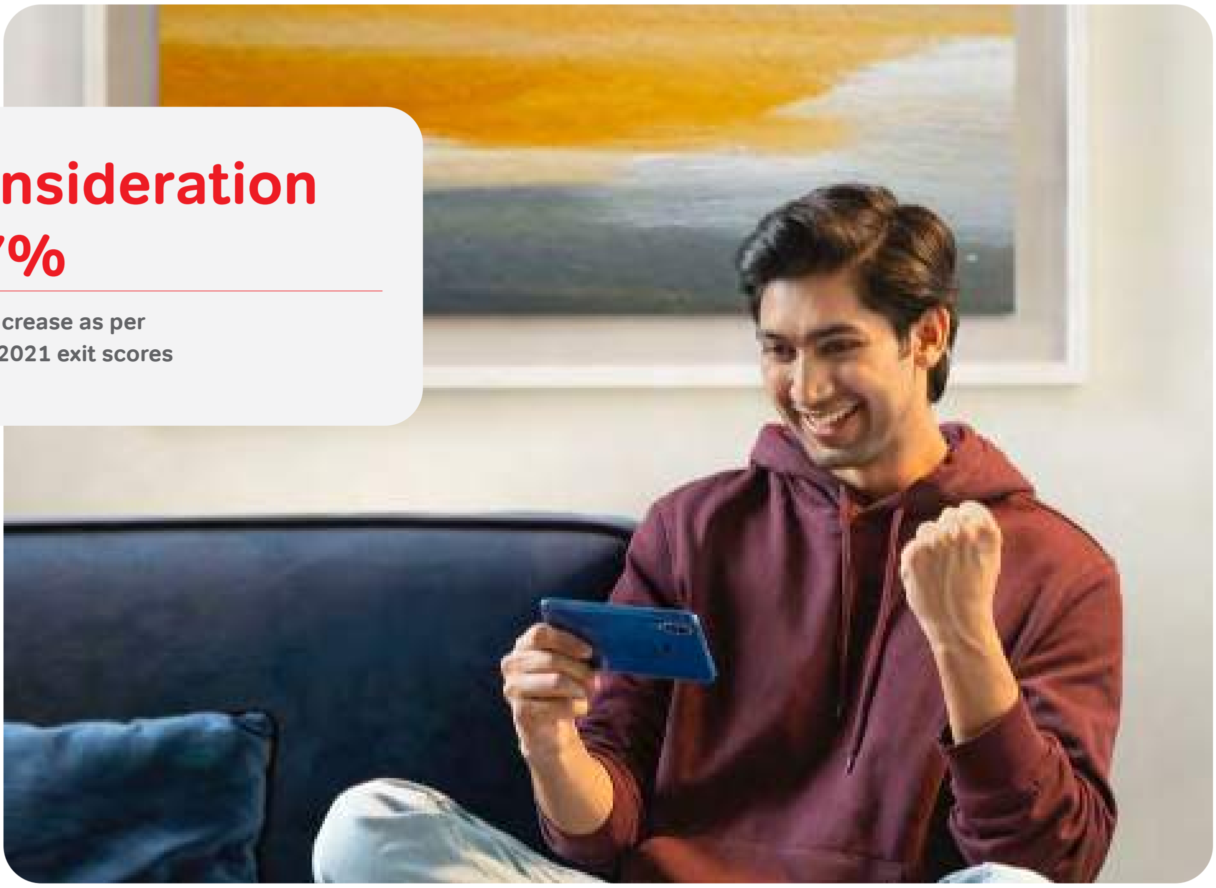
Our biggest intellectual capital is our brand - **Airtel** which has always stood for providing excellent performance and world-class experience to its customers. Brand Airtel has been known for its many 'industry first' initiatives and bold and audacious communication approach while being honest and transparent with its customers.

Everyone at Airtel knows the urgency of solving a problem that really matters. We are passionate about making a real impact with customer-centricity at the core and constantly endeavour to bring out the best impact with new and path-breaking creations.

**Consideration**

**5.7%**

Y-o-Y increase as per March 2021 exit scores



# Advancing innovation of products & services

We continuously broaden our portfolio of innovative products and services to meet the dynamically changing needs of our customers in a connected world. We put customer expectations and needs at the core of our product development lifecycle – it is what propels us to consistently raise the bar on innovation through cutting-edge technology and process engineering.

We are proud that we do not have to search far and wide for the innovations we bring to the market. They are ideated, designed, developed and deployed by our employees, partners, communities and every other stakeholder who is part of the Airtel family. At Airtel, each of us is an innovator with the ability and determination to turn ideas into reality. Below are some of the examples of such innvovations:

## Airtel IQ

### Architected by Airtel's top digital talent

We launched Airtel IQ, a cloud-based omni-channel communications platform, in FY 2020-21 which helps businesses drive deeper customer engagement through seamless and secure communication delivered over the cloud. Enterprises can plug and play their applications using the flexible and easy-to-use APIs on the platform. They can connect with customers through their preferred channels – calls or SMS and mobile or web app – delivered through Airtel's state-of-the-art, pan-India network. The platform offers telco-grade network and security features, including advanced data encryption that spans multiple platforms and channels and eliminates the need to implement standalone security protocols. With just a slice of code, businesses can embed communication services such as Voice, SMS, IVR across their applications and digital properties for desktops and mobiles, all through a unified platform.

So whether it is a consumer ordering food through Swiggy or tracking order by calling the delivery agent or a customer arranging for a blood sample collection from Lal Path Labs, this entire communication gets orchestrated over Airtel IQ in a seamless, secure and reliable manner all over the cloud.

## Airtel Ads

### A powerful brand engagement solution

Launched in FY 2020-21, Airtel Ads allows brands of all sizes to curate consent based and privacy safe campaigns to one of the biggest pool of quality customers in India. Using Airtel's deep data science capabilities, Airtel Ads allows brands to create high engagement and high impact campaigns to the most relevant customer cohorts.

Read more at Page no. **42**

# Airtel IoT

## A 5G-ready platform powering enterprises

Airtel IoT is an integrated platform to harness the power of the Internet of Things (IoT). It is a secure end-to-end platform with the capability to connect and manage billions of devices and applications seamlessly. Airtel's 5G-ready network powers the platform that comes with the option to deploy NB-IoT, 4G or 2G connectivity using Airtel e-SIM technology.

The platform also has a flexible set of APIs to eliminate cumbersome integration journeys. It allows enterprises to connect, collect, and analyse data through their existing workflow tools. Airtel's telco-grade security ensures that enterprise IoT data is safe and delivers real-time analytics and services.

Some of Airtel's IoT-based products are already helping enterprises transform their business and reduce their carbon footprint. These include TraceMate, Smart Vehicles and Asset Tracking.

### Airtel TraceMate

A cell-id based system that helps businesses track the location of their people resources in real-time. For example, a logistics aggregator can use the system to track the movement of its vehicles and drivers to ensure safety, on-time delivery and efficient route mapping.

### Smart Transport

A fleet management solution that helps businesses enhance logistical efficiencies with real-time vehicle tracking, monitoring the health of their fleet and optimising routes with advanced analytics. The solution includes a tracking device, IoT connectivity and is integrated with APIs. India's first connected car MG Hector's advanced telematics and infotainment features such as vehicle tracking, emergency calling, real-time diagnostics, music streaming, etc., are powered by Airtel's IoT solution.

### Asset Tracking

Airtel's asset tracking solution helps businesses gain visibility and actionable insights from their supply chains. This includes tracking various productivity markers like location, temperature, vibration and humidity of the asset. The system offers predictive alerts using sensors. This facilitates predictive maintenance, reduces operational costs and ensures the security of assets. India's leading water purifier company, trusts Airtel for its in-car security solution that monitors its fleet and ensures passenger safety.

# Airtel Secure

## Helping businesses tide over rising cyber threats

During FY 2020-21, Airtel announced the launch of Airtel Secure – a comprehensive suite of advanced cyber security solutions for business customers. It combines Airtel's robust network security with cutting-edge solutions delivered through global partnerships to deliver end-to-end managed security services. Airtel Secure has created the most comprehensive portfolio through strategic partnerships with global leaders such as Cisco, Radware, VMWare, and Forcepoint.

# Airtel Xstream Bundle

## Changing entertainment forever

When customers were increasingly spending more time online be it education, work or entertainment, Airtel announced the launch of its new Airtel Xstream Bundle, combining the power of Airtel Xstream Fiber with speeds upto 1 Gbps, Unlimited Data, the first-of-its-kind Airtel Xstream Android 4K TV Box and access to all OTT content. Airtel Xstream is India's premier entertainment platform that brings the best of entertainment along with unlimited high speed broadband connectivity into a single solution.

## Airtel Thanks

Airtel Thanks is a rewards programme for our valued customers on the Airtel Thanks app, giving them access to exclusive rewards, perks and privileges. This loyalty programme provides benefits like enhanced data speeds, data rollover facilities, access to premium services like Wynk Premium, Zee5, Reader's Club on Juggernaut, online security, and device insurance.

This platform provides a 360° view of our customers and serves as a channel to deliver value-added services. It enables real-time mapping of customer profiles, backed by an Open API tied to third-party service providers. The platform is integrated with our subscription and provisional billing engine for prompt activation of service. It simplifies the customer experience by offering services like online recharging and adding recharge reminders, amongst others. Currently, over 10% of all recharges done on the app are signing up to receive recharge reminders demonstrating the usability of the function.

In FY 2020-21, we enhanced self-care functionalities on the Airtel Thanks app for our customers, reducing their need to call our agents or mail us. We have added a Help and Virtual assistance functionality that offers customers information on our products and services and allows them to register complaints related to bill disputes, network issues, payment postings, etc. New features enable customers to seek a one-time service resumption if services are barred due to non-payment and waiver for late payment charges. We added a 'Manage' section that allows customers to manage family connections, buy data boosters and update profile information. They can also activate and deactivate DND and Safe Custody, add or remove channels, change bill plans, check the feasibility of transferring connections using the 'Manage' functionality.

# Building an ecosystem of highly skilled people to foster innovation

From small fun initiatives like hello tunes, to more impactful ones like Airtel Ads, each innovation has changed our consumers' lives for real and forever. Each of these innovations have come from within, from our very own skilled talent. We don't rely on larger arms abroad, we are not bound by hierarchy, neither do we link innovations to singular functions. At Airtel, every single one is an innovator, supported by all to the best of their abilities to turn their ideas into reality – that reality which is lived by our millions of customers.

airtel X labs

Airtel X Labs – our in-house digital innovation factory that focuses on IoT, Digital Engineering, Artificial Intelligence, and Machine Learning etc., and cutting-edge capabilities to serve the emerging needs of Digital India. The lab focuses on bringing impactful innovations and derives a range of digital products to enhance customer experience and operational efficiencies.

The lab is powered by scientists, mathematicians, engineers, and AI experts drawn from globally renowned institutes like NASA, Indian Institute of Science, Indian Statistical Institute, Massachusetts Institute of Technology, and other technology giants. They process trillions of data generated from frequency, origination and other parameters of calls, apps, IoT devices, phones and GPS to design innovative solutions for our customers and business partners. The lab adheres to the 'Bharti Airtel Information Privacy Policy (BIPP)', aligned to the Information Technology (IT) Rules 2011, Government of India and best practices of GDPR while accessing operational and customer data.

**1,600+**

**Digital talent base**

## Digitising our workforce

We are designing and deploying digital solutions that enhance connectivity, efficiency and productivity of our external and internal stakeholders, including our customers, employees and other stakeholders.

### Customer Service Agents

Airtel's advanced 'Decision Tree' tool backed by AI models and machine learning has helped customer service agents respond to queries faster. The tool integrates data and queries from CRM systems, billing and payment platforms to provide cohesive information to our agents and reduce the time taken to resolve issues.

### Retail workforce

We have digitised the payment collection process at Airtel and partner-owned retail outlets with the 'Mitra' application. This solution has empowered our retailers and field force to go paperless and process payments digitally.

### Network field force

Our digital platform 'Airtel Work' has automated multiple tools needed by the network field force to complete tasks at customer sites. The platform offers real-time tracking of requests, delay alerts, notifications for new tasks, schedule follow-ups, and track leads. Together, these functionalities have expanded the scope of paperless execution and faster resolution of on-site projects.

## Robust security measures

Airtel has a robust Information Security Policy that covers our employees and operations as well as partners in the value chain. The policy provides management direction on security controls and outlines guidelines for maintaining and managing information security across Airtel and our strategic partners. Airtel has an Information Security Risk assessment and recovery strategy aligned with ISO 27001 and ISO 22301 standard requirements. Airtel's business continuity management system is certified by ISO 27001. Additionally, Airtel has robust incident response procedures which are tested annually at a minimum.

Airtel's IT infrastructure and information security management systems are audited periodically by external auditors. Additionally, vulnerability assessments are undertaken to test and strengthen the resilience of the security systems. Further, we impart information security training as part of induction and refreshed at least once a year for all employees. The training covers security policy and procedures, legal responsibilities, business controls and acceptable information processing modalities.

# Supporting growth of startups through our digital platforms and capabilities

Airtel Startup Accelerator Programme, launched in FY 2019-20, fosters innovation across the ecosystem and helps our country realise its aspiration of a 'Digital India'. We have onboarded and strategically invested in many start-ups doing game-changing work in Artificial Intelligence, cloud and digital learning. The early-stage start-ups selected for the programme get access to Airtel's online and offline distribution network, deep market understanding, strong in-house capabilities around machine learning and ecosystem of global strategic partners.

**Airtel added Edtech to its digital portfolio with stake acquisition in kids learning startup – Lattu Kids**

Airtel acquired a strategic stake in Edtech start-up, Lattu Kids, which specialises in digital learning tools for children. Its highly popular app focuses on improving English vocabulary and reading skills as well as aptitude in Mathematics for children under the age of 10 years through entertaining and animated videos and games. The investment will enable Airtel to add Edtech to its premium digital content portfolio and give distribution scale to quality learning material from Lattu Kids.

**Airtel onboarded Waybeo to fast-track its growth by leveraging our global scale cloud stack**

Airtel onboarded Waybeo, a Trivandrum headquartered start-up focused on deep AI-based analytics for cloud telephony, to enable Waybeo to fast-track its growth by leveraging Airtel's global scale cloud stack and enrich our cloud stack with their offerings as well. Waybeo has built cutting-edge analytics tools for the enterprise cloud telephony segment. Waybeo's solutions will get larger distribution reach while giving Airtel access to Waybeo's proven and emerging technologies.

**Airtel acquired strategic stake in Voicezen**

Airtel acquired strategic stake in Voicezen, an early stage startup focused on conversational AI technologies, as a part of which Airtel will get preferred access to Voicezen's solutions that analyse call data and convert speech to text supporting 'Hinglish' and four regional languages. The solutions offer real-time analytics and insights to make Airtel's conversations with its customers more engaging and frictionless and enable faster issue resolution.

# Strategic Partnerships

We partner with leading global and Indian players to elevate our offerings and solutions for our customers. These collaborations help us bring the latest telecommunications-enabled products and services to our customers and enrich our intellectual capital and assets.

Airtel was the first to roll out Amazon's Prime Video Mobile Edition, making high-quality entertainment accessible to millions of its customers. We created an exclusive Amazon Prime Video Mobile Edition pack for our prepaid customers.

Airtel partnered with National Small Industries Corporation to provide millions of Micro, Small and Medium Enterprises (MSMEs) access to its network and connectivity, conferencing facilities, cloud infrastructure and security, and Go-to-Market solutions. This partnership will empower the MSME sector to leverage the best of a connected economy and digital solutions to grow business and realise the Government's goal of 'Atma Nirbhar Bharat'.

ZEE5, the Indian on-demand internet streaming media provider, allowed our smartphone customers to access the platform’s premium content catalogue through our high speed data network and enjoy unlimited calling benefits.

Airtel and AWS entered into a multi-year, Strategic Collaboration Agreement (SCA) to bring secure and scalable cloud solutions to enterprises in India. As part of this agreement, Airtel Cloud, a multi-cloud product and solutions business, will offer customers a range of AWS services, including Windows on AWS, SAP on AWS, VMware Cloud on AWS, database migration, and security and risk governance solutions. Airtel Cloud will also use AWS' services across analytics, data warehousing, Internet of Things (IoT), and Machine Learning (ML) to help customers design new services and migrate to the cloud from legacy infrastructures.

# Human Capital

Airtel's strength lies in its dynamic talent base who empowers the Company to relentlessly pursue its mission of turning ideas into reality and making meaningful difference to the lives of millions. Keeping 'I am Airtel' and employees' health, well-being and development at the core, we are focused on creating a culture where our employees feel winning and energised and our top talent is inspired and valued. Our people policies have been designed to promote a diverse and inclusive culture, creating an encouraging and healthy work environment across employee life-cycle.

**This section includes**

- Talent attraction & Human Capital development
- Employee health and well-being
- Diversity & inclusion
- Promoting human rights
- Our COVID response

**SDGs impacted**

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Our employees are our biggest brand ambassadors and bring to life the spirit of 'I am Airtel'. Our employees deliver on our principle of 'Customer Obsession' by prioritising customers above everything else. We cement this into our culture through following key 3 behavior of GPS - Start Green, deliver Promises and Solve problems:

## I will do all it takes to ensure my Customer starts Green

## I will deliver what I promise to my Customer

## I will do all it takes to solve my Customer's problem

We believe that having the right talent, in the right place, at the right time is critical for success. We attract, retain, train and nurture a tech-savvy talent pool who are aligned to our values and vision. We groom our employees to be fair and ethical, own their careers while they create sustainable value for the Company, its stakeholders and themselves. We foster an agile and collaborative environment that encourages harmony, innovation, pride and trust amongst our people. We are committed to their health, well-being & happiness and continuous learning and development.


**Workforce Composition as on March 31, 2021**

| Category | Male | | | Female | | |
|---|---|---|---|---|---|---|
| | Age <30 years | 30 -50yrs | Age > 50 years | Age <30 years | 30 -50yrs | Age > 50 years |
| Junior management and below | 2,845 | 6,208 | 102 | 446 | 366 | 8 |
| Middle management | 267 | 3,346 | 117 | 85 | 359 | 9 |
| Top management | 0 | 17 | 16 | 0 | 2 | 1 |

# Highlights

**14,194**
Total employees on roll (all nationalities)

**14,187**
Employees with India nationality

**7**
Employees from other nationalities
(4 Americans, 2 British and 1 Australian)

**12,918**
Male employees

**1,276**
Female employees

**34,600+**
Contractual employees

**2,497**
New employees hired in FY 2020-21

**2,347**
Internal hires
(Open positions filled by internal candidates)

**34.8 Years**
Average age of employees

**19.35%**
Employee turnover

**9.34%**
Voluntary employee turnover

**₹4,269,768**
Gross revenue per employee per month

# Talent attraction & Human Capital development

## Touching all aspects of employee life-cycle

At Airtel, we endeavour to attract and hone qualified talent who can help the Company transform into a future-ready and digital-first organisation. We attract and encourage tech-savvy talent to pursue relevant learning and development opportunities to build enriching careers.

To pivot to a new, digital-first future, we have hired top technical talent across India to create plug-and-play platforms for our customers. We are also collaborating with start-ups to expand our capabilities in developing new-age, scalable technologies and solutions based on their platforms.

Airtel has made the onboarding journey fully digitised. This role-based digitised onboarding journey has been crafted as a 90-day programme which includes the dual stages ranging from pre on-boarding to post on-boarding.

### Enabling a flying start

Based on key principles of employee delight, faster team assimilation, cultural integration and clarity of ownership, a fully digital and tech-enabled onboarding program (administered through mobile-first induction platform – New Bee) for new joiners helps instill a strong sense of pride in joining Airtel. To make the joining a celebration, the Company provides the new joiners an attractive welcome kit having policy ready reckoner, process FAQs, welcome letter and Airtel branded merchandise.

This institutionalised journey is divided into exciting milestones – starting from introduction; comprehensive discussions with reporting manager on role clarity and induction; allocation of 'buddy' and completion of infrastructure requirements; sessions on Airtel journey – its GPS, vision, mission and values; connect with business/ functional leadership; organisational announcements; tracking progress of end-to-end induction; and goal setting for clarity in ownership etc.


### Capability Building

We use structured interventions to build professional and functional skills and deploy broad-based learning through Product School, Techniversity and Gurukool etc. to upskill employees to deliver higher business impact.

### Talent ownership building

(People Manager Capability)

We adopt a specially designed framework to enhance the effectiveness of our people managers through structured learning interventions on practices aligned to our vision. This approach uses a 70: 20: 10 principle across People Manager Continuum and Employee lifecycle. We encourage on-the-job learning assignments, peer mentoring, formal e-learning and instructor-led training to help employees become effective people managers.

### Building leadership pipeline

Structured leadership pipeline development program for top talent across all levels, through Airtel Leadership Academies.

We have a robust strategy to attract talented professionals who have exemplary academic, technical and functional capabilities. However, we also ensure that they are aligned with our values and committed to running a responsible, ethical, transparent and sustainable business.

Airtel has designed structured onboarding and induction journeys for new hires. We rolled out a mobile pre-onboarding app, **'NewBee'**, to engage with new hires digitally, given the restrictions of the pandemic.

We employ people globally and offer equal opportunities to all. We ensure adherence to human rights and labour laws across our operations and those of our vendors to provide equitable terms of pay, working conditions and hours of work, etc. There have been no incident of major layoffs at Airtel during the last three years. Our network spans the remotest pockets of India, which creates sustainable livelihoods and productive employment opportunities for many.

## Attracting the best

We believe in attracting and retaining the best talent and have significantly ramped up our digital teams over the past year. Our successful Young Leaders Program (YLP) and Young Technical Leaders Program (YTL) have led to a pipeline of digital-first talent within the Company.

### Young Leaders Program

This 12-month programme nurtures young talent from premier business schools through structured training, immersion in community initiatives and mentoring by the Airtel Management Board and other leaders.

### Young Technical Leaders Program

This program gives graduates from leading engineering colleges an opportunity to engage with and learn from the best engineering talent and leaders in Airtel. It also gives them a bird's eye view of the Company's cutting-edge technology at work.

**16**

Campuses visited under YLP

**49**

Young Leaders (14 females) recruited

**12**

Campuses visited under YTL

**91**

Young Technical Leaders (19 females) recruited

## Airtel I-code – Hackathon Challenge

Airtel's first I-code – Hackathon Challenge was launched in FY 2020-21 to strengthen our employer brand visibility and recall across engineering colleges. More than 50,000 students and experienced professionals participated in the challenge.

## iCreate: Airtel's business case competition for management institutions in India

The iCreate competition gives participants a rare opportunity to tackle LIVE business problems. The winning teams get an opportunity to work with Airtel's incubation team and experience its product management capabilities. More than 5,000 participants from 17 premier business schools including IIMs, ISB, XLRI, TISS, FMS, SP Jain, MDI and IIFT participated in this business case competition in 2020. The year's theme was 'Product Incubation and Innovation' which aligns with Airtel's strong focus on bringing digital solutions to the market for the consumer and enterprise segments. Team Conquerors from the Indian Institute of Management (IIM), Bangalore won the 2020 edition of iCreate and took home the top prize of ₹10 lakhs. The campaign had a social media outreach of 10,000 in the Grand Finale Week.

## Building a deep learning culture

The success of an organisation is determined by the capabilities, engagement and commitment of its employees. To remain relevant in this ever-evolving technological landscape, we encourage our employees to keep learning. At Airtel, learning touches all aspects of the employee lifecycle.

Our learning and development approach enhances on-the-job performance and builds a capability network for current and future skills. Airtel has a mix of self-development modules and structured training covering various strategic, functional and business needs, including critical topics like Code of Conduct, information security, data privacy and risk management. Learning at Airtel has been revolutionised by the Learning Menu Card, which summarises training options for our employees. These measures have enhanced employee productivity, efficiency and retention across the organisation.

Investing in learning and development programmes has helped us:

**Enhance** employee productivity and efficiency

**Reduce** employee turnover and the associated costs of attrition

**Increase** internal succession rate

**Increase** customer satisfaction and retention

**Improve** customer service and reduce complaints

**Increase** competitive advantage through enhanced capabilities

### Highlights of FY 2020-21

**317,333**
Total training hours

**23.34**
Total training hours per employee

**95%**
Learning coverage (percentage of employees who received training)

**7,772**
Training interventions

**₹87 Mn**
Expenditure on trainings

**₹6,399**
Spent on trainings per employee

### Behavioural training

We offer a range of training interventions to nurture positive behavioural, communication and attitudinal attributes in our employees. We launched 'Cracking the Growth Code', a series of instructor-led trainings to address critical skill development requirements to deliver high business impact for junior, middle, and senior management.

**Behavioural**

**28,072**
Training hours

**55**
Training interventions

## Leadership training

Leadership training programmes prepare potential talent for higher managerial positions and groom Airtel's leaders of tomorrow.

**Elevate**
A people stimulation classroom programme that sensitises employees to the need for and ways to create a transparent environment powered by an open dialogue culture. 629 managers participated in the programme in the reporting year.

**Embark**
A programme for first-time people managers involving practical skills-based training. 152 managers attended the program in the reporting year.

**Hire Right**
A learning programme with scientific and structured tools which helps senior professionals understand how to recruit experienced and senior talent.

**Ascent 2.0**
A learning module that helps people managers build high-performance teams through team visioning, collaboration, communication and coaching exercises. 90 managers underwent the training in the reporting year.

**Leadership**

| 19,419 | 15 |
|---|---|
| Training hours | Training interventions |

## Mandatory Training

Our employees undergo several mandatory trainings to ensure the safe and efficient delivery of our services and reduce organisational risks while helping us stay compliant with local and national policies and government guidelines.

**Mandatory**

| 20,537 | 9 |
|---|---|
| Training hours | Training interventions |

## Functional Training

A suite of specially designed learning programmes covering all our businesses and functions – Core business, Supply Chain Management, Marketing, Finance, Sales B2C, Airtel Business, Retail, Homes and Digital Business – strengthens domain knowledge and deepens customer-centric skills. Homes Academy, Nlead Academy (Network) and Airtel Business Academy are all functional academies that cultivate functional talent and expertise.

The programmes include modules like 'Learning-on-the-Go' (LeGo) and 'N-Rich', which train employees on new network technologies and growth tools.

**N-Rich**
N-Rich builds the technical knowledge of our network employees. It covers technologies such as 5G, Cloud & Virtualisation, Packet Core & Small Cells, Network Security, IoT, Volte, Mobility Core and IP.

**LeGo 2.0**
LeGo 2.0 is designed to deepen the product knowledge of the Company's high-growth offerings across Airtel Business unit employees.

**Demystifying Telecom Network**
Demystifying Telecom Network covers network optimisation, understanding and troubleshooting to deepen network knowledge. The programme saw 1,300 participants who rated its effectiveness at 4.5 out of 5.

**Functional**

| 98,216 | 131 |
|---|---|
| Training hours | Training interventions |

## Digital Learning

Digital training platforms help Airtel employees access a broad range of skills and increase productivity. These include Coursera, LinkedIn Learning, iLearn, Pluralsight, Airtel101, Gurucool – Engineering, Techniversity, Product School & Converge. In FY 2020-21, we engaged 95% of our employees in learning and development initiatives, of which 89% was through online platforms.

**iLearn**
An integrated learning application that provides on-the-go learning by integrating content from platforms like Coursera, LinkedIn and in-house programmes.

**Airtel 101**
This mobile app aims to enhance functional knowledge of all Airtel employees through small, byte-size modules that can be assimilated on-the-go.

**LinkedIn Learning**
This platform is preferred by employees to access their development action plans and facilitate learning on-the-go. We have seen a 108% increase in average LinkedIn Learning logins by our employees in FY 2020-21 compared to FY 2019-20.

**Coursera**
Employees belonging to the B1 band can nominate themselves for courses available on Coursera certified by global universities. More than 50% of the employees who signed up for the courses have completed them. The industry average stands at 40%.

**151,088**
Training hours

**7,562**
Training interventions

**7,636**
Course completions

**40,603**
Course completions

**72,560**
Course completions

**435**
Course completions

## Building a community of winning future leaders

As we stand at the cusp of a new world powered by digital forces, we reinforce our faith in the belief that an effective leadership culture defines the future trajectory of any organisation. We have defined personalised Leadership Journeys to groom our top talent. Airtel Leadership Academy, introduced in FY 2018-19, is an immersive flagship programme for building skills which is delivered along with partners like INSEAD, IIM Ahmedabad and Eruditus Executive Education. The programme is pivoted around 4 pillars viz., Strategic Thinking, Leading Self and Teams, Customer Focus, and Digital Disruption.

Aspirants at Airtel Leadership Academy undergo a rigorous selection process to be accepted. Thereafter, a structured development roadmap outlines their learning journey, including self-discovery, immersing in critical on-the-job projects, leadership exposure and undergoing customised management development programmes from international universities. Today, Airtel Leadership Academy has become aspirational milestone and a foundation for Airtel's pursuit of turning ideas into reality.

During FY 2020-21, Airtel launched a completely virtual Advanced, Future and Emerging Leaders Program (ALP, FLP and ELP) for 255 select participants to build a strong pipeline of internal talent for critical roles across levels of the organisation to enable the pace of growth at Airtel. The Academy participants are provided a continuous roadmap of role specific on-the-job experiences, leadership exposure and deep online learning interventions. More than 160 participants have stepped up in their career through either a role movement, role enhancement or promotion during the year. The 'Amber' Mood Score for Academy participants stood at 4.62, which is better than the Company's overall score.

## Airtel Leadership Academy

### Structured leadership development journeys for top talent across all levels


**Executive Leadership Program (XLP) to train for senior/top management roles including CEO**

Airtel rolled out the second batch of the Executive Leadership Program (XLP) in collaboration with INSEAD to groom talent for CEO roles. More than 30% of participants have stepped up to enhanced roles.

**Advanced Leaders Program to train functional/ vertical heads and Future Leaders Program to groom for middle management roles (ALP and FLP)**

Through ALP and FLP, 102 participants including senior manager, DGM and GM levels from across the country selected. This programme gave participants exposure to cross-functional/cross-business knowledge through best-in-class management development programmes with leading institutes like IIM-A. More than 60% of participants from the ALP and FLP Class of FY 2020-21 have stepped up within their current roles or moved to new or enhanced roles.

**Emerging Leaders Program (ELP) to groom first time managers/junior management**

Through ELP, around 197 participants have been selected across the country to groom first-time managers. More than 30% of participants have stepped up to enhanced roles.

## Engagement across employee life-cycle

An engaged workforce drives an organisation's growth and secures its future. We endeavour to provide our employees with a superior experience from the time they become a part of Airtel. Our in-house digital platforms help us run creative and engaging internal communication programmes. They offer our employees opportunities to showcase their talent and share their knowledge and experiences.

The Airtel **Amber** app collects perceptions, expectations and satisfaction data across the employee lifecycle. Employee engagement on Amber significantly improved from 50% to over 70% in the reporting year. Our employee engagement survey on Amber is tenure based. It triggers on an employee's 15th, 45th and 90th day in the organisation and thereafter every six months and seeks their feedback through a set of engagement questions.

The information-sharing app **Hive** allows employees to share knowledge and skills. It is a one-stop-shop to garner knowledge about Airtel. Leadership connects like **'Chai pe Charcha'** and **'Coffee Connects'** help leaders engage with our talent, new joinees and high performers in informal spaces and have free-flowing discussions.

Employee Engagement Score

| 76% | 4.3 | 4.3 | 4 |
|---|---|---|---|
| Employees responded to the engagement survey | Employee Engagement Score (out of 5) | Male Employees (out of 5) | Female Employees (out of 5) |

## Fostering engagement through effective learning programmes

### Friday Masterclass Series

Launched in May 2020, voluntary webinars were conducted for our employees across the country on topics ranging from health and well-being to behavioural soft skills. #FridayMasterclass has become a weekly habit for the organisation covering over 50 masterclasses and reaching more than 6,000 unique employees.

### Pragati Academy

Making Talent Ready for Next Role – A 100-day academy aimed at grooming Territory Sales Managers from our rural and smaller regions to take responsibilities for bigger territories and urban manager (UTM) roles. 80% of the total UTM fulfilment for the reporting year was done through this route.

### Learning Café

An interactive social learning platform where employees participate in knowledge sharing sessions, debates and discussions. In FY 2020-21, 8 Learning Café batches reached 120 participants.

### Super 40

A career development initiative for the high potential talent in Bihar and Jharkhand based on the concept of Aspire, Invest, Move (AIM). The initiative encouraged participants to have career conversations, articulate aspirations, develop Individual Development Plans and proactively look for career movement opportunities within Airtel.

### Airtel turned 25

2020 marked 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. Our valued employees celebrated 25 years of Airtel with great zeal and zest. On the day, we had an address


by MD & CEO, montage of Airtel's stalwarts, roundtable conference on our journey and the Airtel Idol Contest with internal band performances. Through #PasstheBaton video, a 60-second fun video message was shot for Airtel@25 which was stitched together to create a loop of organisational milestones.

The celebrations also included pre-event buzz which collated employee stories, quizzes and contests, recognising longstanding relationships and new associations. In post event buzz, we showcased employee stories.

# Employee health and well-being

The health and well-being of our employees are always one of our key priorities. We ensure our employees have access to healthy and safe work environments. During the pandemic, we advocated social distancing at office locations that continued to operate. Regular disinfection of premises, offices, buses and colonies was made mandatory. Masks, hand washes and sanitisers were given to all front-line employees.

We believe that the health and well-being of our employees is or paramount importance. We provide free health check-ups and organise wellness camps and occupational health clinics throughout the year. Our employees enjoy flexible work hours, facilities to work from home, maternity and paternity leave periods beyond government-mandated duration to maintain adequate work-life balance.

Airtel provides a dedicated day-care facility at the Airtel Centre available to all employees. Every company premise which has fifty or more employees has a crèche or day-care facility.

We enhance the effectiveness of our operational and process safety measures regularly. Detailed policies covering Workplace Safety, Health, Safety and Environment, Domestic Travel Safety and Security, Safety of Women, Health Insurance, HIV/ AIDS, Parental Leave, Flexible Work and Group Mediclaim are in place for employees.

Safety trainings are conducted regularly to reduce workplace incidents and accidents to promote a healthier, safer and happier workforce. A total of 5,606 employees (including 3,633 contractual and 8 with disabilities) underwent safety trainings with a total of 4,545 manhours, lower compared to the last year due to the nationwide lockdown resulting in shutting down of our offices.

## Airtel Suraksha

Airtel Suraksha programme provides an overview of refreshed occupational and workplace safety standards and emphasises the Company's commitment to safety through training sessions and timely reporting and investigation of incidents. The establishment of national and local safety committees ensures periodic risk assessments of the workplace, identification of risky zones and effective course corrections.

Airtel Suraksha programme includes key safety policies as outlined below:

» **Women Safety –** Airtel promotes a diverse workplace and ensures that women are treated with dignity and respect and that they are protected from harassment. Women Safety Policy includes awareness and periodic trainings for all women employees on POSH and Code of Conduct.

» **Travel Safety –** Travel refers to commute covering local and transnational following all the traffic rules and reaching out to SPOC in case of any violations. It mandates taking necessary approvals, precautions and emergency reach outs in case of any late hour travel or travel in disturbed areas.

» **Workplace Safety –** The policy complies with protecting employees against foreseeable hazards and personal injuries.

# Diversity and inclusion

Airtel respects diversity and fosters an inclusive culture. Our diversity policy mandates equal pay for equal work for all employees, irrespective of their gender, and remediates inequalities.

Women employees are well represented across all organisational levels. To further promote gender equality, we run 'WE' – a women empowerment programme for building a community of champions to strengthen the agenda in a systemic way. It comprises various segments like highlighting women empowerment stories on social media and holding a career fair for diversity hiring.

Airtel has comprehensive policies to raise awareness about various supportive policies for women employees, including Women Safety policy, Parental Leave policy and Diversity referral programme. We saw an increased representation of diversity in Airtel Leadership Academy in the reporting year.

**22**

Differently abled employees

**~9%**

Women out of total employees

**11%**

Women in management workforce

**8.2%**

Women in junior management positions

**8.3%**

Women in top management positions

**6.56%**

Women in STEM-related positions

**5.82%**

Women in management positions in revenue-generating functions

As an organisation, we lead by the fair rewards principles and do not differentiate based on gender.

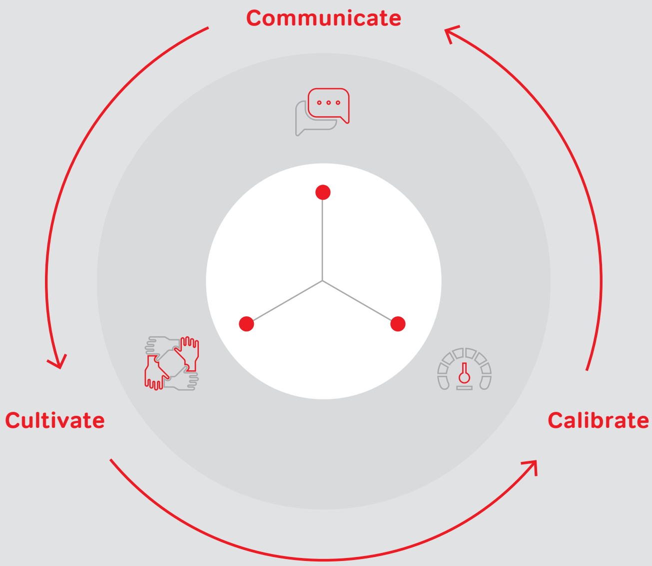
At Airtel, the women median salary is approximately 20% higher than men at an organisational level.

## Structured Diversity Charter

At Airtel, we have designed a Diversity & Inclusion (D&I) strategy to promote gender diversity. Airtel stays committed to building a community of women champions to further the D&I agenda systemically. The D&I charter is based on three pillars:

### Cultivate

We have built and nurtured the right culture of inclusivity and diversity across the organisation. We leverage the diversity lens in HR dashboards, mandate D&I training, include specific engagement questions on Diversity, Fairness, Inclusion & Belonging in our surveys. We also map the reasons for the exit of diversity talent to draw insights to build and strengthen our inclusive culture.




### Calibrate

We have introduced processes and programmes to track and augment the D&I focus, especially diversity hiring, based on six guiding principles:

- » Target 50% sourcing of diversity profiles for identified roles and specific cohorts
- » Diversity talent to be replaced by diversity talent
- » Balanced Panels – at least one female interviewer for Mid to Senior Level hiring
- » Focus on dedicated campus engagement
- » Optimisation of current channels and exploration of new channels for hiring
- » Compensation exceptions for diversity talent

### Communicate

We have expanded our brand building and communication efforts, internally and externally through **#WELead Session with Women Leaders** and **Women Empowered** to deepen alignment and share achievements about our D&I progress.

# Promoting human rights

Airtel's commitment to human rights is reinforced through its Code of Conduct (COC) and Human Rights Policy. We are directly or indirectly responsible for a huge workforce across our value chain. The complexity of our operations carries within it the implicit risk of human rights violations. Therefore, we proactively take measures to ensure that there is no infringement on human rights across our operations, supply chains, communities and business relationships.

We have put a due diligence process in place to identify, assess, and mitigate actual and potential human rights-related risks in our own operations and across our value chain.

- Human Rights Policy adopted
- Embedding process aligned with Policy
- Periodic assessment
- Identify and assess present/ potential risks
- Mitigating risks and remediating any actual impacts
- Integrating and acting on identified risks
- Track development and revisit policies and processes, as needed
- Communicate how impacts are addressed
- Monitoring by Airtel Management Board

Our Human Rights Policy provides guidelines for our own operations and suppliers to respect internationally recognised human rights, such as equal opportunity, equal remuneration, freedom of association, and prohibition of child labour, forced labour and human trafficking. Moreover, we have zero tolerance for all forms of discrimination and harassment. We are committed to promoting a harassment-free workplace prohibiting both sexual and non-sexual harassment. All employees receive training to ensure prevention of discrimination and harassment in the workplace. Further, Airtel has a policy on the Prevention of Sexual Harassment (POSH), and any such incidents can be reported to the POSH Committee as per the process defined in the policy. Each reported allegation is taken seriously and handled confidentially. If allegations are confirmed, disciplinary action is taken against the responsible employee(s).

Further, our Code of Conduct for Business Associates defines similar guidelines for all suppliers and partners to uphold human rights and adopt practices consistent with applicable labour laws and ILO Convention and Modern Slavery Laws. Airtel has implemented measures throughout its procurement procedures, including in supplier contracts and invitations to tender, to ensure respect for human rights. Therefore, our codes and policies act as the first line of defence to avoid potential human rights related issues in our operations and value chain. Further, we have established an annual group-wide compliance monitoring process to identify and assess risks related to human rights issues such as child labour, forced labour, payment of wages, working conditions and harassment etc., covering all our operations and contractors. Any identified risks are dealt with corrective actions and closely monitored for progress at periodic frequencies. This is supplemented by stakeholder engagement with employees, suppliers and local communities to further assess and validate the risk of identified human rights related issues. The scope of this assessment covers all issues identified in our Human Rights Policy.

Such assessments help identify risk hot spots or areas where potential human rights issues can occur in our operations and the group of stakeholders most vulnerable to the identified risks.

The risks identified in own operations or in the value chain are addressed by implementing appropriate mitigation actions, which can range from risk prevention through awareness sessions and precautionary measures, risk reduction through building capacity and safeguards or risk elimination through modifications in the business process.

In FY 2020-21, no major human rights-related risks were identified in own operations. Potential human rights-related risks identified in the value chain included risk to data privacy

and misuse of technologies, services and data. To address this, we have put in place robust measures to strengthen our data security and privacy controls across operations and via contractual agreements with partners. We have strengthened our Information Security Risk assessment and recovery strategy, which is aligned with ISO 27001 and ISO 22301 standard requirements. Airtel's business continuity management system (BSMS) is certified by ISO 27001. Our information security management systems are audited periodically by external auditors to identify any vulnerabilities. We have incorporated guidelines to ensure data privacy and security in the Code of Conduct for Business Associates for our partners. Regular audits are conducted to assess their data security controls to ensure the resilience of their security systems and take any required corrective actions.

We have institutionalised a mechanism to allow for reporting and remediation of all human rights violations through our ombudsman process and whistleblower policy. This allows all employees, contractors and suppliers to report any human rights-related concerns. All actual violations are dealt seriously with remediation actions depending upon the severity of the violation and can also include termination of employees and business contracts. Human rights violations and corrective actions in FY 2020-21 are reported in our Business Responsibility Report.

# Our response to COVID-19

## COVID task force

- A dedicated team was set up to manage the high incidence of cases during the pandemic. This team helped coordinate hospital admissions and maintained a regular connection with impacted employees. They arranged for doctor appointments, helped in contact tracing and reporting of patients and ran awareness sessions on COVID-19 protocols.
- All front-end employees were provided masks, sanitisers and face shields. All offices and retail stores were sanitised as per defined COVID protocols.
- Our 24x7 COVID emergency support helpline has been actively working to ensure continuous on-demand support. The team also monitors COVID cases within the organisation.

## COVID support

- Launch of Employee Assistance Programme (EAP) – To help employees manage stress and improve their emotional and mental well-being and that of their families, we launched EAP in partnership with www.1to1help.net, India's leading psychological and wellness solution providers. More than 1,200 employees attended EAP webinars, and over 500 availed of its services.
- We onboarded Senior Occupational Medicine & Wellness Consultant as the National Medical Advisor for all our employees. Additionally, we onboarded a team of 25 doctors and six specialists to support our employees.
- We reimbursed employees for COVID-19 diagnoses done at private laboratories. RTPCR tests were conducted twice every month for each employee working at our physical facilities.
- Weekly webinars with leading medical practitioners were conducted to update our employees on the latest developments related to COVID-19.

## Program Saarthi

During the COVID-19 second wave in India, Airtel launched a specialised program **Saarthi** to support families of deceased employees. With an end-objective of ensuring long-term sustainability for family members of deceased employees, the programme on personalised engagement and support around financial planning, career orientation (including exploring suitable employment options within and outside Airtel) and training workshops on re-building life and learning basic professional skills.

## Employee Benefits

### Vaccination Drive

Airtel tied up with Apollo to vaccinate employees and dependents, and front-line associates from the end of May 2021 for everyone above 18+. Nationwide tie-ups were also initiated across other hospitals for the vaccination of eligible employees and their dependents. The cost of vaccination for all employees and their declared dependents was reimbursed.


### Insurance Policy

Employees affected by COVID-19 were covered under the Group Mediclaim, Personal Accident and Term Life Policy. In cases of fatality, the insurance claims were expedited and financial support provided to the families of the deceased.

### Hospital Tie-ups

Airtel tied up with Fortis, Medanta, Apollo, Max and Artemis to provide home quarantine facilities to our employees at subsidised rates. Airtel distributed 150 Oxygen Concentrators across locations and volunteered for a 15-bed isolation facility in Gurgaon in collaboration with the leading FMCG organisation.

## Virtual learning

During the pandemic, we quickly transitioned to a virtual learning environment, began delivering virtual classroom training, and held over 240 workshops. Our online learning systems attracted the biggest number of employees ever, and we observed our employees investing substantially in their development. Over 7,000 unique learners are accessing our digital platforms, with more than 44% of them receiving virtual instructor-led training.

5G Ready Network

# At the cusp of a new generation

## We are ready to usher in the next-generation 5G across India and are partnering with leading global technology providers to make our network 5G-ready.

At Airtel, we constantly invest in upgrading our existing infrastructure and deploy next generation technologies that open infinite possibilities for our customers today and in the future.

We are at the beginning of the 5G decade which is going to transform lives and have far reaching impact on service delivery and user experience as well as help realise the full potential of Industry 4.0.

We are ready to usher in the next-generation 5G across India. For our customers, this will mean superfast downloads, 4K video streaming on the go, immersive technologies such as Virtual Reality and smart homes with connected things, among others. To enhance our preparedness for a seamless rollout, we successfully tested live 5G services over the existing network, ahead of our competition. Using a first-of-its-kind, dynamic spectrum sharing, we seamlessly operated 5G and 4G concurrently within the same spectrum block. This demonstration emphatically validated the 5G readiness of our network across all domains – Radio, Core and Transport.

We are also partnering with leading global technology providers to make our network 5G-ready.

We have deepened our strategic partnership with Nokia by deploying its SRAN solution across nine circles as well as the country's largest open cloud-based VoLTE network, thereby laying a strong foundation for providing 5G connectivity with low latency and faster speeds when 5G networks launch across the country. Along with Nokia's carrier-grade cloud software solutions, we will create new revenue opportunities by delivering innovative digital solutions that are customer and experience centric.

Our partnership with Qualcomm will enable us to roll out virtualised and Open RAN-based 5G networks that are designed to deliver broadband connectivity at Gigabit speeds to homes and businesses. These platforms will also help accelerate the development of applications for Industry 4.0. As a part of O-RAN ALLIANCE, we hosted India region's first Plugfest for the O-RAN ALLIANCE to demonstrate the growing maturity of the O-RAN ecosystem to serve customers through emerging technologies such as 5G. We were the first operator in India to commercially deploy a virtual RAN solution based on disaggregated and open architecture defined by the O-RAN ALLIANCE.

We collaborated with IBM and Red Hat to build our new telco network cloud which will be designed to be more efficient, flexible and future-ready to support core operations and enable new digital services. With the new network cloud, Airtel intends to deliver a better customer experience through enhanced network performance, improved availability, operations automation and scaling the network to the edge.

To enhance the existing network, we acquired 355.45 MHz spectrum across sub-GHz, mid-band and 2300 MHz bands, which deepens our coverage in urban as well as rural areas and helps to provide an exceptional customer experience.


## We hosted India region's first Plugfest for the O-RAN ALLIANCE

### In this section

# Social & Relationship Capital

Airtel has built and nurtured strong relationships with its stakeholders including customers, communities, governments, distributors, and suppliers. Our differentiated offerings, customer-centric service excellence, commitment to inclusive growth, and ethical and transparent operations have earned us their trust and support. We partner with the government to help realise the national aspiration of a 'Digital India' and transform legacy communication systems to serve citizens better. The strength of our social partnerships and stakeholder relationships is crucial to our ability to meet the needs of a whole new generation of customers.

**This section includes**

- Enhancing customer experience
- Corporate citizenship
- Sustainable supply chain management
- Community development

**SDGs impacted**

# Enhancing customer experience

The relationship between Airtel and its customers is driven by a single sentiment – Customer Obsession. For us, customer service is a given and should be done. However, Customer Obsession goes beyond and is about what we must and will do. We have heavily invested in the last three years to develop high-speed networks and enhance customer experience exponentially.

In FY 2020-21, we decided to take our Customer Obsession to the next level. 'ZERO Questions' is often thought of as an impossible, utopian idea. However, we also know that the closer we get to 'Zero Questions' from customers, the happier they will be. As a part of our mission to deliver best-in-class experience to customers, we launched a first-of-its-kind campaign 'Open To Questions' in 2020 to encourage our customers to raise all their questions for Airtel. We promised to address every query that came in. A report from the Telecom Regulatory Authority of India (TRAI) shows that between September 2020 and February 2021, two in every three new mobile customers chose Airtel over other networks. More than 25 million customers joined our network during this period testifying to the success of our Customer Obsession-driven growth strategy.

## Processes

We have designed robust processes to enhance customer experience and simplify access to our services to help customers connect and engage with Airtel seamlessly. Our Quality Management System adheres to TL-9000 standards, a telecommunications sector-specific ISO 9000 standard. The framework guides our product and service distribution networks to comply with defined customer service quality standards. Our universe of channel partners adheres to established standards and service level expectations across the value chain. Regular customer service quality management workshops and training programmes are conducted for distributors, retailers and other channel partners, in addition to audits to ensure customer service quality.

We rolled out new tools and processes to handle the related rise in customer requests for help as we saw a surge in demand for digital services through the pandemic. We have an expansive agent led customer service network and physical outlets to handle our customer service requests. Additionally, we have empowered our customers to seek resolution to their queries through responsive and scalable self-care facilities.

**56%**

**Reduction in customer complaint calls over FY 2019-20 (across all businesses)**

### Airtel Thanks

An exclusive programme for our valued customers which brings them rewards, perks and privileges through the Airtel Thanks app available on the Play store. This loyalty programme provides benefits like enhanced data speeds, data rollover facilities, access to premium services like Wynk Premium, ZEE5, Reader's Club on Juggernaut, online security, and device insurance.

During FY 2020-21, we have enhanced the Airtel Thanks app and other web platforms to accelerate the resolution of customer complaints. With support in 10 regional languages, the app allows users to transact with Airtel through all digital payment modes. The app is built on a microservices framework that uses an in-house codebase and is hosted on Airtel data centres to ensure customer data privacy.

## One Airtel platform

This platform tracks the customer lifecycle from onboarding to integrated billing and is serviced by one dedicated customer care number. The platform has digitised the billing experience of our customers with the 'One Home One Bill' functionality on the Airtel Thanks app allowing users to view billing details for Mobile, Broadband and DTH services and download their bills.

Users can pay multiple bills digitally on the app through a self-assisted single click.

Additionally, users have the power to add and pay for entertainment platforms such as ZEE5, Amazon Prime Video and Disney + Hotstar subscriptions to their One Airtel bills.

## Broadband digitisation

Broadband customers can now enjoy superfast onboarding through digital payment and electronic-Know Your Customer (KYC) compliance. We offer assured installation within four hours of order confirmation. Customers can digitally access features like change plans, pay bills, view data consumption, etc.

These services and others like revamped international roaming facilities, elimination of zero price point VAS, VoWiFi calling, and ducting have significantly reduced customer complaints and enhanced satisfaction.

## Next-gen Airtel stores

Our ambition to 'win customers for life' is the motivation behind the next-generation retail stores. These stores were conceived to foster engaging conversations in a warm and welcoming ambience. The new stores have an open and minimalistic design and utilise several state-of-the-art digital technologies to create an enriching experience for customers.

## Digital customer acquisition (eCAF)

This solution improves the Airtel activation process, leveraging Optical Character Recognition (OCR). It allows our front-end teams to automatically fetch customer details by matching the customer photograph taken at our service outlets with the verification document. This 'green channel' has ensured minimal validation effort at the backend and reduced activation cost, time and complexities.

## Decision Tree

Decision Tree is a tool that streamlines customer queries and complaints through effective prediction and diagnoses. It offers resolutions after evaluating relevant information from various businesses and channels. Automation in Decision Tree has helped advisors eliminate the need to use multiple applications to extract information for a single query.

## Products

We are obsessed about finding and solving our customers' problems and constantly launch new products and services to enhance our customer experience. When the pandemic made WFH, e-learning, online entertainment, and digital payments the new norm, it led to an unprecedented surge in demand for high-speed data, office-like environment at home, and simple and safe communication solutions. We introduced enterprise-grade solutions Airtel@Home and Airtel BlueJeans to help our customers. When our customers needed one single point of contact with Airtel for all their needs, we came out with One Airtel and Airtel Enterprise Hub.

When we found that our business customers were facing challenges related to privacy, experience and technical issues as they were using multiple platforms to service their customers, our solution was Airtel IQ, a cloud-based omni-channel platform for customer engagement. To address the need of all businesses, especially the smaller ones, to scale up their operations and requirement for a reliable partner to provide end-to-end digital solution, we came up with our innovative, secure and scalable AWS cloud solutions to become their one-stop shop.

With increasing digital adoption, cyberattacks became a threat to infrastructure and data protection and so we responded with Airtel Secure to help them stay safe. When the businesses needed carry out multi-channel, consent-based and privacy-safe promotional campaigns in the face of increasing regulation, we launched Airtel Ads.

Please refer to the Intellectual Capital on Page 84 of the report for more details on product and services launched during the year.

## Engaging our customers in our product journey

We seek feedback from our customers to improve our products and services continually. We deploy the Net Promoter Score (NPS) model to determine the level of customer satisfaction. This method is designed to capture the likelihood of customers to recommend Airtel's products and services to others.

### Airtel Customer Advisory Board

Airtel is co-creating its product innovation roadmap with its customers. We invest in understanding their changing needs and tailor offerings to give customers what they want and need. The Customer Advisory Board counsels Airtel on relevant issues, emerging needs and technology trends. We incorporate such inputs to better align our innovation and offerings journey to customer requirements.

### Brandwatch

Brandwatch is a service used by Airtel to study customer behaviour and derive insights to improve its products and services. Brandwatch products are used to mine digital conversations around various brands and categories to spot trending consumer behaviour and perception towards brands. We seek customer reactions and responses through SMS, web-based surveys and Out Bound Dialers. Analytical tools are deployed to mine and translate consumer data into actionable business insights.

## Customer data privacy protection

At Airtel, we collect, process, and analyse large amounts of data to understand our customers better and deliver superior products.

As we develop these products, we stay mindful of the potential risks of data privacy in our operations and the value chain. Safeguarding customer privacy and ensuring data security across our operations, business and supply chain lines is a key focus area for Airtel. We have defined robust policies and processes to address this risk effectively.

Airtel's privacy policy (Bharti Airtel Information Privacy Policy) aligns with the Information Technology (IT) Rules 2011 and best practices of industry and GDPR. It provides management direction and support to assure the privacy of personal information collected by Airtel. The policy ensures that collection, processing, retention, dissemination and destruction of personal information are in accordance with appropriate laws, regulations and contractual obligations.

The policy applies to the entire operation covering all employees and business partners of Airtel who have access to the personal information of customers, employees and vendors. It is jointly owned by the Chief Information Security Officer and the legal function and approved by Airtel Management Board. The security, legal and regulatory functions within the Company are responsible for managing the information privacy across organisation. The Privacy Grievance Officer (PGO) is entrusted with the responsibility of addressing any privacy-related grievances and complaints, undertaking investigation and assigning responsibility for their resolution.

As per Airtel's privacy policy, customers are informed of any personal information collected and the purpose of collecting the information. Further, customers are apprised of the nature of information captured and how the information is protected. They are also kept informed about the duration the information is stored in corporate files i.e. for as long as necessary to fulfil the stated purposes or for a period specifically required by law or regulation.

Airtel seeks customer consent before collecting, processing, retaining, and disclosing their data and information. Customers are informed about the process to be followed to exercise the choices available to them concerning their personal information, such as signing the consent clause or checking the opt-in box for giving consent. Further, they are also apprised of the process to withdraw consent with regard to processing, retention, dissemination and destruction of the personal information at any later date. Additionally, they have the option to request access to the data held by the Company and if they need their data to be corrected.

Airtel has a third-party disclosure policy. In line with this policy, information may be shared with the third parties on a need-to-know basis to execute business, post obtaining consent from the customer. Airtel ensures that the third party signs a non-disclosure agreement and adheres to all applicable privacy principles and data protection regulations.

The information privacy control matrix and policy of Airtel are regularly updated to include the latest regulatory, contractual and organisational changes and ensure swift and effective implementation of privacy controls. Further, it is Airtel's constant endeavour to deploy appropriate technology, processes, resources and infrastructure for timely implementation of privacy controls that comply with the latest laws and regulations and incorporate industry best practices. Moreover, to ensure compliance with the policy, internal and external audits are undertaken, and any identified gaps and non-conformities are addressed.

All employees and temporary staff of Airtel and third parties are required to comply with the privacy policy. Non-compliance with the policy is dealt with as per the Code of Conduct. The Circle Information Security Council (CISC) recommends disciplinary actions against employees, partners or third parties involved in privacy breaches. Depending on the severity of the violation, it may even include termination of employees, change of third-party staff or termination of the contract with business partners.

## Strategic partnerships

Our class-leading solutions are driving success and value for customers and accelerating their digital transformation. We are partnering with the best in the world to elevate our offerings and solutions:

**Vedantu**

To make quality education accessible to students across India, Airtel has invested in two dedicated DTH channels with Vedantu to bring affordable and quality education to millions of school children on their home TV screens. Vedantu Masterclasses DTH channels air on Airtel Digital TV at ₹4 per day. These classes offer high-impact, interactive learning delivered by best-in-class faculty, including graduates from IIT, AIIMS and others, to students from Class 6 to 12.

**Aakash Edu TV**

Airtel Digital TV and Aakash Educational Services have collaborated to provide high-quality coaching sessions to students across India preparing for entrance exams such as the JEE and NEET. The talented faculty of Aakash help students learn key concepts and solve problems through LIVE interactive classes.

**verizon / BlueJeans**

As part of its integrated B2B growth strategy, Airtel has partnered with Verizon to offer secure enterprise-grade video conferencing solutions under the Airtel BlueJeans to businesses in India. BlueJeans, Verizon's enterprise-grade video conferencing service, helps people communicate and collaborate across mobile, desktop, browser and conference rooms.

**ZEEPLEX**

We collaborated with ZEEPlex, ZEE's new 'Cinema 2 Home' service for showcasing new films on TV and digital platforms. Customers can now enjoy the first-day first show of their favourite movies on a pay-per-view basis, sitting at home.

**voot**

As part of its strategy to offer best-in-class entertainment to customers in India, Airtel partnered with VOOT to bring premium digital content to its customers. The content can be streamed on the Airtel Xstream platform across multiple screens – on TV over the Airtel Xstream Box or part of the Airtel Xstream Bundle, on a smartphone with the Airtel Xstream app, and on personal computers.


# Corporate citizenship

## Fostering entrepreneurship and employment through Airtel's rural network

Airtel's rural distribution network creates revenue generation opportunities for rural entrepreneurs including distributors and retailers who sell our products and services. The Airtel Pratinidhi programme partners with rural entrepreneurs to take our offerings to market and increase their earnings.

We hire local resources as Feet on Street Executives (FSEs) and for other roles to generate employment in rural areas. We have more than 9,400 distributors and 13,000 Pratinidhis on distributor payrolls, who in turn employ over 25,000 FSEs across India. We also have 6,600 rural stores employing over 5,000 people.

Airtel has established inbound call centres in Siliguri, Guwahati, Kochi, Bhubaneswar and other places to cater to the diverse, multilingual set of rural customers. These rural call centres collectively serve millions of people and generate significant employment.

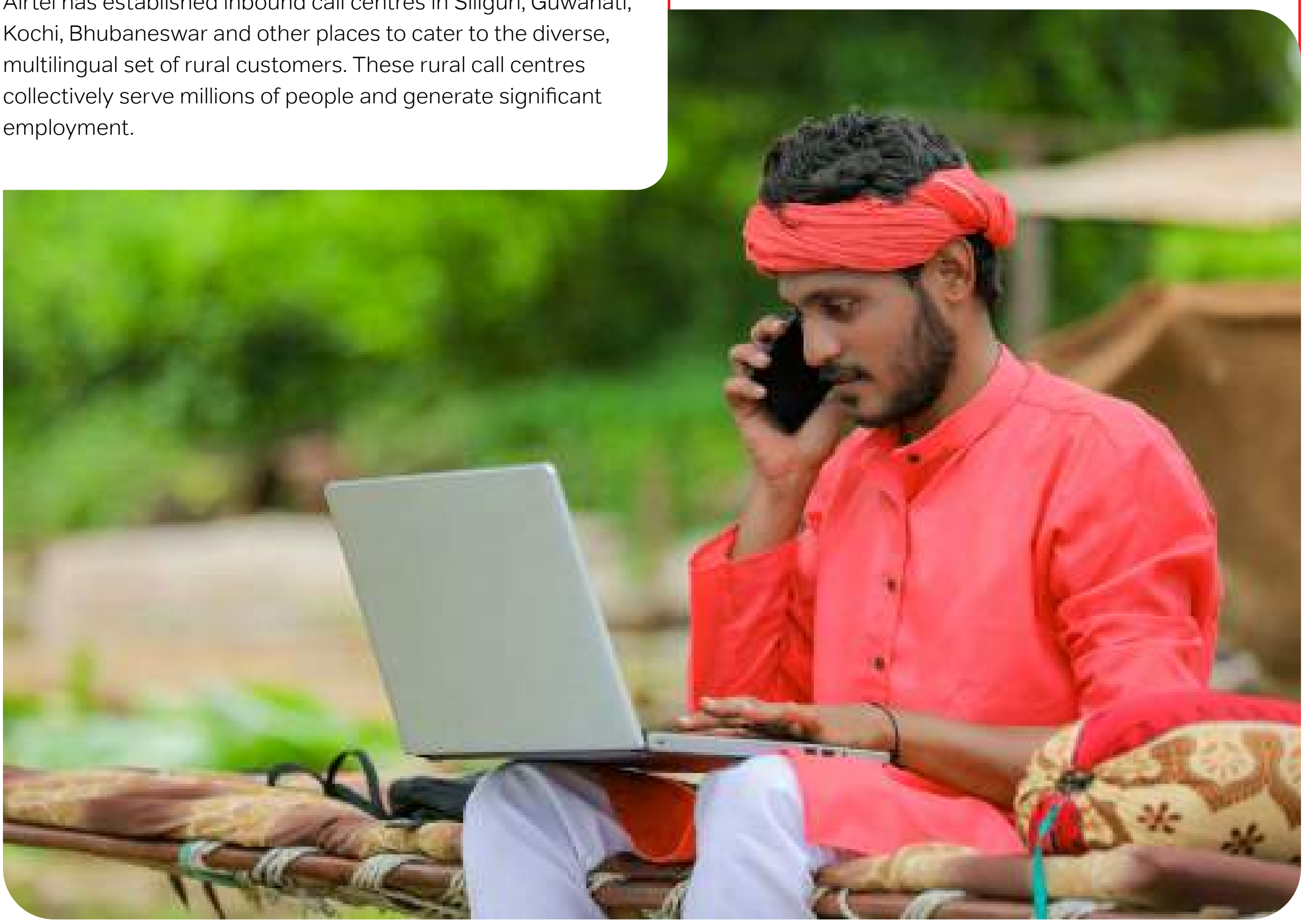
**9,400+**
Channel partners

**25,000+**
Feet-on-Street Executives (FSEs)

**6,600**
Rural Airtel exclusive outlets

**5,000+**
People employed by Rural Airtel exclusive outlets

**17.87 Mn**
Customers served by Airtel rural call centres



## Automation to boost business continuity and efficiencies across FSEs and retailers

**Auto-refill and digital collections**

This solution allows retailers to order and receive stock through an automated tool without the need for manual delivery. About 60% of secondary sales in rural areas is generated through auto-refill. Retailers can pay distributors digitally via Unified Payments Interface (UPI) on the Airtel Mitra app for Auto Refill transactions.

**Digital purchase of Local Area Payment Unit (LAPU)**

The digitisation of LAPU assures retailers of 24X7 availability of stock. They can now purchase units from the distributors digitally through the Airtel Mitra app and pay them via UPI. Retailers can stock the amount of inventory they need, and distributors do not have to worry about collecting their payments physically.

**DTH recharge through Airtel Mitra**

The Airtel Mitra app has been enhanced to facilitate DTH recharge and customer acquisition across the rural network, further expanding revenue streams for retailers.

**Enhancements in DMS and Revenue app**

The Airtel DMS and Revenue apps have been upgraded to allow distributors and FSEs to set up DTH connections digitally. More than 1,500 distributors have availed this service across India.

## Strengthening bonds with rural partners

We are proud of the achievements and commitments of our rural channel partners and their employees. They rise beyond limitations and fight the odds to create value for Airtel and its stakeholders. We have instituted several measures to support them and their families to deepen our relationship. They remain our most crucial stakeholder to help us spread our footprint and deliver on our customer-centric commitments across the country's far reaches.

## Stepping up engagement with retailers and distributors

A flagship channel engagement programme – Airtel Ratnas, runs a series of initiatives and campaigns focused on distributors, retailers and FSEs.

**Anmol Ratna for distributors**

We offer Group Personal Accident (GPA) insurance for distributors to offer their families financial security in the unfortunate event of accidental death or permanent disability. On the International Women's Day, Circle leadership felicitated our women channel partners for their exemplary contribution to Airtel and society.

**Yuva Ratna for FSEs**

Our frontline workforce's dedication to deliver the highest standard of services to our customers despite the pandemic was truly commendable and inspirational. All our frontline heroes were covered by GPA insurance and COVID hospitalisation cover during the pandemic. This year, we also provided them with a life insurance policy in the event of death due to COVID. Airtel leadership recognised their 'going beyond the call of duty' attitude through special appreciation letters along with gift vouchers.

**Airtel scholarships**

We offered child education scholarship to recognise and encourage academically meritorious children of Airtel distributors and retailers. We also launched a program 'Airtel ki Laadli' for the girl children of our rural distributors to motivate them to study and release their dreams – deserving children were awarded with Lenovo tabs.

## Partnering with Government to drive development and e-Governance

Airtel is partnering with communities and government regulatory bodies to upgrade their legacy systems. As cities move towards mass adoption of connected technologies and applications, Airtel is helping build smart cities and providing solutions for a better tomorrow. We have been at the forefront of all significant initiatives run by the Government of India.

### VSAT connectivity provider

With close to 49,000 VSAT sites deployed across India, Airtel is the only telco to offer integrated and reliable VSAT services for Defence, NHAI and many rural Common Service Centres responsible for agriculture and e-governance of health and education.

### State-wide area network: SWAN 2.0

An integrated Structured Wireless-Aware Network (SWAN) solution comprising 885 Points of Presence (PoPs) with MPLS bandwidth was designed to connect state, district, block and tehsil headquarters to facilitate e-governance. This infrastructure ensured secure delivery of government services digitally to citizens over a Closed User Group Network. Services delivered on the network included filing applications for pensions, registration for employment, issuing birth and death certificates, and renewal of ration cards.

Airtel is the SWAN provider for six states through a high-speed connectivity framework and managed services for Government-to-Government and Government-to-citizen applications.

### Public service delivery

Airtel supports the Government of India with Interactive Voice Response (IVR) solutions that help citizens access law and order units, government hospitals, PF and pension data. The service also delivers information regarding courses offered by government schools and universities.

### m-Governance

Airtel partnered with government authorities to provide a mobile application platform for citizen self-service that connects them to public service departments round the clock and enhances the transparency of government processes.

### Data security and business continuity

Airtel has set up a cloud-based Business Continuity and Disaster recovery site for a state data centre. The solution migrates traffic to the disaster recovery site without any data loss in the event of an operational failure at the centre.

### Collaboration with the Government of Tamil Nadu

Airtel has partnered with the Government of Tamil Nadu to bring quality online learning classes to students through its digital platforms. Content from Kalvi TV – the government-operated education channel – was made available for free on Airtel Digital TV and the Airtel Xstream app for smartphones and tablets.

## Airtel's video conferencing facilities for the Government of Rajasthan

The Government of Rajasthan appointed Airtel to design and implement its Video Conferencing (VC) project to bring state-of-the-art VC services to all departments, from the state to the block levels. Airtel also runs the Network Bandwidth Connectivity across the state, which forms the backbone of the VC setup.

**32**
Districts covered

**400**
Block headquarters

**550**
Studios

**20**
Conferences a day on average

**130**
COVID-19 related reviews conducted

# Sustainable supply chain management

Airtel's commitment to operate a responsible business, led by sustainability principles and environmental stewardship extends to its partners and the entire value chain. We have instituted policies and guidelines that ensure that our supply chain enhances our ability to deliver on Airtel's Environmental, Social and Governance (ESG) commitments. Our supply chain partners are the critical link in our journey to provide an exemplary experience to our customers.

We encourage our suppliers to adhere to international sustainability standards such as ISO 14001, ISO 45001 and ISO 27001. Currently, more than 80% of our procurement by value from critical suppliers comes from those having at least one of these certifications. Critical suppliers have a significant bearing on our competitive advantage and market success. Airtel engaged with over 2,600 Tier-I suppliers, out of which over 170 are marked as critical suppliers (including 17 strategic suppliers) on the basis of high volume/ supply of critical components.

Airtel is a firm believer in procuring locally from India-based suppliers which constituted ~ 96% of total suppliers in FY 2020-21, accounting for ~ 89% of our procurement spend. This helps us to create value through revenue generation and employment in the ecosystem by promoting indigenous entrepreneurship and reducing the environmental footprint. Local sourcing is a strategic move to mitigate the risks of restrictive developments related to transportation, geopolitical changes and other such threats.

We have initiated several steps to increase collaboration with and retain suppliers and effectively manage our supply chain.

## Engagement

We run a special event for suppliers, Airtel Conclave, to recognise their outstanding performance. We conduct ongoing training for suppliers on operational processes, including bidding, invoicing and grievance redressal.

## Governance

The Contract Management (I-Certis) tool for suppliers ensures all contracts are routed through an integrated system with approved templates to reduce manual interventions. Appropriate SLAs and metrics are embedded in agreements, and governance meetings are conducted with suppliers to address any concerns or bottlenecks.

## Grievance redressal

We have instituted channels to enable our partners to raise their concerns and issues with Airtel. The Code of Conduct allows business associates to report complaints, including anti-corruption, anonymously. The designated Ombudsperson administers the entire process – from reviewing and investigating concerns raised and undertaking all appropriate actions to resolve the issue. The Ombud process is regularly monitored to strengthen its effectiveness and adequacy. Any instance of serious misconduct brought to the Ombudsperson is reported to the Audit Committee. All vendors/ partners and any person with a grievance (excluding standard customer complaints) have full access to the Ombudsperson through phones, emails or in-person meetings. Whenever necessary, the Ombudsperson's office refers matters for resolution to the Human Resources department for resolution. There is a grievance redressal portal that is monitored by Human Resource department for any complaints received.

# Community development

Airtel has rolled out various initiatives to strengthen its community partnership efforts. We constantly endeavour to create value for communities by offering solutions at all levels.

## Bharti Foundation

Established in 2000, Bharti Foundation supports and implements programmes to further primary, secondary and higher education, and health and sanitation. The Foundation conducts these programmes in partnership with communities, government schools, students, youth and NGOs. We run a network of programmes to help under-served students access education. Here is an update on Bharti Foundation's programs that have been supported over years. This year, our employees have undertaken special volunteering programs virtually wherein they reached out and supported students and teachers:

- Satya Bharti School Program
- Satya Bharti Quality Support Program
- Higher Education Program
- Satya Bharti Abhiyan

**4.5 Lakhs+**
Students impacted since inception

**2,500+**
Total number of Schools

**5,976**
Villages impacted since inception

**19,088**
Teaching community impacted since inception

**170 hours**
Employee volunteering in community development programs

**2.2 Mn+**
Community members impacted since inception

## Sustainable value creation for farmers through IKSL

Set up in 2007 as a Joint Venture (JV) between IFFCO, Bharti Airtel and Star Global Resources, IFFCO Kisan Sanchar Limited (IKSL) supports 53 communities across 19 states. It provides value-added services in 10 local languages to 30 lakhs subscribers. IKSL has successfully reached out to over one million rural customers, including farmers.

**757,756**

Farmers added

**337**

Samadhan subscribers

**1,026 Mn+**

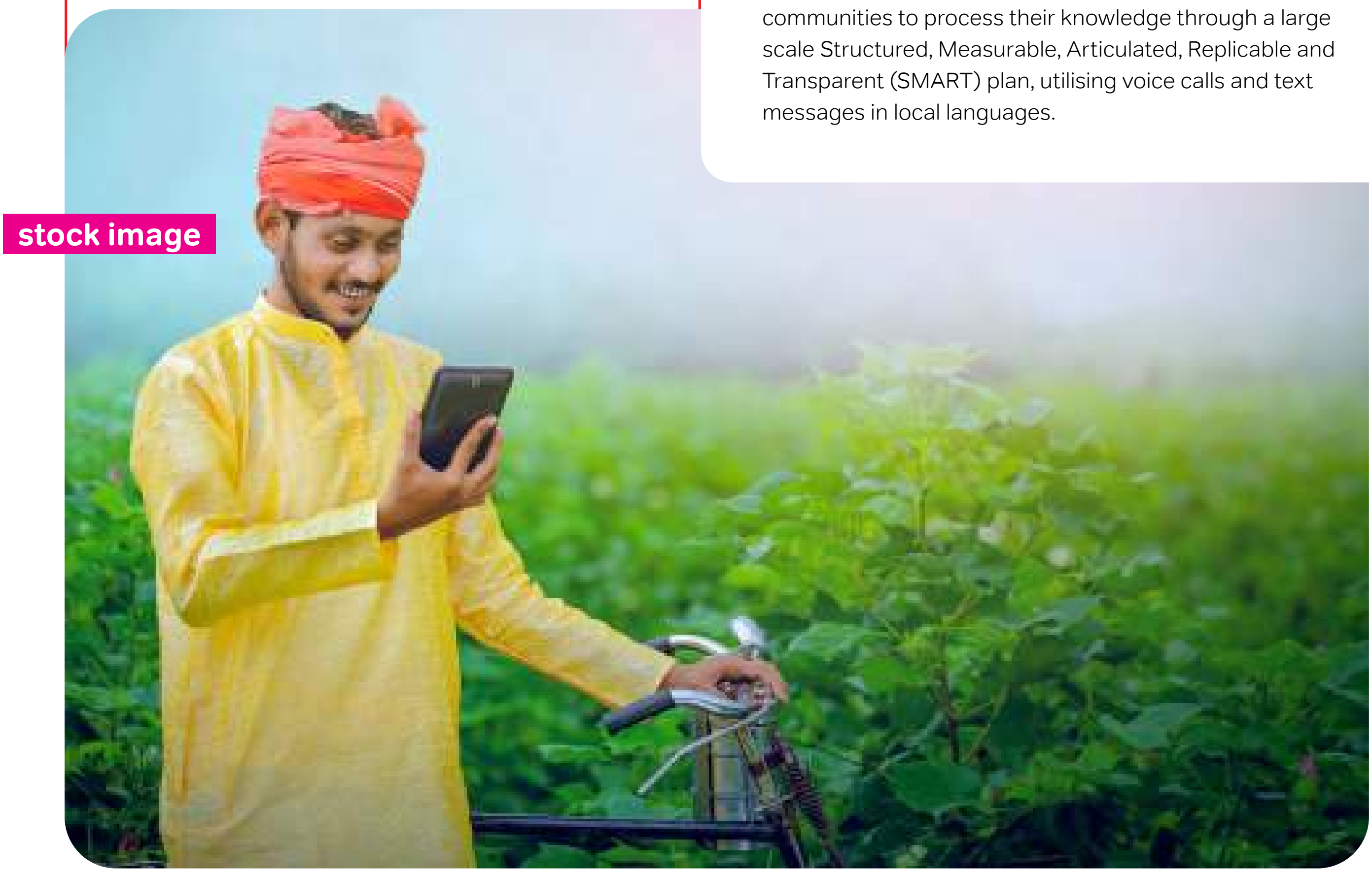
Voice Messages shared yearly

This collaborative initiative aims to empower Indian farmers with relevant and accurate information on agronomy, weather, 'Mandi' prices and offers, 'Ask the Expert' facilities. With a regular Airtel SIM card configured for this purpose, a farmer can access IKSL's value-added services free of cost. These help farmers make decisions that can reduce production costs, improve product quality, and increase crop production and income.

The total annual costs incurred to run IKSL stands at ₹220 million, while the total annual revenue generated is estimated to be ₹2,900 million.

IKSL offers farmers the following benefits:

- Three free voice messages and one text SMS per day sent to farmers. IKSL's push voice content reached 2,182,418 farmers in FY 2020-21.
- Kisan Call Centres (KCCs), a dedicated farmer helpline, caters to around 15,960 farmers. It helps them access professional help, including specialists for information related to Agriculture, Animal Husbandry, Horticulture, Poultry, Dairy etc. KCCs answered 5,474,446 calls in the reporting year.
- IFFCO Kisan app provides information on weather and Mandi prices, facilities to buy and sell agricultural items and runs a 'Ask the Expert' service for farmers. In FY 2020-21, the app had an active user base of 115,331.
- Samadhan, a unique venture, started in collaboration with HCL Foundation and IFFCO Kisan, encourages rural communities to process their knowledge through a large scale Structured, Measurable, Articulated, Replicable and Transparent (SMART) plan, utilising voice calls and text messages in local languages.



# Response to COVID-19

We worked side by side with our customers, partners, communities and the Government to address the challenges of COVID-19, leveraging our network, technology and people. We continue to extend our support to the community and our other stakeholders as the pandemic rages.

Enhancing services for **retail customers** during the lockdown:

- **Airtel Superheroes –** Subscribers could recharge on behalf of their friends or acquaintances utilising Airtel UPI.
- **Help a Friend –** Non-app customers could send an SMS to their friends seeking recharge help even if their services were discontinued.
- **Activated medical stores, Kirana stores and other essential services on Airtel.** The SHOP keyword was created to enable customers to find retailers who were open nearby.
- Multiple tie-ups to allow customers to recharge their connections at **10 lakhs ATMs.**
- Announced benefits worth **₹270 crores** to help **55 million low income customers** to tide over the impact of COVID-19.

## Government

- **Audio and video conferencing** solutions for various ministries and state governments.
- **Voice services, high-capacity network connectivity and bandwidth** for COVID-19 helplines, war rooms, state data centres and Integrated Command and Control Centres.
- **High volume SMS and Outbound dialling** services for public sector undertakings.
- **Devices** to facilitate work from home devices for government officials in essential services.

## Enterprise customers

- **COCP Corporate Broadband –** Allowed enterprises to purchase physical devices for broadband connectivity and have them delivered to their employees wherever they were located.

Read more in COVID-19 response story on page 06

# Natural Capital

At Airtel, our commitment to using Natural Resources responsibly goes beyond compliance. It is at the core of our intent to create stakeholder value, respecting what nature has provided us and staying environmentally responsible as we grow our operations.

**This section includes**

- Climate Change, Energy Efficiency & Emission Reduction
- Resource Efficiency & Waste Management
- Water Efficiency
- Green ICT Solution

**SDGs impacted**

We are committed to helping meet the goals of the Paris Accord and have identified 'Climate Change, Energy Efficiency and Emission Reduction' as a critical material issue while 'Resource Efficiency and Waste Management' and 'Water Efficiency' have been identified as high and moderate material issues respectively for our business.

We will continue our stewardship of empowering the digital world and deliver on our environmental commitments. Digital economy is a great equaliser resolving the information, resource and access asymmetry plaguing the world. It will drive greater awareness and responsibility towards climate change, circular economy and energy transition.

We endeavour to keep ourselves accountable and responsible as we help limit the global temperature increase to below 1.5°C, in line with the Paris Accord.

Our decarbonisation goals

## Aligning our GHG emission reduction targets to 1.5°C emission scenarios

## Setting a public goal to reach net-zero emissions by no less than 2050 in line with Science-Based Target Initiatives (SBTi) recommendations

We nurture and operate a sustainable supply chain and follow the highest standards of corporate governance and business ethics in reporting our environmental impact. We will continue to deploy sustainable solutions to reduce our environmental footprint incrementally through efficient energy use, lowering emissions, and expanding digitisation. Every year we make substantial investments in deploying environmentally responsible technologies along with our network infrastructure partners to preserve our natural capital.

## Performance highlights for FY 2020-21

**82,917 MWh**
Renewable energy consumed

**5,554.28 Tonnes**
E-waste recycled

**284 MWh**
Energy saved at our facilities

**~508 Mn**
Sheets of paper saved through e-bill initiatives

## A comparative evaluation

Considering FY 2018-19 as Base Year

**24%**
Reduction in $CO_2$ emission per rack in our data centres

**49%**
Reduction in network emission intensity for mobile ($CO_2$ emissions per terabyte)

**28%**
Reduction in $CO_2$ emission per square feet in our facilities

# Climate Change, Energy Efficiency and Emission Reduction

## Climate Change

Airtel's most significant contribution to addressing the impact of climate change comes from our transformative digitisation initiatives, which in turn, helps our customers reduce their carbon footprint. Our businesses run on green energy solutions and services that are environmentally conscious.

### Green energy solutions

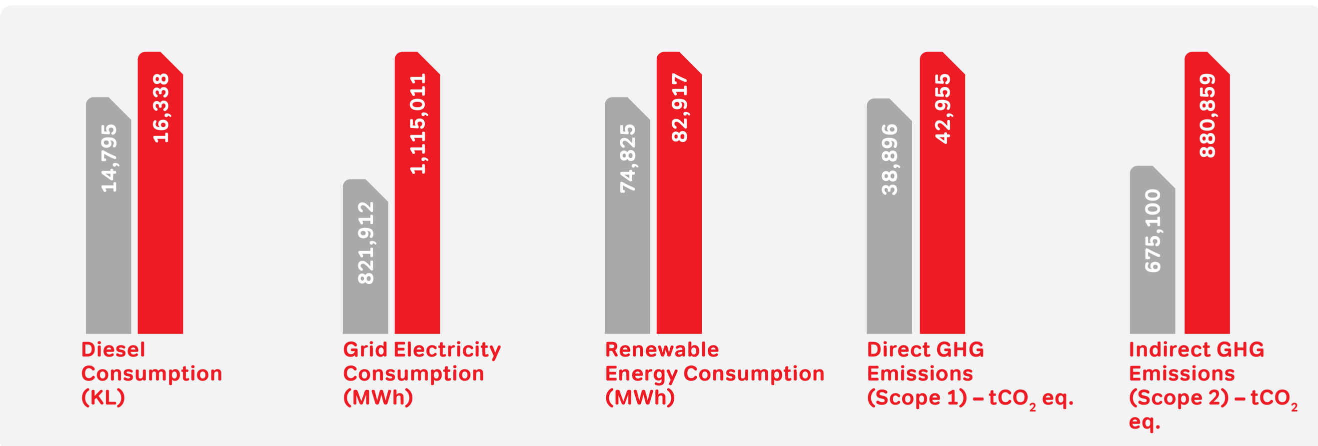
We have significantly reduced our operations' environmental footprint by investing in Solar DG hybrid systems. We have created green data centres, outdoor Base Transceiver Station (BTS) sites and green mobile tower technologies which consume less power and generate lower emissions.

At Airtel, we are cognisant of the risk presented by climate change to our business operations. We understand the potential impact of climate change related physical and transitional risks. We are taking various measures to strengthen our preparedness to address such risks. We have adopted Science-Based Targets to lower our carbon emissions. We have developed risk adaptation plans to enhance energy efficiency and emission reduction measures to lower our carbon footprint.

## Energy conservation and emission reduction

Airtel, along with its partners, is increasing the use of green energy by adopting solar and biomass energy and zero-emission batteries.  These energy conservation measures have strengthened our environmental stewardship, resulted in financial savings, and contributed to national and global goals. Every year we reduce our emissions intensity incrementally and increase our investments in green and clean energy solutions to power our operations.

### Energy consumption in own operations




FY 2020-21 FY 2019-20

Note: Boundary expanded to Include Airtel Owned Stores and Fixed Line Networks

## Enhancing the use of green energy across our operations

We are implementing several strategies to improve our energy usage patterns and increase the share of renewable energy in the mix to enhance efficiencies

### Rooftop solar plants

Over the last few years, we have installed 28 rooftop solar plants at our data centers and main switching centres with the total installed capacity of 1.57 MWp, estimated saving of **1,214 tonnes of $CO_2$ emission. Rooftop solar plants have also been installed in our facilities, which led to energy savings of 140.57 MWh in FY 2020-21.**

### Green power wheeling agreements

During the reporting year, we signed open access contracts or power wheeling agreements for procuring **26,172 MWh** of green energy in Main Switching Centres (MSCs) and **55,143 MWh** for our data centres, significantly reducing our carbon emissions. This has led to 83.14% increase in renewable energy deployment in our MSCs from FY 2019-20.

### Solar-DG hybrid solution

We implemented 64 Solar-DG hybrid sets across our operations. This unique solution uses 5.2 kW capacity solar panels optimised by hybrid solar controllers along with a battery bank, which has reduced our DG running hours to one-third.

## Energy conservation in network infrastructure

We have undertaken various energy conservation and emission reduction measures across our network infrastructure to reduce dependence on fossil fuels.

**Maximising outdoor BTS** – In FY 2020-21, we converted 2,247 indoor BTS sites to outdoor sites and reducing BTS energy consumption by 25%.

**Site sharing** – Our strategy of site sharing with partners has optimised our resource consumption and reduced carbon emissions significantly through higher utilisation of passive infrastructure. In FY 2020-21, 26% of sites were deployed as shared sites reducing energy consumption compared to standalone sites.

**Lean Towers** – In FY 2020-21, we deployed 9,823 towers as Lean Towers, i.e., towers that do not operate on diesel, thereby reducing emissions by 40%.

**Project Green City** – We are transforming our sites into green sites by collaborating with our network infrastructure partners. Over 73,609 sites, including Airtel owned and partner sites have been tagged as green sites, consuming less than 100 litres of diesel per quarter kWh of energy usage through the reporting year.

**Hybrid battery bank solutions** – In FY 2020-21, we installed 121 advanced VRLA (Valve-Regulated Lead-Acid) batteries and lithium-ion batteries to optimise energy consumption and reduce our reliance on diesel to 100 Litres per site per quarter. A total of 41,462 VRLA and Li-ion batteries were installed by March 2021.

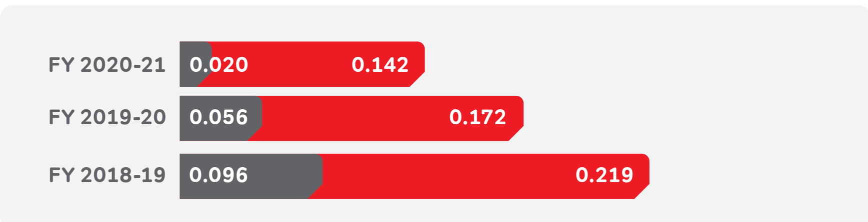
**Auto-shutdown in non-peak hours** – An auto-resource shutdown feature at 153,019 sites, including all 4G sites, has reduced energy requirement at non-peak hours.

**Electrification of non-electricity board sites** – We have electrified our network towers to reduce diesel consumption, which has also improved our network uptime at BTS tower sites. In FY 2020-21, we electrified 2,722 telecom towers.

**Installation of DC air conditioners** – DC air conditioners of 48 volts is an optimal cooling solution for telecom shelters by using less energy compared to rudimentary cooling solutions. In FY 2020-21, we installed these air conditioners at 50 temperature-sensitive sites.

**Other Main Switching Centre initiatives** – We installed LED lights, motion sensors, air diverters, active tiles and blanking panels in our Main Switching Centre sites. In addition, we installed solutions for temperature, rack, UPS and SMPS optimisation, cold aisle containment and natural cooling to reduce energy consumption. These measures saved 4,138,608 kWh of energy usage through the reporting year.

### Emission trends in our network infrastructure




$CO_2$ emission by diesel consumption ($tCO_2$/TB)

$CO_2$ emission by grid electricity consumption ($tCO_2$/TB)

**49%**

**Reduction in network emission intensity for mobile ($CO_2$ emissions per terabyte) compared to FY 2018-19**

## Energy conservation in data centres

We have undertaken various energy conservation and emission reduction measures covering our data centres to reduce our dependence on fossil fuels.

**Ensuring energy efficiency** – We installed energy-efficient equipment and improvised processes across our data centres to optimise costs, save power and reduce GHG emissions.

**Optimum lighting** – Lighting optimisation through LED lights and motion sensors across various data centres saved 53,930 kWh of energy.

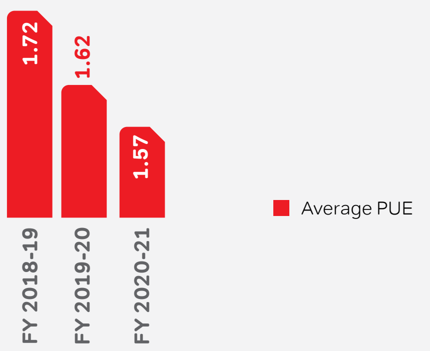
**Optimum cooling** – Cooling optimisation through the installation of active tiles, set points management, and air diverters saved 1,758,108 kWh of energy.

**Cold aisle/Hot aisle containment** – Cold aisle/hot aisle containment at different locations saved 112,979 kWh of energy.

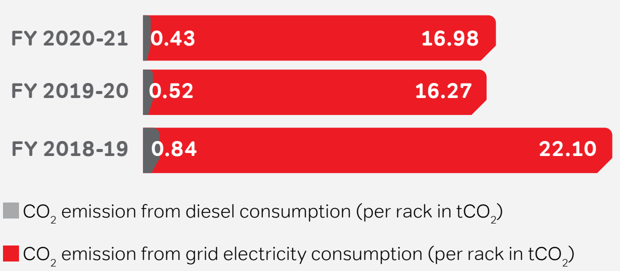
**UPS optimisation** – UPS and SPMS optimisation at various locations saved 2,232,458 kWh of energy.

**Power Usage Effectiveness (PUE)** – PUE helps us to track the energy efficiency of data centres, specifically. It is the metric that illustrates how efficiently data centers utilise their power resources. We improved PUE from 1.72 in FY 2018-19 to 1.57 in FY 2020-21.

### Average PUE




### Emission trends in our data centres




**55,348 MWH**
Procured from renewable energy sources in FY 2020-21

**24%**
Reduction in $CO_2$ emission per rack in our data centres from FY 2018-19

**35%**
Renewable energy consumption in data centres as a percentage of total energy consumption

## Energy conservation in our facilities

We have undertaken various energy conservation measures in our facilities and ensure installation of best rated energy efficient equipment and LEDs in AOR, to reduce the overall environmental footprint. These measures included UPS optimisation, demand rationalisatiion, HVAC upgradation among others.

### UPS optimisation

In FY 2020-21, we replaced two UPS sets at our facilities in Splendid Tower, Hyderabad, with new 80 kVA systems resulting in a saving of 5,592 kWh in six months.

### Demand surrender

We surrendered access load at selected locations to rationalise energy consumption. While this initiative did not contribute to direct energy savings, it impacted our overall energy costs. It delivered operational savings of ₹1.2 million at Indore and Mumbai locations and ₹1 million at sites located in the National Capital Region (NCR).

### UPS room HVAC system upgradation

With the help of duct extension, a total of 3 TR (Ton of Refrigeration) were switched off and 1.5 TR were replaced with new machine from the UPS room in offices located at Kundannoor, Kerala, which resulted in energy savings of 4,698 kWh.

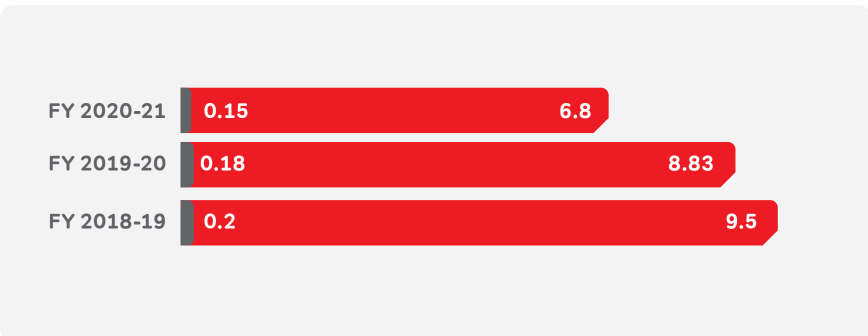
### HVAC air duct cleaning

A complete HVAC air duct was cleaned at our premises in Interface, Mumbai. This resulted in better airflow, reduced hot and cold pocket complaints, and improved the chilled water setpoint (reset from 7°C to 9°C), resulting in energy savings of 19,845 kWh.

### Replacement of ductable units

Replacement of ductable units at our Jodhpur and Udaipur offices resulted in energy savings of 23,881 kWh. We will roll out similar implementations at other offices as well.

### Emission trends in our facilities




$CO_2$ emission by diesel consumption (Kgs/sq.ft.)

$CO_2$ emission by grid electricity consumption (Kgs/sq.ft.)

**26%**

Reduction in diesel emissions per square feet compared to FY 2018-19

**28.4%**

Reduction in Grid $CO_2$ emissions per square feet in our facilities compared to FY 2018-19

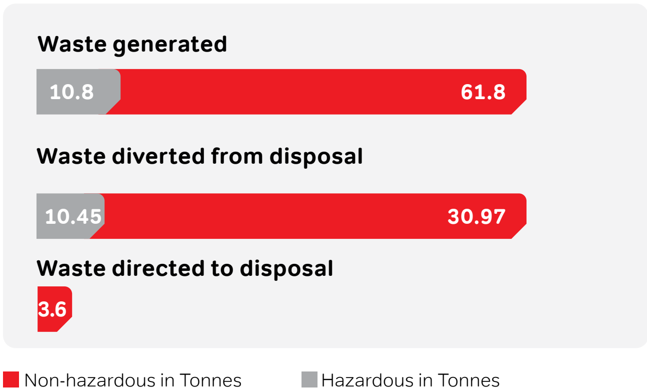
# Resource Efficiency and Waste Management

We reduce and recycle natural resources wherever possible and replenish what is feasible as we pivot to a new future to meet the needs of a new generation. We have adopted several measures to manage our water usage, improve waste management and increase the use of renewable resources.

## Waste management

We segregate organic, hazardous, and e-waste collected across our warehouses and dismantle them for recycling or repurposing. Our recyclers are authorised by the Central and State Pollution Control Boards. Most of our facilities are designed to be 'zero discharge' spaces.

We significantly reduced the amount of waste generated in FY 2020-21, primarily on account of shutdown of many of our facilities due to nationwide lockdown amid the pandemic.




1. That waste diverted from disposal includes recycled as well as the waste sold
2. This excludes e-waste
3. Hazardous waste directed to disposal is 0 Tonnes.

## Towards a paperless future

We reuse and recycle paper across our operations. The increasing adoption of digital practices across business processes has helped us reduce paper consumption. We have replaced physical copies of customer bills with electronic statements and online payment methods. In FY 2020-21, we sent 169 million e-bills to our customers, which helped us save 508 million sheets of paper, weighing 667 tonnes.

**36.3 Tonnes**
Paper used

**~ 508 Mn**
Sheets of paper saved through e-bill initiatives

**3%**
Paper used was recycled through partners

**667.1 Tonnes**
Tonnes of paper saved through e-bill initiatives

## e-waste management

At Airtel, we adopt the 3R approach of Reduce, Reuse and Recycle to manage our environmental footprint. We stringently follow the Waste Electrical and Electronic Equipment (WEEE) guidelines to treat and reuse e-waste generated from technological upgradations, capacity augmentation and other business processes.

e-waste collected at warehouses is segregated and dismantled for recycling. e-waste recycling helps to recover valuable materials from electronic products, which conserve natural resources and help manufacturers obtain raw materials from recycled waste. We use chemical decomposition processes wherever necessary to facilitate reusability and repurposing of e-waste. All the non-reusable hazardous e-waste, including lead batteries, are disposed of through authorised recyclers approved by Central and State Pollution Control Boards.

In FY 2020-21, total e-waste generated by our operations was estimated to be 5,554.28 tonnes. The waste was sent to third-party recyclers for further retrieval through decomposition processes.

We undertook various initiatives during the reporting year to reduce e-waste, including:

- Testing and repairing faulty modules at in-house facilities and repair centres.
- Double validation of non-repairable modules, first by a strategic partner and followed by a local agency.
- Inter-circle movement of materials to reuse obsolete material from one circle into another circle.
- Material handling and packaging capabilities to minimise damage during transit from sites to warehouses.
- Before declaring any material as scrap, we seek approval from relevant stakeholders. Once approved, we auction such material on the Metal Scrap Trade Corporation Limited (MSTC) portal, an Indian state-owned that provides e-auction services.
- We sell our scrap to vendors selected through a fair and open auction for repurposing.

# Water efficiency

At Airtel, we are cognisant of our water usage and ensure used water is recycled and reused wherever possible. All our facilities have water-efficient faucets. We reuse treated wastewater for gardening and in our washrooms.

We are working on water conservation projects like waterless urinals, water monitoring and reusing water via Wastewater Treatment Plant (WTP). We have introduced sensor-based water taps across most of our circle offices, reducing water wastage and leakage.

Most of Airtel's facilities work on the 'Zero Discharge' principle, where wastewater is treated through Sewage Treatment Plants (STP) and recycled for reuse.

**38,043** KL

Total water consumption in our facilities

**10,536** KL

Water Recycled

**28**%

Water consumed from recycled and harvested sources

# Green ICT solution

The IoT-enabled services provided by Airtel to enterprise customers reduce the need for customer mobility and enhance energy efficiency. Airtel IoT is a connectivity or a full end-to end platform that has been built to provide cloud and video-conferencing services. These services prevent greenhouse gas emissions by improving connectivity and reducing fuel usage associated with travel.

## Green data centre solution

Nxtra by Airtel offers secure data centre services to leading Indian and global enterprises, hyperscalers, start-ups, SMEs and governments. By FY 2021-22, Nxtra aims to meet over 50% of its power requirements for its data centres located in Uttar Pradesh, through renewable sources. As part of its mission to rapidly grow its green energy footprint, Airtel has commissioned a 14 MWp captive solar power plant to meet the energy requirements of its core and edge data centres in Uttar Pradesh. The facility in Tilhar is the first of the two solar plants being set up by Airtel in partnership with AMP Energy. The second plant at Begampur is expected to start functioning in the current financal year. Additionally, Airtel had acquired 26% equity stake in AMP Solar Evolution as part of its commitment to green energy-based solutions.

## Customer Experience – Zero Complaints

# ZERO. The only number that matters to us.

## Our intent is to challenge the status quo and listen to each and every complaint and treat it as an opportunity to be even better every single day.

Our customer obsession is often reflected in the audacity of our ambition to have 'zero questions' from our customers. Knowing the challenges being faced by our customers in accessing our network and services, we decided to put ourselves to public scrutiny, with a solemn pledge – we will not rest until every single query and complaint is resolved. We decided to set a target of answering and resolving every single customer query, learn quickly from failures and ensure they don't get repeated. While 'Zero questions' is an utopian ideal, that won't stop us from trying.

Through our multi-channel 'Open to Questions' campaign across TV, digital and print, we invited our customers to raise questions about our services. We used the insights drawn from our interactions with customers to add several new functionalities, thereby elevating customer experience exponentially and ensuring that the deficiencies of the past no way became a recurring event. By staying open to questions, we aspire to own our customer problems. Our intent is to challenge the status quo and listen to each and every complaint and treat it as an opportunity to be even better every single day.


Alongside the campaign, we re-engineered the entire organisation towards an obsession to build a culture of consumer centricity. We not only want to be part of the customer life but also want to live our customer life every single minute. Getting closer to ZERO has never been a more fulfilling endeavour.

Equally, through investments of more than ₹70,000 crores in the last three years, we have created a robust network which is capable of providing a brilliant experience to our customers. As a result, we are being consistently rated as India's top mobile network by multiple independent experts.

## Getting closer to ZERO has never been a more fulfilling endeavour.

**In this section**

# GRI Content Index

Bharti Airtel Limited has referred the GRI Standards while developing the Integrated Report for FY 2020-21. The GRI Content Index below depicts the linkage of the content of the Integrated Report with the GRI standard requirements:

| Disclosure | Disclosure Title | Section reference | Page number reference |
|---|---|---|---|
| **GENERAL DISCLOSURES** | | | |
| **ORGANISATIONAL PROFILE** | | | |
| 102-1 | Name of the organisation | About the report | 4 |
| 102-2 | Activities, brands, products, and services | Corporate Overview | 12 |
| 102-3 | Location of headquarters | Business Responsibility Report | 176 |
| 102-4 | Location of operations | Corporate Overview: Goegraphic presence | 10 |
| 102-5 | Ownership and legal form | Report on Corporate Governance: Distribution of shareholding | 237 |
| 102-6 | Markets served | Corporate Overview: Goegraphic presence | 10 |
| 102-7 | Scale of the organisation | Corporate Overview: Key Performance Indicators | 28 |
| 102-8 | Information on employees and other workers | Human Capital | 92 |
| 102-9 | Supply chain | Social & Relationship Capital | 120 |
| 102-10 | Significant changes to the organisation and its supply chain | Social & Relationship Capital | 120 |
| 102-11 | Precautionary Principle or approach | Risk Management: Maintaining an effective risk culture | 60-65 |
| 102-12 | External initiatives | Business Responsibility Report - Principle 7 | 183 |
| 102-13 | Membership of associations | Business Responsibility Report - Principle 7 | 183 |
| **STRATEGY** | | | |
| 102-14 | Statement from senior decision-maker | Message from the Chairman, Message from the MD & CEO (India & South Asia) | 18-21 |
| 102-15 | Key impacts, risks, and opportunities | Risk Management | 60-65 |
| **ETHICS AND INTEGRITY** | | | |
| 102-16 | Values, principles, standards, and norms of behaviour | Business Responsibility Report - Principle 1 | 179 |
| 102-17 | Mechanisms for advice and concerns about ethics | Report on Corporate Governance | 210 |
| **GOVERNANCE** | | | |
| 102-18 | Governance structure | Report on Corporate Governance: Givernance Structure | 211 |
| 102-19 | Delegating authority | Report on Corporate Governance: Governance Structure | 211 |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | Materiality Assessment and Stakeholder Engagement | 46-55 |
| 102-22 | Composition of the highest governance body and its committees | Report on Corporate Governance: Board of Directors and Board Committees | 211 |
| 102-23 | Chair of the highest governance body | Report on Corporate Governance: Board of Directors | 213 |
| 102-24 | Nominating and selecting the highest governance body | Report on Corporate Governance: Board Committees | 221 |
| 102-25 | Conflicts of interest | Report on Corporate Governance: Codes, Policies & Frameworks | 234 |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | Report on Corporate Governance: Governance Structure | 211 |

| Disclosure | Disclosure Title | Section reference | Page number reference |
|---|---|---|---|
| 102-27 | Collective knowledge of highest governance body | Report on Corporate: Key Board skills, expertise and competencies | 213 |
| 102-28 | Evaluating the highest governance body's performance | Report on Corporate Governance: Performance Evaluation | 215 |
| 102-29 | Identifying and managing economic, environmental, and social impacts | Risk Mitigation Framework, Human Capital, Financial Capital, Natural Capital and Social & Relationship Capital | 60-65 |
| 102-30 | Effectiveness of risk management processes | Risk Management | 60-65 |
| 102-31 | Review of economic, environmental and social topics | Risk Management: Risk Categorization | 60-65 |
| 102-32 | Highest governance body's role in sustainability reporting | Report on Corporate Governance: CSR Committee | 228 |
| 102-33 | Communicating critical concerns | Report on Corporate Governance: Stakeholders' Relationship Committee | 229 |
| 102-34 | Nature and total number of critical concerns | Report on Corporate Governance: Stakeholders' Relationship Committee | 229 |
| 102-35 | Remuneration policies | Annexure to Board's Report: Annexure B | 196 |
| 102-36 | Process for determining remuneration | Annexure to Board's Report: Annexure B | 196 |
| 102-38 | Annual total compensation ratio | Annexure to Board's Report: Annexure F | 207 |
| 102-39 | Percentage increase in annual total compensation ratio | Annexure to Board's Report: Annexure F | 207 |
| **STAKEHOLDER ENGAGEMENT** | | | |
| 102-40 | List of stakeholder groups | Materiality Assessment and Stakeholder Engagement | 50-51 |
| 102-41 | Collective bargaining agreements | Business Responsibility Report - Principle 3 | 181 |
| 102-42 | Identifying and selecting stakeholders | Materiality Assessment and Stakeholder Engagement | 50-53 |
| 102-43 | Approach to stakeholder engagement | Materiality Assessment and Stakeholder Engagement | 48-49 |
| 102-44 | Key topics and concerns raised | Materiality Assessment and Stakeholder Engagement | 54-55 |
| **REPORTING PRACTICE** | | | |
| 102-45 | Entities included in the consolidated financial statements | Financial Statements | 417 |
| 102-46 | Defining report content and topic Boundaries | About the report | 4 |
| 102-47 | List of material topics | Materiality Assessment and Stakeholder Engagement: Material Issues | 55 |
| 102-50 | Reporting period | About the report | 4 |
| 102-51 | Date of most recent report | About the report | 4 |
| 102-52 | Reporting cycle | About the report | 4 |
| 102-53 | Contact point for questions regarding the report | Business Responsibility Report; Report on Corporate Governance: Communication details | 176,239 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | About the report | 4 |
| 102-55 | GRI content index | GRI Content Index | 136 |
| 102-56 | External assurance | Assurance Statement | 142 |

| Disclosure | Disclosure Title | Section reference | Page number reference |
|---|---|---|---|
| **Topic specific Disclosures** | | | |
| **ECONOMIC** | | | |
| **Economic Performance** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Management Discussion & Analysis | 144 |
| 103-2 | The management approach and its components | Management Discussion & Analysis: Business Overview | 154 |
| 103-3 | Evaluation of the management approach | Management Discussion & Analysis: SCOT analysis | 164 |
| 201-1 | Direct economic value generated and distributed | Financial Statements | 254 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Management Discussion & Analysis | 173 |
| 201-3 | Defined benefit plan obligations and other retirement plans | Financial Statements | 254 |
| 201-4 | Financial assistance received from government | Financial Statements | 254 |
| **Market Presence** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Management Discussion & Analysis: Business Overview | 154 |
| 103-2 | The management approach and its components | Management Discussion & Analysis: Business Overview | 154 |
| 103-3 | Evaluation of the management approach | Management Discussion & Analysis: Business Overview | 154 |
| **Procurement Practices** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Social & Relationship Capital | 120 |
| 103-2 | The management approach and its components | Social & Relationship Capital | 120 |
| 103-3 | Evaluation of the management approach | Social & Relationship Capital | 120 |
| 204-1 | Proportion of spending on local suppliers | Social & Relationship Capital | 120 |
| **Anti-Corruption** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Business Responsibility Report - Principle 1 | 179 |
| 103-2 | The management approach and its components | Business Responsibility Report - Principle 1 | 179 |
| 103-3 | Evaluation of the management approach | Business Responsibility Report - Principle 1 | 179 |
| 205-1 | Operations assessed for risks related to corruption | Business Responsibility Report - Principle 1 | 179 |
| 205-2 | Communication and training about anti-corruption policies and procedures | Business Responsibility Report - Principle 1 | 179 |
| 205-3 | Confirmed incidents of corruption and actions taken | Business Responsibility Report - Principle 1 | 179 |
| **Anti-Competitive Behaviour** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Business Responsibility Report - Principle 9 | 184 |
| 103-2 | The management approach and its components | Business Responsibility Report - Principle 9 | 184 |
| 103-3 | Evaluation of the management approach | Business Responsibility Report - Principle 9 | 184 |
| 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Business Responsibility Report - Principle 9 | 184 |

| Disclosure | Disclosure Title | Section reference | Page number reference |
|---|---|---|---|
| **Tax** | | | |
| 207-1 | Approach to tax | Financial Statements | 254 |
| 207-2 | Tax governance, control, and risk management | Financial Statements | 254 |
| 207-3 | Stakeholder engagement and management of concerns related to tax | Financial Statements | 254 |
| 207-4 | Country-by-country reporting | Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2021, pursuant to Section 129 (3) of the Companies Act, 2013 | 417 |
| **ENVIRONMENTAL** | | | |
| **Energy** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Natural Capital | 125 |
| 103-2 | The management approach and its components | Natural Capital | 125 |
| 103-3 | Evaluation of the management approach | Natural Capital | 125 |
| 302-1 | Energy consumption within the organisation | Natural Capital: Energy Consumption in own operations | 126 |
| 302-4 | Reduction of energy consumption | Natural Capital: Energy Conservation in Network Infrastructure, Data Centres & Facilities | 125 |
| 302-5 | Reductions in energy requirements of products and services | Natural Capital: Energy Conservation and Emission Reduction | 126 |
| **Water & Effulents** | | | |
| 303-1 | Interactions with water as a shared resource | Natural Capital | 133 |
| 303-2 | Management of water discharge-related impacts | Natural Capital | 133 |
| 303-5 | Water consumption | Natural Capital | 133 |
| **Emissions** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Natural Capital | 126 |
| 103-2 | The management approach and its components | Natural Capital | 126 |
| 103-3 | Evaluation of the management approach | Natural Capital | 126 |
| 305-1 | Direct (Scope 1) GHG emissions | Natural Capital: Energy Consumption in own operations | 126 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Natural Capital: Energy Consumption in own operations | 126 |
| 305-4 | GHG emissions intensity | Natural Capital: Energy Conservation and Emission Reduction | 126 |
| 305-5 | Reduction of GHG emissions | Natural Capital: Energy Conservation and Emission Reduction | 127 |
| **Waste** | | | |
| 306-1 | Waste generation and significant waste-related impacts | Natural Capital: Waste Management | 131 |
| 306-2 | Management of significant waste-related impacts | Natural Capital: Waste Management | 131 |
| 306-3 | Waste generated | Natural Capital: Waste Management | 131 |
| 306-4 | Waste diverted from disposal | Natural Capital: Waste Management | 131 |
| 306-5 | Waste directed to disposal | Natural Capital: Waste Management | 131 |

| Disclosure | Disclosure Title | Section reference | Page number reference |
|---|---|---|---|
| **Environmental Compliance** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Business Responsibility Report - Principle 6 | 182 |
| 103-2 | The management approach and its components | Business Responsibility Report - Principle 6 | 182 |
| 103-3 | Evaluation of the management approach | Business Responsibility Report - Principle 6 | 182 |
| 307-1 | Non-compliance with environmental laws and regulations | Business Responsibility Report - Principle 6 | 182 |
| **SOCIAL** | | | |
| **Employment** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Human Capital | 91 |
| 103-2 | The management approach and its components | Human Capital | 91 |
| 103-3 | Evaluation of the management approach | Human Capital | 91 |
| 401-1 | New employee hires and employee turnover | Human Capital: Highlights | 92 |
| **Occupational Health And Safety** | | | |
| 403-1 | Occupational health and safety management system | Human Capital | 101 |
| 403-3 | Occupational health services | Human Capital | 101 |
| 403-5 | Worker training on occupational health and safety | Human Capital, Business Responsibility Report - Principle 3 | 101, 181 |
| 403-6 | Promotion of worker health | Human Capital, Business Responsibility Report - Principle 3 | 101, 181 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Human Capital, Business Responsibility Report - Principle 3 | 101, 181 |
| 403-8 | Workers covered by an occupational health and safety management system | Human Capital, Business Responsibility Report - Principle 3 | 101, 181 |
| **Training and Education** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Human Capital | 96 |
| 103-2 | The management approach and its components | Human Capital | 96 |
| 103-3 | Evaluation of the management approach | Human Capital | 96 |
| 404-1 | Average hours of training per year per employee | Human Capital | 96 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Human Capital | 96 |
| **Diversity and Equal Opportunity** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Human Capital | 102 |
| 103-2 | The management approach and its components | Human Capital | 102 |
| 103-3 | Evaluation of the management approach | Human Capital | 102 |
| 405-1 | Diversity of Governance body and Employees | Human Capital, Report on Corporate Governance: Board of Directors | 102, 213 |

| Disclosure | Disclosure Title | Section reference | Page number reference |
|---|---|---|---|
| **Non Discrimination** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Human Capital | 104 |
| 103-2 | The management approach and its components | Human Capital | 104 |
| 103-3 | Evaluation of the management approach | Human Capital | 104 |
| 406-1 | Incidents of discrimination and corrective actions taken | Business Responsibility Report - Principle 3 | 181 |
| **Child Labor** | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labour | Business Responsibility Report - Principle 3, Human Capital | 181, 104 |
| **Forced or Compulsory Labor** | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Business Responsibility Report - Principle 3, Human Capital | 181, 104 |
| **Human Rights Assessment** | | | |
| 103-1 | Explanation of the material topic and its Boundary | Human Capital | 104 |
| 103-2 | The management approach and its components | Human Capital | 104 |
| 103-3 | Evaluation of the management approach | Human Capital | 104 |
| 412-1 | Operations that have been subject to human rights reviews or impact assessments | Human Capital | 104 |
| 412-2 | Employee training on human rights policies or procedures | Human Capital | 104 |
| 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Human Capital | 104 |
| **Local Communities** | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Corporate Social Responsibility: Innate to our ethos – safeguarding the future generation Social & Relationship Capital | 38, 121 |
| **Public Policy** | | | |
| 415-1 | Political contributions | Financial Statements | 254 |
| **Customer Health and Safety** | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Business Responsibility Report - Principle 2 | 179 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Business Responsibility Report - Principle 6 | 182 |

# Assurance Statement

**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 2020-21

### Introduction and objective of engagement

Bharti Airtel Limited (the 'Company') has developed its **Integrated Report and Annual Financial Statements 2020-21** (the '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 have been derived from Business Responsibility Reporting Framework based on the principles of National Voluntary Guidelines of India (NVG), Accountability's AA1000v3 2020 (Principles of Inclusivity, Materiality, Impact and Responsiveness), Global Reporting Initiative (GRI) Standards and Greenhouse Gas (GHG) Protocol.

Thinkthrough Consulting Private Limited (TTC) was engaged by the Company to provide independent assurance on its sustainability disclosures in the Report that includes the Company's sustainability performance for the period April 1, 2020 to March 31, 2021.

### 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 AS v3 (2020) Type 2 assurance[1]. We applied a moderate[2] 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 the Company's performance for the period April 1, 2020 to March 31, 2021. The sustainability disclosures covered in our sample review included: Energy Consumption; Water Consumption; Waste Generation, GHG Emissions (Scope 1, Scope 2, and Scope 3) and 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.

1 Type 2 Assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality, Impact and Responsiveness, and verifies the reliability of specified sustainability performance information AA1000ASv3 (2020) Standard.

2 A moderate level of assurance as per AA1000AS v3 (2020) Standard is commensurate with "limited" assurance as defined in the International Standard on Assurance Engagements (ISAE) 3000

THINKTHROUGH CONSULTING

### Limitations of our engagement

The assurance scope excludes:

» Data and information outside the defined reporting period (April 1, 2020 to March 31, 2021).

» 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 COVID-19 pandemic, and the resultant travel and meeting restrictions, data assurance was 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 specialises 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 AA1000ASv3. 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

The sustainability disclosures of the Company as defined under the scope of assurance are fairly reliable, and the Company has applied considerable efforts to ensure consistency of data for this Report; however, the Company may continue to improve robustness of its data collection and collation process.

### Our conclusion

Based on the scope of our review, our conclusions are outlined below:

» Inclusiveness:
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 key stakeholder groups. The company transparently disclosed its stakeholder engagement approach and activities in the Report.

» Materiality:
We noted that the Company has listed the material topics in the Report. Nothing has come to our attention that causes us to believe that any material topic has been excluded from the Report of the Company.

» Responsiveness:
We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle for dealing with stakeholders (such as customers, suppliers, and local communities) on material topics covering its sustainability performance, including climate related risks and opportunities.

» Impact:
We are not aware of any matter that would lead us to believe that the Company does not monitor and measure and is not accountable for how their actions affect their stakeholder universe.

» Reliability of sustainability performance information:
We have reviewed the sustainability information in the Report including Energy Consumption; Water Consumption; Waste Generation, GHG Emissions (Scope 1, Scope 2, and Scope 3) and Employee training and education. Nothing has come to our attention that causes us not to believe that the data has been presented fairly, in material respects, in keeping with the <IR> Framework and the Company's reporting principles and criteria.

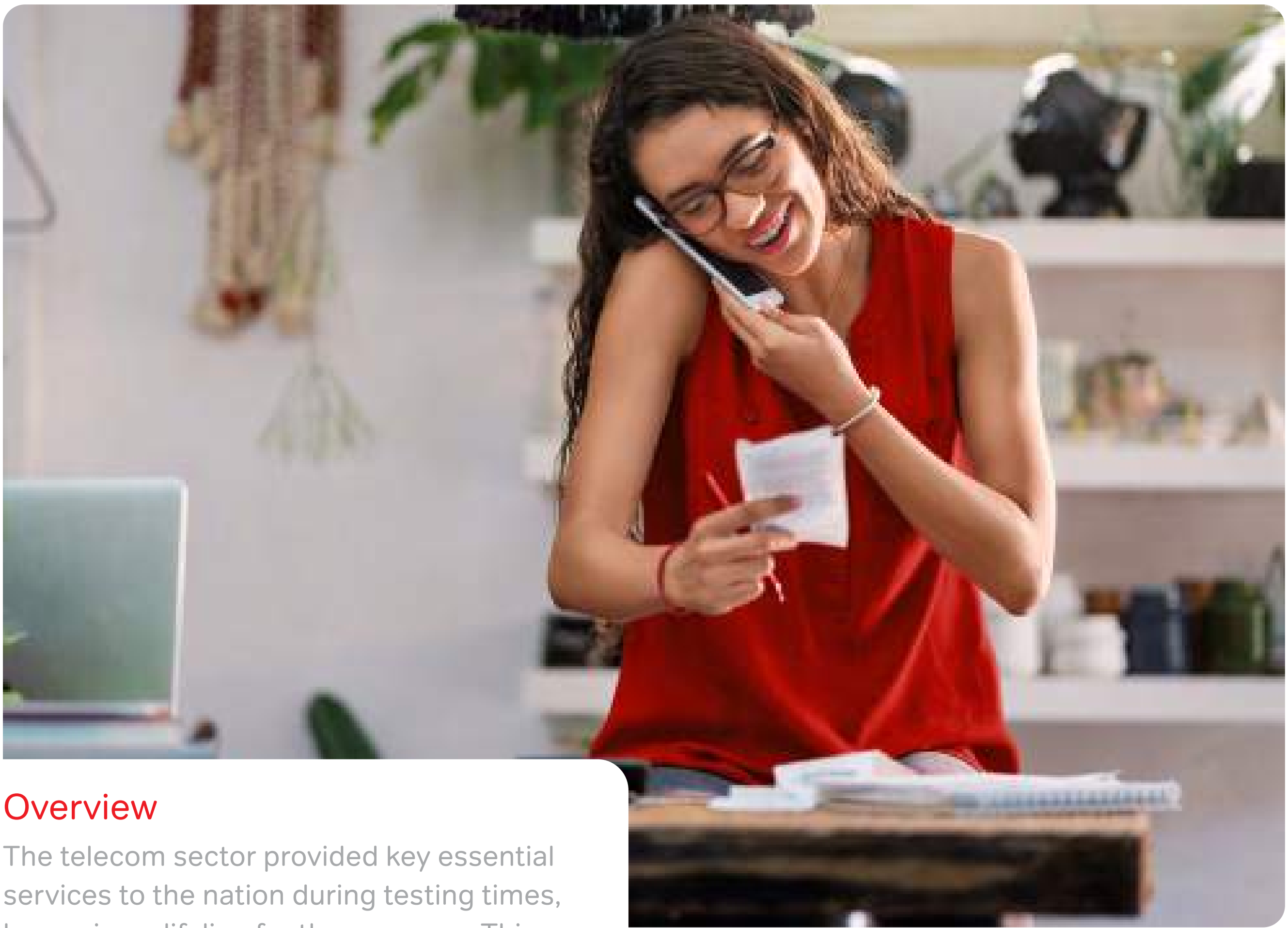
For **Thinkthrough Consulting Private Limited**

AA1000
Licensed Report
000-223/V3-2E6DX

Dipankar Ghosh, Partner

New Delhi
August 6, 2021

# Management Discussion & Analysis



## Overview

The telecom sector provided key essential services to the nation during testing times, becoming a lifeline for the economy. This was despite the industry battling its own challenges, with regulatory dues on back of unfavourable judiciary outcome adding pressure on an already consolidated industry. Additionally, Indian telecom pricing remains among the lowest globally even post one round of tariff hikes and having amongst the highest data usage globally.

The industry continues to be hopeful that going forward the health of the sector will be protected through much-needed support from each of the stakeholder, thus keeping the interest of the operators intact.

Bharti Airtel Limited ensured that even during the stringent lockdown and later during the unlock phases, it kept its customers and millions of people, homes and businesses connected. The Company announced special measures for its customers in form of extending pre-paid plans validity, providing additional talktime, facilitating digital recharges and adding alternate offline recharge channels. Network investments and broadband installation machinery were accelerated to cater to the increased pandemic led surge in data demand. Similarly, the Company progressed in achieving a 5G ready network and became India's first telecom player to successfully test, demonstrate and orchestrate a live 5G service over a commercial network in Hyderabad city.

Alongside serving the nation, Bharti Airtel accelerated the transition from just customer service to customer obsession. Given the exceptional execution capabilities and unrelenting customer focus, the Company saw very sharp traction across all lines of business and geographies. Post a year of industry repair initiative in form of tariff hikes, in FY 2020-21, the Company consolidated on the business momentum with a focus on winning quality customers through an exceptional experience while building an aspirational brand and wrapping everything through digital omni-channel.

Building on key underlying strengths (Data, Distribution, Payments and Network), during the year, the Company launched multiple digital services. Digital flywheel comprising digital services is enabling the Company to be more efficient, create new revenue streams and build a powerful ecosystem of strong partners. The announcement of the new corporate structure has been another key step towards sharpening focus on digital opportunity and value creation.

# Economic Review[1]

Current Year 2020 saw the world economy being impacted by the COVID-19 pandemic, with the global GDP recording a de-growth of 3.3%. The impact was more severe in the first half of the year as most countries went into lockdown to combat the spread of the virus. As people and businesses adapted to new ways of working and restrictions eased gradually, the global economy started to recover in the latter part of the year. A slew of policy measures undertaken by governments and central banks in most nations across the globe reduced the magnitude of pandemic impact, which saw millions of jobs being lost, particularly in contact-intensive services and the informal sector, leading to a sharp rise in inequality.

The COVID-19 pandemic impacted individual economies in multiple ways and over different periods of time. The advanced economies were more impacted and witnessed a de-growth of 4.7% vs a growth of 1.6% in the previous year. On the other hand, the Emerging Market and Developing Economies (EMDEs) de-grew only by 2.2% during the year, mainly supported by China's 2.3% growth. Regions with a higher dependence on tourism and commodity exports took a comparatively bigger hit than other regions. The impact also varied across sectors.

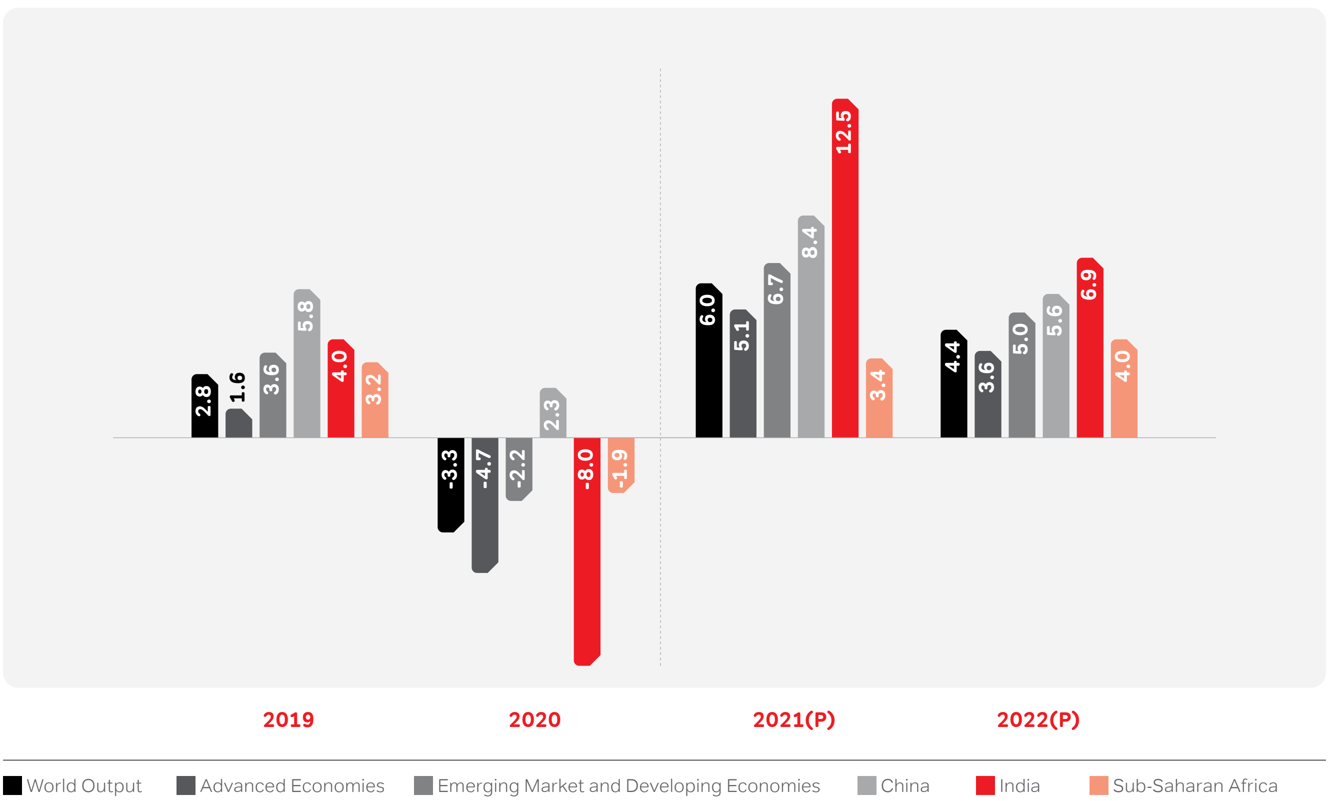
While the restrictions negatively affected travel and tourism, art and entertainment, sports and brick-and-mortar retail, there was a surge in demand for consumer durables and sectors providing ancillary support to work-from-home.

## Outlook

After the pandemic led contraction in 2020, the International Monetary Fund (IMF) projects the global economy to grow at 6% in 2021, moderating to 4.4% in 2022. Actual growth, however, is contingent on vaccine response to new COVID-19 strains, policy actions, containment of supply chain disruptions, commodity prices and, ultimately, the capacity of individual economies to adjust to the changes. As the vaccination drive across the world picks up, economic activity is expected to normalise, bringing global economy back on a growth trajectory.

Beyond 2022, global growth is projected at around 3.3%, given medium-term damage to supply potentials, ageing population and stabilising growth in China.

### Global Growth Trend (%)




1. World Bank Global Economic Prospects January 2021: http://www.worldbank.org/en/publication/global-economic-prospects; IMF World Economic Outlook April 2021: https://www.imf.org/en/Publications/WEO; India Economic Survey 2020-21: https://www.indiabudget.gov.in/economicsurvey/

## Indian Economy

As per the IMF, the Indian economy de-grew by 8% in 2020 vis-à-vis a growth of 4% in 2019. It was already witnessing deceleration due to the stress in the non-banking financial sector when the COVID-19 pandemic struck. Approximately 1.3 billion Indians were put under one of the most stringent lockdowns in the world as India focused on 'Lives over Livelihoods', that is, saving lives at the cost of short-term pain. The lockdown provided much needed time to ramp up the testing capacity and healthcare infrastructure, create greater awareness on health and safety measures and the adoption of a new way of life, which in turn flatten the infection curve, thereby cushioning the pandemic's impact on the economy. Supported by the structural and demand-side reforms undertaken by the government and central bank, along with the easing of restrictions from June 2020 onwards, the economy witnessed early signs of recovery. India saw a V-shaped recovery post the first quarter, which saw a contraction of 22.4%, one of the worst ever in India's recorded history. The July-September quarter witnessed a 7.3% degrowth, while the last two quarters of FY 2020-21 saw a positive growth rate of 1% and 3.7% respectively.

### Outlook

In 2021, the IMF expects India's GDP to grow at 12.5% on the back of a low base of 2020, although the downside risk of a more virulent mutated strain remains. An accelerated vaccination drive, along with targeted fiscal and monetary policy responses, is expected to bring the economy back to the growth trajectory over the remaining part of the year.

## African Economy

The Sub-Saharan Africa economy de-grew by 1.9% in 2021 vis-à-vis growth of 3.2% in the previous year. Economic activity was disrupted by the pandemic mainly in tourism and commodity dependent nations, including Ghana, Nigeria, Kenya and South Africa. Rapidly increasing food price and headline inflation added to this disruption. The silver lining is that the spread of the virus has not been as widespread and as rapid as was initially feared in Africa. Experiences from past epidemics helped in the timely implementation of restrictions and adherence to COVID-19 appropriate behaviour, which contributed towards the slowing down of the spread of the virus in the region.

### Outlook

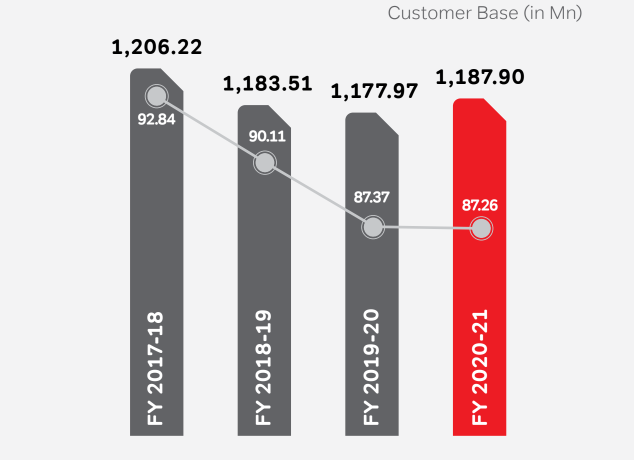
Economic growth is expected to resume in 2021 at an estimated growth rate of 3.4% as per the IMF. The recovery is expected to be slower and elongated as the roll-out of vaccines in the region is expected to lag behind that in major economies and in many other emerging markets. However, potential acceleration in exports to partner nations and a rebound in oil prices can act as big upsides for economic growth in the region.

# Industry Overview

## Indian Telecom Sector

India's total telecom customer base stood at 1,187.90 million as on February 28, 2021. The Indian telecom industry has recently witnessed consolidation into three large private players, which has led to the accelerated absorption of multiple SIM users, leading, in turn, to a slowdown in growth of the customer base. In the current financial year, total customer base grew marginally by 80 bps from 1,177.97 million as on March 31, 2020, while the tele-density remained nearly unchanged at 87.26% as on February 28, 2021 compared to 87.37% as on March 31, 2020.

### Telecom Penetration India




Source: Telecom Regulatory Authority of India; *2020-21 represents Telecom Data as on February 28, 2021

**139.96%** Urban Tele-Density*

**59.48%** Rural Tele-Density*

Among the service areas excluding metros, Himachal Pradesh has the highest tele-density (151.67%), followed by Kerala (129.99%), Punjab (124.28%), Tamil Nadu (106.58%), Andhra Pradesh (98.84%), Gujarat (98.16%), Haryana (94.54%), Jammu & Kashmir (88.39%). Among the metros, Delhi tops with 277.27% tele-density. On the other hand, service areas, such as Bihar (52.98%), Uttar Pradesh (67.51%), Madhya Pradesh (67.82%) and Assam (70.11%), have comparatively low tele-density.

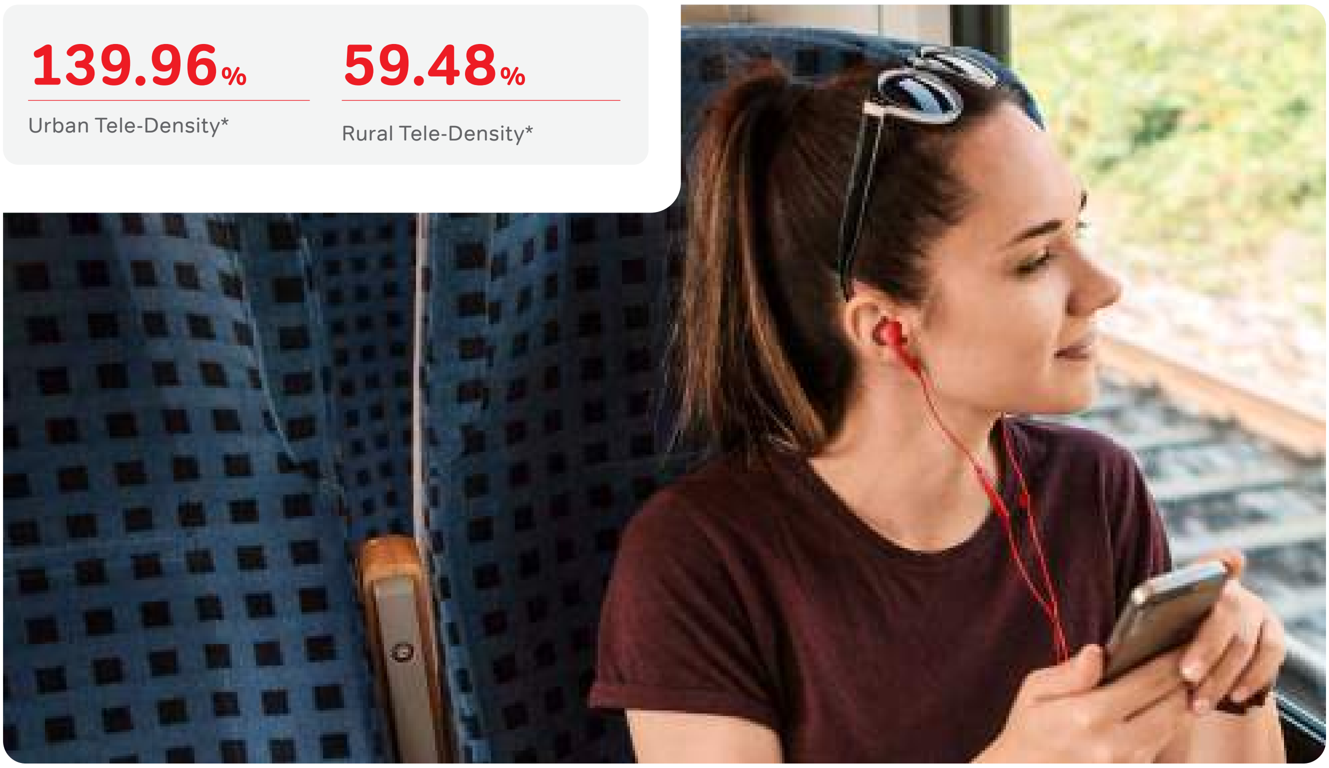
The wireline customer base stood at 20.19 million at the end of February 28, 2021 vis-à-vis 20.22 million at the end of March 31, 2020.

**20.19 Mn** Wireline Customer Base*

**1,167.71 Mn** Wireless Customer Base*

**765.09 Mn** Broadband Customer Base*

A review of the current Megatrends in the industry is available on Page **44** of this Report.



# Africa's Telecom Industry

The COVID-19 pandemic has contributed to a rapid acceleration of already existing macro trends across the 14 countries where it operates, with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion. These challenging times have shown that the telecom industry is a key and essential service for these economies, allowing customers to work remotely, reduce their travel, keep connected and have access to affordable entertainment and financial services. Further, notwithstanding the possible impacts of COVID-19, the industry continues to benefit from population growth and the need for increased connectivity and financial inclusion in the medium to long term in the countries where it operates.

# Development in Regulations

The year saw several regulatory changes and developments. The significant regulatory changes were:

## India

» Pursuant to the judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement') including subsequent supplementary judgements, and in the absence of any potential reliefs, the Group provided for ₹368,322 Mn for the periods upto March 31, 2020 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 in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation. Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Group had further recorded an incremental provision of ₹107,444 Mn (including net interest on total provision created considering interest rate as per the affidavit filed by DoT on March 16, 2020 with effect from the date of Court Judgement) to give effect of the differential amount between the AGR Provision and the DoT Demand along with provision for subsequent periods for which demands have not been received, computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgement, which had been presented as exceptional item. As on March 31, 2021, the Company has continued to recognise its AGR obligations based on Court Judgement and guidelines / clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

Further, in its judgement dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Group has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

The Group has filed an application before the Hon'ble Supreme Court inter-alia highlighting basic arithmetical, clerical and computational errors in the DOT demand. The application is pending adjudication.

» The Company, after considering its current business plans, likely adoption of lower income tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019, future projections and timing of taxable income, has re-assessed the carrying amounts of its deferred tax balances, including the Minimum Alternate Tax (MAT) credit available.

Simultaneously, the Company has opted for 'Vivad se Vishwas Scheme 2020", an income tax amnesty scheme to settle tax related litigations/disputes. The Company has decided to settle its disputes pertaining from Assessment Years 2010-11 to Assessment Years 2016-17 and accordingly, filed the necessary application and related documents on April 24, 2020 with the Income Tax Authorities.

Subsequent to the quarter ended June 30, 2020, the Income Tax Authorities on July 21, 2020, have approved the Company's application for all the assessment years and all required formalities in relation to this have been duly completed.

As a result of the above, tax expense for the quarter ended June 30, 2020 includes the impact of reversal of current tax liability relating to earlier years of ₹1,312 Mn, and net deferred tax charge of ₹69,490 Mn (including provision against MAT credit ₹48,083 Mn) aggregate to ₹68,178 Mn.

- On April 7, 2020, TRAI has released the Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020 ("Amended TRAI Regulation"). Effective May 1, 2020, the International Termination rate has changed from existing fixed charge of ₹0.30 per minute to forbearance with a range of ₹0.35 to ₹0.65 per minute.
- On August 17, 2020, TRAI issued recommendations on "Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing" clarifying that an increment of 0.5% on SUC rate should apply on the spectrum holding in specific band in which sharing is taking place, and not on the entire spectrum holding.
- On August 27, 2020, TRAI issued direction granting the clearance for generating Unique Porting Code (UPC) if the outstanding payment due from post-paid subscriber in the previous bill is ₹10 or less and non-payment disconnection request should not be raised if the amount is ₹10 or less.
- On November 12, 2020, DoT has issued clarifications on MRO. The salient points include:-
  - The coverage criteria already fullfilled by the licensee for a DHQ/ BHQ/ Rural SDCA utilising the spectrum acquired in 2010, 2012, 2013, 2014 and 2015 auctions in any band may be counted towards roll-out obligations of spectrum acquired in NIA-2016 as per DoT circular dated November 3, 2017. This would be applicable for metro service areas too.
  - It is proposed that in the event of shortfall in number of required DHQs/ BHQs/ R-SDCAs after considering the above, the same can be fulfilled either through their respective bands acquired through 2016 auction for which roll-out obligation are being considered or by revalidating the STRCs issued in respect of spectrum acquired in 2016 auction by the use of any technology in any band.
- On November 25, 2020, DoT issued circular stating that a period of 3 months is granted to regularise all COCP/ Bulk connections acquired using GST certificate as PoA. After the expiry of this period, un-regularised connections acquired before November 21, 2020 shall be treated as non-compliant.
- On December 17, 2019, TRAI issued its regulation on "The Telecommunication Interconnection Usage Charges (Fifteenth Amendment) Regulations" wherein the IUC for calls terminated on mobile has to be changed from ₹0.06 per MOU to ₹0.00 per MOU effective January 1, 2021 and the same has been implemented.
- The auction for sale of spectrum in different bands conducted by DoT began on March 1, 2021 and concluded on March 2, 2021. Airtel acquired 355.45 MHz spectrum across Sub GHz, mid-band and 2300 MHz bands for a total consideration of ₹187,034 Mn. for a period of 20 years and has duly paid the upfront amounts and the FBGs under the deferred payment option to DoT.

  With this, Airtel has secured Pan India foot print of Sub GHz spectrum that will help improve its deep indoor and in building coverage in every urban town. In addition, this precious spectrum will also help improve its coverage in villages by offering the superior Airtel experience to an additional 90 million customers in India.

## Africa

### New SIM Registration Rules in Nigeria

Following a directive issued by the Nigerian Communications Commission (NCC) on December 15, 2020 to all Nigerian telecom operators, Airtel Nigeria has been working with the government to ensure that all its customers provide their valid National Identification Numbers (NINs) to update SIM registration records.

Initially, new customer acquisitions were barred until significant progress had been made on linking the active customer base with verified NINs. Natural churn in the customer base led to a loss of 2.5 million active mobile customers in the final quarter of the year. However the financial impact has been minimal, with continued revenue growth in Nigeria, largely due to the significantly lower ARPU of the churned base and increased usage by the active base. In April, the NCC announced that it would allow new customer enrolment to recommence from

certified outlets. Airtel Nigeria has, so far, received interim approvals for 800 outlets and new customer registrations have recommenced in those outlets accordingly.

The directive set an initial deadline of December 30, 2020, for customers to register their NIN with their SIM. This was subsequently moved several times with the latest deadline set for June 30, 2021.

## New Shareholding Requirements in Kenya

On April 9, 2021, the Minister for ICT published an amendment to the National Information Communications and Technology (ICT) Policy Guidelines, 2020 ("ICT Policy"). The ICT Policy amendment will affect Airtel Africa's Kenya business as follows:

- Airtel Networks Kenya Limited, which currently holds an indefinite exemption from the Minister for ICT, dated March 20, 2013, has three years with effect from April 9, 2021, to comply with the requirement to have a 30% local shareholding.
- Airtel Money Kenya Limited, which holds a Content Service Provider Licence from the Communications Authority of Kenya, with effect from November 2020, has three years from the date of the licence to comply with the requirement to have a 30% local shareholding.

Under the amended ICT policy, a licensee may apply to the Minister for ICT for an extension of time to comply with the requirement, or to obtain an exemption.

## New Licence in Uganda

In December, Airtel Uganda Limited (Airtel Uganda) was issued a National Telecom Operator (NTO) Licence following a period of negotiation and transition to a new licensing regime.

The new licence is in effect from July 1, 2020, for a period of 20 years until June 30, 2040. Airtel Uganda will retain all its current spectrum subject to the law and terms of assignment. The scope of services is the provision of basic telecommunication services, infrastructure services, and value-added telecommunication services. In addition, Airtel Uganda commits to achieving a coverage of 90% of the geographical boundary of Uganda within five years of the effective date of the licence, with a minimum obligation of providing voice and data services.

Under the terms of the licence, Airtel Uganda has paid $74.6 million for the first ten years of the licence, which includes VAT of $11.4 million. After the first 10 years, Airtel will be invoiced for the licence fee for the remaining 10 years.

Under Article 16 of the NTO, Airtel Uganda is obliged to comply with the sector policy, regulations and guidelines requiring the listing of part of its shares on the Uganda Stock Exchange. The current Uganda Communications (Fees & Fines) (Amendment) Regulations 2020, create a public listing obligation for all NTO licensees, and specifies that 20% be listed within two years of the date of the effective date of the licence.

## Licence Renewal in Nigeria

In January 2021, Airtel Networks Limited ("Airtel Nigeria") announced that its application for renewal of the spectrum licences in the 900 MHz and 1800 MHz bands had been approved by the Nigerian Communications Commission ("NCC"). Pursuant to Section 43 of the Nigerian Communications Act, 2003 and Condition 20 of the Unified Access Service Licence (UASL), Airtel Nigeria applied to renew the UASL (operations licence) and spectrum licences in the 900 MHz and 1800 MHz bands, which would otherwise expire on November 30, 2021.

Following the application, the NCC offered Airtel Nigeria the opportunity to renew its spectrum licences in the 900 MHz and 1800 MHz bands for a period of ten years, with effect from December 1, until November 30, 2031, which Airtel Nigeria accepted. Under the terms of the spectrum licences, Airtel Nigeria paid 71.61 billion naira ($182 million) in respect of the licence renewal fees.

The UASL is still under consideration by the NCC, and formal confirmation of renewal is expected before the expiry date of November 30, 2021.

# Financial Review

## Standalone Figures

| Particulars | FY 2020-21 | | FY 2019-20 | | y-o-y % Change |
|---|---|---|---|---|---|
| | ₹ in Mn | US$ Mn* | ₹ in Mn | US$ Mn* | in ₹ terms |
| Gross revenue | 643,259 | 8,655 | 543,171 | 7,680 | 18% |
| EBITDA before exceptional items | 286,502 | 3,855 | 206,319 | 2,917 | 39% |
| Interest, depreciation and others before exceptional items | 320,924 | 4,318 | 301,110 | 4,257 | 7% |
| Profit before exceptional items and tax | -34,422 | -463 | -94,791 | -1,340 | 64% |
| Profit before tax | -184,652 | -2,484 | -510,209 | -7,214 | 64% |
| Tax expense | 67,324 | 906 | -149,327 | -2,111 | 145% |
| Profit for the year | -251,976 | -3,390 | -360,882 | -5,103 | 30% |
| Earnings per share (in ₹/US$)* | -46.18 | -0.62 | -71.08 | -1.00 | 35% |

*1 USD = ₹74.32 Exchange Rate for financial year ended March 31, 2021 (1 USD = ₹70.73 for financial year ended March 31, 2020)

## Consolidated Figures

| Particulars | FY 2020-21 | | FY 2019-20 | | Y-o-Y% Change |
|---|---|---|---|---|---|
| | ₹ in Mn | US$ Mn* | ₹ in Mn | US$ Mn* | in ₹ terms |
| Gross Revenue | 1,006,158 | 13,538 | 846,765 | 11,972 | 19% |
| EBITDA before exceptional items | 461,387 | 6,208 | 347,696 | 4,916 | 33% |
| Interest, Depreciation & others before Exceptional items | 438,799 | 5,904 | 392,514 | 5,550 | 12% |
| Profit before exceptional items & tax | 22,586 | 304 | -44,819 | -634 | 150% |
| Profit before tax | -42,063 | -566 | -445,711 | -6,302 | 91% |
| Tax expense | 89,325 | 1,202 | -125,124 | -1,769 | 171% |
| Profit for the year | -150,835 | -2,029 | -321,832 | -4,550 | 53% |
| Earnings per share from continuing and discontinued operations (in ₹/US $)* | -27.65 | -0.37 | -63.41 | -0.90 | 56% |

*1 USD = ₹74.32 Exchange Rate for financial year ended March 31, 2021 (1 USD = ₹70.73 for financial year ended March 31, 2020)

# Key Highlights

## Recasting of Consolidated Financial statement on account of demerger of Bharti Infratel Limited

The Indus Merger, which combined our former subsidiary Bharti Infratel with Indus Towers, was completed effective November 19, 2020. Following the Indus Merger, the 53.5% shareholding in Bharti Infratel was reduced to 36.7% in the merged Indus Towers entity. On December 2, 2020 and December 28, 2020, the company acquired an additional stake of 4.93% and 0.06%, respectively, in the merged Indus Towers entity, increasing its equity stake from 36.7% to 41.73% and hence Airtel no longer holds a controlling stake. Accordingly, all the financial and non-financial numbers for the past periods for India, India SA and Consolidated operations have been recast to exclude the impact of Bharti Infratel Ltd.

## Highest Consolidated Revenue

The Company witnessed the highest ever consolidated revenues of ₹1,006,158 million (recasted revenue* ₹969,992 million) for the year ended March 31, 2021, as compared to ₹846,765 million (recasted revenue ₹798,999 million) in the previous year, an increase of 18.8% (an increase of 21.4% on a recasted basis). Full year revenues of India and South Asia stood at ₹726,980 million as compared to ₹614,973 million in the previous year, an increase of 18.2% (up 21.8% on a recasted basis). Revenues across the 14 countries of Africa, in constant currency terms, grew by 19.4%. Increase in revenue is majorly led by customer addition on the back of strong demand for connectivity and solutions.

**Highest-ever consolidated revenue**

**₹1,006,158 Mn**

*The term 'recasted' refers to the impact of Mobile Termination Charges in Mobile – India business which have been reduced to ₹ 0.00 per MoU from ₹ 0.06 per MoU, effective January 1, 2021, as per TRAI guidelines.

## Operating Expense

The Company incurred an operating expenditure (excluding access charges, cost of goods sold, license fees and CSR costs) of ₹338,482 million, representing an increase of 9.6% over the previous year.

## Earnings Before Interest, Taxes, Depreciation and Amortisation

Consolidated EBITDA at ₹461,387 million increased by 32.7% over the previous year on reported basis. The Company's EBITDA margin for the year increased to 45.9% as compared to 41.1% in the previous year. Structural cost containment through our flagship "War on Waste" program helped in driving operational efficiencies and improving EBITDA margin.

## Depreciation and Amortisation

Depreciation and amortisation costs for the year were higher by 8.5% to ₹294,044 million as the Company continues to invest in the best of emerging technologies to create a future-ready network.

## Earnings Before Interest and Taxes

Consequently, EBIT for the year was at ₹166,177 million, increase by 119.7%, resulting in a margin of 16.5% vis-à-vis 8.9% in the previous year.

**119.7%**

Increase in EBIT in FY 2020-21

## Net Finance Cost

Net finance costs at ₹148,019 million were higher by ₹19,868 million compared to previous year, mainly due to higher average borrowings during the year.

## Earnings Before Taxes and Exceptional Items

Consequently, the consolidated Profit before taxes and exceptional items stood at ₹22,586 million, compared to loss of ₹44,819 million during the previous year.

## Exceptional Items

Exceptional items during the year accounted for impact of ₹139,332 million, majorly comprising additional hit on account of license fees and SUC including interest thereon (AGR Matter), adoption of new tax regime, partly offset by gain on deemed disposal of subsidiary.

## Earning After Tax

After accounting for exceptional items, the resultant consolidated net loss for the year ended March 31, 2021 stood at ₹150,835 million as compared to net loss of ₹321,832 million in the previous year.

## CAPEX

The capital expenditure for the financial year ending March 31, 2021 was ₹241,685 million.

## Liquidity and Funding

As on March 31, 2021, the Company had cash and cash equivalents of ₹80,859 million and short-term investments of ₹40,781 million. During the year ended March 31, 2021, the Company generated operating free cash flow of ₹219,702 million.

**₹219,702 Mn**

OFCF generated in FY 2020-21

The consolidated net debt excluding lease obligations for the Company stood at ₹1,155,124 million as on March 31, 2021, compared to ₹914,181 million as on March 31, 2020. Consolidated net debt for the Company, including the impact of leases stood at ₹1,485,076 million as on March 31, 2021. The net debt-EBITDA ratio (US$ terms LTM), including the impact of leases as on March 31, 2021, was at 3.26x as compared to 3.35x as on March 31, 2020. The net debt-equity ratio was at 2.52x as on March 31, 2021, as compared to 1.61x as on March 31, 2020.

## Bonds Offering

Airtel completed its US$1.25 billion Dual-Tranche Senior 10.25 Year and Perpetual 144a/Regs US$ Bond offering. This was the largest issuance by any Indian Investment Grade issuer since January 2019. Airtel has priced US$750 million of senior 10.25 Year bonds at a yield of US 10 Year Treasury + 187.5 bps for an implied coupon of 3.25%. Simultaneously, Network i2i Limited, a wholly owned subsidiary of the Company, priced US$500 million in guaranteed subordinated perpetual NC 5.25 year bonds with a coupon of 3.975%. This is a lowest ever yield on 10 year and perpetual bonds for Airtel.

**US$1.25 billion**

Raised Through Dual-Tranche Senior 10.25 Year & Perpetual 144a/Regs US$ Bond

# Key Ratios

The following table shows a summary of sector-specific key ratios:

| Key Ratios | Units | FY 2020-21 | FY 2019-20 | Y-o-Y |
|---|---|---|---|---|
| Capex Productivity | % | 47.25 | 43.77 | 3 p.p. |
| Opex Productivity | % | 33.64 | 36.48 | -3 p.p. |
| Interest Coverage Ratio | Times | 3.62 | 3.16 | 15% |
| Net Debt to Shareholders' Equity | Times | 2.52 | 1.61 | 56% |
| EBITDA Margin | % | 45.86 | 41.06 | 5 p.p. |
| Net Profit Margin | % | -15.0 | -38.0 | 23 p.p. |
| Return on Shareholders' Equity | % | -22.17 | -35.47 | 13 p.p. |

# Business Overview

## Mobile Services

### Overview

Airtel fortified its strong spectrum portfolio with the acquisition of 355.45 MHz spectrum across Sub GHz, mid-band, and 2300 MHz bands for a total consideration of ₹187,034 Mn in the latest spectrum auctions to serve the evolving needs of millions of customers in the rapidly digitising economy.

The Company continued to re-farm its 3G spectrum for 4G and modernise it for increasing 4G coverage and capacities, thereby providing its customers with an industry-leading network experience. As of March 31, 2021, the Company had 321.4 million customers in India. Customer churn decreased to 2.0% for the current year, compared to 2.5% during the previous year. The minutes on the network have increased by 18.7% to 3,603 billion. The Company had 188.6 million data customers at the end of March 31, 2021, of which 179.3 million were mobile 4G customers. The increased penetration through bundles with high inbuilt data has also led to the total MBs on the network growing by 54.8% to 32,541 billion MBs.

**321.4 Mn**

Customers in India as of March 31, 2021

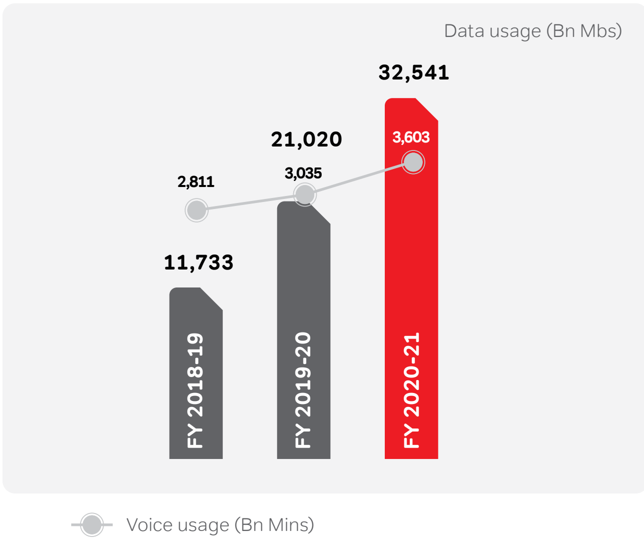
The Company continues to expand its reach within the digital space. Wynk Music remains one of the top 3 music streaming services in India. The performance metric underlines the massive user preference for Wynk Music when it comes to consuming music on smartphones – it crossed 72.5 million monthly active users (MAU). Airtel Xstream, the video and LIVE TV streaming app from Airtel, crossed 37.5 million MAU, underlining its growing popularity amongst smartphone users as the go-to destination for digital content.

During the year, revenues increased by 20.9% to ₹555,677 million as compared to ₹459,663 million in the previous year. On a recast basis, revenues increased by 26.1% to ₹519,510 million as compared to ₹411,898 million in the previous year. The segment witnessed an increase in the EBITDA margin to 43.7% during the year, compared to 36.9% in the last year. The EBIT margin for the year increased to 5.9%, compared to (negative) 6.9% in the previous year.

The Company had 216,901 network towers, compared to 194,409 network towers in the last year. Mobile broadband (MBB) base stations numbered 606,783 at the end of the year, compared to 503,883 at the end of last year.

| Particulars | FY 2020-21 ₹ Mn | FY 2019-20 ₹ Mn | Y-o-Y Growth % |
|---|---|---|---|
| Gross Revenues | 555,676 | 459,663 | 21 |
| EBIT | 32,990 | (31,853) | 204 |

### Data and Voice usage




# Key Highlights

## Strategic Alliances and Partnerships

Airtel continues to forge business partnerships with an aim to provide a seamless customer experience with a greater value proposition to end users.

» Airtel and Qualcomm announced their partnership for 5G in India. Airtel's network vendors and device partners will utilise the Qualcomm® 5G RAN Platforms to roll out virtualised and Open RAN-based 5G networks.

» As part of its strategy to offer best-in-class entertainment to customers in India, Airtel announced a partnership with VOOT to bring more premium digital content onto its Airtel Xstream platform.

» Airtel partnered with the Government of Tamil Nadu to bring quality online learning classes to students in the state through Airtel's digital platforms.

» Continuing on its long-standing relationship, Airtel announced a strategic partnership with Nokia's CloudBand-based software products that are powering Bharti Airtel's VoLTE network in India, which supports over 110 million customers, making it the largest cloud-based VoLTE network in India and largest Nokia-run VoLTE in the world.

» As a first in India, Airtel announced an agreement to deploy Altiostar's open virtual radio access network (vRAN) solution. The solution has 5G ready software and would provide seamless evolution to 5G using the same architecture.

» Bharti Airtel selected Ceragon's (Ceragon Networks Ltd.) products and services for additional 4G network expansions to address the growing demand for broadband amidst a sharp rise in data consumption across India.

First operator in India to deploy a **vRan based 4G network with 5G ready software**

## Mergers, Acquisitions and Disinvestments

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:

» Bharti Airtel acquired a strategic stake in EdTech startup Lattu Media Pvt Ltd ("Lattu Kids"), AI focused startup – Voicezen and cloud technology startup, Waybeo as part of the Airtel Startup Accelerator Program.

» Airtel via its wholly-owned subsidiary, Nettle Infrastructure Investments Limited, acquired 100% stake in OneWeb India Communications Private Limited ("OneWeb"). OneWeb was incorporated on February 4, 2020 to provide satellite services and has applied for the necessary regulatory approvals to commence operations. UK-based Network Access Associates Ltd, a OneWeb group company, is in the process of seeking foreign direct investment (FDI) approval for investment in OneWeb India Communications Private Ltd.

## Network Expansion and Transformation

Airtel remains committed to delivering a world-class network experience to the high value customer through its various initiatives:

» In March 2021 Spectrum Auctions, Airtel acquired 355.45 MHz spectrum across Sub GHz, mid band and 2300 MHz bands. With this, Airtel secured pan India foot print for Sub GHz spectrum that will help improve its deep indoor and in building coverage in every urban town.

» Airtel achieved a major landmark, by becoming India's, first telecom player to successfully test, demonstrate and orchestrate a live 5G service over a commercial network in Hyderabad city over its existing liberalised spectrum in the 1800 MHz band through the NSA (Non-Stand Alone network technology).

» As part of its strategy to offer high speed 4G across the country, the Company has phased out its 3G services completely, for re-farming of 3G spectrum for 4G to ensure wider availability of Airtel 4G.

## Digital Innovations and 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:

» Launched Airtel Ads, a brand engagement solution that uses deep data science capabilities to allow brands to curate consent based and privacy safe campaigns to Airtel customers.

» In a worldwide first, Amazon partnered with Airtel to launch its mobile-only video plan in India. Prime Video Mobile Edition makes high quality OTT entertainment accessible to hundreds of millions of Airtel prepaid customers.

» Wynk Music – India's #1 music streaming app hosted LIVE online concerts on Navratri, Diwali, and New Year over its new platform Wynk Stage. The concerts set a new industry benchmark with 100,000 plus concurrent users.

» In order to further increase penetration of our digital offerings, the Thanks app was launched in 11 vernacular languages.

# Homes Services

## Overview

The Company provides fixed-line telephone and broadband services for homes in 291 cities across India.

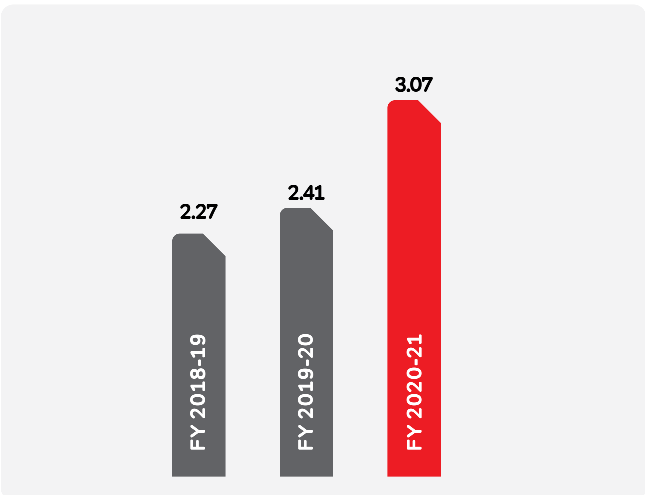
There has been an unprecedented surge in demand for home broadband in the last 12 months. Due to the ongoing pandemic, home broadband has become a necessity to enable work-from-home, e-learning, online entertainment, digital payments, and various other online services. The need for a robust and reliable fiber network is key to addressing the growth in demand for home broadband. During the year, the Company continued to increase its coverage by rolling out a new fiber network through a combination of own infrastructure and local cable operator partnership model. Further, it continued to overhaul the network from Copper to FTTH to ensure that its customers enjoy higher speed and seamless connectivity.

The Homes business had 3.07 million customers as of March 31, 2021, representing a growth of 27.0% as compared to 2.41 million at the end of the previous year.

Revenues from Homes services stood at ₹23,342 million for the year ended March 31, 2021, as compared to ₹22,451 million in the previous year, witnessing an increase of 4%. EBITDA margin grew during the year to 57.6% as compared to 50.4% in the previous year. Over the same period of time, data traffic increased by 80% to reach 5,159 Mn GBs.

| Particulars | FY 2020-21 ₹ Mn | FY 2019-20 ₹ Mn | Y-o-Y Growth % |
|---|---|---|---|
| Gross Revenues | 23,342 | 22,451 | 4 |
| EBIT | 5,203 | 5,129 | 1 |

### Home Subscribers (Mn)




## Key Highlights

- Airtel launched it's truly unlimited proposition in September, 2020, with simplified offerings, all home broadband plans are available with unlimited data under five plans in all markets starting from ₹499 to ₹3,999/month offering speed up to 1 Gbps.
- Airtel Integrated home offering has been launched in close to 400 cities Customers under this scheme are eligible for the following benefits – one bill and one call centre, complimentary service visits, Wi-Fi router at no extra cost, Airtel Xstream box at discount, and extended warranty on DTH box.
- Airtel not only offered unlimited data with reliably fast speeds but also bundled propositions. Users on basic and entry level plans got complementary subscriptions to Wynk Music and Airtel Xstream App. Users on entertainment and professional plans additionally got OTT subscription for one year at no extra cost.
- Airtel launched a unique proposition called 'secure internet' exclusively for its broadband users which offers a link level protection to all devices connected on a Wi-Fi and protect the users from any kind of online virus and malicious cyber-attacks.

# Digital TV Services

## Overview

Airtel Digital TV continues to expand its customer base, which crossed the 17 million mark during the year.

The Company has witnessed a step up in customer additions on the back of its premium HD content. Airtel Digital TV has 17.7 million customers on its Direct-To-Home (DTH) platform as of March 31, 2021. Airtel DTH is a pioneer in launching innovative products for its customers along with best-in-class customer service making it one of the fastest growing DTH operators with operations in 639 districts across the country.

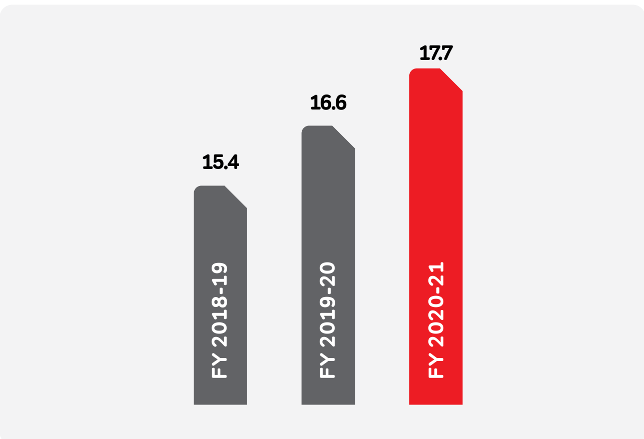
The Company currently offers 650 channels including 85 HD channels (including 3 HD SVOD services), 60 SVOD services, 6 international channels, and 2 interactive services.

There was a key regulatory development in the television broadcast industry wherein TRAI notified the New Tariff Order -2 (NTO-2) w.e.f March 1, 2020. 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 digitised broadcasting across the country and is in line with its ethos of putting customers first.

To deliver modern-day entertainment services to its customers, Airtel Digital TV launched the Airtel Xstream 4K Android Box (Connected Box) in September 2019. During the year, the Company saw very strong demand for this first-of-its-kind android box and currently has 700,000+ active users. The Company also launched Airtel Xstream Bundle, which provides access to Linear Pay TV and OTT streaming Apps such as Disney+ Hotstar, Amazon Prime Video, and ZEE5.

| Particulars | FY 2020-21 ₹ Mn | FY 2019-20 ₹ Mn | Y-o-Y Growth % |
|---|---|---|---|
| Gross Revenues | 30,562 | 29,238 | 5 |
| EBIT | 11,011 | 11,330 | -3 |

### DTH Subscriber Base (Mn)




## Key Highlights

- Airtel announced a partnership with Aakash EduTV and Vedantu to bring educational coaching direct at home, which will help millions of aspiring students to have easy access to high-quality educational content.
- During the year, the Company collaborated with ZEEPlex, ZEE's new Cinema2Home Service for showcasing new films on TV and digital platforms on pay-per-view (PPV) basis directly at home.
- Airtel collaborated with TV panel makers, Samsung and MI, to bundle TV and DTH sales.
- Airtel acquired 20% stake in Bharti Telemedia Limited from Warburg Pincus to increase its shareholding to 100%. This was discharged primarily by issuance of 36,469,913 equity shares of the Company on a preferential basis (face value of ₹5 each fully paid share including a premium of ₹595 per equity share) and a cash consideration of ₹9,378 million, resulting in total consideration of ₹31,260 million. Additionally, there will be mutually agreed pricing adjustments (not exceeding ₹1,000 million) based on audited financial statements of Bharti Telemedia Limited for the year ended March 31, 2021. The transaction was part of Airtel's strategy to align the shareholding of its customer facing products, services and businesses under the same holding group. A full control and ownership over Bharti Telemedia allows Airtel to offer differentiated and converged solutions to customers so as to promote 'One Home' strategy.

# Airtel Business

## Overview

Airtel Business is India's leading and most trusted ICT services provider offering a diverse portfolio of services to enterprises, governments, global carriers, OTT players and small and medium businesses. Revenue in this segment comprises a) Enterprise and Corporates 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.

Airtel's international infrastructure includes seven owned subsea cables and capacity on 33 other cables across various geographies.

Its global network runs across 365,000+ Rkms (including IRU) with over 1,200 customers, covering 50 countries and five continents and 65 global PoPs (Point of presence). This is further interconnected to its domestic network in India and direct terrestrial cables to 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, the Global Business also offers mobile solutions (ITFS, signalling hubs, messaging), along with managed services and SatCom solutions. Global Business is also providing advanced consumers solutions like IOT to global customers.

During the year, the Company launched many new product offerings to expand its portfolio –5G-ready IoT platform to drive the enterprise business, Airtel Secure, Airtel Work@Home to enable employees to operate efficiently and securely from their homes with a range of connectivity options, Verizon and Airtel Partnership to bring secure Enterprise-Grade BlueJeans Video Conferencing to India, Airtel and AWS partnership to offer customers a range of AWS services, and Airtel IQ.

Airtel Business launched Customer Advisory Board with the objective of making its customers equal stakeholders in its product development journey. The Board will have representation from Airtel's top enterprise customers cutting across a diverse set of industries/sectors.

This business vertical witnessed a year of growth led by a surge in global and domestic data revenues. Revenues for the year grew by 9% as compared to the previous year. The Company continued to focus on winning in the core business while building upon new revenue streams and emerging businesses in the areas of IoT, Security and data centres.

| Particulars | FY 2020-21 ₹ Mn | FY 2019-20 ₹ Mn | Y-o-Y Growth % |
|---|---|---|---|
| Gross Revenues | 144,075 | 132,331 | 9 |
| EBIT | 39,750 | 31,754 | 25 |

## Key Highlights

- Airtel and National Small Industries Corporation (NSIC) joined hands to accelerate the digital transformation of MSMEs by providing access to Airtel's Connectivity, Conferencing, Cloud, Security, and Go-to-Market solutions.
- Airtel joined a select group of companies to be empanelled by Computer Emergency Response Team (CERT-IN) – India's National Incident Response Center for cyber incidents to offer its cyber security solutions to Union and State governments as well as public sector entities.
- Nxtra by Airtel signed an MoU with the Maharashtra Industrial Development Corporation for setting up two new data centre campuses in Mumbai and Pune to serve the growing demand for secure data centre services.
- Airtel and IBM completed the first phase of Airtel's open hybrid cloud network built with IBM and Red Hat's portfolio of hybrid cloud and cognitive enterprise capabilities. With this deployment, Airtel's ecosystem partners will have a flexible foundation to build and deploy innovative applications on the cloud network.

- Airtel announced a multi-year, Strategic Collaboration Agreement (SCA) with Amazon Web Services (AWS) to deliver a comprehensive set of innovative cloud solutions to large enterprise and small and medium enterprise (SME) customers in India.
- On July 1, 2020, Airtel signed an agreement with Carlyle whereby Carlyle acquired approximately 25% stake in Airtel's Data Centre business at a post-money enterprise valuation of US$1.2 billion, with Airtel continuing to hold the remaining stake of approximately 75%. This will help Nxtra to capture growing demand as data usage continues to surge.
- To ensure B2B customers have superior experiences through digital channels, Airtel launched Airtel IQ – a cloud based omnichannel communications platform that enables voice, SMS, IVR and more through a unified channel. Airtel IQ positions Airtel to becoming a major player in the fast-growing India cloud communications market that is already close to a billion dollars.
- Airtel announced the launch of Airtel Secure - a comprehensive suite of advanced cyber security solutions to help businesses tide over potential cyber threats. Airtel also announced strategic partnerships with Cisco and Radware to bring world leading security solutions to the businesses.
- Airtel Cloud, a partnership between Airtel and AWS will enable Airtel to develop differentiated Airtel Cloud products by leveraging its existing data centre capabilities, its network and telecom offerings.

# Africa

## Overview

The COVID-19 pandemic has contributed to a rapid acceleration of already existing macro trends across the countries where the Company operates, with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion.

The unique circumstances of the year presented significant challenges to the business, particularly during the initial phase of the pandemic when growth in mobile money and services slowed. However, the actions taken by the Board in Q1FY21 enabled the continued execution of the Company's strategy, including meeting increased customer demand for data, mobile money and mobile services.

During the initial phase of the pandemic, mobile money revenue growth slowed to 26.3% as the business was impacted by social distancing measures and non-essential service closures, reducing customers' ability to deposit and withdraw cash. Additionally, several governments asked mobile money operators to waive fees on certain transactions, including person-to-person and merchant payments. Afterward, as lockdown restrictions were generally eased and nearly all fees on transactions reinstated, revenue growth for the full year rebounded to 35.5%, reaching 38.7% in Q4, with mobile money contributing over 10.6% of Airtel Africa's revenue in the quarter.

## Financial and Operational Review

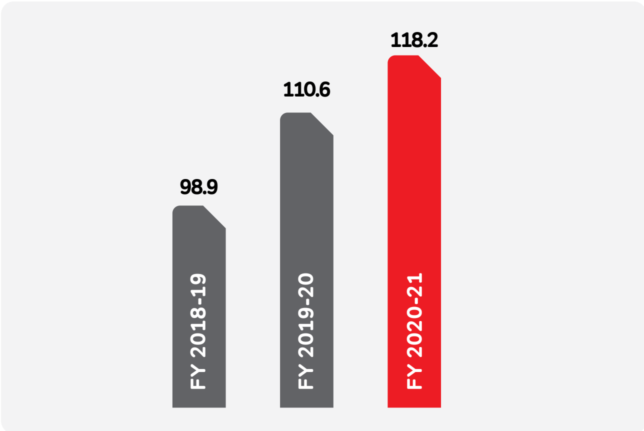
As on March 31, 2021, the Company had 118.2 million customers in Africa across 14 countries as compared to 110.6 million customers in the previous year, marking an increase of 6.9%.

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 29.1% to 322.9 billion. Data customers increased by 5.1 million to 40.6 million accounting for 34.3% of the total customer base as compared to 32.0% in the previous year. The total MBs on the network has increased by 74.8% to 1,242.3 billion MBs with usage per customer increasing from 1,863 MBs to 2,686 MBs. Total sites in Africa as on March 31, 2021 were 25,368 of which 23,826 were mobile broadband towers, representing 93.9% of the total sites.

In INR reported currency, Airtel Africa revenues grew by 19.2% to ₹288,633 million as compared to ₹242,171 million in the previous year. The Company's continued focus on running operations efficiently and cost effectively has resulted in EBITDA of ₹132,980 million for the year as compared to ₹107,259 million the previous year, leading to an increment of 24%. Consequently, EBITDA margin improved by 1.8 p.p. to 46.1% compared to 44.3% in the previous year. Depreciation and amortisation charges were at ₹50,561 million as compared to ₹42,786 million in the previous year. EBIT for the year was at ₹81,957 million as compared to ₹64,131 million in the previous year. PBT for the full year was at ₹50,289 million as compared to ₹37,439 million in the previous year. The full year capex was at ₹45,429 million as compared to ₹45,838 million in the previous year.

| Particulars | FY 2020-21 ₹ Mn | FY 2019-20 ₹ Mn | Y-o-Y Growth % |
|---|---|---|---|
| Gross Revenues | 288,633 | 242,171 | 19 |
| EBIT | 81,957 | 64,131 | 28 |

### Subscribers: Africa (14 countries) (Mn)




## Key Highlights

### Mergers, Acquisitions and Licenses

- In March 2021, Airtel Africa signed agreements with both TPG's The Rise Fund and Mastercard who will invest $200 million and $100 million respectively into Airtel Mobile Commerce BV ("AMC BV"), a wholly owned subsidiary of Airtel Africa plc. These transactions value Airtel Africa's mobile money business at $2.65 billion on a cash and debt free basis.
- In May 2020, Airtel Africa announced a partnership with UNICEF aimed at providing children with access to remote learning and enabling access to cash assistance for their families via mobile cash transfers benefiting an estimated 133 million school age children affected by school closures across sub-Saharan Africa.
- Airtel Africa entered into several strategic partnerships with MoneyGram, Mukuru and WorldRemit. Through these partnerships, more than 20 million Airtel Money customers in 12 countries can transfer and receive funds across the globe directly from and into their mobile money wallets on their phone.
- In September 2020, Airtel Africa announced an expansion of its partnership with Mastercard by launching a Pay-on-Demand payments platform and drive the digital economy across Africa. The partnership facilitates usage-based payments and builds creditworthiness.
- In August 2020, Airtel Africa announced a strategic partnership with Standard Chartered Bank, a leading international banking group, to drive financial inclusion across key markets in Africa by providing customers increased access to mobile financial services.

### Network Transformation and Digital Innovations

- In June 2020, Airtel Malawi plc was allocated 10 MHz of spectrum in the 2600 band. In October, additional spectrum of 10 MHz in the 2600 band and 5 MHz in the 1800 band was allocated to Airtel Uganda. In December, Airtel Chad received 5 MHz of spectrum in the 900 band and Airtel Zambia received 10 MHz in the 800 band.
- In early March 2021, the Group signed agreements to sell its telecommunications tower companies in Madagascar and Malawi to Helios Towers plc ("Helios Towers"), a leading independent telecommunications infrastructure company in Africa. The Group's tower portfolios in these two markets together comprise 1,229 towers, which form part of the Group's wireless telecommunications infrastructure network. The aggregate gross consideration for the transactions is expected to be approximately $108 million.

# South Asia

## Overview

Full year revenue for South Asia was at ₹4,247 million as compared to ₹4,552 million in the previous year. EBITDA for the year was at ₹131 million as compared to ₹430 million in the previous year. EBIT losses for the year stood at ₹1,321 million as compared to loss of ₹1,055 million in the previous year. Capex for the year was ₹3,686 million as compared to ₹1,025 million in the previous year.

| Particulars | FY 2020-21 ₹ Mn | FY 2019-20 ₹ Mn | Y-o-Y Growth % |
|---|---|---|---|
| Gross Revenues | 4,247 | 4,552 | -7 |
| EBIT | (1,321) | (1,055) | -25 |

# Share of Associates/Joint Ventures

## Robi Axiata Limited

Robi Axiata Limited is a joint venture between Axiata Group Berhad, Malaysia and Bharti Airtel Limited. Bharti International (Singapore) Pte Ltd, wholly-owned subsidiary of Bharti Airtel, (directly and through its affiliates) acquired an additional 6.3% stake in Bangladesh's telecom operator, Robi Axiata Limited from NTT DOCOMO INC and its group entities. This raised the stake of Bharti International (Singapore) Pte Ltd in Robi Axiata Limited to 31.3% from 25% earlier. Pursuant to IPO of Robi Axiata Limited, the stake got diluted from 31.3% to 28.18% w.e.f. December 10, 2020.

### Key Operational and Financial Performance

| Bangladesh | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Dec-2020 | Sep-2020 | Jun-2020 | Mar-2020 |
| **Operational Performance** | | | | | |
| Customer Base | 000s | 50,901 | 50,126 | 47,977 | 49,718 |
| Data Customer as % of Customer Base | % | 69.2 | 69.2 | 67 | 64.9 |
| ARPU* | BDT | 121 | 124 | 115 | 124 |
| **Financial Highlights** (proportionate share of Airtel) | | | | | |
| Total revenues | ₹ Mn | 5,122 | 5,304 | 4,272 | 4,139 |
| EBITDA | ₹ Mn | 2,037 | 2,162 | 2,170 | 1,673 |
| EBITDA / Total revenues | % | 39.8 | 40.8 | 50.8 | 40.4 |
| Net Income | ₹ Mn | 103 | 107 | 146 | 40 |

*As per Axiata published financials.

## Airtel Ghana Limited (AirtelTigo)

AirtelTigo is a joint venture between Bharti Airtel and Millicom wherein Airtel holds a non-controlling 49.95% share in the merged entity. The definitive documents for the transfer of AirtelTigo to the Government of Ghana as a going concern have been signed, with the completion of the transaction being subject to certain closing conditions.

### Key Operational and Financial Performance

| Ghana | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Mar-2021 | Dec-2020 | Sep-2020 | Jun-2020 |
| **Operational Performance** | | | | | |
| Customer Base | 000s | 4,935 | 4,925 | 5,106 | 4,769 |
| Data Customer as % of Customer Base | % | 54.5 | 55.9 | 56.2 | 59.4 |
| ARPU | GHS | 12.4 | 12.4 | 12.4 | 12.7 |
| **Financial Highlights** (proportionate share of Airtel) | | | | | |
| Total revenues | ₹ Mn | 1,159 | 1,182 | 1,183 | 1,182 |
| EBITDA | ₹ Mn | 189 | 217 | 88 | 99 |
| EBITDA / Total revenues | % | 16.3 | 18.4 | 7.5 | 8.4 |
| Net Income* | ₹ Mn | - | (2,872) | (1,841) | - |

*The share of loss in JV has been restricted to the remaining value of the investment.

# Airtel Payments Bank Limited

## Key Operational and Financial Performance

| Airtel Payments Bank Limited | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Mar-2021 | Dec-2020 | Sep-2020 | Jun-2020 |
| **Operational Performance** | | | | | |
| Active Users | 000s | 29,090 | 22,152 | 19,430 | 15,759 |
| **Financial Highlights** (proportionate share of Airtel) | | | | | |
| Total revenues | ₹ Mn | 1,753 | 1,581 | 1,053 | 634 |
| EBITDA | ₹ Mn | (538) | (767) | (1,036) | (1,022) |
| EBITDA / Total revenues | % | -30.7 | -48.5 | -98.4 | -161.1 |
| Net Income | ₹ Mn | (567) | (794) | (1,062) | (1,057) |

## Key Highlights

- Airtel Payments Bank has partnered with Mastercard to develop customised products catering to customers across the under-banked spectrum including farmers, small and medium enterprises, and retail customers.
- To protect Airtel customers from the growing incidents of online payment frauds, Airtel Payments Bank launched 'Airtel Safe Pay' – India's safest mode for making digital payments. With 'Airtel Safe Pay', Airtel customers making UPI or netbanking based payments through Airtel Payments Bank, no longer have to worry about money leaving their accounts without their explicit consent.
- Airtel Payments Bank announced 6% p.a. interest on deposits over ₹1 Lakh. This follows Airtel Payments Bank becoming the first payments bank to implement the enhanced day-end savings limit of ₹2 lakh as per the Reserve Bank of India (RBI) guidelines.

# Indus Towers Limited

Bharti Airtel and its wholly-owned subsidiary, Nettle Infrastructure Investments Limited, together holds 41.73% equity interest in Indus Towers Limited.

## Key Operational and Financial Performance

| Indus Towers Limited | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Mar-2021 | Dec-2020 | Sep-2020 | Jun-2020 |
| **Operational Performance** | | | | | |
| Total Towers | Nos | 179,225 | 175,510 | 172,094 | 169,630 |
| Total Co-locations | Nos | 322,438 | 318,310 | 314,106 | 310,627 |
| Average Sharing Factor | Times | 1.81 | 1.82 | 1.83 | 1.84 |
| **Financial Highlights** | | | | | |
| Total revenues | ₹ Mn | 64,918 | 67,361 | 63,591 | 60,859 |
| EBITDA | ₹ Mn | 34,129 | 36,080 | 31,179 | 31,187 |
| EBITDA / Total revenues | % | 52.6 | 53.6 | 49.0 | 51.2 |
| Net Income (Proportionate share of Airtel) | ₹ Mn | 5,691 | 4,137 | 3,210 | 3,250 |

*Operational and financial performance represents recasted numbers of the merged entity.

# Outlook

The global economy, including that of India, will see some short-term impact of the pandemic due to multiple mutations of the COVID-19 virus and new waves of infection. However, the success of the vaccination drive in India and elsewhere offers a ray of hope.

Flattening of the infection curve and easing of restrictions will, in turn, lead to the revival of economic activity across the globe. Even if the pandemic's direct impact of public health is mitigated, its long-term effect in the form of the paradigm shift in behavioural pattern, such as acceptance of remote working, increased content consumption and higher dependence on digital payments, is undeniable. Telecom services, which acted as the key enabler of economic activities during the pandemic, will also be the foundation on which these new trends will be built. Additionally, increasing smartphone penetration will fuel the 2G to 4G uptrading, opening up higher revenue opportunities for the telecom service providers in terms of data subscribers.

Supplementing plain vanilla connectivity services, additional digital services will gain traction going forward. On the B2C front, acceptance and usage of OTT content services, music streaming and e-commerce is expected to witness growth. As for B2B, enterprises are expected to witness increased demand for new age services including data centres, cloud, digital advertising and security solutions.

The telecom sector in Africa continues to have a positive outlook with increasing purchasing power, rapid urbanisation, 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 Airtel's emergence as a premier digital communications company with its suite of services including mobile wireless, home broadband, DTH, enterprise connectivity, data centres, security, clouds and cloud communication, video conferencing, AdTech and many more – the Company is well-positioned to capture a much bigger pie in the market opportunity across different segments. The ability to offer digital services, one-home solutions through quad play (mobile, landline, broadband, DTH) and bundled offerings to enterprises, puts Airtel in a sweet spot to participate in and accelerate the digital wave in the country.

# SCOT Analysis

| S – Strengths | C – Challenges | O – Opportunities | T – Threats |
|---|---|---|---|
| Prominent Player | Operation Integration Across Geographies | Smartphone Penetration | Increased Competition |
| Brand Recognition | Evolving Customer Requirements | Digital Flywheel | Regulatory Changes |
| Services at Scale | | Strategic Collaborations | Currency Exposures |
| Expanding Digital Platform | | Remote Working | Pandemic/Disaster |
| One Home | | Digital payments | |
| Robust Network | | Content Demand | |
| Strong Partnerships | | Non-mobile Businesses | |
| Omni-Channel Capabilities | | Improved Industry Dynamics | |

## Strengths

**Prominent Player:** One of the leading telecom players in India and #2 globally in terms of consolidated mobile connections; ranking 1 & 2 in 12 out of 14 African countries.

**Brand Recognition:** Strong, well-recognised and unified brand across all geographies where present.

**Services at Scale:** Serving over 471 million customers across 18 countries in multiple segments including mobile services, home broadband, digital TV, enterprise business, digital services and mobile money; more than 200 mn MAUs on digital assets in India.

**Expanding Digital Platform:** Robust digital services comprising Wynk Music, Airtel Xstream, Airtel Thanks, Airtel IQ, Airtel Ads, Airtel Secure.

**One Home:** Only operator with potential to offer full gamut of services to high value homes: mobile, fixed voice, broadband and DTH.

**Robust Network:** Future proof and 5G ready network. Strengthened network even further with acquisition of over 355 Mhz of additional spectrum. Rated as the network with the India's best video, gaming and voice app experience (Opensignal Awards India: Mobile Network Experience Report March 2021).

**Strong Partnerships:** Forged strategic partnerships with hundreds of companies across the world to enable delivery of an array of consumer and enterprise services through the Airtel platform.

**Omni-Channel Capabilities:** Strong network of stores and a digital layers over has enabled a well stitched omni-channel delivery model where a customer orders online and has it delivered straight at the home. With COVID-19-related restrictions, this has become even more important enabling the business to serve the customers in a safe and contactless manner.

## Opportunities

**Smartphone Penetration:** India's wireless mobile broadband penetration at ~64% is still low; as customers uptrade from feature phone to smartphones, demand is expected to increase.

**Digital Flywheel:** Creating an ecosystem for additional digital services including music, and content by leveraging data, network, payment and distribution assets to deliver the services and capture future growth.

**Strategic Collaborations:** Exploring the multitude of business partnership opportunities for enhancing customer experience and winning new customers.

**Remote Working:** With work from home gaining traction along with habit changes, the existing home broadband footprint can be leveraged to capture new opportunities.

**Digital payments:** India's digital payment space is expected to grow at 25%+ CAGR over FY 2020-25 to reach 7,092 lakh crores (as per India Trend Book Report 2021). The African market, which is currently underpenetrated, also holds a lot of opportunity in the space.

**Content Demand:** On an average, a person spends more than four hours a day on the mobile, with video consumption contributing majority of the data consumption. As per MPA report, India's overall online video market is expected to grow at 26% CAGR to reach $4.5 billion by 2025.

**Non-mobile Businesses:** India currently has less than 10% fixed broadband penetration and only 40% homes have DTH connectivity. Along with pure connectivity solution opportunities with large enterprises and SMEs, new age businesses are also gaining momentum in the B2B space.

**Improved Industry Dynamics:** Consolidation through mergers and exits of various telcos along with tariff hike improved industry dynamics.

## Challenges

**Operation integration:** Integrating operations and leveraging common platform across geographically and demographically diverse regions such as India, South Asia and Africa.

**Evolving Customer Requirements:** Understanding evolving customer perceptions in a fast-changing multi-cultural and multi-lingual environment.

## Threats

**Increased Competition:** Probability of future pressure on Average Revenue Per User (ARPU) due to increased price competition or entry of new players in the markets where the Company operates.

**Regulatory Changes:** Possible political instability and uncertainties in the 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 the ongoing pandemic.

**Pandemic/Disaster:** Any pandemic or natural disaster like the current COVID-19 health crisis in the geographies where the Company runs operations.

# Material Developments in HR

Last year was filled with unprecedented challenges and the people function at Airtel evolved with the ever-changing dimensions of the crisis by showcasing agility, creativity and flexibility. As employees started logging in remotely, the HR team stepped in to facilitate the functioning of the virtual workplaces. Guidelines to ensure that employees could manage WFH seamlessly and securely were quickly defined and disseminated. Employees had to be supported with infrastructure — laptops, data cards – to ensure business continuity. A slew of measures was undertaken to accelerate digitalisation of HR functions in order to continue enriching the talent pool for the Company.

For more details, please refer to the Human Capital section of Page **90** of the report.

# Internal Controls

The Company's principles of internal control is based on the principle of sustainable growth and proactive risk management. A robust framework of internal controls has been implemented across the circles and business jurisdiction to facilitate efficient conduct of business operations in accordance with the Company policy.

This includes consistent, impartial, easy to decipher and complete representation of the financial results, adherence to all regulatory and statutory compliances and preservation of investor interest by ensuring the most stringent governance protocols. The framework regularly evaluates the performance of circles and countries as measured in accordance with the predefined objective metrics and scorecards.

Accounting sterility and audit scores are maintained by the central financial reporting team and Airtel Centre of Excellence (ACE). Both the teams are responsible for ensuring the accuracy of books of accounts, preparation of financial statements and reporting the same in line with 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, as documented in the Group Accounting Manuals, are communicated to pertinent units and enforced throughout the Group. This, together with the financial reporting calendar that lays down 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 its unqualified opinion 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, 2021.

The Company has in place an Internal Assurance (IA) function headed by the Chief Internal Auditor. EY and ANB & Co (ANB) are the Assurance Partners of the Company, and conduct financial, compliance and process improvement audits on a periodic basis. The internal assurance plan for the year is derived on the basis of a bottom-up risk assessment and the directional inputs from the Audit Committee. The 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 meetings are also held to review the progress made on previous gaps identified by Internal Assurance. The functional Directors join the meeting as and when necessary to provide updates on developments regarding the status of controls and compliance within their respective functions and progress of any transformational projects undertaken.

Internal Assurance also assesses the effectiveness of Internal Financial Controls (IFC). No material weaknesses in the design or operation were observed for the current financial year.

A certificate from the CEO and CFO form part of the Report on Corporate Governance Report, confirming the existence and effectiveness of internal controls, and reiterating their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's Code of Conduct requires compliance with the law and all Company policies, and also covers matters such as financial integrity, avoiding conflicts of interest, workplace behaviour, dealings with external parties and responsibility to the community.

The Airtel Centre of Excellence (ACE) based in Gurugram and Bengaluru is the in-house shared service for financial accounting, Revenue Assurance, SCM and HR processes. Digitisation of ACE is being aimed as a part of the transformation agenda and includes initiatives such as system-based reconciliation, reporting processes with vividly defined segregation of duties. The Company operates on a single instance of Oracle across all operating units, thereby ensuring uniformity and standardisation in ERP configurations, chart of accounts, finance and SCM processes across countries. Airtel continuously examines its 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 have shown substantial improvement in control scores across India and Africa. Further, 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.

# Risk and Mitigation Framework

Airtel 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, they also spawn potential risks and uncertainties. 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 prioritise relevant action plans for mitigation. The key risks that may impact the Company and mitigating actions undertaken by the Company comprise:

## Key risks that may impact Airtel

| S. No. | Potential risks | Risk definition |
|---|---|---|
| 1 | Regulatory and political uncertainties | Volatility and uncertainty in macro environment with geo-political tensions in India, Sri Lanka and 14 African countries. |
| 2 | Economic uncertainties | Business operations might be impacted with instability in economies in its countries of operations due to factors like inflation, interest rates, capital controls and currency fluctuations. |
| 3 | Poor network infrastructure | Risks in network infrastructure cost due to technical failures, human errors and natural disasters. Dynamic changes in IT landscape require constant upgradation of technologies. |
| 4 | Fiercely competitive battleground | Unprecedented disruption and unfair pricing may lead to competition and may lead to erosion of revenue with loss of customers. Further, evolving customer expectations in terms of quality, variety, features and pricing pose threat to business sustainability. |
| 5 | Data loss prevention | Risk of data loss can lead to accidental exposure of confidential information across all endpoint devices. |
| 6 | Operating expenses | Increase in business operating expenses (new site rollouts, capacity) and/or rate increases (inflation, forex impacts, wage hikes, energy, etc.). |
| 7 | Network experience | 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. |
| 8 | Internal controls and processes | 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. |
| 9 | Digitisation and innovations | Rapid technology evolution may impact the business functionality and lead to slowdown in business. |
| 10 | Climate change | Increasing carbon footprint is a serious concern which raises questions on business credibility and sustainability in the long term. |

## Regulatory and Political Uncertainties (Legal & Compliance) Outlook from last year > Emerging

### Definition

Airtel 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. Due to the COVID-19 outbreak, some of these countries have implemented social distancing norms, imposed other restrictions and issued lockdown orders in many areas, thereby restricting movement of people and mandating closure of offices, shops and commercial establishments, among others. Uncertainties with respect to duration of such restrictive orders still loom large. Besides, the political systems in a few countries are also fragile, resulting in regime uncertainties. Such conditions tend to affect the overall business scenario. In addition, regulatory uncertainties and changes, like escalating spectrum prices, subscriber verification norms and penalties, and EMF norms are potential risks to the business.

### Mitigation actions

» As a responsible corporate citizen, the Company engages proactively with key stakeholders in the countries in which it operates; and continuously assesses the impact of the changing political and social scenario. The Company contributes to the socioeconomic growth of these countries through high-quality services to customers, improved connectivity, direct and indirect employment, and contribution to the exchequer. 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), it contributes to the social and economic development of community, especially in the field of education.

» The Company actively works with industry bodies like the Cellular Operators Association of India (COAI), the Confederation of Indian Industry (CII), the Associated Chambers of Commerce of India (ASSOCHAM), GSMA, the Internet Service Providers Association of India (ISPAI) and the Federation of Indian Chambers of Commerce & Industry (FICCI) on espousing industry issues, e.g., penalties, right of way, tower sealing, among others.

» The 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.

» The Company has proactively implemented business continuity plans and has effectively enabled a '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 telecommunications services, which are recognised as 'essential', the Company engages with government authorities and ensures that requisite support by way of permissions for movement of employees or engineers, network equipment, supply chain, etc., is extended by the government to facilitate uninterrupted operations and maintenance of telecom network. The Company has devised effective communication plan and support mechanism for the safety and security of its employees.

## Economic Uncertainties (Operational) Outlook from last year > Stable

### Definition

The Company strategically focuses on growth opportunities in emerging and developing markets. These markets are characterised by low to medium mobile penetration, low internet penetration and relatively low per capita income, 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. As the Company has borrowed in foreign currencies, and many loans carry floating interest terms, it is exposed to market risks, which might impact its earnings and cash flows. 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 the telecom sector.

### Mitigation actions

» As a global player with presence across 18 countries (including Ghana & Bangladesh), the Company has diversified its risks and opportunities across markets. Its wide services portfolio including voice, data, payments, digital and value-added services helps widen its customer base.

» To mitigate currency risks, the Company has hedging mechanisms in place to protect 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 minimise 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 currencies, 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 interest rate risk.

» The Company adopts a pricing strategy that is based on the 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.

# 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 geographies. 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, fiber cuts, lack of redundancy paths, weak disaster recovery fallback, and partner staff absenteeism are a few probable causes of network.

The Company's IT systems are critical to run 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 service delivery, e.g., recharges, customer query, distributor servicing, customer activation, billing, among others. In several developing countries, the quality of IT staff is not adequate, 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.

## Mitigation actions

- The Company has state-of-the-art Network Operations Centre for India as well as Africa to monitor real-time network activity, and to take proactive and immediate action to ensure maximum uptime.
- 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, fiber 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 and carry out internal checks to ensure all preventive and corrective actions as per process are in place to ensure network availability and quality to end users.
- 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. Disaster management guidelines have been shared with all stakeholders to ensure that all actions are in place covering identification of risk, preparedness for disaster, resource allocation, emergency response and reporting, and disaster recovery. Network recovery plan (NRP) is being followed by all circles as per the BCP guidelines.
- The Company shares infrastructure with other operators and enters into SLA-based outsourcing arrangements. It has been proactively seeking sharing relationships on towers, fiber, 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, fiber cuts, VSAT breakdowns, etc., 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.
- Operational process such as alarm management, preventive maintenance and acceptance testing are being constantly automated with a vision to move towards zero-touch operations. Airtel works with its partners to enhance network availability and reduce failures. Spare management and repair processes are streamlined to ensure no spare shortages.
- Continuous removal of single point of failure (SPOF) on fiber routes and equipment level is being done. To improve transport resiliency, BSC, Core nodes Interconnectivity and signalling links are being shifted on the MPLS network.
- Digitisation of operations using automation and machine learning tools and methodologies would help improve customer experience through proactive identification of congested spots which could result in complaints, faster root-cause analysis and resolution.

# Fiercely competitive battleground (Operational) Outlook from last year > Stable

## Definition

The Prepaid market continues to be highly competitive and price sensitive. With consolidation in the industry, simplicity has kicked in, offering lesser number of plans, and the industry is moving towards offering tech-enabled solutions to the trade and customers.

Customer mindsets 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 for customers and revenue market shares. This is not only accelerating customer migration from legacy 2G/3G networks to high-speed 4G networks, but is also driving the shift from the 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 compelled competitors to pour in huge amounts of money for MNP acquisition programmes. The push is expected to get even stronger with the increasing adoption of 4G phones, and a good and affordable network experience on those becoming a key factor for customers.

Further, with an increased number of customers using the online mode – Airtel's app as well as third-party apps – the importance of giving a push through these channels may go up.

The Company might see heightened competitive intensity in its non-wireless businesses on account of aggressive pricing by other competitors leading to erosion of revenue and customers. In the 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.

The continued focus of the Company remains on the upgrade of the customers from the existing 2G technology to the data rich 4G technology. To this effect, the recent announcement of low-price smartphones by one of the competitors may put a risk on customer upgrades from this segment.

## Mitigation action

- 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, with price range starting from ₹50. These all-in-one packs provide the benefits of data, tariff and talk time to the customers in a single denomination. Now customers do not need to purchase different packs; rather one pack will provide all the benefits.
- In order to derive higher extraction and enhance ARPUs from the dormant base that enjoyed free services, the Company introduced plans with minimum recharge commitment, which required customers to do a monthly recharge to use the services. It was done keeping the affordability factor in mind.
- The acquisition processes were further strengthened by launching mandatory first recharge. Emphasis was laid on acquiring customers on unlimited bundle packs. The 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 – Airtel app as well as third-party apps, the Company must stay competitive and ahead of the curve in this space. Technology will play the role of a huge enabler.
- In order to mitigate the recent announcement of a low-price smartphone by one of the competitors, Airtel is evaluating multiple options to stay competitive in this segment.

# 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 personal information and ensure that the person concerned remains in control of it. In short, a person should be able to decide whether or not 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 while 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.

## Mitigation actions

Airtel's customer base has been expanding at a tremendous rate. The Company also collects and processes a large amount of personal information belonging to employees, temporary staff and third-party personnel. These facts, coupled with the introduction of innovative value-added services, have led to an increase in personal information handled by Airtel. The Company is committed to ensuring 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 the personal information collected, to allow collection, processing, retention, dissemination and destruction of the personal information in accordance with the appropriate laws, regulations and contractual obligations.

**Bharti Airtel Information Privacy Policy (BIPP)** is applicable to all employees of Airtel and that of third parties (including strategic partners) who have access to personal information of customers, employees and vendors. The BIPP is applicable across all business functions and across all geographies including Airtel centres, all circles and other Airtel locations.

**Data leakage protection (DLP)** is a strategy for making sure that those in possession of sensitive information do not advertently or inadvertently share that information outside the virtual boundaries of the corporate network. The term is also used to describe software products that help organisations 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 specialised software. This helps monitor various channels for potential data leak. Should a 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 centralised team reviews the alerts and raises an incident for investigation and consequent actions.

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 organisation to regularly refine the existing policies.

## 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 site rollouts, capacity) and/or rate increases (inflation, foreign exchange impacts, wage hikes, energy prices, etc.). With increasing competition from other operators, market pricing has been dampened, putting pressure on margins and cash flows, thereby leading to increased debt (leverage). Increased investments in network to ensure quality of service, continued spends on distribution and maintaining world class customer service are expected to remain, thereby elevating debt levels.

### Mitigation actions

» The Company has institutionalised the War on Waste (WOW) programme, an enterprise-wide cost-reduction and cost-efficiency initiative. This has been rolled out across all functions, business units and countries. The Company continues to focus on capex optimisation through various programmes like ICR, tower-sharing, fiber sharing through IRU or co-build.

» Digitisation and automation with significant programmes on self-care, paperless acquisitions, e-bill penetration, online recharges, indoor to outdoor conversions and digital customer interactions are continuously monitored through the WoW initiative.

» The Company has been progressively striving to keep its debt at acceptable levels. To achieve this, company has multiple de leveraging options.

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## 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.

### Mitigation actions

» Airtel acquired 355.5 MHz of Spectrum in sub-GHz, mid band and capacity bands. This would enable the Company to launch sub-GHz services pan-India, and thus enhance indoor penetration and cover larger population footprint. Spectrum addition in 1800, 2100 and 2300 bands will help mitigate the capacity needs due to ever increasing data consumption, resulting in much better improved experience.

» Airtel added additional 23K new 4G Sites to expand its footprint and strengthened coverage in rural and urban areas. This is a step for providing better experience to its customers.

» Airtel added 45 PB capacity in the network for fulfilling the customer needs due to increased data consumption in the COVID-19 period. Various tools like the addition of TDD, L2100, Twin Beams, m-MIMO, spectrum addition were used for enhancing the capacity.

» The spectrum efficiency improvement programme helped in sweating the spectrum and providing more capacities. This included L900 maximisation, bringing in new features and functionalities, running 2G on lean carrier and reusing spectrum for 4G, along with various optimisation activities.

» Airtel has re-farmed spectrum from legacy technologies like 2G and 3G to 4G, to get better coverage and capacity. The liberalised spectrum in the 900MHz band has been re-farmed to 4G to provide better in-building coverage. Similarly, spectrum in the 2100MHz band (which was being used for 3G) has been re-farmed to 4G for providing additional capacity, barring partial 3 circles where only 5 MHz of 2100 band exists.

» Airtel is continuous stepping up backhaul readiness and capacities on sites with increased fiberisation and capacity expansion of transmission backbone & internet to cater to additional data load as projected in AOP by respective Business Units. This will move the Company closer to readiness for 5G.

» Pan-India VoLTE footprint and roaming across circles on VoLTE have been established because of which 50% of the voice traffic has been offloaded from legacy core to 4G (HD) voice and 79% of total 4G smartphone traffic is being carried over VoLTE.

» Technological evolution in telecom has been quite rapid. The next few years will witness wide-scale commercial deployment of 5G. Airtel is future-proof for such scenarios and are building up for 5G network deployment. The

Company demonstrated the 5G working in Hyderabad using its existing spectrum and base stations.

- Airtel has been investing in digitisation of its operations using automation and machine learning tools. This will help the Company improve customer experience through faster resolution of complaints and queries while bringing in efficiency in the network.
- Airtel has been accelerating the broadband rollout (Fiber to Home) in multiple cities across India through the LCO model bolstered with its own rollouts. This model has led to a substantial growth in the home passes. During the year under review, with surge in demand due to the pandemic impact, Home broadband has catered to these needs efficiently and very quickly.
- Airtel has future proofed its technology by ensuring that new equipment deployed are 5G enabled/plan configuration. A network readiness programme is being run to ensure full readiness at the time when spectrum auctions are scheduled. Airtel was the first one to demonstrate 5G in real network using dynamic spectrum sharing of existing spectrum between 4G and 5G. It showcases the readiness of its radio, core and transport network. Airtel is leading in 5G trials, as it has demonstrated more than 1 Gbps experience on commercial smartphones in Delhi and Mumbai. The Company will be deploying 5G in rural area as well to showcase the capability of 5G for rural markets. Beyond this, the Company is working with application partners, both indigenous and global partners, for showcasing new use cases and applications that can be deployed on 5G.

## Gaps in internal controls (financial and non-financial) (Operational) Outlook from last year > Stable

### Definition

The Company serves its customer with extensive load due to voice network and huge data carried on wireless networks. Gaps in internal controls and/or process compliances not only lead to wastages, frauds and losses, but can also adversely impact the Airtel brand.

### Mitigation actions

- The Company proactively ensures compliance with all accounting, legal and regulatory requirements. Compliance is monitored meticulously at all stages of operations. Substantial investments in IT systems and automated workflow processes help minimise human errors.
- Besides internal audits, the Company 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 that tracks and provides a comprehensive list of all the external compliances that Airtel needs to abide, by function. The Compliance Tool's ownership lies with the head of the respective function with oversight by the legal team.
- 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 its 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.

## Climate Change

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.

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 centralised enterprise risk management framework.

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 telecom sector, climate change is emerging as a potential factor that can interfere with the realisation 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', using the ECR ratings.

### 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 organisation 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 Measures

We are cognisant of the considerable negative impact that climate change can have on our business and have identified 'Climate Change, Energy Efficiency & Emission Reduction' as one of our high priority material issues. Further, we have set a goal to achieve net-zero emissions by no later than 2050 and have defined Science Based emission reduction targets, to guide our decarbonisation strategy.

Following are some of the measures that we have taken to mitigate this emerging risk and build climate resilience:

» Adoption of green energy solutions such as rooftop solar PV plants at Airtel's data centers and main switching centres (MSCs). By end of FY 2020-21, Airtel installed rooftop solar PV plants at 28 locations including data centres and MSC sites, thus expanding the total installed capacity to 1.57 MWp.

» Power wheeling agreements for procurement of green energy. Airtel procured 81,315 MWh of green energy through various power wheeling arrangements in FY 2020-21.

» Use of solar-DG hybrid model across various network sites to reduce diesel consumption.

» Electrification of networks towers to reduce carbon emissions. In FY 2020-21, Airtel was able to undertake electrification of 2,247 non-electrified telecom towers.

» Measures to reduce energy consumption across Airtel's networks, such as conversion of 2,247 indoor BTS sites to outdoor sites in FY 2020-21, resulting in lower demand for electricity, infrastructure sharing with network partners and use of advance VRLA batteries and lithium-ion battery-based solutions to optimise energy consumption. Total sites installed with advanced batteries and Li-ion battery solutions stood at 41,462 till March-2021. This led to a substantial reduction in diesel consumption, which reduced by 100 litre/site/quarter.

» Measures to reduce energy consumption across data centres and MSC sites, such as installation of energy efficient equipment, lighting and cooling optimisation and cold aisle/hot aisle containment to name a few. All such conservation measures in data centers and MSC sites led to energy savings of 11,258 MWh in FY 2020-21.

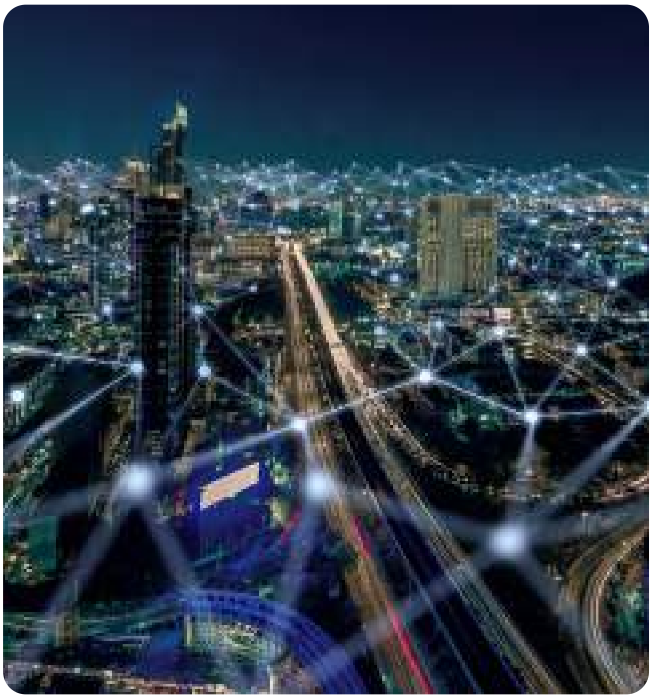
» Various other initiatives were undertaken to enhance energy efficiency at Airtel's facilities such as HVAC air duct cleaning, installation of LED lights, retrofitting and UPS optimisation, which allowed the Company to save 284.43 MWh of energy in FY 2020-21.

## Lack of Digitalisation and Innovations

Digitalisation is reshaping the telecom industry 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. This is now becoming even more relevant. The onslaught of COVID pandemic highlighted the need to provide the entire customer base with access to digital solutions and innovative digital products, rather than only focusing on the high-end customers in urban markets.

Further, evolving technologies are resulting in change in customer value propositions. Digital content and apps are defining the lifestyle for mobile customers across all segments. Moreover, enhanced digitisation is required not only for catering to the customers, but also for managing internal systems and processes within Airtel. 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.

As Airtel expands its market and prepares itself for the launch of 5G network services, the need for digitisation and innovation will grow significantly, both for customer solutions and internal processes.



## Impact

Keeping pace with changing customer expectations is a big agenda for the telecom sector. Lack of digitalisation of internal business processes may render the company in-able or lethargic in responding to customer needs. This is an emerging risk for Airtel as it may cause a significant impact on its business in the next few years if consistent action is not taken.

Rapidly evolving technologies like robotics, block chain and app automation for internal processes in functions such as Customer Management, Finance, Supply Chain and HR can render the company slow in decision making and reacting to new and emerging customer, vendor, and partner expectations. This can impact our time-to-market and in-turn erode our customer base.

## Mitigation Measures

Digitalisation for our customers continues to be the prime area of focus with several digital initiatives being undertaken.

- We have adopted new digital platforms for attracting millennials and digitally savvy customers. One Airtel (erstwhile Homes) platform allows consolidation of services like DTH, broadband and mobility through one install, one service and one bill.
- The focus is to strengthen digital reach by powering the core digital properties of Airtel such as Wynk music, Airtel TV, and Airtel Xstream. These are driving enhanced customer experience, lower churn rate and improved ARPUs. Also investing in digital channels like Airtel Thanks app & Airtel.in have led to tremendous growth in customer interaction.
- Airtel is building its own digital innovations across various functions, such as in offline distribution network Mitra app is enabling innovations such as assisted sales of life insurance offline. Another key digital initiative is creating a digital network-planning, deployment, operations and quality. Other forms of digitisation, like compulsory electronic invoicing from vendors, and end-to-end digitised approval process are being aggressively pursued to keep the organisation nimble-footed at all times.
- Significant investment on B2B in the field of digitalisation 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.

# Business Responsibility Report

## Section A

### General Information about the Company

| | |
|---|---|
| Corporate Identity Number (CIN) of the Company | L74899HR1995PLC095967 |
| Name of the Company | Bharti Airtel Limited |
| Registered Address | Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram – 122015, India |
| Website | www.airtel.com |
| Email ID | compliance.officer@bharti.in |
| Financial Year reported | 2020-21 |
| Sector(s) that the Company is engaged in (Industrial activity code-wise) | 1. Telecommunication Services – mobile telecommunication, fixed line services and telecommunication enterprise solutions<br>2. Direct-to-Home Services (through subsidiary company)<br>3. Payments Bank (through subsidiary company) |
| Key products/services that the Company manufactures/provides (as in balance sheet) | 1. Mobile Services<br>2. Airtel Business<br>3. Home Services<br>4. Digital TV Services |
| Total number of locations where business activity is undertaken | **Number of international locations (major 5)**<br>Operations in 18 countries including India and Sri Lanka<br>**Number of national locations**<br>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) | 27,460 |
| 2. Total turnover (₹ Mn) | 643,259 |
| 3. Total profit / (loss) after taxes (₹ Mn) | (251,976) |
| 4. Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years | NA* |
| 5. List of activities in which expenditure in point (4 above) has been incurred | Education promotion<br>Higher and technical education<br>Employability enhancing vocation skills |

* In view of losses, percentage is not ascertained. However, the Company has made voluntary CSR contribution of ₹86.10 Mn during the fiscal year 2020-21.

## Section C

### Other Details

**1. Does the Company have any Subsidiary Company/ Companies?**

Bharti Airtel Limited (hereinafter referred as Airtel) has 108 direct and indirect subsidiary companies, as on March 31, 2021.

**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 efforts towards environment protection, which represents less than 30% of all its partners.

# 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 BR Head**

| | |
|---|---|
| DIN Number | NA |
| Name | Ms. Vidyut Gulati |
| Designation | Director-Legal |
| Telephone Number | +91 124 4222 222 |
| E-mail ID | sustainability@airtel.com |

### 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 wellbeing 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.

## 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 been 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 | Y | Y | Y | Y | Y | N | Y | 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 the implementation of these policies.

C. The following policies can be viewed on the Company's website www.airtel.com and www.bharti.com

1. Code of Conduct Policy
2. Code of Conduct Policy for Partners
3. Ombudsperson Policy and Process
4. Stakeholder Engagement Framework
5. Human Rights Policy
6. Environment Health and Safety Policy
7. CSR 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 members of the Airtel Management Board 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 decision 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.

# 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 behaviour and is applicable to all employees, Board of Directors, subsidiaries and Business Associates (suppliers, contractors, service providers and other key business partners) of the company. Additionally, all employees are required to undergo an annual e-certification on the Code of Conduct to acknowledge their understanding of the same and commitment to inculcating the principles defined in it. Subsequently, refresher trainings are provided to employees on the Code of Conduct.

All employees are required to undergo an annual e-certification on the Code of Conduct to acknowledge their understanding of the same and commitment to inculcating the principles defined in it.

Our Code of Conduct outlines principles against discrimination, anti-competitive practices, insider trading and prohibits corruption, bribes, kickbacks and improper payments. Further, 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. Disciplinary actions are taken in case of any violation of the Code of Conduct, which can include warning, counselling, penalties, legal action and even termination of employment or business contract, depending upon the severity of the breach.

In FY 2020-21, 45 allegations of corruption and bribery were received, and investigations were completed in 22 cases. Allegations were substantiated in nine cases and suitable actions were initiated as per the Consequence Management Policy, which led to the separation of the involved employees from the organisation. The remaining 23 cases are under various stages of investigation.

Further, 29 cases were reported in the previous financial year and investigations were completed in 13 cases; 16 cases of corruption and bribery were carried forward from the previous financial year i.e. FY 2019-20 and were under investigation in the reporting year. Of the 16, investigations were completed in nine cases and allegations were substantiated in four cases, thereby making the total substantiated cases as 9 (for the cases reported in FY 2019-20). The remaining seven cases are under various stages of investigation. In each of the confirmed cases, services of the responsible employees were terminated, and the vendors concerned were blacklisted and disengaged by Airtel.

*The data reported under the Principles in Business Responsibility Report, covers information from India operations excluding Airtel Payments Bank Limited, except for Principle 8.

### Principle 2

**Product Lifecycle Sustainability:**

The Company constantly aims to ensure safety and optimal resource utilisation 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 its offerings including Mobile, DTH, Payments Bank, Fixed line and Broadband and Enterprise solutions. It has undertaken initiatives to enhance financial inclusion and promote health, education and sustainable agriculture. To minimise adverse environmental impact, the Company has undertaken several initiatives across the value chain. This includes initiatives around reduced energy consumption, water conservation, waste minimisation and innovative solutions to ensure environmental sustainability.

*For more data and information on our environmental initiatives refer to page 124 in the Natural Capital section of the Integrated Report.*

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, contractors and other service providers. The Code lays down guidelines for these partners to ensure environmental protection, energy, resource and water conservation, waste minimisation, employee health and safety, prohibition of child labour and forced labour, adherence to applicable labour laws and promotion of human rights. Further, to optimise resources, reduce adverse environmental impact and promote indigenous entrepreneurship, Airtel strives to promote greater procurement from India-based suppliers.

Airtel also adheres to the existing regulations around procedures for waste disposal, while giving primary importance to community health and safety. The Company also 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) Cell. In FY 2020-21, 100% 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, radio/TV shows among others.

For instance, in the last quarter of FY 2020-21, EMF awareness sessions were held across various circles (e.g. Rajasthan, Kerala AP, Odisha, Karnataka, Mumbai, WB, Delhi) in association with COAI, DoT and TERM cells. Many of these sessions had doctor(s) as participants in order to address and alleviate public concern around EMF. The Company actively participated in all these and helped in organising and facilitating these sessions at circle level. Through these activities, industry was able to reach out to approximately 50 lakhs people over the year.

**In FY 2020-21, 100% of Airtel's base stations audited by DoT on a sample basis, were found to be compliant with emission norms.**

As a business priority, Airtel declared 'War on Waste', an initiative that intends to improve the Company's operating efficiency by eliminating waste. The Company is undertaking measures to optimise resources and reduce waste generation in its operations. 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 part of its continual efforts to reduce the ecological impact of its operations. Airtel, therefore, not only endeavors to minimise waste but also ensures its proper disposal and recycling. The Company has also been generating awareness around promoting the extended use of network and IT-based equipment to reduce waste. It adheres to the Government of India's (GoI) guidelines to recycle waste at source, which is carried out through authorised recycling partners.

*For more details on the waste management initiatives of the Company, refer to page 124 in the Natural Capital section of the Integrated Report.*

Airtel leverages its extensive platforms to serve a wide customer base and, therefore, consistently strives to ensure that there is no adverse environmental or social impact through its sourcing, production and 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.

## Principle 3

### Employees' Well-being:

Airtel strives to foster a culture that supports each employee to realise 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 programmes to keep the workforce engaged and productive. The Company pays paramount importance to promoting a safe and empowered workplace with a culture that emphasises equal opportunity, non-discrimination, meritocracy and freedom of expression. This ensures that the Company's strong workforce of 14,194 employees remain both efficient and engaged. This 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 1,276 permanent women employees, representing around 9% of the total workforce, while women make up 11% of the Management workforce. Besides, a total of 22 people with special abilities were also employed at various Company locations. Additionally, the Company had 34,615 contractual employees in FY 2020-21.

Employees at Airtel have the full freedom to become members of any trade union or indulge in collective bargaining. However, as on March 31, 2021, 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 any repercussion. Issues raised are immediately addressed and resolved to mutual satisfaction.

**Airtel has 1,276 permanent women employees, representing around 9% of the total workforce, while women make up 11% of the Management workforce.**

Airtel aims to incorporate initiatives that revolve around the philosophy of building a learning culture for employees throughout their employment with the Company. Therefore, the Company provides employees with opportunities to enhance their behavioural, functional and technical competencies through various interventions such as job exposure, projects, coaching, mentoring and classroom and online trainings. In FY 2020-21, an average of 23.34 hours of training was provided per employee.

*For more details, refer to page 90 in the Human Capital section of the Integrated Report.*

Airtel's stringent workplace health and safety policies are driven by its commitment to ensure health and safety for all its employees. It has a comprehensive framework for ensuring a safe and incidence-free workplace, along with effective investment in health promotion and disease prevention at all levels of the business. A dedicated safety team, led by a Safety Officer has been set up to ensure occupational health and safety across operations. In FY 2020-21, safety trainings were conducted and attended by 1,965 permanent employees, 3,633 contractual employees and 8 specially-abled employees.

Additionally, various employee-friendly policies and benefits allow employees to valuably contribute to the Company while maintaining work-life balance. Measures such as flexible working hours, provision for work-from-home arrangements, maternity and paternity leave more than that mandated by the law, helps to promote employee well-being. The Company also organises regular medical check-ups 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. 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. Airtel also has a policy on prevention of sexual harassment (POSH). Any such incidents can be reported to the POSH Committee as per the process defined in the policy.

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 2020-21, 10 cases regarding sexual harassment at the workplace were reported and investigated. Allegations were substantiated in three 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 regularly engage with them, understand their concerns and meet their expectations. The Company realises 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.

*For more details, refer to page 46 in the Materiality Assessment section of the Integrated Report.*

Regular engagement with internal as well as external stakeholders allows the Company to stay apprised of any pressing concerns. It helps the Company prioritise key sustainability issues in terms of relevance to its business and stakeholders, including society and the environment. Airtel also conducts a detailed materiality-assessment, enabling it to map stakeholder expectations along with its business priorities, risks and opportunities. This also helps it prioritise the material ESG topics, which guide its corporate sustainability strategy. A comprehensive exercise was undertaken in FY 2020-21 to understand the expectations of key internal and external stakeholders and identify materiality topics of highest relevance and impact for Airtel.

> Bharti Foundation touches all aspects of stakeholder empowerment through multiple community initiatives in the realm of education, employment generation and sanitation.

As per this exercise, consultations were undertaken with the Senior Management within Airtel and other key stakeholders including employees, investors, customers, suppliers and vendors, network partners, channel partners and NGOs. Stakeholder engagement was carried out via one-to-one interviews and online surveys. While consultation with external stakeholders helped understand their key concerns and expectations, engagement with Airtel's Senior Management helped identify business priorities and current and emerging risks for the Company. These insights, along with the review of current industry trends and peer practices, helped identify material topics or key sustainability issues for Airtel that demand 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, sanitation and employment generation among local youth as teachers in its Satya Bharti Schools.

*For more information on the Company's CSR interventions, refer to page 38 in the CSR section of the Integrated 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 that are then appropriately addressed. In addition to this, internal and external stakeholders can raise any complaints or concern with the office of Ombudsperson, as per Airtel's Ombudsman Policy.

## 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 organisation, it aims to prevent any adverse impact 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 organisation along with subsidiaries, suppliers and partners. Additionally, the Code of Conduct for Business Associate/Partners 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's Human Rights policy is applicable to all employees across the organisation along with subsidiaries, suppliers and partners.**

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 any issues pertaining to human rights risks and violations, 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:

Airtel is conscious about the impact of its operations on the environment and is taking various proactive measures to reduce its environmental footprint.

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. Cognisant of this, Airtel has undertaken extensive measures to reduce its carbon footprint, 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 operating and delivering 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 across all operations. The Company identifies Climate Change as a potential risk to its business credibility and sustenance in the long-term.

*For more details, refer to page 58 in the Risk section of the Integrated Report.*

During the year under review, Airtel has undertaken various initiatives towards reduction of carbon emissions 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. It has also entered into Open Access contracts for procuring power through renewable energy sources, to further reduce emissions.

**Deployment of shared sites, conversion of indoor base transceiver stations to outdoor, implementation of solar hybrid solutions, deployment of energy efficient equipment are some of the ways in which the Company is reducing its carbon footprint.**

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 increasing the resilience of communities in which it operates. For instance, its IoT (Internet of Things) 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 centres are also significantly avoiding carbon emissions by hosting IT applications for other parties.

To reduce resource consumption and transition to a more sustainable production process, 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. 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). There was one notice received by the organisation from the Pollution Control Board in the reporting year and it was resolved to satisfaction.

*For more details on the Company's environmental initiatives, refer to page 124 in the Natural Capital section of the Integrated 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 promote policy that drives digital inclusion, advances innovation, secures citizens' online transactions, 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 for customers, digital literacy and transparency and awareness around EMF radiations, addressing issues like Rights of Way (RoW) permissions and more spectrum supply for mobile networks at affordable prices, data privacy, Ease of Doing Business (EoDB) among others.

The Company strives to promote policy that drives digital inclusion, advances innovation, secures citizens' online transactions, enhances competitiveness, promotes green telecom, and spurs economic growth to increase job opportunities.

Moreover, it promotes 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 of 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), Federation of Indian Chambers of Commerce and Industry (FICCI), The Associated Chambers of Commerce of India (Assocham), Internet Service Providers Association of India (ISPAI) and Telecom Equipment and Services Export Promotion Council (TEPC). 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.

## Principle 8

### Support Inclusive Growth:

The Company considers organisational success and welfare of communities to be 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.

*For more details, refer to page 110 in the Social & Relationship Capital section of the Integrated Report.*

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 millions of 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 the 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 programmes. 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 programmes in the fields of primary, secondary and higher education as well as sanitation.

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 the rural population and ensuring last mile connectivity.

The flagship programme 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 programmes that enabled the use of technology for teaching.

*For more details about the initiatives undertaken by Bharti Foundation and by Airtel's regional circle offices, refer to page 38 in the CSR section of the Integrated Report.*

During FY 2020-21, Airtel made significant contributions towards various philanthropic projects, including:

**2.78 Mn**
To Bharti Foundation towards furtherance of its objectives

**83.32 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 and customised 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 digitalisation 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.

*For more details, refer to page 82 in the Intellectual Capital section of the Integrated Report.*

At Airtel, its customers are also its business partners, helping to greatly improve and evolve the services that 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 and services with ease. Airtel has consistently made efforts in this direction and enriched self-care through the powerful MyAirtel app, which was revamped to airtelThanks app in the previous 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 strives to deliver a differentiated customer experience through the Airtel Thanks program. The partnership with Amazon for roll-out of Prime video mobile edition will democratise quality digital entertainment in India by leveraging Airtel's core strengths of quality customers, deep distribution, and best-in-class network for video.

With the objective of making its customers equal stakeholders in its product development journey, Airtel launched a Customer Advisory Board in FY 2020-21. The role of the Customer Advisory Board is to offer counsel on customer issues and needs as well as emerging technology trends. This will help align our innovation to customer requirements and create the right solutions for the market.

Airtel works closely with the industry, government, law enforcement agencies and community organisations 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 by Airtel to provide online education and guidance 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 2020-21, no cases were filed against the Company before the Competition Commission of India for anti-competitive behaviour and no cases were pending resolution as on March 31, 2021. However, three complaints were filed against the Company before ASCI (Advertising Standards Council of India) in the reporting period and all three have been resolved successfully and disposed of in Airtel's favour. Further, as on March 31, 2021, 773 consumer cases filed against the Company were on various stages of resolution.

# Board's Report

**Dear Members,**

Your Directors hereby submit the 26th Board Report of the Company's business and operations, together with the audited financial statements for the financial year ended March 31, 2021.

## 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. It provides telecom services under wireless and fixed line technology, national and international long distance connectivity, broadband services, Digital TV; and complete integrated telecom solutions to its 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 the Company's product portfolio to further its 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 Hon'ble National Company Law Tribunal, Chandigarh Bench, vide its order dated May 31, 2019 had sanctioned the Scheme of Amalgamation of Bharti Infratel Limited into and with Indus Towers Limited. During the financial year 2020-21, all the requisite approvals from the authorities were received and a certified copy of the Hon'ble National Company Law Tribunal order was filed with the Registrar of Companies on November 19, 2020 i.e. the effective date of merger. Consequently, the Company's 53.51% shareholding in Bharti Infratel Limited was reduced to 36.73% in Indus Towers Limited ('merged entity'). On December 2, 2020 and December 28, 2020, the Company acquired an additional stake of 4.93% and 0.06%, respectively, in the merged entity, increasing its equity stake from 36.73% to 41.73%. Accordingly, the Company owns 41.73% stake in Indus Towers Limited as on March 31, 2021.

## 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 FY 2020-21. The standalone and consolidated financial highlights of the Company's operations are as follows:

### Standalone Financial Highlights

| Particulars | FY 2020-21 | | FY 2019-20 | |
|---|---|---|---|---|
| | ₹ Mn | USD Mn* | ₹ Mn | USD Mn* |
| Gross revenue | 643,259 | 8,655 | 543,171 | 7,680 |
| EBITDA before exceptional items | 286,502 | 3,855 | 206,315 | 2,917 |
| Cash profit from operations | 183,387 | 2,467 | 121,502 | 1,718 |
| Earnings before taxation | (184,652) | (2,484) | (510,209) | (7,214) |
| Net income/(loss) | (251,976) | (3,390) | (360,882) | (5,102) |

(*1USD=74.32 Exchange rate for the financial year ended March 31, 2021)
(*1USD=70.73 Exchange rate for the financial year ended March 31, 2020)

### Consolidated Financial Highlights

| Particulars | FY 2020-21 | | FY 2019-20 | |
|---|---|---|---|---|
| | ₹ Mn | USD Mn* | ₹ Mn | USD Mn* |
| Gross revenue | 1,006,158 | 13,538 | 846,765 | 11,972 |
| EBITDA before exceptional items | (461,387) | 6,208 | 347,696 | 4,916 |
| Cash profit from operations | 315,852 | 4,250 | 227,859 | 3,222 |
| Earnings before taxation | (144,882) | (1,949) | (461,304) | (6,522) |
| Net income/(loss)# | (150,835) | (2,029) | (321,832) | (4,550) |

(*1USD=74.32 Exchange rate for the financial year ended March 31, 2021)
(*1USD=70.73 Exchange rate for the financial year ended March 31, 2020)
# This includes Net income/(loss) for continuing and discontinuing operations.

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 the nature of business of the Company during the financial year ended on March 31, 2021.

## COVID Update

The COVID-19 pandemic continues this year as well, with the second wave registering a much higher rate of transmission and greater intensity on account of infectious and perhaps virulent strain.

The Company has taken several steps to manage this crisis, which have been detailed in the Management Discussion and Analysis Report. This situation continues to evolve and monitoring is being done closely to identify key risks and taking immediate actions to minimise any potential disruption from the pandemic to our business. At the same time, the Company recognises its critical role as a telecom operator in keeping its customers and nation connected in such times.

The Company has constantly engaged with its people – with compassion, resilience and focus to ensure that morale is high. Further, the Company has abided by every safety and physical distancing norm and has been consistently communicating the same to both its employees and customers. The Company has encouraged people to work from home to ensure their safety and well-being. Airtel stands in solidarity with the Government of India and all citizens of India, and the Company's 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 the Ministry of Corporate Affairs.

## Share Capital

During FY 2020-21, there is no change in the authorised share capital of the Company and it stood at ₹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 FY 2020-21, the Company redeemed 497, 10% unlisted, fully paid-up, redeemable, non-participating non-cumulative preference shares of ₹100/- each at par. Further, the Company issued and allotted 36,469,913 equity shares of face value ₹5/- each on March 22, 2021 to Lion Meadow Investment Ltd., an affiliate to Warburg Pincus LLC on preferential basis for consideration other than cash at an issue price of ₹600/- each towards partial consideration for acquisition of 20% additional shareholding in Bharti Telemedia Limited, a subsidiary Company.

Consequent to the aforesaid allotment, the paid-up share capital of the Company has increased to ₹27,460,136,340 divided into 5,492,027,268 equity shares of face value of ₹5/- each.

During the year under review, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares.

## Reserves

During the year, the Company has transferred ₹57 Mn into General Reserve from the Share Based Payment Reserve pertaining to gain/ loss on exercise/ lapse of vested options.

## Dividend

Your Directors have not recommended any dividend for FY 2020-21.

## Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 1,000 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.

## Transfer of Amount to Investor Education and Protection Fund

During FY 2020-21, the Company has transferred the unpaid/ unclaimed dividend pertaining to FY 2012-13, amounting to ₹1,018,273, 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 18, 2020 (date of last Annual General Meeting) on the Company's website https://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 IEPF after giving due notices to the concerned shareholders. Accordingly, the Company has transferred 17,253 equity shares to the IEPF during FY 2020-21. The details of equity shares transferred are also available on the Company's website https://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 https://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 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)

The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench, has, vide its order dated March 23, 2021, sanctioned the Composite Scheme of arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ('Scheme') providing for the transfer of the VSAT Undertaking (defined under the Scheme) of the Company and Bharti Airtel Services Limited and vesting of the same with Hughes Communications India Private Limited and HCIL Comtel Private Limited respectively on a going concern basis by way of a slump sale. As on the date of this report, the Scheme is subject to the requisite regulatory/ statutory approvals. The Independent valuation report and fairness opinion obtained by the Company in this regard, are available on website of the Company at https://www.airtel.in/about-bharti/equity/shares.

### Composite scheme of arrangement between Bharti Airtel Limited, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited

The Company announced a new corporate structure on April 14, 2021 to sharpen its focus on driving the rapidly unfolding digital opportunity in India while enabling it to unlock value. To give effect to this proposed rearrangement, the Board of Directors of the Company, in its meeting held on April 14, 2021, has approved the composite scheme of arrangement between the Company, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') for: (a) amalgamation of Nettle Infrastructure Investments Limited, Airtel Digital Limited and Telesonic Networks Limited, wholly-owned subsidiaries with and into Bharti Airtel Limited; and (b) demerger of the Telecom Business Undertaking of Bharti Airtel Limited and vesting of the same with Airtel Limited, its wholly-owned subsidiary on a going concern basis. As on the date of this report, the Scheme is subject to applicable statutory/ regulatory approvals. The Independent valuation report and fairness opinion obtained by the Company in this regard, are available on website of the Company at https://www.airtel.in/about-bharti/equity/shares.

### Preferential Allotment

During the financial year 2020-21, the Company issued and allotted 36,469,913 equity shares of face value ₹5/- each to Lion Meadow Investment Ltd., an affiliate to Warburg Pincus LLC on preferential basis for consideration other than cash at an issue price of ₹600/- each towards partial consideration for acquisition of 20% additional shareholding in Bharti Telemedia Limited, a subsidiary Company.

### Senior Notes

During the year ended March 31, 2021, the Company has issued unsubordinated, direct, unconditional and unsecured senior notes of USD 750 Mn (₹54,795) at an issue price of USD 99.908, due on June 3, 2031. The notes bear interest at a rate of 3.25% per annum payable semi-annually in arrears. These senior notes have been classified as debt instruments.

During the year ended March 31, 2021, Network i2i Limited (a wholly-owned subsidiary of the Company) has issued subordinated perpetual securities of USD 500 Mn (₹36,358) at an issue price of USD 99.888 which are guaranteed by the Company. The notes bear interest at a rate of 3.975% per annum payable semi-annually in arrears.

## Capital Market Ratings

As on March 31, 2021, 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, 2021, CRISIL and ICRA assigned 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's revised their 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. Beside 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, 2021, has been uploaded on the 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 SEBI's Shared Based Employee Benefits (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 the 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 the financial year and the date of this report.

## Debentures

During the financial year, the Company has not issued any debentures. The following debentures were redeemed after the closure of financial year 2020-21:

- 15,000 Series II debentures having a face value of ₹1 Mn per debenture at a coupon rate of 8.35% per annum.

Further, there are no outstanding debenture as on the date of this report.

## Directors and Key Managerial Personnel

### Inductions, Re-appointments, Retirements and Resignations

Pursuant to the provisions of the Companies Act, 2013, Mr. Rakesh Bharti Mittal, Director 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. Sunil Bharti Mittal, Chairman, will be completing his present term as Chairman of the Company on September 30, 2021. The Board in its meeting held on May 17, 2021, based on the recommendation of the HR and Nomination Committee and subject to the approval of shareholders, has re-appointed Mr. Sunil Bharti Mittal as Chairman of the Company for a further term of five years w.e.f. October 1, 2021.

Ms. Tan Yong Choo resigned from the Company's Board w.e.f. October 27, 2020. The Board places on record its sincere appreciation for the valuable contribution made by the outgoing Director during her tenure on the Board.

Mr. Tao Yih Arthur Lang was appointed as an Additional Non-Executive Director on the Board on October 27, 2020 and will hold office till the date of the ensuing Annual General Meeting (AGM). The Company has received requisite notice from a member under Section 160 of the Companies Act, 2013, proposing the appointment of Tao Yih Arthur Lang as a Director at the AGM. Accordingly, the Board recommends his appointment.

A brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be appointed/ 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 thereunder 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 are 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 and is also annexed as **Annexure B** to the Board's 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. During the reporting year, customised questionnaires were circulated, responses were analysed and the results were subsequently discussed by the Board. Recommendations arising from this entire process were deliberated upon by the Board for these to be used constructively in order to enhance its effectiveness. A detailed disclosure on the framework of Board evaluation including outcome and action plan has been provided in the Report on Corporate Governance (page no. 210), which forms a part of this Integrated 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 a part of this Integrated Report.

### Board Committees and Meetings of the Board and Board-Committees

In compliance with the statutory requirements, the Company has mandatory Committees viz. Audit Committee, HR and Nomination Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders' Relationship Committee. The Company has also established Operating Committees viz. Committee of Directors and Airtel Corporate Council.

In addition to the above, there are other Committees constituted for special purposes / transactions in the areas of fund raising and restructuring like Special Committee of Directors for De-consolidation of International Operations, Special Committee of Directors for Debt Fund Raising, Special Committee of Directors for evaluation of stake in Indus Towers Limited, Special Committee of Directors to evaluate re-organization of Business and Shareholding Structure etc.

All the recommendations made by the Committees of the Board, including the Audit Committee, were accepted by the Board.

The Board of Directors met seven (7) times during the previous financial year. A detailed update on the Board, its composition, governance of committees including detailed charter, terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2020-21 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this integrated report.

## Subsidiary, Associate and Joint Venture Companies

As on March 31, 2021, Company has 108 subsidiaries, 7 associates and 8 joint ventures.

During FY 2020-21, Airtel Limited, Airtel Mobile Commerce DRC B.V., Airtel Mobile Commerce Gabon B.V., Airtel Mobile Commerce Niger B.V., Airtel Money Kenya Limited, Network i2i (UK) Limited, The Airtel Africa Employee Benefit Trust, Airtel Digital Services Holdings B.V., Airtel Africa Services (UK) Limited became subsidiaries of the Company and Indus Towers Limited (formerly known as Bharti Infratel Limited) and SmarTx Services Limited became Joint Ventures of the Company.

During FY 2020-21, Africa Towers N.V., Indus Towers Limited (formerly known as Bharti Infratel Limited) and SmarTx Services Limited ceased to be subsidiaries and Seynse Technologies Private Limited ceased to be associate 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 this Integrated report. The statement also provides the details of performance and financial position of each subsidiary, associate and joint venture and their contribution to the overall performance of the Company.

The audited financial statements of each subsidiary, associate and joint venture companies are available for inspection at the Company's registered office and at registered offices of the respective companies. The financial statements of each of the subsidiary companies are also available on the Company's website at https://www.airtel.com. A copy of the same will also be available electronically for inspection by the members during the AGM.

The physical 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 the 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 this Integrated 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 2021.

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 2021.

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 led 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 by the Audit Committee 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 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 FY 2021-22.

### 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, 2021. The Cost Auditors will submit their report for FY 2020-21 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 has to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

Cost Audit report for FY 2019-20 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, 2021. 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 the Board's report.

The Board, on the recommendation of Audit Committee, has re-appointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for FY 2021-22.

## Sustainability Journey

The Company strongly believes that Information and Communications Technology (ICT) is playing a pivotal role in shaping the future by helping the world advance towards a low carbon economy, sustainable growth and community development. As a leading global communication solution provider, the Company's services leverage the power of ICT to help elevate the quality of life for people by providing them with the connectivity they need to function in a dynamically advancing world. The Company's business model is evolving to consistently innovate and thereby, contribute to creating an inclusive and empowered society. To continue progressing towards this objective, the Company is striving to adopt best practices in order to better integrate sustainability into its strategies and operations. With this in mind, we moved to 'Integrated Reporting' in line with global IIRC framework during FY 2017-18. The Integrated Reporting has enabled Company to present both material financial and non-financial aspects of our performance against the backdrop of a stringent governance framework and robust business model.

The growing awareness of ESG priorities are no longer a choice but a necessity. At Airtel, we consider climate change as one of the most critical emerging ESG risk. During FY 2020-21, we have taken a public goal to reach net-zero emissions (aligned with 1.5°C emission scenarios) by 2050 in line with Science-Based Target Initiatives (SBTi) recommendations. We also undertook a comprehensive materiality assessment exercise during the year for determining material issues to gather insights on emerging environmental, social and governance (ESG) issues that may impact our business.

The Company relentlessly strives to provide long-term sustainable value to all its stakeholders including customers, investors, suppliers, employees, channel partners, network partners, government & regulatory bodies and communities/ NGOs. While we do this, we stay customer-obsessed and innovation-driven reimagining impactful possibilities in this digital world.

Airtel's sustainability initiatives towards topics that are material to its stakeholders and to the Company, have also been reported on its website at https://www.airtel.in/sustainability.

## Corporate Social Responsibility ("CSR")

The Company did not have profits (average net profits for the last three financial years), and accordingly, it was not obligated to contribute towards CSR activities during financial year 2020-21.

Despite the unprecedented challenges and pressure on the telecom industry, the Company has made voluntary CSR contribution of ₹86.10 Mn during the financial year 2020-21. Further, the Company has also contributed ₹0.25 Mn to various other charitable institutions.

The above voluntary contribution reflects the Company's commitment to pursue socio economic and cultural objectives for benefit of society at large. The Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility Report, which forms part of this Integrated Report.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as **Annexure D** to the Board's 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 2017-18 by the top 500 listed companies in India. Airtel continues with its integrated reporting journey in the current fiscal, aligning with its philosophy of being a highly transparent and responsible company. This is the Company's fourth Integrated Report, wherein it is 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 the report and the 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 form a part of this Integrated 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 this Integrated Report.

## Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of this Integrated 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 G to the Board's report.

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 Integrated Annual 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 Integrated 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 a more robust process, the Company had constituted a Risk Management Committee to focus on risk management, including determination of the Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

The Risk Management Framework is reviewed periodically by the 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 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 term and in the foreseeable future. The policy suggests framing an appropriate response action for the key risks identified, so as to make sure that the risks are adequately addressed or mitigated.

The Chief Risk Officer is responsible for assisting the 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 the Management Boards in India and South Asia and at the operating level by Executive Committees of circles in India and operating companies in the international operations.

Detailed discussion on risk management forms part of the Management Discussion and Analysis under the section 'Risks and Concerns', which forms part of this Integrated 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 Controls and their Adequacy

The Company has established a robust framework for internal financial controls. It 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 2020-21.

## Compliance management

The Company has in place a robust automated Compliance Framework based on the global inventory of all applicable laws and compliance obligations, which are regularly monitored and updated basis the changing requirements of law. Proactive automated alerts are sent to compliance owners to ensure compliance within stipulated timelines. The compliance owners certify the compliance status which is reviewed by compliance approvers and a consolidated dashboard is presented to the respective Business Leaders and the Managing Director & CEO (India & South Asia). A certificate of compliance of all applicable laws and regulations along with exceptions report and mitigation-plan, if any, is placed before the Audit Committee and Board of Directors on a quarterly basis.

## Other Statutory Disclosures

### Vigil Mechanism

The Code of Conduct and vigil mechanism applicable to Directors and the 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.

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 Integrated Report.

### Extract of Annual Return

The Annual Return of the Company as on March 31, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.airtel.in/about-bharti/equity/results.

### Prevention of Sexual Harassment at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of employees at the workplace and any such incident can be reported to the Internal Complaints Committee as per the process defined under the policy. Details regarding the policy, including the details of the complaints received and disposed of, are provided in the Report on Corporate Governance and Business Responsibility Report, which form part of this Integrated Report.

### Significant and Material Orders

During the financial year 2020-21, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

### Particulars of Loans, Guarantees and Investments

In compliance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company extends financial assistance in the form of investment, loan, guarantee etc. to its subsidiaries, from time to time in order to meet their business requirements. Further, the Company or any of its subsidiary has not extended any financial assistance to promoter or promoter group entities which has been written off during last 3 years.

Particulars of loans, guarantees and investments form part of Note no. 7, 9 and 22 respectively to the financial statements provided in this Integrated 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 Integrated 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 this Integrated 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.

### 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 E** to the Board's 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 F** to the Board's report.

Particulars of employee remuneration, as required under Section 197(12) of the Act and read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Integrated report. In terms of the provisions of the first proviso to Section 136(1) of the Act, the Integrated 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 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.

## Key initiatives with respect to stakeholder relationship, customer relationship, environment, sustainability, health, safety and welfare of employees

The key initiatives taken by the Company with respect to stakeholder relationship, customer relationship, environment, sustainability, health and safety are provided separately under various Capitals in this Integrated Report.

The Environment, Health and Safety Policy and Human Rights Policy are available on the website of the Company at https://www.airtel.in/sustainability-file/embedding-sustainability

## Acknowledgements

The Board wishes to place on record its appreciation of the Department of Telecommunications ("DoT"), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments of the 14 countries in Africa, Company's bankers and business associates, for the assistance, cooperation and encouragement extended to the Company.

The Directors also extend their deep appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance, despite the unprecedented challenges posed by the pandemic. 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

Place: New Delhi
Date: May 17, 2021

# 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 utilisation 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 utilise 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. Utilisation 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 authorised 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.

# 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 recognises 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 various criteria and shall leverage differences in factors w.r.t. background, knowledge, skills, abilities & thought (to exercise sound judgement), professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, nationality, gender, race, ethnicity, 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 75 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 considers 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. Commission in the event of inadequate profits/ losses

Subject to the approval of shareholders, the Board may, on the recommendations of the HR and Nomination Committee, pay commission (annual or one-time) to the Non-Executive Directors (including independent) in the event of inadequate profits/ losses, upto one percent (1%) of EBITDA of the Company during the relevant financial year in a manner that the aggregate commission payable to all the Non-Executive Directors (including independent) shall remain within the aggregate limit of commission of ₹25 Crores in any financial year.

#### iii. 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.

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 authorised 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, 2021

The Members,
**Bharti Airtel Limited**
Airtel Center, Plot No. 16,
Udyog Vihar, Phase-IV,
Gurugram – 122015, India

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 authorised 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, 2021 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, 2021("period under review") 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 - Not Applicable during the period under review; and

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable during the period under review.

(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 and regulations of the following:

a) Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

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.

a) Redemption of 8.25% and 8.35%, Listed, Unsecured, Rated, Redeemable, Non-Convertible Debentures having value of ₹1,500 Crore.

b) Redemption of 497, 10% unlisted, fully paid-up, redeemable, nonparticipating, non-cumulative preference shares of face value of ₹100/- each.

c) Allotment of Unsecured Senior Fixed Rate Notes i.e. U.S $750,000,000 3.25 per cent to the eligible investors pursuant to US Securities Act, 1933 and the applicable laws.

d) Issuance and allotment of 36,469,913 (Thirty Six Million Four Hundred Sixty Nine Thousand Nine Hundred and Thirteen) equity shares having face value of ₹5 (Rupees Five) each fully paid up, on a preferential basis at an issue price of 600/- [(Rupees Six Hundred) per equity share (including a premium of ₹595 per equity shares)].

e) Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ('NCLT') has, vide its Order dated March 23, 2021, subject to the applicable Sectoral approvals, sanctioned the Composite Scheme of arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, Hughes Communications India Private Limited and HCIL Comtel Private Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ('Scheme').

**Chandrasekaran Associates**
**Company Secretaries**

**Dr. S. Chandrasekaran**
**Senior Partner**
Membership No. FCS No.: 1644
Certificate of Practice No.: 715
UDIN: F001644C000278426

Place: Delhi
Date: May 17, 2021

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. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

# Annexure-A to the Secretarial Audit Report

The Members
**Bharti Airtel Limited**
Airtel Center, Plot No. 16,
Udyog Vihar, Phase-IV,
Gurugram -122015, India

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.

**Chandrasekaran Associates**
**Company Secretaries**

**Dr. S. Chandrasekaran**
**Senior Partner**
Membership No. FCS No.: 1644
Certificate of Practice No.: 715
UDIN:F001644C000278426

Place: Delhi
Date: May 17, 2021

# Annexure D

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

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 revised CSR policy of the Company as approved and adopted by the Board of directors on May 17, 2021 is available at website of the Company www.airtel.com

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 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:

| Sl. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee during the year | |
|---|---|---|---|---|
| | | | held | attended |
| 1 | Rakesh Bharti Mittal | Chairman (Non-Executive Director | 2 | 2 |
| 2 | Gopal Vittal | Member (MD and CEO, India and South Asia) | 2 | 2 |
| 3 | Dinesh Kumar Mittal | Member (Independent Director) | 2 | 2 |

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://assets.airtel.in/teams/simplycms/web/docs/Bharti_Airtel-Updated_CSR_Policy_June2021.pdf

### 4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable for the financial year 2020-21.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Nil

### 6. Average net profit of the company as per section 135(5)

₹(93,002) Mn

### 7.

| Sl. No. | Particulars | Amount |
|---|---|---|
| (a) | Two percent of average net profit of the company as per section 135(5) | Nil |
| (b) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | Nil |
| (c) | Amount required to be set off for the financial year, if any | Nil |
| (d) | Total CSR obligation for the financial year (7a+7b- 7c) | Nil |

### 8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹ Mn) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 86.10* | Not Applicable | | Not Applicable | | |

*The Company has voluntarily contributed ₹86.10 Mn as CSR under Section 135 of Companies Act, 2013. In addition to the above, the Company has also contributed ₹0.25 Mn to various other charitable institutions.

### (b) Details of CSR amount spent against ongoing projects for the financial year:

Nil

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in Schedule VII to the Act | (4) Local area (Yes/ No) | (5) Location of the project | | (6) Amount Spent for the Project (in ₹ Mn) | (7) Mode of Implementation – Direct (Yes/No) | (8) Mode of Implementation - Through Implementing Agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name | CSR Registration Number |
| 1. | PM CARES Fund (COVID-19 Relief) | (vii) | Yes | National | | 7.66# | Yes | NA | |

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in Schedule VII to the Act | (4) Local area (Yes/ No) | (5) Location of the project: State | District | (6) Amount Spent for the Project (in ₹ Mn) | (7) Mode of Implementation – Direct (Yes/No) | (8) Mode of Implementation - Through Implementing Agency: Name | CSR Registration Number |
|---|---|---|---|---|---|---|---|---|---|
| 2. | Skill development program for youth and vocational skills for women | (ii) | Yes | Madhya Pradesh, | Chhindwara | 10.00 | No | Centum Foundation - | CSR00000520 |
| 3. | Anubandh - Old Age Home | (iii) | Yes | Rajasthan, | Jodhpur | 3.00 | Yes | NA | |
| 4. | Education programs | (ii) | Yes | Pan India Basis* | | 2.78 | No | Bharti Foundation - | CSR00001980 |
| 5 | Facilitating Covid-19 relief work | (xii) | Yes | Pan India | | 62.66 | Yes | NA | |
| | **Total** | | | | | **86.10** | | | |

* Satya Bharti School Program – Kaithal, Kurukshetra, Rewari, Mahendergarh and Jhajjar in Haryana, Amritsar, Ludhiana and Sangrur in Punjab, Jodhpur in Rajasthan, Farrukhabad, Shahjahanpur in Uttar Pradesh and Mushirdabad in West Bengal.

Satya Bharti Quality Support Program: 46 Districts/ 14 States - Jammu and Kashmir, Himachal Pradesh, Punjab, Haryana, Delhi, Uttar Pradesh, Rajasthan, Assam, Meghalaya, Jharkhand, Telangana, Goa, Ladakh and Karnataka.

# The group companies/ affiliates/ associates of the Company has also contributed ₹851.82 Mn towards PM Cares fund. The aggregate contribution of the Company and its group companies/ affiliates/ associates to PM Cares Fund amounted to ₹859.48 Mn

**(d)** Amount spent in Administrative Overheads — Nil

**(e)** Amount spent on Impact Assessment, if applicable — Nil

**(f)** Total amount spent for the Financial Year (8b+8c+8d+8e) — ₹86.10 Mn

**(g)** Excess amount for set off, if any

| Sl. No. | Particular | Amount (in ₹ Mn) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | Nil |
| (ii) | Total amount spent for the Financial Year | 86.10 Mn |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 86.10 Mn |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NA |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 86.10 Mn |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:** Not applicable

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Nil

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Not applicable

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not applicable. The Company did not have profits (average net profits for the last three financial years), and accordingly, it was not obligated to contribute towards CSR activities during financial year 2020-21.

Despite the unprecedented challenges and pressure on the telecom industry, the Company has made voluntary CSR contribution of ₹86.10 Mn during the financial year 2020-21. Further, the Company has also contributed ₹0.25 Mn to various other charitable institutions. The above voluntary contribution reflects the Company's commitment to pursue socio economic and cultural objectives for benefit of society at large. The Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

Pursuant to its commitment to collectively support the efforts of the Government to mitigate the impact of COVID-19, Bharti Airtel and its group companies/ affiliates/ associates had contributed a sum of ₹859.48 Mn in PM Cares Fund towards India's fight against COVID-19.

Place: New Delhi
Date: May 17, 2021

Sd/-
**Gopal Vittal**
DIN:- 02291778
(Chief Executive Officer or Managing Director or Director)

Sd/-
**Rakesh Bharti Mittal**
DIN:- 00042494
(Chairman CSR Committee)

# Annexure E

## PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### (A) Conservation of Energy

**(i) The Company undertook the following initiatives to reduce and conserve energy:**

a. On Network Side:

» **Maximising outdoor BTS –** In FY 2020-21, 2,247 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 thereby led to reduction in BTS energy consumption by 25%.

» **Auto-resource shutdown feature –** Implemented in around 153,019 sites which reduced the energy requirement at non-peak hours.

» **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 emission significantly. Beside optimal use of resources, it has also led to the reduction of operational cost for the service providers through the elimination of operational waste. In FY 2020-21, 26% sites were deployed as shared sites which reduced energy consumption for these sites in comparison to standalone sites.

» In FY 2020-21, we installed 121 advanced VRLA (Valve-Regulated Lead-Acid) batteries and lithium-ion batteries to optimise energy consumption and substantial diesel saving. A total of 41,462 VRLA and Li-ion batteries have been installed by March 2021.

» **Lean and ECO Towers –** In FY 2020-21, 9,823 towers were deployed as Lean Towers i.e. towers that do not consume diesel to fulfil their energy requirement. This contributed to carbon emission ($CO_2$) reduction.

» We have electrified our network towers to reduce diesel consumption, which has also improved our network uptime at BTS tower sites. In FY 2020-21, we electrified 2,722 telecom towers.

b. Energy efficiency across Data Centres:

Airtel undertakes various measures to optimise data centre facilities to ensure cost efficiency, improve operations for energy conservation, boost performance and enhance space utilisation. To ensure energy efficiency across data centres, some of the initiatives undertaken in FY 2020-21 are:

» Installation of energy efficient equipment and process improvisations have resulted in effective power savings, cost optimisation and reduced greenhouse gas (GHG) emissions.

» Lighting optimisation through installation of LED lights and motion sensors across various data centres enabled the company to save 53,930 kWh of energy.

» Cooling optimisation through installation of active tiles, set points management, air diverters etc. enabled the company to save 1,758,108 kWh of energy.

» UPS and SPMS optimisation at various locations contributed to saving 2,232,458 kWh of energy.

» Cold aisle/ hot aisle containment at various locations contributed to saving 112,979 kWh of energy.

c. Energy efficiency across Main Switching Centres (MSCs):

To ensure energy efficiency across MSCs, some of the initiatives undertaken in FY 2020-21 are:

» Various initiatives such as installation of LED lights, motion sensors, air diverters, active tiles, blanking panels, temperature optimisation, cold aisle containment, rack optimisation, UPS and SMPS optimisation, natural cooling implementation etc. enabled the Company to save 4,138,608 kWh of energy.

d. Energy Efficiency in Airtel Facilities:

» HVAC air duct cleaning was undertaken, which allowed the Company to save 19,845 kWh energy in FY 2020-21.

» Various other initiatives were undertaken to enhance energy efficiency at the Company's facilities such as installation of LED lights, retrofitting and UPS optimisation, which allowed the Company to save 30,756 kWh of energy in FY 2020-21.

**ii) Utilisation of Green Energy:**

» **Rooftop Solar Plants:** By the end of FY 2020-21, Airtel installed rooftop solar PV plants at 28 locations including MSC and Data Centres, expanding the total installed capacity to 1.57 MWp.

» **Green Power Wheeling for MSC and Data Centres:** During FY 2020-21, the Company signed open access contracts or power wheeling agreements for procuring 26,172 MWh of green energy in MSCs and 55,143 MWh of green energy in the Data Centres. Therefore, the Company procured a total of 81,315 MWh green energy through various wheeling arrangements in FY 2020-21, which will significantly aid in reducing the Company's carbon emissions.

- **Solar-DG Hybrid Solution:** In FY 2020-21, Solar DG Hybrid models were installed across 64 incremental sites in India. This has significantly reduced diesel consumption for each site.
- **Project Green City** was launched with Indus and Infratel a few years back and over 73,609 sites have been tagged as green sites till March 2021, marking 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 | 41.1 | |
| 2 | ToCo (Indus & American Tower Corporation) | 105.1 | |
| 3 | Capital investment on energy conservation equipment | ~125.3 | MSC + DC locations |
| 4 | Equity investment for Group Captive Open Access project | 84 | MSC + DC locations |
| **TOTAL** | | **355.5** | |

## B. Technology Absorption

### 1. Efforts Made Towards Technology Absorption

With over 1,187 million internet users, India is the second largest online market, ranked only behind China; 98.3% of the users are using internet service on mobile network.

There are nearly 1.2 billion wireless subscribers as opposed to a mere 20.1 million wire-line subscribers. (https://www.trai.gov.in/sites/default/files/PR_No.27of2021_0.pdf)

With an objective to provide best-in-class mobile broadband experience to its customers, Airtel added 51,807 4G base stations last year, along with 5,600 OD small cells. Additional 39.4K fiber was rolled out across India to manage growing 4G data demand and better customer reach in urban areas, with improved network reliability. We now connect 7,907 census towns and 792,827 non-census towns and villages through mobile, telephone services covering 95.5% of India's population with our 4G.

**95.5%**

Of India's population covered on 4G by Airtel

Data consumption increased by a staggering **55%**. The growing demands were met by further strengthening the network; 22,000 sites got deployed during the year across geographies. In capacity band, 43 PB additional capacity got added by the usage of cutting-edge technologies like Twin Bean, MIMO deployment, spectrum maximisation on 4G carried out for 23,800 Sites and re-farming of 900 and 2,100 MHz spectrum for 4G.

To enable customers to experience better network speeds and HD quality voice, 3G services were shut down in a phased manner for across L2100 & L900 MHz band for 24,000+ sites.

Airtel's focus has been on improving the customer experience through widening and deepening the coverage. There has been focus on expanding in new towns, strengthening existing towns through the addition of more sites and addition of small cells in hotspot areas.

Airtel has been focused on simplifying the network operations through investments in the areas of digitisation and automation. Lots of network planning and operations processes have been transformed to support best-in-class real-time network monitoring and rectification. A large suite of tools has been created for the best-in-class data analytics and in order to have commendable control on the network elements along with better response to the customer requirements. Network experience has been improved by embracing new tools, technologies and various technology features and this has resulted in reduced customer complaints by more than **56%** reduction of customer complaint calls over FY 2019-20 (across all businesses).

**56%**

Reduction of customer complaint calls over FY 2019-20 (across all businesses)

Airtel has been working on improving enterprise customers' experience, configuration and service provisioning by leveraging automation and expanding B2B business exponentially.

The new platforms have enabled automatic optimisation of multi-layered networks, thereby reducing call drops, network blocking, and increasing data throughputs for setting new benchmarks in end-user experience.

Looking on to the future of technology adoption, Airtel has ensured that all network investments are ready for 5G. Airtel is conceptualising 5G trials in association with OEMs, various ODMs and application developers. Preparation for trials has been in full swing for smooth and effective trial execution when the spectrum is available for the same. The purpose of these trials is to showcase 5G capability through various eMBB (enhanced Mobile Broadband) and industrial use cases and applications.

Airtel has also developed and deployed its own O-RAN based small cell for homes and enterprise usage by using O-RAN based disaggregated vendors' ecosystem, which has helped in optimising the costs and performance to a big extent. These products, designed to Airtel specifications, are future proofed.

Airtel has actively participated and contributed to O-RAN working groups, deeply engaged with the TIP forum and leading the RIA workgroup as co-chair to derive the RIC specific use cases in the forum. Leading the open source initiative within Telecommunications Standards Development Society, India (TSDSI), this initiative shall bring out and evaluate the open source alternatives available for O-RAN ecosystem. In this initiative, Airtel is co-chairing RAN and Application subgroups.

### 2. Benefits Derived

Last year, Airtel had become the first telecom company to successfully demonstrate 5G in India. The mobile core network has been decentralised to Edge and bringing content closer to the user. Airtel has been working closely with OTT partners such as Google, Facebook, Amazon and

Apple for optimising peering of packet core network and caching engines from these OTT partners. This has helped in reducing latency, thereby improving user experience and download speeds and making the network more agile. Airtel has been ranked #1 by OpenSignal, Tutela and Ookla for video experience, lower latency and highest downlink throughputs.

**#1**

Airtel's ranking by OpenSignal, Tutela and Ookla on a variety of parameters, including highest downlink throughputs

In parallel to this, inception of virtualised cloud infrastructure happened in IMS and PACO network with deployment of cloud based IMS, MME and PGW in network. Airtel is the first operator across the globe to deploy Google's native cloud based EPC in the network. This virtualisation will become the 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 has helped in optimising the costs to a big extent. Similar work is happening 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 improve spectrum efficiently and in making the network more agile to future subscriber demands, hence developing a concrete ground to provide a great broadband experience to Airtel's 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. Details of technology imported:

Only telecom equipment imported, no technology is imported.

b. 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:

NA

**4. The expenditure incurred on research and development:**

NA

Airtel has deployed a multitude of tools and applications with the focus to drive 'Customer Experience' and improve 'Cost to Serve'.

One of the focus areas is on complaint resolution. Airtel has deployed automation in Customer Complaint Handling, putting in place systems-driven RCA and close tracking of issues till resolution. Airtel is also focusing on the use of AI/ML in its network planning and performance management. This is helping to accurately address the capacity needs and balance the network traffic.

The Company has also deployed some of the very advanced geo-analytics tools through which the network experience can be assessed at any time of day virtually. This has greatly simplified the way networks are managed and optimised.

Automation has also been done in the field operations with complete alarm correlation, resulting in greater synergies for increased network availability.

Airtel is integrating Wi-Fi analytics software across its portfolio of Wi-Fi routers with a target to use this to improve the overall customer experience and reducing 'cost to serve' customers. These analytics are being used for extracting actionable insights on gauging the Wi-Fi environment (in terms of coverage, interference etc.) in a deployment and using that information to pro-actively improve the Wi-Fi performance for each home, extend Airtel's existing capabilities to remotely triage and fix customer issues, and provide additional control and diagnosis capabilities to the Company's customers by integrating these capabilities into the AirtelThanks Application.

Relation Innovation:

*Airtel Designed GPON and Mesh Routers: Airtel has started to roll out products developed by Airtel R&D teams in collaboration with ODM partners to address the growing demand for broadband. These products, designed to Airtel specifications, are future proofed by having the ability to roll out new features using over the air (OTA) software.*

*GPON Router: This product is designed as both the optical network terminal and Wi-Fi router. The device is capable of operating on both 2.4 Ghz (with speeds upto 300 Mbps) and on 5Ghz (with speeds upto 866 Mbps) and will be the primary Wi-Fi AP in customer homes.*

*Mesh Pod: This product is designed as companion product for the GPON router and allows Airtel to deliver extended coverage in customer homes.*

*Both the mesh pod and the GPON router run mesh software which allows Airtel to deliver wall-to-wall coverage to a typical 2BHK home using a GPON + 1 Mesh Pod combination (unlike the 2-3 mesh pods needed when using in-market products from router OEMs such as TP-Link, Amazon Eero, Google etc.)*

## 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 ₹48,970 Mn

(b) Total Foreign Exchange Outgo ₹107,677 Mn

**For and on behalf of the Board**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491

Place: New Delhi
Date: May 17, 2021

# Annexure F

## 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 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-21 are as under:**

| S. No. | Name of the Director | Remuneration of Director/ KMP for FY 2020-21 (in ₹) | Percentage increase in remuneration in FY 2020-21 | Ratio of remuneration of each Director to median remuneration of the employees of the Company1-4 |
|---|---|---|---|---|
| | **Executive directors** | | | |
| 1. | Mr. Sunil Bharti Mittal, Chairman | 161,974,744 | (46.25) | 217.77 |
| 2. | Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) | 144,171,324* | 0.35 | 193.83 |
| | **Non-executive directors** | | | |
| 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. |
| 6. | Mr. Tao Yih Arthur Lang | Nil | N.A. | N.A. |
| | **Independent Directors** | | | |
| 7. | Mr. Craig Ehrlich | 1,000,000 | N.A. | 1.34 |
| 8. | Mr. D.K. Mittal | 3,300,000 | N.A. | 4.44 |
| 9. | Mr. Manish Kejriwal | 2,100,000 | N.A. | 2.82 |
| 10. | Mr. Shishir Priyadarshi | 1,100,000 | N.A. | 1.48 |
| 11. | Mr. V.K. Viswanathan | 1,500,000 | N.A. | 2.02 |
| 12. | Ms. Kimsuka Narasimhan | 1,100,000 | N.A. | 1.48 |
| | **Key Managerial Personnel other than Executive Directors** | | | |
| 13. | Mr. Badal Bagri, CFO (India & South Asia) | 32,433,160# | 16.75 | 43.61 |
| 14. | Mr. Pankaj Tewari, Company Secretary | 13,655,722^ | 15.89 | 18.36 |

Notes:

1. The value of performance linked incentive (PLI) in remuneration of Key Managerial Personnel (KMP) represents incentive @ 100% performance level. For effective comparison, the PLI component of their remuneration for FY 2020-21 has also been considered @ 100% performance level.
2. The members may note that there was an adjustment in the existing remuneration of Mr. Sunil Bharti Mittal, Chairman by 50% i.e. from ₹300 million to ₹150 million w.e.f. April 1, 2020. The Board of Directors had approved the above on account of the enhanced role and split duties of Mr. Sunil Bharti Mittal towards overseas operations / subsidiaries of the Company. The total remuneration fixed including from subsidiary/ ies remains unchanged from last year. The details of the remuneration paid to the Chairman during financial year 2020-21 are disclosed in Corporate Governance Report forming part of the Annual Report.
3. Remuneration of Employees and KMPs does not include perquisite value of stock options exercised during FY 2020-21.
4. In view of inadequate profits as computed under Section 198 of the Companies act, 2013, ("the Act") for FY 2020-21, no commission is paid to Non-Executive (including Independent) Directors during FY 2020-21. Accordingly, the percentage increase in the remuneration w.r.t. Non-Executive (including Independent) Directors is not given in the table above. Consequent to the amendments made in Sections 149, 197 and Schedule V of the Companies Act, 2013 by the Companies Amendment Act, 2020 effective from March 18, 2021, the approval of shareholders is being sought in the ensuing Annual General Meeting to make payment of remuneration to Non-Executive Directors (including Independent Directors) by way of commission in the event of losses/ inadequate profits.

* The remuneration of Mr. Gopal Vittal excludes perquisite value of ₹105,446,280 towards exercise of stock options during FY 2020-21.

\# The remuneration of Mr. Badal Bagri excludes perquisite value of ₹14,186,980 towards exercise of stock options during FY 2020-21.

^ The remuneration of Mr. Pankaj Tewari excludes perquisite value of ₹6,061,250 towards exercise of stock options during FY 2020-21.

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 2020-21 is 6%.

iii. **The number of permanent employees on the roll of the Company:** There were 9,691 employees on the rolls of the Company as on March 31, 2021.

iv. **Average percentage increase already made in the salaries of employees other than the managerial personnel in FY 2020-21 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 2020-21 was 7% and the average increase/(decrease) in the remuneration of KMPs and managerial personnel was (3.65%). 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. There has been no change in the remuneration of Managing Director & CEO during FY 2020-21, and there has been an adjustment in the remuneration of Chairman as mentioned in note no. 2 above. The remuneration is within the overall limits approved by the shareholders of the Company. The increase in the remuneration of KMPs (other than executive Directors) is in line with 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

Place: New Delhi
Date: May 17, 2021

# Annexure G

# INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF BHARTI AIRTEL LIMITED

This certificate is issued in accordance with the terms of our engagement letter dated October 15, 2020.

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, 2021, 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 (the Listing Regulations).

## Managements' Responsibility

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

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.

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.

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.

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

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 Listing Regulations during the year ended March 31, 2021.

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)
(UDIN: 21130054AAAACH5256)

Place: New Delhi
Date: May 17, 2021

# Report on Corporate Governance

The following Report on Corporate Governance reflects the ethos of Bharti Airtel Limited (Bharti Airtel/ Airtel/ the Company) and its continuous commitment to ethical business practices across its operations. It lays down the best practices and procedures 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.

This Corporate Governance Report is divided into the following sections:

A. CORPORATE GOVERNANCE PHILOSOPHY

B. BOARD OF DIRECTORS

C. BOARD COMMITTEES

D. GENERAL BODY MEETINGS

E. CODES, POLICIES AND FRAMEWORKS

F. MEANS OF COMMUNICATION

G. GENERAL SHAREHOLDER INFORMATION

H. OTHER DISCLOSURES

## A. CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes that Corporate Governance is a means to achieve the Company's vision and objectives, in a legally compliant, transparent and ethical manner, while ensuring the best interests of all the stakeholders. The Corporate Governance Philosophy of the Company is drawn from its objective of creating and enhancing long term stakeholder value and flows from its core values – being alive, inclusive and respectful.

Corporate Governance is not confined to a set of processes and compliances at Bharti Airtel– it underlines the role that we see for ourselves for today, tomorrow and beyond. The Company adheres to the highest standards of governance and continues to benchmark its practices – with not just the global 'best practices' but also 'next practices'. Your Company has been a pioneer in voluntarily adopting forward-looking practices much before the same are mandated under the law.

Corporate Governance at Bharti Airtel is implemented through clear 'tone at the top', robust board governance and strong management processes through internal controls, code of conduct, effective risk management framework, policies and procedures etc.

### Governance Philosophy

**Deep & fair relationship with stakeholders**

**Trust, transparency and integrity**

**Ethical business practices & standards**

**Key pillars that underpin the Company's Corporate Governance Philosophy**

- Effective and clear Governance structure with highly effective Board, Committees and Senior Management.
- Governance through specialised sub-committees in the areas of Audit, Risk Management, HR and Nomination, Corporate Social Responsibility and Stakeholders' Relationship etc.
- Management Governance through Airtel Corporate Council supervising the Company's business operations & major strategic decisions, robust risk management framework, strong foundation of Code of Conduct and business policies & procedures.
- Well-defined corporate structure that establishes checks, balances and delegates decision making to appropriate levels in the organisation.
- Institutionalised Group Governance Unit spearheading an oversight process of operations of subsidiary companies.
- Transparent procedures and practices and decisions based on adequate information.
- Compliance with all relevant laws in both form and substance.
- High levels of disclosures to disseminate corporate, financial and operational information to all stakeholders.
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies.
- Oversight of Company's business strategy, major developments and key activities.

## 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. To ensure seamless execution in line with the Company's Corporate Governance philosophy, the Company has adopted a multi-tiered governance structure, comprising governing/ management Boards at various levels:

### BOARD OF DIRECTORS

**SUNIL BHARTI MITTAL**
**6** Independent Directors
**5** Non-Independent Directors

### MANAGING DIRECTOR & CEO (INDIA & SOUTH ASIA)

**Airtel Management Board**

### BOARD COMMITTEES

| | |
|---|---|
| Audit Committee | **V. K. Viswanathan**<br>**3** Independent Directors<br>**1** Non-Independent Director |
| HR & Nomination Committee | **D.K. Mittal**<br>**3** Independent Directors<br>**2** Non-Independent Directors |
| Corporate Social Responsibility Committee | **Rakesh Bharti Mittal**<br>**1** Independent Director<br>**2** Non-Independent Directors |
| Risk Management Committee | **D.K. Mittal**<br>**2** Independent Directors<br>**2** Non-Independent Directors |
| Stakeholders Relationship Committee | **Rakesh Bharti Mittal**<br>**2** Independent Directors<br>**2** Non-Independent Directors |

**Note:** Apart from the above statutory Committees, the Company has established operating Committees viz. Committee of Directors and Airtel Corporate Council. Additionally, there are other Committees constituted for special purposes / transactions in the areas of fund raising and restructuring like Special Committee of Directors for Deconsolidation of International Operations, Special Committee of Directors for Debt Fund Raising, Special Committee of Directors for evaluation of stake in Indus Towers Limited, Special Committee of Directors to evaluate re-organisation of Business and Shareholding Structure etc.

### GROUP GOVERNANCE UNIT

### AIRTEL CORPORATE COUNCIL

**AIRTEL AFRICA PLC**

(listed on premium segment of London Stock Exchange)

Independent Board

Governance through Executive Committee

Chairperson

**Board of Directors:** The Board of Directors of the Company guides, oversees and monitors strategy, performance and governance. The Board establishes the governance architecture in consonance with the highest standards and owns a fiduciary responsibility to ensure that the Company's actions and objectives are aligned to shareholder value and its growth. The Board is led by the Chairman who is responsible for encouraging and nurturing a robust Board culture.

Apart from shaping the long-term vision, the Board exercises independent judgment in overseeing management performance on behalf of the shareholders and other stakeholders and hence, plays a vital role in the oversight and management of the Company.

**Board Committees:** The Board delegates its functioning in relevant areas to designated Board Committees to more effectively deal with complex or specialised issues and to use directors' time more efficiently. Committees make recommendations for action to the full board, which retains collective responsibility for decision making.

**Separate posts of Chairman and Managing Director & CEO:** Since 2013, the positions of the Chairman of the Board and the Managing Director & CEO of the Company are held by separate individuals.

While the Chairman is responsible for overall strategy development, alliances, leadership development, international opportunities, corporate governance including effective functioning of the Board and Airtel's global image and reputation, the Managing Director & CEO (India & South Asia) is responsible for business strategy deployment and overall financial & operational performance of India and South Asia structured into various business units including Mobile Services, Homes Services, Airtel Business, Digital TV Services and Digital businesses etc. While the Mobile Services business is led by the MD & CEO himself, the other businesses are headed by respective CEOs. The Company's circle operations in India are headed by Circle CEOs or Chief Operating Officer(s), each supported by circle level Executive Committee. The Sri Lankan operations are led by a Country MD, supported by an Executive Committee.

**Airtel Corporate Council:** The Airtel Corporate Council (ACC) is helmed by the Chairman and comprises the Managing Director & CEO and other select Senior Management as its members. ACC is responsible for strategic management and supervision of the Company's operations within the approved framework.

**Airtel Management Board (AMB):** The AMB in India and South Asia provides support relating to the Company's business strategy and derive operational synergies across business units. It implements the strategy and creates/drives company-wide business, processes, systems, policies, and function as role models for leadership development and as catalysts for imbibing customer centricity and meritocracy in the Company. The brief profile of the AMB comprising their qualification, experience, domain knowledge and expertise and number of years of working experience etc. are available on the website of the Company at www.airtel.com

**Group Governance Unit:** The Board, in line with the highest standards of Corporate Governance, has also constituted the Group Governance Unit which oversees the implementation of strong and effective Group Governance Policy, monitors the governance standards of Bharti Airtel and its international subsidiaries and provides need-based guidance to ensure that highest standards of corporate governance are adhered to, across the group. The Group Governance Unit acts as an institutionalised body between the Board of the Company at India and Airtel Africa plc, a subsidiary company listed on premium segment of London Stock Exchange, bestowed with a highly effective and Independent Board.

**Role of Company Secretary in Governance Process:** The role of Company Secretary at Bharti Airtel broadly encompasses around ensuring compliance, acting as an advisor to the Board of Directors and sustaining the high standards of Corporate Governance vide effective Board and committee processes & development, robust organisational governance through policy-making & controls, transparent communication with the stakeholders, and reporting by the Company as a whole.

The Company Secretary ensures that the Board processes and procedures are followed and regularly reviewed. The Company Secretary also convenes meetings and attends Board, Committee and general meetings of the Company and ensures that all relevant information is made available for effective decision-making. Important decisions of the Board/ Committee meetings are communicated to the management teams promptly for action. The Company Secretary provides the necessary guidance to the Board members with regard to their duties, responsibilities and powers and assists the Chairman in all Board development processes including board evaluation, inductions and trainings etc. Apart from ensuring compliance with applicable statutory and regulatory requirements, the Company Secretary acts as an institutionalised interface as well between the Board, management and external stakeholders.

## External ratings

External ratings provide a validation to our governance processes benchmarking us to industry best practices both in India and globally to drive us to continuously evolve our process to meet the demands of the dynamic regulatory landscape.

**Corporate Governance Rating:** CRISIL has assigned to Bharti Airtel its Governance and Value Creation (GVC) grading, viz. CRISIL GVC Level 1 for Corporate Governance practices. The grading indicates that Bharti Airtel's capability, with respect to Corporate Governance and value creation for all its stakeholders, is the highest. The Company 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, 2021, 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. 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.

## B. BOARD OF DIRECTORS

### Board Composition

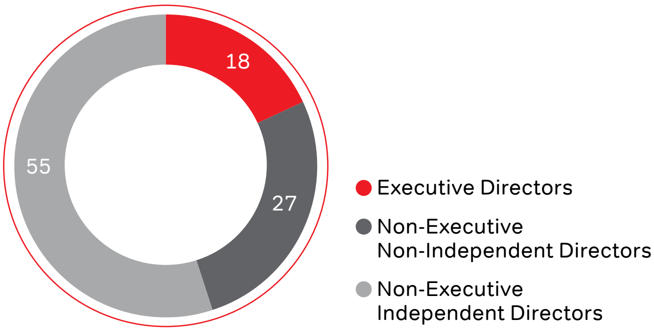
The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors, and conforms to the provisions of the Companies Act, 2013, Listing Regulations, FDI guidelines, terms of shareholders' agreement and other statutory provisions.

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 – higher than the requirements of the Companies Act, 2013 and the Listing Regulations. The average tenure of members on our Board is 10.06 years as on March 31, 2021.

Detailed profile of all the Board members is available on the Company's website at www.airtel.com in the 'Investors' section.

The Board represents a confluence of diverse backgrounds with skills and experience and expertise in critical areas like technology, global finance, telecommunication, entrepreneurship, administrative services, consulting and general management. Many of the Board members 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.

### Composition of the Board (%)




**Independent Directors: 55%**

**Non-Executive Directors: 82%**

The Board also consists of a woman Independent director as stipulated under Listing Regulations. There were three women directors including one woman Independent director for a significant part of the year. As on March 31, 2021, there were two woman directors including one woman Independent.

The Board reviews its composition, skills and diversity from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

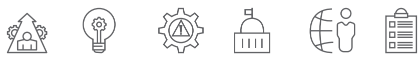
### Key Board skills, expertise and competencies

Following skills/ expertise/ competencies have been identified by the Board for its effective functioning. The Board comprises qualified members who collectively bring in identified skills/ expertise/ competencies. The skills/ expertise/ competencies as possessed by each director is also provided below separately.

**Definitions of qualifications, expertise and attributes**

| Icons | Area of expertise / Skill |
|---|---|
| | **Strategic Leadership and management experience**<br>Experience in guiding and leading management teams, leading and managing people, strategic planning, understanding of organisational systems and processes and appreciation of long-term trends/ choices. |
| | **Technology and digital expertise**<br>Background in technology and innovation, anticipation of technological trends, experience of creation of new business ideas or models. |
| | **Industry and sector experience or knowledge**<br>Knowledge and experience in telecom sector to provide strategic guidance to the management in fast changing environment. |
| | **Financial and Risk Management**<br>Wide-ranging financial skills, relevant experience of accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls to identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices. |
| | **Governance**<br>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. |
| | **Global Business/ International expertise**<br>Experience of leading large organisations having international/ global businesses and understanding of multiple geographies and cross-cultural business environment. |
| | **Public Policy**<br>Understanding of the legal & regulatory landscape and policy developments on national and global scale including its impact on dynamic business environment. |
| | **Social Impact/ Philanthropy**<br>Relevant experience in the matters of Corporate Social Responsibility and Sustainability for long term value-creation. |

These skills/ competencies are broad-based, encompassing multiple domains of expertise/ experience. Each Director may possess varied combinations of attributes/ experience. While all the Board members broadly possess the identified skills/ competence, the core domain expertise of the Board members is as below:

| Board Member | Area of expertise |
|---|---|
| **Mr. Sunil Bharti Mittal**<br>Chairman |  |
| **Mr. Gopal Vittal**<br>Managing Director & CEO |  |
| **Ms. Chua Sock Koong**<br>Non-Executive Director |  |
| **Mr. Rakesh Bharti Mittal**<br>Non-Executive Director |  |
| **Mr. Tao Yih Arthur Lang**<br>Non-Executive Director |  |
| **Mr. Craig Ehrlich**<br>Independent Director |  |
| **Mr. D.K. Mittal**<br>Independent Director |  |
| **Ms. Kimsuka Narasimhan**<br>Independent Director |  |
| **Mr. Manish Kejriwal**<br>Independent Director |  |
| **Mr. Shishir Priyadarshi**<br>Independent Director |  |
| **Mr. V. K. Viswanathan**<br>Independent Director |  |

## Board Membership Criteria and Selection Process

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. The HR and Nomination Committee has set forth a robust process for selection of new directors ensuring the best interests of the Company & its shareholders.

The HR and Remuneration Committee is responsible for identifying and evaluating a suitable candidate for appointment as director (executive, non-executive including independent) on the Board. While selecting a candidate, the Committee considers various criteria and leverages differences in factors w.r.t. background, knowledge, skills, abilities & thought (to exercise sound judgement), professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience and understanding of the telecommunication sector/ industry, marketing, technology, finance and other disciplines relevant to the business. The Committee also considers such other factors, relevant and applicable from time to time towards achieving a diverse Board.

The Committee, based on evaluation of aforesaid criteria, makes recommendations to the Board. The Board, on recommendation of the Committee, recommends the appointment to the members of the Company, wherever applicable, for their approval.

## 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 75 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.

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 quarterly basis 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.

> Practice of holding quarterly meetings of Independent Directors' followed by the Company much before the requirement of having at least one exclusive meeting of Independent Directors was statutorily prescribed.

During FY 2020-21, the Independent Directors met four times i.e. on May 17, 2020, July 28, 2020, October 26, 2020 and February 2, 2021.

## Familiarisation programme for Board members

The Company has adopted a well-structured 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 including Company's digital ecosystem, 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.

During the financial year 2020-21, the Board attended a special session on 'Airtel Digital Strategy' focusing on how a digital company like Airtel builds a scalable ecosystem of digital platforms by strengthening its core businesses and offers additional world-class digital services to its customers.

The Board has an active communication channel with the executive management, which enables Board members 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 shared with the Board members to keep them abreast on significant developments in the Company.

Details of the familiarisation programme for the Independent directors are available on the Company's website at https://assets.airtel.in/teams/simplycms/web/docs/Familiarization_Programme.pdf

## Performance Evaluation

### a) Evaluation process and mechanism:

In compliance with the provisions of the Companies Act, 2013, the Listing Regulations, guidance note issued by SEBI on board evaluation and global best practices, the HR and Nomination Committee, in its meeting held on February 3, 2021, deliberated and approved the structured process, format, attributes, criteria and questionnaires as a whole, for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and MD & CEO (India and South Asia), keeping in view the board priorities and best practices.

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). To ensure confidentiality, the evaluation process was facilitated online by a leading independent consulting firm. The consolidated reports on outcome were submitted by the consulting firm to the Board through the Company Secretary.

All Directors participated in the performance evaluation process. The results of evaluation were discussed in the Independent Director's meeting held on May 16, 2021 followed by respective Committee meetings and Board Meeting held on May 17, 2021.

## b) Overview of Evaluation Framework and Evaluation Criteria:

| S. No. | Category | Criteria |
|---|---|---|
| 1 | Board of Directors | Evaluation by the Board on various criteria such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making, board practices and overall effectiveness of Board as a whole. |
| 2 | Board Committees | Evaluation by the Board after seeking inputs from the committee members on the basis of criteria such as committee composition, effectiveness of committee in terms of well-defined charters & powers and information-flow with the Board in terms of reporting and due consideration of Committees' decisions, findings, and recommendations at the Board level. |
| 3 | Individual Directors | Evaluation by the Board on parameters such as meeting attendance, time devotion and contribution, engagement with colleagues on the Board, preparedness for meetings, quality of discussion, entrepreneurial leadership, ability to express disagreement & divergent views and independent judgement etc. All the directors were subject to peer-evaluation. |
| 4 | Chairman and MD & CEO (India & South Asia) | Evaluation of Chairman on certain additional parameters such as leadership development, Board management, Corporate governance, recognition & awards and company's international positioning etc; and MD & CEO (India & South Asia) on the achievement of strategic goals, delivery of business performance, talent and leadership management etc. |
| 5 | Independent Directors | The role of Independent Directors can be divided into three broad categories:<br>a) Vision and Strategic Guidance<br>b) Governance<br>c) Control<br>Based on the above, the Independent Directors were evaluated by the Board on certain additional performance indicators including:<br>» Devotion of sufficient time and attention towards professional obligations for independent decision making and for acting in the best interests of the Company.<br>» Providing strategic guidance to the Company and help determine important policies with a view to ensuring long-term viability and strength.<br>» Bringing external expertise and independent judgement that contributes objectivity in the Board's deliberations, particularly on issues of strategy, performance and conflict management. |

The recommendations arising out of the evaluation process were discussed with the Board and individual feedback was provided.

## c) Outcome of the Evaluation process and action plan

The Board expressed satisfaction with its overall effectiveness and performance and lauded the Company's ethical standards and transparency. It was noted that the Board as a whole is functioning as a highly effective and cohesive body. It was also noted that the Committees are functioning effectively in accordance with their defined charters/ terms of reference.

The evaluation process clearly brought out the high governance standards of the Company, the resilience of the Board and the Management and the constructive relationship between the Board and the Management. The Board lauded the outstanding leadership demonstrated by the management and praised exemplary work done by the employees in extremely difficult and unprecedented times of COVID-19 pandemic. The Board was appreciative of management's outstanding work in gaining market share in a very difficult environment.

In order to further strengthen the effectiveness of Board & Committees and with an end-objective of having a high-performing and effective, strategic and resilient Board in line with global corporate governance trends, the Board inter-alia agreed to focus more on industry specific & digital trainings and orientations etc. The Board's suggestions to further augment its effectiveness have been noted and taken up for implementation.

Progress on recommendations from last year was also discussed/ reviewed which included quarterly detailed engagement with business leadership and updates/ discussions on ever-evolving and dynamic business landscape. The objective was multi-pronged – providing updates to Board and seeking its guidance and in the overall process, giving the opportunity to business leaders to engage with Board, which in turn, would also help the Board assess the bench strength of business leadership. The Board noted that the same were actioned during the year – detailed presentations in board meetings were made by senior business leaders covering a wide spectrum of subjects like Airtel digital ecosystem, network strategy, overall business environment and key regulatory developments etc.

## Succession planning

The Company has a robust succession planning framework in place for the Board and top critical positions including its Senior Management. The Board of Directors, HR and Nomination Committee and Apex Talent Council are entrusted with overseeing and monitoring talent management and succession planning initiatives at the Company in the following institutionalised manner:

a) **Board:** A robust process is followed for Board rejuvenation and succession which is a hallmark of a forward-thinking and progressive Board. The Board deliberates on various factors including current tenure of board members, outcome of performance evaluation, skill matrix including skill-gaps, board diversity, statutory requirements etc. offering an additional opportunity for the Board to assess its competencies and capabilities. The Chairman works closely with the Nomination & Remuneration Committee to put in place a multi-year succession plan. This helps identify prospective board members who possess the skills and experience required in the context of the Company's business and ensures a smooth transition in key board positions.

b) **Top critical positions including Senior Management:** Apex Talent Council anchors the whole process and carries out detailed evaluation of each position including various criteria of identification of successors, their readiness/ development plan (which could be in the form of job rotation, exposure, coaching, mentorship, development and engagement etc). The HR and Nomination Committee of the Company then devotes its considerable time for review of succession planning framework on half-yearly basis. The Committee reviews the detailed plan including specific listing of critical jobs, successors identified and readiness timeline/ contingency plan for each position. This framework now includes a larger set of critical jobs, a proposed formalised mentoring and development framework as well as a roadmap for strengthening governance on talent actions/ readiness/ risk etc (from bi-annual to quarterly). The framework involves skilling for the top leadership as well to foster successor readiness more effectively. The Board also reviews the succession planning framework for top critical positions including Senior Management.

   For critical positions, the Company also follows the global best practice wherein the identified successor shadows the current incumbent for a reasonable period to allow smooth and orderly succession.

## Board Meetings

### 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 2021-22 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 in detail 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 updates 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.

### Availability of information to the Board

The Board has complete and unfettered access to all relevant information within the Company, and to the Senior Management of the Company. In order to have an 'informed Board' as a collective body, there is a formal 'Information Sharing Protocol' in place for seamless and uniform exchange of information between the Board and the Senior Management.

Information is provided to the Board members on a continuous basis for their review, inputs and approval. At Board meetings, Company executives, managers and external-experts are invited to provide additional insights and clarifications. Specific cases of mergers, acquisitions, business-restructurings and fund-raisings are presented to the Board Committees and later, with the recommendation of the committees, to the Board for its approval. Documents containing Unpublished Price Sensitive

Information are submitted to the Board and Committee Members, at a shorter notice, as per the general consent taken from the Board, from time to time. 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 including foreign exchange exposures and mitigation measures for material adverse exchange rate movement.
» 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.
» Proposals requiring strategic guidance and approval of the Board.
» Related party transactions.
» Regular updates on business and regulatory environment.
» Update on Corporate Social Responsibility activities.
» Significant transactions and arrangements by subsidiary companies.
» Report on action taken on last Board meeting decisions.

## Board Composition

During FY 2020-21, the Board met seven times i.e. on April 1, 2020, May 18, 2020, July 29, 2020, October 27, 2020, December 1, 2020, February 3, 2021 and February 17, 2021.

The composition of the Board, attendance of the Directors at the Board meetings and the Annual General Meeting of the Company held during financial year 2020-21 and the number of Board/ Committees of other companies in which the Director is a member or chairperson as on March 31, 2021, is provided below:

| Name of Director | Director Identification Number | Category | No. of board meetings attended (total held during tenure) | Whether attended last AGM | Name of the listed entity where person is director along with category of Directorships | Number of other directorships and committee memberships and chairmanships | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Directorship | Committees | |
| | | | | | | | Chairman | Member |
| Mr. Sunil Bharti Mittal | 00042491 | Executive Chairman | 7(7) | Yes | NIL | 14 | Nil | Nil |
| Mr. Gopal Vittal | 02291778 | Executive Director | 7(7) | Yes | Indus Towers Limited- Non-Executive Director | 3 | Nil | Nil |
| Ms. Chua Sock Koong | 00047851 | Non-Executive and Non-Independent Director | 6(7) | Yes | NIL | 1 | Nil | 1 |
| Mr. Rakesh Bharti Mittal | 00042494 | Non-Executive and Non-Independent Director | 7(7) | Yes | NIL | 17 | Nil | Nil |
| Mr. Tao Yin Arthur Lang | 07798156 | Non-Executive and Non-Independent Director | 3(3) | No | NIL | 1 | Nil | 2 |
| Mr. Craig Ehrlich | 02612082 | Independent Director | 6(7) | No | NIL | Nil | Nil | Nil |

| Name of Director | Director Identification Number | Category | No. of board meetings attended (total held during tenure) | Whether attended last AGM | Name of the listed entity where person is director along with category of Directorships | Number of other directorships and committee memberships and chairmanships: Directorship | Committees: Chairman | Committees: Member |
|---|---|---|---|---|---|---|---|---|
| Mr. D.K. Mittal | 00040000 | Independent Director | 7(7) | Yes | 1. Balrampur Chini Mills Ltd Independent Director<br>2. Max Financial Services Limited- Independent Director<br>3. Trident Limited- Independent Director<br>4. Max Ventures And Industries Limited- Independent Director | 11 | 3 | 3 |
| Mr. Manish Kejriwal | 00040055 | Independent Director | 7(7) | Yes | 1. Bajaj Holdings & Investment Limited - Non-Executive Director<br>2. Bajaj Finserv Limited - Non-Executive Director | 4 | Nil | 4 |
| Mr. Shishir Priyadarshi | 03459204 | Independent Director | 7(7) | No | NIL | Nil | Nil | Nil |
| Mr. V. K. Viswanathan | 01782934 | Independent Director | 7(7) | Yes | 1. United Spirits Limited - Independent Director<br>2. KSB Limited - Independent Director<br>3. ABB India Limited - Independent Director<br>4. HDFC Life Insurance Company Limited - Independent Director | 6 | 4 | 2 |
| Ms. Kimsuka Narasimhan | 02102783 | Independent Director | 6(7) | No | 1. Astrazeneca Pharma India Limited - Independent Director | 2 | Nil | Nil |
| Ms. Tan Yong Choo | 02910529 | Non Executive Director | 3(4) | Yes | NIL | 1 | Nil | NIL |

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign body corporates and Bharti Airtel Limited.
2. 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.
3. Ms. Tan Yong Choo resigned w.e.f. October 27, 2020.
4. Mr. Tao Yin Arthur Lang was appointed as Non-Executive Director w.e.f. October 27, 2020.
5. Except Mr. Sunil Bharti Mittal and Mr. Rakesh Bharti Mittal, who are brothers, none of the Directors are relatives of any other director.
6. As on March 31, 2021, apart from Mr. Gopal Vittal, Managing Director & CEO (India & South Asia) who holds 1,048,559 equity shares, no other Director of the Company holds shares in the Company.

The average attendance of the Directors at the Board meetings during FY 2020-21 was 94.80%.

## Directors' remuneration

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 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.

The details of the remuneration of Directors during FY 2020-21 are given below:

| Name of Director | Sitting Fees | Salary and allowances | Performance linked incentive | Perquisites | Commission | Total |
|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | |
| Mr. Sunil Bharti Mittal | - | 100,676,315 | 45,000,000 | 16,298,429 | - | 161,974,744 |
| Mr. Gopal Vittal | - | 86,414,604 | 57,750,000 | 6,720 | - | 144,171,324 |
| **Non-Executive Directors** | | | | | | |
| Mr. Rakesh Bharti Mittal | - | - | - | - | - | - |
| Ms. Chua Sock Koong | - | - | - | - | - | - |
| Mr. Craig Ehrlich | 1,000,000 | - | - | - | - | 1,000,000 |
| Mr. D.K. Mittal | 3,300,000 | - | - | - | - | 3,300,000 |
| Mr. Manish Kejriwal | 2,100,000 | - | - | - | - | 2,100,000 |
| Ms. Tan Yong Choo | - | - | - | - | - | - |
| Mr. Tao Yih Arthur Lang | - | - | - | - | - | - |
| Mr. Shishir Priyadarshi | 1,100,000 | - | - | - | - | 1,100,000 |
| Mr. V.K. Viswanathan | 1,500,000 | - | - | - | - | 1,500,000 |
| Ms. Kimsuka Narasimhan | 1,100,000 | - | - | - | - | 1,100,000 |
| **Total** | **10,100,000** | **187,090,919** | **102,750,000** | **16,305,149** | **-** | **316,246,068** |

- 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.
- There has been an adjustment in the remuneration of Mr. Sunil Bharti Mittal, Chairman by 50% i.e. from ₹300 Mn to ₹150 Mn w.e.f. April 1, 2020. The Board of Directors had approved the above on account of the enhanced role and split duties of Mr. Sunil Bharti Mittal towards overseas operations / subsidiaries of the Company. The total remuneration fixed including from subsidiary/ ies remains unchanged from last year.
- Value of Performance Linked Incentive (PLI) considered above represents incentive which will accrue at 100% performance level for FY 2020-21 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 ₹161,974,744 for FY 2020-21 and ₹301,327,308 for FY 2019-20 and that of Mr. Gopal Vittal ₹144,171,324 for FY 2020-21 and ₹143,665,434 for FY 2019-20. During the year, Mr. Sunil Bharti Mittal and Mr. Gopal Vittal were paid ₹105,000,000 and ₹59,266,667 respectively as PLI for previous year 2019-20, which is not included above.
- During the year, Mr. Gopal Vittal was granted 2,00,000 stock options on August 8, 2020 under ESOP Scheme 2005 at an exercise price of ₹5 per option, with a vesting period spread over 3 years and 93,354 stock options on August 8, 2020 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 ₹105,446,280 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.

## C. BOARD COMMITTEES

In compliance with the statutory requirements, the Board has constituted various sub-committees with specific terms of reference and scope. The objective is to focus effectively on specific areas and ensure expedient resolution and decision-making. The committees operate as the Board's empowered agents according to their charter/ terms of reference.

**Committee governance:** The Board, in consultation with the Nomination and Remuneration Committee, constitutes the board-committees and lays down their charters and terms of reference. The recommendations of the Committees are submitted to the Board for approval. During the year, all recommendations of the committees were approved by the Board. Generally, committee meetings are held prior to the Board meeting and the chairperson of the respective committees update the Board about the deliberations, recommendations and decisions taken by the Committee.

The Constitution and charters of the Board Committees are available on the Company's website at www.airtel.com, and are also stated herein.

**Committee Overview**

| | | |
|---|---|---|
| **Audit Committee** | Mr. V. K. Viswanathan | Ms. Kimsuka Narasimhan |
| | Mr. Manish Kejriwal | Mr. Tao Yih Arthur Lang |
| **HR and Nomination Committee** | Mr. D.K. Mittal | Ms. Chua Sock Koong |
| | Mr. Craig Ehrlich | Mr. Rakesh Bharti Mittal |
| | Mr. Shishir Priyadarshi | |
| **Corporate Social Responsibility Committee** | Mr. Rakesh Bharti Mittal | Mr. D.K. Mittal |
| | Mr. Gopal Vittal | |
| **Risk Management Committee** | Mr. D.K. Mittal | Mr. Anil Jeet Singh Riat |
| | Mr. Badal Bagri | Mr. Gopal Vittal |
| | Mr. Pankaj Tewari | Mr. Rakesh Bharti Mittal |
| | Mr. V. K. Viswanathan | |
| **Stakeholder Relationship Committee** | Mr. Rakesh Bharti Mittal | Mr. D.K. Mittal |
| | Mr. Gopal Vittal | Mr. Manish Kejriwal |
| **Committee of Directors** | Mr. Rakesh Bharti Mittal | Mr. D.K. Mittal |
| | Mr. Gopal Vittal | Mr. V. K. Viswanathan |

**Note:** In addition to the above, there are other Committees constituted for special purposes / transactions in the areas of fund raising and restructuring like Special Committee of Directors for Deconsolidation of International Operations, Special Committee of Directors for Debt Fund Raising, Special Committee of Directors for evaluation of stake in Indus Towers Limited, Special Committee of Directors to evaluate re-organisation of Business and Shareholding Structure etc.

## I. Statutory Committees

## Audit Committee

### Composition, Meetings and Attendance of the 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 18, 2020.

During FY 2020-21, the Committee met five times i.e. on May 18, 2020, July 29, 2020, October 27, 2020, December 1, 2020 and February 3, 2021.

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 2020-21, the Committee had met six times through the conference calls i.e. April 21, 2020, July 14, 2020, July 22, 2020, October 20, 2020, January 25, 2021 and February 17, 2021.

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 2020-21, 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. Viswanathan (Chairman) | Independent Director | 5(5) | 6(6) |
| Ms. Kimsuka Narasimhan | Independent Director | 5(5) | 6(6) |
| Mr. Manish Kejriwal | Independent Director | 5(5) | 5(6) |
| Ms. Tan Yong Choo* | Non-Executive Director | 3(3) | 4(4) |
| Mr. Tao Yih Arthur Lang** | Non-Executive Director | 2(2) | 1(2) |

*Ms. Tan Yong Choo, ceased to be member of the Committee w.e.f. October 27, 2020.

** Mr. Tao Yih Arthur Lang was appointed as member of the Committee w.e.f. October 27, 2020.

### 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 Auditors 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:
  - 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.
  - Changes, if any, in accounting policies and practices and reasons for the same.

- » Major accounting entries involving estimates based on the exercise of judgment by management.
- » Significant adjustments made in the financial statements arising out of audit findings.
- » Compliance with listing and other legal requirements relating to financial statement.
- » Disclosure of all related party transactions.
- » 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 scrutinise the inter-corporate loans and investments

» Reviewing the utilisation 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.

## 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, is given below:

| Particulars | Amount (₹ in Mn) |
|---|---|
| Audit Fees* | 442 |
| Other services | 136 |
| **Total** | **578** |

*Includes out-of-pocket expenses

## Key matters considered by the Audit Committee

| Activities of the Committee during the year | Frequency |
|---|---|
| Review and recommendation of standalone and consolidated financial statements of the Company. | Q |
| Performance evaluation of its own effectiveness. | A |
| Review the state and adequacy of internal controls with the management, statutory auditors, internal auditor and internal assurance partners. | A |
| Review of internal assurance reports and actions taken reports at the audit committee conference calls. | Q |
| Review with statutory auditors and internal assurance partners on the nature and scope of the audit. | A |
| Review of compliance certificates confirming compliance with laws and regulations, including any exceptions to these compliances. | Q |
| Review of management's discussion and analysis of the financial condition and results of operations. | A |
| Recommendation to the Board on the selection and evaluation of the independent assurance partners, cost auditors, secretarial auditors, accounting separation report (ASR) auditors including remuneration and terms of their appointment. | A |
| Discussions with statutory auditors (whenever necessary, without the presence of member of the management) regarding the Company's audited financial statements or any other matters as the committee deemed necessary. | P |
| Approval of non-audit services to be obtained the statutory auditors and approval of payment of such non-audit services. | Q |
| Monitoring with the management on financial reporting process. | P |
| Review of the related party transactions during preceding quarter. | Q |
| Omnibus approval for the related party transactions proposed to be entered into by the Company. | P |
| Review, approval and recommendation of related parties transactions to the board, as and when necessary. | P |
| Review of inter-corporate loans and investments. | Q |
| Review and monitoring of statutory auditors and internal assurance partner's independence, performance and effectiveness of audit process. | A |
| Review of mechanism to track the compliances under insider trading regulations. | P |
| Monitoring and review of ombudsperson report on whistle blower incidents. | Q |

A Annually Q Quarterly P Periodically

## Audit Committee Report for the year ended March 31, 2021

### To the Shareholders of Bharti Airtel Limited

The Audit Committee ("Committee") is pleased to present its report for the year ended March 31, 2021:

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) led by Anil Jeet Singh Riat. He is the Chief Internal Auditor in accordance with Section 138 of the Companies Act, 2013. The Company had 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, 2021. 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 Inter-corporate loans and investments and financial assistance to subsidiary companies.

   VIII. The Committee has reviewed with the Management, the independence, effectiveness of audit process and performance of Deloitte Haskins & Sells LLP, Chartered Accountants, 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 17, 2021

**V. K. Viswanathan**
Chairman, Audit Committee

## HR and Nomination Committee

### Composition, Meetings and Attendance of the 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 Human Resource 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.

During FY 2020-21, the Committee met four times i.e. May 18, 2020, July 29, 2020, October 27, 2020 and February 3, 2021.

The composition and the attendance of members at the meetings held during FY 2020-21, are given below:

| Name | Category | Number of meetings attended (total held during tenure) |
|---|---|---|
| Mr. D.K. Mittal, Chairman | Independent Director | 4(4) |
| Ms. Chua Sock Koong | Non-Executive Director | 4(4) |
| Mr. Craig Ehrlich | Independent Director | 4(4) |
| Mr. Rakesh Bharti Mittal | Non-Executive Director | 4(4) |
| Mr. Shishir Priyadarshi | Independent Director | 4(4) |

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.

### Key Responsibilities of the HR and Nomination Committee

#### HR:

- 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:

- 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:

- 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.

## Key matters considered by the HR and Nomination Committee

| Activities of the Committee during the year | Frequency |
|---|---|
| Review of HR Update – India & South Asia comprising of key metrics including head count (on roll, contractual, targets and trend); HR metrics: attrition, diversity, cost, L&D and engagement etc; change in senior management; workforce related changes/movements arising out of M&A activities; serious accidents and other incidents, if any; internal auditors' report on human resource related issues/ observations & actions taken and forecast of CEO/ Company performance versus targets etc. | Q |
| Review of detailed Succession planning framework including specific listing of critical talent, successor readiness timeline/ contingency plan for each position and key metrics including criteria of identification of successors, their coaching, mentorship, development and engagement etc. | H |
| Approval of Rolling Agenda of the Committee, fixed in advance for the year to discuss planned key agenda items quarter on quarter including progress on HR priorities. | A |
| Approval of Key Result Areas (KRAs) of the Chairman including his responsibilities for India and overseas operations and KRAs of Managing Director & CEO (India & South Asia). | A |
| Recommendation of Performance Linked Incentive payable to Chairman, Managing Director & CEO (India & South Asia) and Senior Management. | A |
| Review and noting of detailed annual update by Ombudsperson on compliance and effectiveness of Code of Conduct of the Company. | A |
| Review of overall Board composition and committees in line with the statutory requirements and business requirements. | A |
| Review of the terms of reference of all Board Committees in line with the statutory requirements and business requirements. | A |
| Approval of the structured process, format, attributes, criteria and questionnaires as a whole, for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and MD & CEO (India and South Asia). | A |
| Discussion on evaluation of Committee's performance and progress on last year recommendations. | A |
| Review of detailed reports w.r.t. ESOP Scheme 2001 and ESOP Scheme 2005 including total grants, live grants yet to be exercised, Shares available with the Trust etc. | Q |
| Noting of the update on final Long Term Incentive (LTI) vesting scores. | A |
| Approval of various Long Term Incentive plans under ESOP Schemes and grant of options thereunder. | P |
| Review and recommendation of the annual rotation of rotational directors. | A |
| Consideration of the proposal w.r.t. payment of Commission (including special commission) to Independent Directors and Non-Executive Non-Independent Directors in case of inadequate profits and incidental matters. | S |

| Activities of the Committee during the year | Frequency |
|---|---|
| Recommendation for appointment of new director(s) in place of resigning director and incidental matters. | P |
| Comprehensive review, noting and suggestions on various special matters including digitisation journey of HR; hiring and development of digital talent; grooming high potential talent and Airtel Leadership Academies; strengthening of governance & compliance mechanism for Associate staff management; deep dive on gender & roles diversity; HR initiatives to combat COVID-19 including the proposal of Hybrid Working mode and review of employee emergency fund; effectiveness of Amber, the engagement tool; strengthening of SOPs across HR processes, revamping of exit management process and benchmarking & assessment of company's conflict of interest policy/ practices etc. | P |

A Annually  H Half-yearly  Q Quarterly  P Periodically  S Special item

## Corporate Social Responsibility (CSR) Committee

### Composition, Meetings and Attendance of the 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 recommends the CSR proposals and Annual Report on CSR 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.

During FY 2020-21, the Committee met two times i.e. on May 18, 2020 and February 16, 2020.

The composition and the attendance of members at the meetings held during the FY 2020-21, 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) |

### 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.

During FY 2020-21, the Committee took up additional mandate to review and monitor progress of following:

- **Environment initiatives:** in the areas of energy consumption, water, waste management, climate related issues, science based targets, decarbonisation plan, climate risk assessment and increased sourcing of Renewable Energy.
- **Social initiatives:** in the areas of Stakeholder engagement and materiality assessment, Human Rights and ESG risk mapping in supply chain.

On the recommendation of the CSR Committee, the Board had on May 17, 2021, approved the revised 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.

### Annual Report on Corporate Social Responsibility Report Activities for the year ended March 31, 2021

The CSR Report for the year ended March 31, 2021 is annexed as **Annexure D** to the Board's Report.

## Risk Management Committee

### Composition, Meetings and Attendance of the 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 Risk Management Committee comprises seven members with majority of them being Board members, including two independent directors. Mr. D.K. Mittal, Independent Director is Chairman of the Committee. The Company Secretary/ Dy. Company Secretary acts as a secretary to the Committee.

During the year, Risk Management Committee met two times i.e. on September 23, 2020 and February 1, 2021.

The composition and the attendance of members at the meetings held during the FY 2020-21, are given below:

| Name | Category | Number of meetings attended (total held during tenure) |
|---|---|---|
| Mr. D.K. Mittal, Chairman | Independent Director | 2(2) |
| Mr. Anil Jeet Singh Riat | Chief Internal Auditor | 2(2) |
| Mr. Badal Bagri | CFO | 2(2) |
| Mr. Gopal Vittal | Executive Director | 2(2) |
| Mr. Pankaj Tewari | Company Secretary | 2(2) |
| Mr. Rakesh Bharti Mittal | Non-executive Director | 2(2) |
| Mr. V. K. Viswanathan | Independent Director | 2(2) |

### 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.

### Authority

» Obtain any legal or independent professional advice on matters to be deliberated in the Risk Management Committee.

» Access sufficient resources to carry out its duties.

### Chief Risk Officer

During the financial year 2020-21, Nakul Sehgal, Chief Risk Officer resigned from the Company w.e.f. December 18, 2020. In the interim period, Badal Bagri, CFO of the Company is leading the risk management function under the supervision of the Risk Management Committee. The Company is in process of identifying and appointing the new Chief Risk Officer of the Company.

## Key matters considered by the Risk Management Committee

| Activities of the Committee during the year | Frequency |
|---|---|
| Review and approval of the Enterprise Risk Management Framework of the Company. | P |
| Review and assessment and mitigation of risks arising due to COVID-19. | P |
| Assessment of top risks to the effective execution of the Company's strategy; tracked trend lines of top strategic, operational and compliance-related risks, the likelihood of their occurrence, potential impact and progress of mitigation actions. | P |
| Performance evaluation of its own effectiveness. | A |

A Annually  P Periodically

## Stakeholders' Relationship Committee

### Composition, Meetings and Attendance of the 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 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.

During FY 2020-21, the Committee met four times i.e. on May 18, 2020, July 29, 2020, October 27, 2020 and February 3, 2021.

The composition and the attendance of members at the meetings held during FY 2020-21, are given below:

| Name | Category | Number of meetings attended (total held during tenure) |
|---|---|---|
| Mr. Rakesh Bharti Mittal, Chairman | Non-Executive Director | 4(4) |
| Mr. D.K. Mittal | Independent Director | 4(4) |
| Mr. Gopal Vittal | Executive Director | 4(4) |
| Mr. Manish Kejriwal | Independent Director | 4(4) |

### Compliance Officer

Mr. Rohit Krishan Puri, Dy. Company Secretary is 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 2020-21, 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 2020-21 are as follows:

| Type of complaint | Number | Redressed | Pending on March 31, 2021 |
|---|---|---|---|
| Non-receipt of securities | 0 | 0 | Nil |
| Non-receipt of Annual Report | 0 | 0 | Nil |
| Non–receipt of dividend/ dividend warrants | 3 | 3 | Nil |
| Miscellaneous/ Others | 7 | 7 | Nil |
| **TOTAL** | **10** | **10** | **Nil** |

### 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.

## II. Operating Committees

## Committee of Directors

### Composition, Meetings and Attendance of the 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 deem 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.

During FY 2020-21, the Committee met eight times i.e. on May 18, 2020, June 29, 2020, July 29, 2020, October 27, 2020, January 20, 2020, February 3, 2020, February 17, 2021 and March 22, 2021.

The composition and the attendance of members at the meetings held during FY 2020-21, are given below:

| Name | Category | Number of meetings attended (total held during tenure) |
|---|---|---|
| Mr. Rakesh Bharti Mittal, Chairman | Non-Executive Director | 8(8) |
| Mr. D.K. Mittal | Independent Director | 8(8) |
| Mr. Gopal Vittal | Executive Director | 7(8) |
| Mr. Manish Kejriwal | Independent Director | 6(8) |

### Key Responsibilities of the Committee of Directors (within the limit approved by the Board)

#### Investment

- 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

- 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.

## 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 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 DoA's.
- 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.

## III. Other Committees of the Board

Apart from the aforesaid Committees, the Company has also constituted other non-statutory transaction based/ event-specific special Committees, from time to time, in the areas of fund raising and various restructurings including Special Committee of Directors for fund raising, Special Committee of Directors for Debt Fund Raising, Special Committee of Directors for evaluation of stake in Indus Towers Limited, Special Committee of Directors to evaluate re-organisation of Business and Shareholding Structure etc. These Committees operate under the direct supervision of the board, in accordance with assigned scope of work and their terms of reference.

## D. GENERAL BODY MEETINGS

The details of last three Annual General Meetings (AGMs) are as follows:

| Financial Year | Location | Date | Time | Special Resolution passed |
|---|---|---|---|---|
| 2019-20 | Through Video Conference | August 18, 2020 | 1530 Hrs. (IST) | 1. Re-appointment of Mr. Shishir Priyadarshi as an Independent Director. |
| 2018-19 | Air Force Auditorium, Subroto Park, New Delhi – 110010, India | August 14, 2019 | 1530 Hrs. (IST) | 1. Re-appointment of Mr. Vegulaparanan Kasi Viswanathan as an Independent Director.<br>2. Re-appointment of Mr. Dinesh Kumar Mittal as an Independent Director.<br>3. Waiver of recovery of excess managerial remuneration paid to Mr. Sunil Bharti Mittal, Chairman for the financial year ended March 31, 2019.<br>4. Waiver of recovery of excess managerial remuneration paid to Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) for the financial year ended March 31, 2019.<br>5. Payment of remuneration to Mr. Sunil Bharti Mittal, Chairman for the period April 1, 2019 to September 30, 2021 or for such shorter period as may be prescribed under applicable laws.<br>6. Payment of remuneration to Mr. Gopal Vittal, Managing Director & CEO (India and South Asia) for the period April 1, 2019 to March 31, 2022. |
| 2017-18 | Air Force Auditorium, Subroto Park, New Delhi – 110010, India | August 8, 2018 | 1530 Hrs. (IST) | 1. Re-appointment of Mr. Craig Edward Ehrlich as an Independent Director<br>2. Alteration of the Articles of Association of the Company. |

### Extra-ordinary General Meeting

During the year, an Extraordinary General Meeting of the members of the Company was convened on Friday, March 19, 2021 at 03:30 p.m. (IST) to inter-alia consider and approve (i) Issuance of equity shares of the Company on preferential basis.

### Tribunal Convened Meetings

Pursuant to the Order by the Hon'ble Special Bench of the National Company Law Tribunal, the meetings of equity and Preference shareholders of the Company was held as per below details:

| Type of Meeting | Location/ Mode | Order dated | Date | Time | Purpose |
|---|---|---|---|---|---|
| Equity Shareholders | Video Conferencing | May 11, 2020 | Friday, July 31, 2020 | 10.30 A.M. | Approval of the Composite Scheme of Arrangement between the Company, Bharti Airtel Services Limited, Hughes Communications India Limited (now known as Hughes Communications India Private Limited) and HCIL Comtel Limited (now known as HCIL Comtel Private Limited) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. |
| Preference Shareholders | Video Conferencing | May 11, 2020 | Friday, July 31, 2020 | 12.30 P.M. | |

Details of Poll conducted at the Tribunal Convened meetings:

| Details of Agenda | Type of Meeting | No. of valid votes | Votes cast in favour of the resolution (no. & %) | Votes cast against the resolution (no. & %) |
|---|---|---|---|---|
| Approval of the Composite Scheme of Arrangement between the Company, Bharti Airtel Services Limited, Hughes Communications India Limited (now known as Hughes Communications India Private Limited) and HCIL Comtel Limited (now known as HCIL Comtel Private Limited) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 | Equity Shareholders | 4,987,494,422 | 4,986,814,775 (99.9864 %) | 679,647 (0.0136 %) |
| | Preference Shareholders | 428 | 428 (100%) | 0 |

### Postal Ballot

During the financial year 2020-21, the Company on February 9, 2021 passed a Special Resolution through Postal Ballot for Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Haryana. 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.

### Person Conducting the Postal Ballot Exercise

Mr. Gopal Vittal, Managing Director & CEO (India & South Asia), Mr. Badal Bagri, CFO, Mr. Pankaj Tewari, Company Secretary and Mr. Rohit Krishan Puri, Deputy Company Secretary were appointed as persons responsible for the entire postal ballot/ e-voting process. Mr. Devesh Kumar Vasisht (FCS-8488; C.P. No. 13700) and failing him, Ms. Priyanka (FCS-10898; C.P. No. 16187), Partners of M/s. Sanjay Grover & Associates, Company Secretaries were appointed as the Scrutiniser for conducting the postal ballot/ e-voting process in a fair and transparent manner.

### Procedure followed

1. In compliance with the Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with the rules made thereunder, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of KFin Technologies Private Limited (KFin) for the purpose of providing e-voting facility. The members had to vote by e-voting, the option to vote by physical ballot papers was not provided to the members due to spread of COVID-19 pandemic.

2. The Company dispatched the postal ballot notice dated January 7, 2021 containing draft resolutions together with the explanatory statements to the members whose names appeared in the register of members/ list of beneficiaries as on cut-off date i.e. Friday, January 1, 2021 ("cut-off date"). The Company also published a notice in the newspaper declaring the details of completion of dispatch on January 10, 2021 and other requirements as mandated under the Act and applicable rules.

3. Pursuant to the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder read with General Circulars No.14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020 ("MCA Circulars") issued by Ministry of Corporate Affairs, the Notice was sent only by email to all its members who have registered their email addresses with the Company or depository(ies)/ depository participants and whose names are recorded in the Register of Members/ Beneficial owners of the Company as on the Cut-off date.

4. Members exercised their vote by e-voting during the period from 09:00 a.m. on Monday, January 11, 2021 to Tuesday, February 9, 2021 at 5.00 P.M.

5. The Scrutiniser submitted his report on February 9, 2021, after the completion of scrutiny.

6. The results of the postal ballot were announced by Rohit Krishan Puri, Authorised Person on Saturday, February 9, 2021. The last date specified for receipt of duly completed Postal Ballot Forms and closure of e-voting i.e. February 9, 2021, was taken as the date of passing the resolution.

7. The result of the postal ballot along with the scrutiniser's report was displayed at the registered office of the Company, hosted at the Company's website at www.airtel.com and on the website of KFin i.e. https://evoting.kfintech.com and was also communicated to the Stock Exchanges.

The consolidated summary of the results of postal ballot is as under:

| Details of agenda | No. of valid votes | Votes cast in favour of the resolution (no. and %) | Votes cast against the resolution (no. and %) |
|---|---|---|---|
| Shifting of Registered Office of the Company from the National Capital Territory (NCT) of Delhi to the State of Haryana | 5,04,31,55,550 | 5,04,31,02,978<br>(99.999%) | 52,572<br>(0.001%) |

## E. CODES, POLICIES AND FRAMEWORKS

### Code of Conduct

The Company has framed and adopted a Code of Conduct which lays down a strong foundation and inter-alia displays the Company's commitment towards ensuring compliance of all laws and regulations, providing safe and harassment free work place, avoiding conflict of interest at all times, fairness and mutual respect in all dealings, ethical conduct of business with zero tolerance towards bribery and corruption in any form, and upholding and protecting company's reputation etc. The code is available on the Company's website at www.airtel.com.

The Code is applicable to the Board members, Senior Management, employees all the business associates including suppliers and vendors of products and services, all service providers, channel partners, consultants, agents, sales representatives and Independent contractors etc. All the stakeholders dealing with the Company are encouraged to adhere to the Company's Code of Conduct.

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, 2021, is annexed as **Annexure A** to this report.

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/ workshops/e-learnings/self- certifications are conducted across locations to explain and reiterate the importance of adherence to the Code.

Besides above, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management with the Company that may have a potential conflict of interest.

### Risk Management Framework

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 Annual Integrated Report.

### 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 actual or threatened breach with the Company's 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 and 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 process. All employees of the Company (full-time or part-time) as well as external stakeholders (e.g. associate, strategic partners, vendors, suppliers, contractors and customers etc.) have full access to the Ombudsperson through secure hotline, email or even meetings in person.

All such instances are investigated while ensuring confidentiality of the identity of such complainants. Matters relating to financial misdemeanours, fraud or impropriety are investigated in consultation with the Corporate Assurance Group. If required, in exceptional circumstances, the external investigation agencies are also involved. All investigations are completed in reasonable time and final investigation reports are submitted to the competent disciplinary authority under the Policy. A summary of whistleblowing incidents and actions taken, are presented by Ombudsperson to the Audit Committee on quarterly basis, in order to have oversight of effective functioning of Whistle Blower Policy.

During the financial year 2020-21, a total of 173 whistle blower complaints were received and taken up for investigation of which 115 complaints were resolved as on March 31, 2021. Balance complaints are pending for investigation by the Company. No person was denied access to the Audit Committee.

## Code on prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the Company has formulated the Code of Conduct for Prevention of Insider Trading ("Code") to regulate and monitor trading by Designated Persons (DPs) and their immediate relatives. The Company has voluntarily adopted a regime, which is stricter than what is statutorily prescribed, to comply with PIT Regulations in letter and its spirit e.g. all the transactions done by DPs require pre-clearance irrespective of value or quantum. The Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company shares/ derivatives and while sharing Unpublished Price Sensitive Information (UPSI). The Code includes the obligations and responsibilities of DPs, obligation to maintain the digital database, mechanism for prevention of insider trading and handling of UPSI, process to familiarise with the sensitivity of UPSI, transactions which are prohibited and manner in which permitted transactions in the securities of the Company shall be carried out etc.

A Monitoring Committee has been constituted by the Board to review the list of DPs, trading by DPs, implementation of policies under the PIT Regulations, etc. A report on insider trading, covering trading by DPs and various initiatives/ actions taken by the Company under the PIT is also placed before the Audit Committee and its Chairman on half yearly basis.

The Company periodically circulates the informatory e-mails along with the FAQs on Insider Trading Policy, Dos and Don'ts etc. to the employees/ new employees to familiarise them with the provisions of the Code. The Company conducts frequent workshops/ training sessions to educate and sensitise the employees/ designated persons.

## Corporate policies

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulate formulation of certain policies for all listed companies. The Company is committed to the highest standards of governance. Key policies / codes adopted by the Company are provided in **Annexure B** to this report.

## F. MEANS OF COMMUNICATION

### a) Quarterly financial results

Following the highest standards of Corporate Governance, the Company has been announcing its quarterly audited financial results since over a decade now. The results are published in prominent daily newspapers, viz. Mint (English daily) and Hindustan (vernacular newspaper) and are also uploaded on the Company's website at www.airtel.com.

### b) Official news releases

Official news releases and media releases are sent to Stock Exchanges and uploaded on the Company's website at www.airtel.com.

### c) Earning Calls & presentations to Institutional Investors/ Analysts

The Company organises earnings call with analysts and investors on the next day of announcement of results, which is also uploaded on the Company's website. The transcript of the earnings call is posted on the website soon after.

Presentations made to institutional investors and financial analysts on the financial results is filed with the stock exchanges and uploaded on the Company's website.

### d) Corporate announcements of material information

The Company disseminates the requisite corporate announcements and material information through NSE Electronic Application Processing System (NEAPS)/ BSE Listing Centre. The NEAPS/ BSE Listing Centre is a web-based application and periodical fillings like shareholding pattern, corporate governance report, financial results, material/ price sensitive information, etc., are filed electronically on such designated platforms.

**e) Website:** Members can also access Corporate policies, Board committee charters, Memorandum and Articles of Association, financial information, details w.r.t. dividend & transfer to IEPF and shareholding information etc., available on the website.

## G. GENERAL SHAREHOLDER INFORMATION

### 26th Annual General Meeting

Date : August 31, 2021

Day : Tuesday

Time : 1500 Hrs. (IST)

Venue : Through Video Conference

### Financial Calendar

(Tentative Schedule, subject to change)

Financial year : April 1 to March 31

### Results for the quarter ending:

| Quarter ended | Board Meeting |
|---|---|
| June 2021 | August 3, 2021(Tuesday) |
| September 2021 | November 2, 2021 (Tuesday) |
| December 2021 | February 8, 2022 (Tuesday) |
| March 2022 | May 17, 2022 (Tuesday) |

### Record Date

N.A.

### Dividend

N.A.

### Dividend Pay-out Date

N.A.

### Equity Shares Listing, Stock Code and Listing Fee Payment

| Name and address of the Stock Exchange | Scrip code | Status of fee paid for FY 2020-21 |
|---|---|---|
| **National Stock Exchange of India Limited** Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001 | BHARTIARTL | Paid |
| **BSE Limited** Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 | 532454 | Paid |

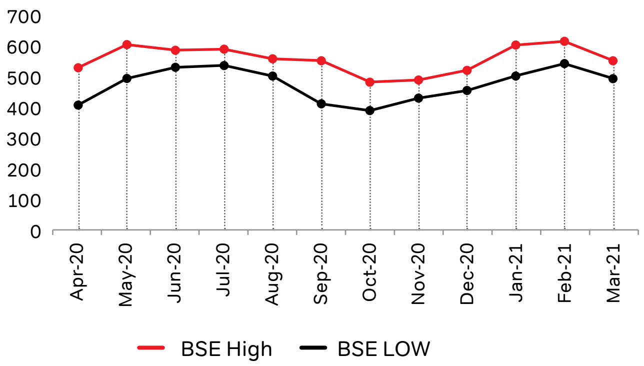
### Debentures Listing and Listing Fee Payment

| Name and address of the Stock Exchange | Scrip code | Status of fee paid for FY 2020-21 |
|---|---|---|
| **National Stock Exchange of India Limited** Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra, Mumbai – 400001 | BAL 21 | Paid |

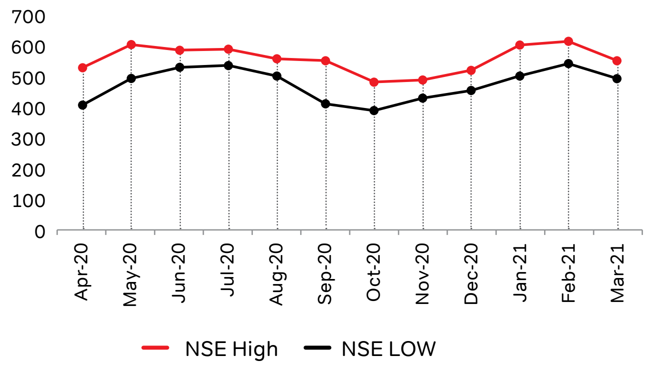
### Stock Market Data for the Period April 1, 2020 to March 31, 2021

| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High | Low | Volume (Nos. in lakh) | High | Low | Volume (Nos. in lakh) |
| April 2020 | 536.00 | 412.60 | 86.78 | 535.95 | 412.40 | 2,659.51 |
| May 2020 | 611.70 | 499.00 | 1,885.05 | 612.00 | 499.90 | 5,347.31 |
| June 2020 | 593.70 | 537.00 | 132.92 | 593.70 | 537.00 | 4,795.86 |
| July 2020 | 596.60 | 543.40 | 173.49 | 596.80 | 543.05 | 3,430.80 |
| August 2020 | 565.05 | 508.50 | 147.86 | 565.00 | 508.00 | 5,262.83 |
| September 2020 | 558.95 | 414.95 | 237.80 | 559.00 | 416.15 | 7,057.86 |
| October 2020 | 487.80 | 394.05 | 192.19 | 488.00 | 394.00 | 5,010.82 |
| November 2020 | 494.65 | 434.65 | 103.36 | 494.95 | 435.00 | 2,670.88 |
| December 2020 | 526.95 | 460.55 | 164.44 | 527.00 | 460.50 | 3,648.69 |
| January 2021 | 610.00 | 508.25 | 186.80 | 610.65 | 508.20 | 4,607.06 |
| February 2021 | 623.00 | 549.55 | 207.64 | 623.00 | 549.20 | 6,107.08 |
| March 2021 | 559.55 | 499.35 | 146.45 | 559.10 | 499.55 | 3,850.27 |

### Stock Market Volume (BSE)




### Stock Market Volume (NSE)




### 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, 2021

| Sl. no. | Category (by no. of shares) | No. of shareholders | % to holders | No. of shares | % of shares |
|---|---|---|---|---|---|
| 1 | 1-5,000 | 710,520 | 99.53 | 84,120,261 | 1.53 |
| 2 | 5,001- 10,000 | 1,336 | 0.19 | 9,616,111 | 0.18 |
| 3 | 10,001- 20,000 | 628 | 0.09 | 9,017,906 | 0.16 |
| 4 | 20,001- 30,000 | 223 | 0.03 | 5,473,513 | 0.10 |
| 5 | 30,001- 40,000 | 112 | 0.02 | 3,929,263 | 0.07 |
| 6 | 40,001- 50,000 | 79 | 0.01 | 3,552,153 | 0.06 |
| 7 | 50,001- 100,000 | 186 | 0.03 | 13,485,905 | 0.25 |
| 8 | 100,001 & Above | 782 | 0.11 | 5,362,832,156 | 97.65 |
| | **Total** | **713,866** | **100.00** | **5,492,027,268** | **100.00** |

### By category of holders as on March 31, 2021

| Category | No. of shares | % of shares |
|---|---|---|
| **Promoter and Promoter Group** | | |
| Indian | 1,96,62,36,438 | 35.80 |
| Foreign | 1,10,13,44,767 | 20.05 |
| **Total Promoter Shareholding** | **3,06,75,81,205** | **55.86** |
| **Public Shareholding** | | |
| **Institutional Investor** | | |
| Mutual Funds | 70,27,86,202 | 12.80 |
| Financial institutions and Banks | 13,62,679 | 0.02 |
| Insurance companies | 32,08,26,248 | 5.84 |
| Alternative Investment Fund | 1,03,13,930 | 0.19 |
| Foreign Portfolio Investor | 1,01,98,36,114 | 18.57 |
| Any Other (Specify)<br>Qualified Institutional Buyer | 8,25,55,527 | 1.50 |
| **Non-Institutional Investor** | | |
| Bodies Corporate | 2,46,79,882 | 0.45 |
| Clearing Members | 65,99,735 | 0.12 |
| IEPF | 1,36,811 | 0.00 |
| Bodies Corporate (Foreign) | 12,95,54,664 | 2.36 |
| Trust | 1,22,084 | 0.00 |
| NBFC | 15,48,171 | 0.03 |
| NRI | 60,90,887 | 0.11 |
| Resident Individual | 114,680,241 | 2.09 |
| Foreign National | 4,099 | 0.00 |
| **Total Public Shareholding** | **2,42,10,97,274** | **44.08** |
| Shares held by Employee Trust | 33,48,789 | 0.06 |
| **Total** | **5,49,20,27,268** | **100.00** |

### 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

The Company has outstanding 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 7, 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.

### Communications Details

| | Contact | Email | Address |
|---|---|---|---|
| **For Corporate Governance and Other Secretarial related matters** | **Mr. Rohit Krishan Puri**<br>Dy. Company Secretary & Compliance Officer | compliance.officer@bharti.in | Bharti Airtel Limited<br>Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II,<br>New Delhi 110 070<br>Telephone no. +91 11 46666100<br>Fax no. +91 11 46666137<br>Website: www.airtel.com |
| **For queries relating to Financial Statements** | **Ms. Komal Sharan**<br>Head - Investor Relations | ir@bharti.in | |
| **For Corporate Communication related matters** | **Mr. Ashutosh Sharma**<br>Head – Corporate Communications | corporate.communications@bharti.in | |
| **Registrar and share transfer agent and share transfer system** | **KFin Technologies Private Limited** | einward.ris@kfintech.com | Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032<br>Ph No. 040-67162222<br>Fax No. 040-23001153<br>Website: www.kfintech.com |
| **Debentures Trustee** | **Chief Financial Officer**<br>Axis Trustee Services Limited | debenturetrustee@axistrustee.com | Ground Floor, Axis House<br>Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025<br>Telephone No. 022 6226 0050/54<br>Fax No. 022-43253000 |

## H. OTHER DISCLOSURES

### Compliance with discretionary requirements:

**a) Separate persons hold the positions of Chairman, and Managing Director & CEO**

Separate individuals hold the positions of Chairman of the Board, and the Managing Director & CEO since 2013.

**b) Shareholders' Rights**

The Company has a long practice (since over a decade) of releasing a comprehensive quarterly report along with the financial results inter-alia containing risk factors, financial and operational highlights, significant industry & Company developments/ events and Management Discussion and Analysis etc.

The Company acknowledges shareholders' interests and accordingly, follows a robust grievance framework to ensure that shareholders' rights are valued and shareholders are well-informed about key decisions both on financial and non-financial matters. The Company proactively engages with shareholders through earning calls, presentations, meetings, conferences and regular roadshows etc. The transcripts of earnings call and Annual General Meeting, comprehensively providing for queries and management responses, are uploaded on Company's website. In addition, all major press releases issued by the Company are simultaneously disseminated to the Stock Exchanges and on its website. For easy understanding of shareholder rights, 'Frequently Asked Questions' for the shareholders have also been uploaded on Company's website.

The Company is pleased to report that since 94.80% shareholders of the Company have a registered email addresses, the Company follows a medium of electronic communication with them, towards its continuing endeavour in the area of 'Go Green' initiatives.

**c) Audit Qualifications**

The Company is in the regime of financial statements with unmodified audit opinion.

**d) Reporting of Internal Auditor**

The Internal Auditor/ Internal Assurance Partners directly report to the Audit Committee.

**e) Quarterly Independent directors' meetings**

The Company has a practice of holding quarterly independent directors' meetings without presence of management and non-executive Directors much before the requirement of having at least one exclusive meeting of Independent Directors was statutorily prescribed.

**f) The Company is substantially in compliance with the G-20 OECD Principles of Corporate Governance.**

**g) The Company has a practice of releasing fully audited financial statements every quarter**

**h) Integrated Reporting as per framework prescribed by International Integrated Reporting Council (IIRC)**

The Company has now released its fourth 'Annual Integrated Report' in accordance with the IIRC's Integrated reporting (<IR>) Framework.

## 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. 32 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 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 also 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 also provides that concerned or interested Director shall not participate in any discussion or approval of a contracts or arrangements with related parties. The Policy is hosted 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

## 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.

## Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

### Bond Issue

During the year, the Company has raised USD 750 Mn through issuance of foreign currency (USD) denominated bonds/ notes ("Notes") offered and sold within the United States to qualified institutional buyers. As on March 31, 2021, entire money has been utilised towards the objects or purposes for which the funds were raised.

### Preferential Allotment

On March 22, 2021, the Company acquired 102,040,000 equity shares of Bharti Telemedia Limited ("Bharti Telemedia"), subsidiary of the Company from its foreign shareholder Lion Meadow Investments Ltd ("Lion Meadow"). The Company allotted 36,469,913 Equity Shares of face value of ₹5/- each on preferential basis to Lion Meadow Investment Ltd., at a price of ₹600 per equity share (including a premium of ₹595 per equity share) aggregating up to ₹21,881,947,800 on March 22, 2021, to discharge a part of consideration towards acquisition of aforementioned equity shares of Bharti Telemedia. Since the allotment was made to discharge a part of obligation to pay to Lion Meadow against acquisition of shares of Bharti Telemedia, no actual proceeds were received by the Company.

## 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 2020-21, 10 cases regarding sexual harassment at the workplace were reported and investigated. Allegations were substantiated in 3 of these cases and the accused personnel were separated from their services.

## 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 C** 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 D** 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.

## Compliance with the Mandatory Requirements of the Listing Regulations

The Board of Directors periodically reviews 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.

## 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.

## Status of Dividend Declared

Status of the dividend declared by the Company for the last seven years is as under:

(₹ in mn)

| Financial Year | Rate of Dividend per equity share of ₹5 each | Total Pay-out | Amount Paid to the shareholders | Amount un-paid to the shareholders |
|---|---|---|---|---|
| 2019-20 | ₹2.00 | 10,911.11 | 10,908.99 | 2.12 |
| 2018-19 (Interim) | ₹2.50 | 9,993.50 | 9,991.68 | 1.82 |
| 2017-18 | ₹2.50 | 9,993.50 | 9,991.70 | 1.80 |
| 2017-18 (Interim) | ₹2.84 | 11,352.62 | 11,350.73 | 1.89 |
| 2016-17 | ₹1.00 | 3,997.40 | 3,996.70 | 0.70 |
| 2015-16 | ₹1.36 | 5,436.46 | 5,435.30 | 1.16 |
| 2014-15 | ₹2.22 | 8,874.23 | 8,872.97 | 1.26 |
| 2014-15 (Interim) | ₹1.63 | 6,515.76 | 6,514.67 | 1.09 |
| 2013-14 | ₹1.80 | 7,195.32 | 7,194.09 | 1.23 |

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.

## 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 1, 2020 | 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, 2021 | 1 | 1 |

The voting rights on the shares in the suspense accounts as on March 31, 2021 shall remain frozen till the rightful owners of such shares claim the shares.

## 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, 2021, a confirmation that they are in compliance with the Company's Code of Conduct.

For **Bharti Airtel Limited**

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

Date: May 17, 2021
Place: New Delhi

## Annexure B

# Corporate Policies

Every listed company is required to formulate certain policies pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Company has formulated and adopted all such applicable policies. These policies are reviewed periodically by the Board and updated as and when needed.

The policies are available on the website of the Company under investor section and the weblinks of key policies are given below for ease of reference:

| Name of the policy | Brief description | Web link |
|---|---|---|
| Corporate Social Responsibility Policy | The policy emphasises on Company's strategy to work in the areas of education, sanitation, women empowerment, healthcare, old age home etc. to bring positive change in the society in which it operates. The revised policy was adopted by the Board w.e.f. May 17, 2021. | https://assets.airtel.in/teams/simplycms/web/docs/Bharti_Airtel-Updated_CSR_Policy_June2021.pdf |
| Policy on Related Party Transactions | This policy helps in eliminating any potential or actual conflict of interest between the Company and its shareholders. The revised policy was adopted by the Board w.e.f. January 31, 2019. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-on-Related-Party-Transactions_2E9BFE0648B2C56BAC33CAF5676D6BC1_1566305301148.pdf |
| Policy for determining material subsidiaries | The policy lays down a framework to determine material subsidiary company(s) and ensure effective governance thereof. The revised policy was adopted by the Board w.e.f. April 1, 2019. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-for-determining-Material-Subsidiaries-1_3C3DACCD6AC67BF355A2231C3D434D64.pdf |
| Dividend Distribution Policy | This policy facilitates the process of dividend recommendation or declaration and its pay-out by the Company in line with applicable laws. The revised policy was adopted by the Board w.e.f. August 1, 2019. | https://assets.airtel.in/teams/simplycms/web/pdf/Airtel-Dividend_Distribution_Policy-Kick_Off-14052020.pdf |
| Policy on Nomination, Remuneration and Board Diversity | The policy sets out the approach to have diversity on the Company's board of the directors in terms of knowledge, experience and value addition. The policy also covers the criteria for appointment of directors and remuneration payable to them from time to time. The revised policy was adopted by the Board w.e.f. October 27, 2020. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Draft-Remuneration-Nomination-and-Board-Diversity-Policy-4-0-Aug-01-2019_B8BCCA328A3ABAEDC2A5FF6E747B0D8D.pdf |
| Policy for determination and disclosure of Material Events | This policy applies to ascertain the requirement of disclosure of events or information to stock exchange(s) affecting the Company. The revised policy was adopted by the Board w.e.f. April 1, 2019. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Policy-for-determination-and-disclosure-of-Material-Events_10B3E8ECE6DC9E1735877AC9C9AB112A_1554095375690.pdf |
| Code of practices and procedures for fair disclosure of unpublished price sensitive information | The policy provides a framework for dealing with the securities of the Company in accordance with the applicable laws. The revised policy was adopted by the Board w.e.f. July 29, 2020. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Code-of-Practices-and-Procedures-for-fair-disclosure-of-Unpublished-Price-Sensitive-Information_D96A64864FE5E0428BF5549F747F1C4E.pdf |
| Code of Conduct<br>Whistleblower Policy (Policy on vigil mechanism) | The policy aims to provide an environment that promotes responsible and protected whistle blowing. The revised policy was adopted by the Board w.e.f. April 1, 2019. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Code-of-Conduct-applicable-to-Directors-and-Senior-Management-of-the-com_B30F70736F8A8DEE6203908A7988580D.pdf |
| Policy for preservation and archival of documents & records | The policy sets the standard for preservation and archival of documents and records of the Company. The policy was adopted by the Board w.e.f. December 1, 2015. | https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Preservation_of_Statutory_Record_7E34CF41D39F948228F3FE7E237744E6.pdf |

## Annexure C

# 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, 2021 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 17, 2021

**Badal Bagri**
CFO (India and South Asia)

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

## Annexure D

# 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**
Airtel Center,
Plot No. 16,
Udyog Vihar, Phase - IV,
Gurugram -122 015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharti Airtel Limited having CIN L74899DL1995PLC070609 (old) 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) 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, 2021 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:

| Sl. no. | Name of director | DIN | Original date of appointment in Company |
|---|---|---|---|
| 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 | Tao Yih Arthur Lang | 07798156 | 27/10/2020 |
| 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: F001644C000278461

Date: 15.05.2021
Place: New 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, 2021, 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, 2021, 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 Matters | Auditor's Response |
|---|---|---|
| 1 | **Revenue from operations:**<br>We considered accuracy of revenues relating to Mobile services and Airtel Business segments as a key audit matter because of the complexity of the IT systems, significance of volumes of data processed by the IT systems and the impact of changing pricing models (tariff structures, incentive arrangements and discounts, etc.). In addition, for Airtel Business, we also considered occurrence of revenue as a key audit matter due to the risk that revenue may be recorded without active service links being provided to customers or for contracts that are cancelled / not renewed.<br>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. | **Principal Audit Procedures**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of (i) the general IT controls, automated controls, interfaces, control over plan configuration and system generated reports relevant for revenue recognition by involving our IT specialist; (ii) controls over recording of revenue relating to Mobile Services and Airtel Business segments; and (iii) control over reconciliations performed between the number of links / connection as per the active customer base to the billing system relating to Airtel Business Segment.<br>We tested inter se reconciliations between relevant IT systems (such as billing system, prepaid application systems, active customer database) and with general ledger, and performed verification of revenue recognised, deferred and unbilled revenue.<br>We made test calls to determine the accuracy of revenue recorded and tested the rating validation.<br>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 Matters | Auditor's Response |
|---|---|---|
| 2 | **Assessment of recoverability relating to Deferred tax assets ('DTA') recognized on carry forward losses:**<br>The DTA balance as at March 31, 2021 of ₹158,386 million primarily relates to DTA on carry forward losses.<br>The Company exercises significant judgement in assessing the recoverability of DTA relating to carry forward losses. In estimating the recoverability of DTA on carry forward losses, management uses inputs such as internal business and tax projections over a 10 year period.<br>Recoverability of DTA on carry forward losses is considered a key audit matter as it 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.<br>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. | **Principal Audit Procedures**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process for determining the recoverability of the DTA relating to carry forward losses which included amongst others controls over the assumptions and judgments used in the projections of future taxable income and tax projections.<br>To assess the Company's ability to estimate future taxable income, we compared the Company's previous forecasts to actual results to determine its reasonableness and examined the consistency of projections used for assessing DTA recoverability with business projections used for goodwill impairment assessment.<br>We involved our tax specialist in evaluating tax planning strategies, opinion obtained by the Company from its tax advisors and interpretation of tax laws used by the Company in the tax projections used for supporting the recoverability of DTA. |
| 3 | **Provisions and contingencies relating to regulatory and tax matters:**<br>The Company has recognised provisions for probable outflows relating to legal, tax and regulatory matters and have disclosed contingencies for legal, tax and regulatory matters where the obligations are considered possible.<br>The Company in consultation with the legal, tax and other advisers assess a likelihood that a pending matter relating to tax, legal or regulatory will succeed. In performing this assessment, the Company applies judgement and has recognised provisions based on whether additional amounts will be payable and has disclosed contingent liabilities where economic outflows are considered possible.<br>We have considered the provisions recorded and the contingencies relating to tax, legal and regulatory matters as a key audit matter as there is significant judgement to determine the possible outcome of matters under dispute and determining the amounts involved, which may vary depending on the outcome of the matters.<br>Refer note 2.18 "Contingencies" for accounting policies, note 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, note 4(ii) for AGR matter and Note 22.a in respect of details of Contingent liabilities in the standalone financial statements. | **Principal Audit Procedures:**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:<br>(1) identification, evaluation, recognition of provisions, disclosure of contingencies for matters under review or appeal with relevant adjudicating authorities by considering the assumptions and information used by management in performing this assessment;<br>(2) completeness and accuracy of the underlying data / information used in the assessment.<br>For tax matters, with the help of our tax specialist, we evaluated the reasonableness of the management's positions by considering tax regulations and past decisions from tax authorities, new information and opinions obtained by the Company from its external tax advisors, where applicable.<br>For regulatory matters, we evaluated the reasonableness of the management's positions by considering relevant assessment orders, court judgements, statutes, interpretations and amendments, circulars and external legal opinion obtained by the Company, where applicable.<br>We also evaluated the disclosures provided in the notes to the standalone financial statements concerning these matters. |

## 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 Statements 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 controls 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 upto 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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)

**Vijay Agarwal**
Partner
(Membership No. 094468)
UDIN: 21094468AAAAEE8042

Place: Gurugram
Date: May 17, 2021

# 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")

In conjunction with our audit of the Standalone Financial Statements of the Company as at and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **BHARTI AIRTEL LIMITED** ("the Company") as at 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, 2021, 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)

**Vijay Agarwal**
Partner
(Membership No. 094468)
UDIN: 21094468AAAAEE8042

Place: Gurugram
Date: May 17, 2021

# 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 (₹ in mn) | Net Block (₹ in mn) | Remarks |
|---|---|---|---|---|
| Land | 3 | 2,763 | 2,763 | 1. Ownership of land gross block amounting ₹2,630 million (Net block ₹2,630 million) and building gross block amounting ₹235 million (net block ₹226 million) 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. |
| Building | 4 | 487 | 362 | 2. Sale deed of Land amounting ₹133 million (net block ₹133 million) and building gross block ₹252 million (Net block ₹136 million) is not executed and registered in the name of 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, 2021 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, 2021 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, 2021 on account of disputes are given below:

| Name of the Statutes | Nature of the Dues | Amount Disputed* (₹ in million) | Period to Which Case Pertains | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 139 | 1999-05; 2002-08 | Supreme Court |
| Income Tax Act, 1961 | Income Tax | 23,336 | 1996-98, 2002-05, 2006-09, 2013-14; 2004-10 | High Court |
| Income Tax Act, 1961 | Income Tax | 965 | 1995-97, 2000-04, 2006-08, 2014-16; 2005-10, 2013-14 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 595 | 1999-00, 2003-04, 2010-11, 2012-13, 2015-16; 2003-12 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 5,539 | 2000-02, 2005-06; 1996-97, 2003-15 | Assessing Officer |
| **Sub Total (A)** | | **30,574** | | |
| Custom Act, 1962 | Custom Act | 4,128 | 2001-05 | Supreme Court |
| Custom Act, 1962 | Custom Act | 1,253 | 2003-15 | Tribunal |
| Custom Act, 1962 | Custom Act | 6 | 2019-20 | Assessing Officer |
| **Sub Total (B)** | | **5,387** | | |
| Finance Act, 1994 (Service tax) | Service Tax | 273 | 2004-08 | Supreme Court |
| Finance Act, 1994 (Service tax) | Service Tax | 379 | 2004-09 | High court |
| Finance Act, 1994 (Service tax) | Service Tax | 6,057 | 1999-16 | Tribunal |
| Finance Act, 1994 (Service tax) | Service Tax | 1 | 2004-06 | Deputy Commissioner / Deputy Commissioner (Appeals) |
| Finance Act, 1994 (Service tax) | Service Tax | 925 | 2003-11 | Commissioner |
| **Sub Total (C)** | | **7,635** | | |
| Goods and Services Tax Act, 2017 | AP GST | 114 | 2018-19 | Joint Commissioner, Appeals |
| Goods and Services Tax Act, 2017 | UP GST | 13 | 2018-20 | 1st Appeal |
| Goods and Services Tax Act, 2017 | JHK GST | 0 | 2020-21 | Assessing Officer |
| Goods and Services Tax Act, 2017 | WB GST | 6 | 2020-21 | Assessing Officer |
| **Sub Total (D)** | | **133** | | |
| Andhra Pradesh VAT Act, 2005 | Sales Tax | 158 | 2004-18 | Tribunal |
| Bihar VAT Act, 2005 | Sales Tax | 162 | 2005-17 | Tribunal |
| Bihar VAT Act, 2005 | Sales Tax | 2 | 2015-17 | Commissioner |
| Bihar VAT Act, 2005 | Sales Tax | 5 | 2017-18 | Assistant Commissioner |
| Delhi VAT Act, 2004 | Sales Tax | 10 | 2013-17 | Special Commissioner |
| Delhi VAT Act, 2004 | Sales Tax | 0 | 2011-12 | Assistant Commissioner |
| Delhi VAT Act, 2004 | Sales Tax | 3 | 2015-16 | Assessing Officer |
| The Gujarat VAT Act, 2003 | Sales Tax | 4 | 2006-18 | Deputy Commissioner (Appeals) |
| The Karnataka VAT Act, 2003 | Sales Tax | 3,418 | 2002-09 | Supreme Court |
| The Kerala VAT Act, 2003 | Sales Tax | 86 | 2004-10 | High Court |
| The Kerala VAT Act, 2003 | Sales Tax | 0 | 2003-04 | Tribunal |
| The Kerala VAT Act, 2003 | Sales Tax | 20 | 2007-09 | Deputy Commissioner (Appeals) |
| The Kerala VAT Act, 2003 | Sales Tax | 17 | 2008-18 | Assessing Officer |
| The Madhya Pradesh VAT Act, 2002 | Sales Tax | 1 | 2008-09 | Assessing Officer |
| Punjab VAT Act, 2005 | Sales Tax | 30 | 2003-04 | High Court |
| Punjab VAT Act, 2005 | Sales Tax | 1 | 2002-03 | Tribunal |
| Punjab VAT Act, 2005 | Sales Tax | 1 | 2009-17 | Deputy Commissioner / DC(Appeal) |
| The UP VAT Act | Sales Tax | 2 | 2009-10 | High court |
| The UP VAT Act | Sales Tax | 9 | 2005-16 | Tribunal |
| The UP VAT Act | Sales Tax | 11 | 2003-16 | Deputy Commissioner / Joint Commissioner, Appeal / 1st Appeal |
| The UP VAT Act | Sales Tax | 24 | 2003-09 | Deputy Commissioner |
| The UP VAT Act | Sales Tax | 1 | 2009-10 | Joint Commissioner |
| The UP VAT Act | Sales Tax | 1 | 2002-05 | Assistant Commissioner |

| Name of the Statutes | Nature of the Dues | Amount Disputed* (₹ in million) | Period to Which Case Pertains | Forum where the dispute is pending |
|---|---|---|---|---|
| The UP VAT Act | Sales Tax | 2 | 2003-12 | Assessing officer |
| The West Bengal VAT Act, 2003 | Sales Tax | 0 | 1997-98 | Tribunal |
| The West Bengal VAT Act, 2003 | Sales Tax | 9 | 2005-06 | Revision Board |
| The West Bengal VAT Act, 2003 | Sales Tax | 0 | 1996-97 | Deputy Commissioner |
| The West Bengal VAT Act, 2003 | Sales Tax | 39 | 1995-02 | Assessing Officer |
| **Sub Total (E)** | | **4,016** | | |
| **Grand Total (A+B+C+D+E):** | | **47,745** | | |

*Amount less than 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 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, 2021 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 preferential allotment 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 preferential allotment has been done as a part consideration paid for purchase of equity share of subsidiary company.

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)

**Vijay Agarwal**
Partner
(Membership No. 094468)
UDIN: 21094468AAAAEE8042

Place: Gurugram
Date: May 17, 2021

# Standalone Balance Sheet

(All amounts are in millions of Indian Rupee)

| | Notes | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 555,676 | 548,286 |
| Capital work-in-progress | 5 | 12,831 | 12,332 |
| Right-of-use assets | 34 | 348,369 | 345,028 |
| Goodwill | 6 | 739 | 739 |
| Other intangible assets | 6 | 669,100 | 722,740 |
| Intangible assets under development | 6 | 232 | 255 |
| Investments in subsidiaries, associates and joint ventures | 7 | 335,133 | 300,466 |
| Financial assets | | | |
| - Investments | 7 | 150,154 | 52 |
| - Derivative instruments | 8 | - | 39 |
| - Loans and security deposits | 9 | 5,764 | 187,252 |
| - Others | 10 | 11,141 | 12,721 |
| Income tax assets (net) | | 14,206 | 13,410 |
| Deferred tax assets (net) | 11 | 158,386 | 227,014 |
| Other non-current assets | 12 | 115,021 | 45,581 |
| | | **2,376,752** | **2,415,915** |
| **Current assets** | | | |
| Inventories | | 8 | 31 |
| Financial assets | | | |
| - Investments | 7 | 37,443 | 86,750 |
| - Derivative instruments | 8 | 28 | 1,897 |
| - Trade receivables | 13 | 31,782 | 38,100 |
| - Cash and cash equivalents | 14 | 9,928 | 33,668 |
| - Other bank balances | 14 | 437 | 308 |
| - Loans | 9 | 15,669 | 7,580 |
| - Others | 10 | 196,700 | 243,772 |
| Other current assets | 12 | 108,724 | 175,707 |
| | | **400,719** | **587,813** |
| **Total assets** | | **2,777,471** | **3,003,728** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 15 | 27,460 | 27,278 |
| Other equity | | 746,141 | 987,014 |
| | | **773,601** | **1,014,292** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Borrowings | 17 | 899,088 | 704,712 |
| - Lease liabilities | | 299,986 | 307,039 |
| - Others | 18 | 74,291 | 31,469 |
| Deferred revenue | 23 | 13,906 | 12,185 |
| Provisions | 19 | 2,205 | 1,919 |
| | | **1,289,476** | **1,057,324** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Borrowings | 17 | 16,935 | 73,092 |
| - Current maturities of Long term borrowings | 17 | 28,054 | 45,828 |
| - Lease liabilities | | 60,011 | 57,334 |
| - Derivative instruments | 8 | 430 | 35 |
| - Trade payables | 21 | | |
| - total outstanding dues of micro enterprises and small enterprises | | 702 | 122 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 222,248 | 186,431 |
| - Others | 18 | 111,488 | 96,737 |
| Deferred revenue | 23 | 42,520 | 35,247 |
| Provisions | 19 | 201,566 | 407,590 |
| Current tax liabilities (net) | | 415 | 2,268 |
| Other current liabilities | 20 | 30,025 | 27,428 |
| | | **714,394** | **932,112** |
| **Total liabilities** | | **2,003,870** | **1,989,436** |
| **Total equity and liabilities** | | **2,777,471** | **3,003,728** |

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

As per our report of even date
For **Deloitte Haskins & Sells LLP**
**Chartered Accountants**
(Firm's Registration No.: 117366W / W-100018)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO (India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, India

**Pankaj Tewari**
**Company Secretary**
Place: Gurugram, India

Date: **May 17, 2021**

# 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, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 23 | 643,259 | 543,171 |
| Other income | | 23,879 | 22,425 |
| | | **667,138** | **565,596** |
| **Expenses** | | | |
| Network operating expenses | 24 | 151,205 | 136,419 |
| Access charges | | 85,647 | 90,767 |
| License fee / Spectrum charges | | 67,899 | 53,653 |
| Employee benefits expenses | 25 | 16,645 | 15,202 |
| Sales and marketing expenses | 26 | 20,649 | 18,180 |
| Other expenses | 27 | 21,373 | 27,614 |
| | | **363,418** | **341,835** |
| **Profit before depreciation, amortisation, finance costs, exceptional items and tax** | | **303,720** | **223,761** |
| Depreciation and amortisation expense | 28 | 219,975 | 203,921 |
| Finance costs | 29 | 118,167 | 114,631 |
| **Loss before exceptional items and tax** | | **(34,422)** | **(94,791)** |
| Exceptional items (net) | 30 | 150,230 | 415,418 |
| **Loss before tax** | | **(184,652)** | **(510,209)** |
| **Tax expense / (credit)** | | | |
| Current tax | 11 | (1,312) | - |
| Deferred tax | 11 | 68,636 | (149,327) |
| | | **67,324** | **(149,327)** |
| **Loss for the year** | | **(251,976)** | **(360,882)** |
| **Other comprehensive income** | | | |
| Items not to be reclassified to profit or loss: | | | |
| - Remeasurement gain / (loss) on defined benefit plans | 25 | 3 | (108) |
| - Tax (charge) / credit | 11 | (1) | 38 |
| **Other comprehensive income / (loss) for the year** | | **2** | **(70)** |
| **Total comprehensive loss for the year** | | **(251,974)** | **(360,952)** |
| **Loss per share (Face value: ₹5 each)** | | | |
| Basic and diluted loss per share | 31 | (46.18) | (71.08) |

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

As per our report of even date
For **Deloitte Haskins & Sells LLP**
**Chartered Accountants**
(Firm's Registration No.: 117366W / W-100018)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO**
**(India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, India

**Pankaj Tewari**
**Company Secretary**
Place: Gurugram, India

Date: **May 17, 2021**

# Standalone Statement of Changes in Equity

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | Equity share capital | | Other equity | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Reserves and Surplus | | | | | | | | | Total equity |
| | No. of shares (in '000) | Amount | Securities premium | Retained earnings | General reserve | Business restructuring reserve | Debenture redemption reserve | Share-based payment reserve | Capital reserve | Equity component of foreign currency convertible bond | Total | |
| **As of April 1, 2019** | **3,997,400** | **19,987** | **107,180** | **774,658** | **22,611** | **16,313** | **7,500** | **656** | **14,066** | **-** | **942,984** | **962,971** |
| Loss for the year | - | - | - | (360,882) | - | - | - | - | - | - | (360,882) | (360,882) |
| Other comprehensive loss (net of Tax) | - | - | - | (70) | - | - | - | - | - | - | (70) | (70) |
| **Total comprehensive loss** | **-** | **-** | **-** | **(360,952)** | **-** | **-** | **-** | **-** | **-** | | **(360,952)** | **(360,952)** |
| **Transaction with owners of equity** | | | | | | | | | | | | |
| Issue of equity shares, net of expenses (refer note 4(xii), (xiv)) | 1,134,561 | 5,673 | 243,425 | - | - | - | - | - | - | - | 243,425 | 249,098 |
| Issue of equity shares to Qualified Institutional Buyers, net of expenses (note 4 (x)) | 323,596 | 1,618 | 141,437 | - | - | - | - | - | - | - | 141,437 | 143,055 |
| Employee share-based payment expense | - | - | - | - | - | - | - | 324 | - | - | 324 | 324 |
| Exercise of share options | - | - | - | - | 141 | - | - | (401) | - | - | (260) | (260) |
| Issuance of foreign currency convertible bonds, net of expenses (note 4 (x)) | - | - | - | - | - | - | - | - | - | 3,542 | 3,542 | 3,542 |
| Business combination (refer note 4 (xii)) | - | - | - | - | - | - | - | - | 12,301 | - | 12,301 | 12,301 |
| Common control transactions (refer note 4(xi)) | - | - | - | 150 | - | - | - | - | 4,063 | - | 4,213 | 4,213 |
| **As of March 31, 2020** | **5,455,557** | **27,278** | **492,042** | **413,856** | **22,752** | **16,313** | **7,500** | **579** | **30,430** | **3,542** | **987,014** | **1,014,292** |
| Loss for the year | - | - | - | (251,976) | - | - | - | - | - | - | (251,976) | (251,976) |
| Other comprehensive income (net of Tax) | - | - | - | 2 | - | - | - | - | - | - | 2 | 2 |
| **Total comprehensive loss** | **-** | **-** | **-** | **(251,974)** | **-** | **-** | **-** | **-** | **-** | **-** | **(251,974)** | **(251,974)** |

# Standalone Statement of Changes in Equity

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | Equity share capital | | Other equity | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Reserves and Surplus | | | | | | | Equity component of foreign currency convertible bond | Total | Total equity |
| | No. of shares (in '000) | Amount | Securities premium | Retained earnings | General reserve | Business restructuring reserve | Debenture redemption reserve | Share-based payment reserve | Capital reserve | | | |
| **Transaction with owners of equity** | | | | | | | | | | | | |
| Issue of equity shares on preferential basis (refer note 4 (v)) | 36,470 | 182 | 21,699 | - | - | - | - | - | - | - | 21,699 | 21,881 |
| Employee share-based payment expense | - | - | - | - | - | - | - | 689 | - | - | 689 | 689 |
| Exercise of share options | - | - | - | - | 57 | - | - | (407) | - | - | (350) | (350) |
| Dividend paid | - | - | - | (10,911) | - | - | - | - | - | - | (10,911) | (10,911) |
| Transfer of debenture redemption reserve to retained earnings (refer note 16( e)) | - | - | - | 7,500 | - | - | (7,500) | - | - | - | - | - |
| Adjustment on account of Indus-Infratel merger (refer note 4(vii)) | - | - | - | 16,313 | - | (16,313) | - | - | - | - | - | - |
| Common control transaction | - | - | - | (26) | - | - | - | - | - | - | (26) | (26) |
| **As of March 31, 2021** | **5,492,027** | **27,460** | **513,741** | **174,758** | **22,809** | **-** | **-** | **861** | **30,430** | **3,542** | **746,141** | **773,601** |

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

As per our report of even date
For **Deloitte Haskins & Sells LLP**
**Chartered Accountants**
(Firm's Registration No.: 117366W / W-100018)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

Date: **May 17, 2021**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO**
**(India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, India

**Pankaj Tewari**
**Company Secretary**
Place: Gurugram, India

# Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss before tax | **(184,652)** | **(510,209)** |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 219,975 | 203,921 |
| Finance costs | 117,543 | 112,485 |
| Interest income | (3,322) | (2,390) |
| Dividend income | (17,163) | (8,631) |
| Net loss / (gain) on derivative financial instruments | 2,713 | (3,810) |
| Net gain on FVTPL investments | (2,554) | (4,462) |
| Exceptional items (net) | 150,230 | 415,252 |
| Loss on sale of property, plant and equipment | 73 | 1 |
| Employee share-based payment expenses | 648 | 302 |
| Other non-cash items | 2,607 | 4,935 |
| **Operating cash flow before changes in working capital** | **286,098** | **207,394** |
| **Changes in working capital** | | |
| Trade receivables | 4,510 | (6,315) |
| Trade payables | 3,516 | (7,184) |
| Inventories | 150 | 29 |
| Provisions | (66,861) | (121,460) |
| Other financial and non-financial liabilities | 10,692 | 9,646 |
| Other financial and non-financial assets | 107,155 | (38,754) |
| **Net cash generated from operations before tax** | **345,260** | **43,356** |
| Income tax paid – net | (1,337) | (3,092) |
| **Net cash generated from operating activities (a)** | **343,923** | **40,264** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment and capital work in progress | (147,666) | (114,342) |
| Proceeds from sale of property, plant and equipment | 821 | 4,872 |
| Purchase of intangible assets | (3,825) | (4,411) |
| Payment towards spectrum (including deferred payment liability)* | (62,412) | (15,424) |
| Proceeds from sale / (purchase) of current investments (net) | 51,875 | (65,455) |
| (Purchase) / sale of non-current investments | (102) | 11 |
| Investment in subsidiaries, joint ventures and associates | (11,785) | (4,405) |
| Loan given to subsidiaries | (61,322) | (67,184) |
| Loan repayment by subsidiaries | 81,539 | 32,867 |
| Dividend received | 17,163 | 8,631 |
| Interest received | 3,481 | 2,125 |
| **Net cash used in investing activities (b)** | **(132,233)** | **(222,715)** |

# Standalone Statement of Cash Flows

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Cash flows from financing activities** | | |
| 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 | 138,540 | 246,047 |
| Repayment of borrowings | (237,074) | (252,032) |
| Payment of lease liabilities (refer note 34) | (51,846) | (43,126) |
| Repayment of short term borrowings (net) | (14,097) | (127,368) |
| Interest and other finance charges paid | (56,793) | (74,653) |
| Proceeds from exercise of share options | 5 | 3 |
| Dividend paid | (10,911) | - |
| **Net cash (used in) / generated from financing activities (c)** | **(232,176)** | **211,141** |
| **Net (decrease) / increase in cash and cash equivalents during the year (a+b+c)** | **(20,486)** | **28,690** |
| Add: Cash and cash equivalents as at the beginning of the year | 30,397 | 1,707 |
| **Cash and cash equivalents as at the end of the year (refer note 14)** | **9,911** | **30,397** |

*Cash flows towards spectrum acquisitions are based on the timing of payouts to Department of Telecommunications (viz. upfront / deferred)

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

Refer note 35(1)(vi), for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows.

The accompanying notes 1 to 39 form an integral part of these standalone financial statements.

As per our report of even date
For **Deloitte Haskins & Sells LLP**
**Chartered Accountants**
(Firm's Registration No.: 117366W / W-100018)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

Date: **May 17, 2021**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO**
**(India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**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 ('NSE') and the BSE. The registered office of the Company is situated at Airtel Center, Plot No. 16, Udyog Vihar, Phase–IV, Gurugram–122 015, Haryana.

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 Standards ('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 accounting principles generally accepted in India.

The financial statements are approved for issue by the Company's Board of Directors on May 17, 2021.

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 Act. Further, for the purpose of clarity, various items are aggregated in the Standalone Statement of Profit and Loss ('statement of profit and loss') and Standalone Balance Sheet ('balance sheet'). Nonetheless, these items are disaggregated 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 '₹') 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 amendments adopted during the year

MCA vide notification no. G.S.R. 463(E) dated July 24, 2020 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 which amends following Ind AS:

» Ind AS 103, Business Combinations
» Ind AS 107, Financial Instruments: Disclosures
» Ind AS 109, Financial Instruments
» Ind AS 116, Leases
» Ind AS 1, Presentation of Financial Statements
» Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
» Ind AS 10, Events after the Reporting Period
» Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendments are applicable for annual periods beginning on or after the April 1, 2020, however, these do not have material impact on the financial statements of the Company.

#### Amendment to Schedule III Division II

MCA vide notification dated March 24, 2021, has amended disclosure requirements to division II of schedule III of the Act. The amendments are applicable from April 1, 2021.

### 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 remeasured and its subsequent settlement is accounted for within equity.

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'.

## 2.4 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. 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 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 such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognised 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.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress, advances given towards acquisition of PPE outstanding at each balance sheet date are disclosed under Other non-current assets.

The expenditures that are incurred after the item of PPE has been available for 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 Act 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 – 20 |
| - 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.

## 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 life of acquired licenses and spectrum range is upto 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 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, Right-of-use assets ('ROU'), intangible assets and intangible assets under development

PPE (including CWIP), 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).

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 other 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 other income separately from the other gains / losses arising from changes in the fair value.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

*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 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 remeasured. 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.

d) Derecognition

The financial liabilities are de-recognised from the balance sheet when the underlying 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

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 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 is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets / liabilities recognised for temporary differences and unused carry forward losses 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 other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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

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.

## 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.

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 remeasurements of the defined benefits obligations are recognised directly in the other comprehensive income in the period in which they arise. The said remeasurements comprise of actuarial gains and

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

losses (arising from experience adjustments and changes in actuarial assumptions). Remeasurements 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 remeasurements 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 remeasured 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.

## 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

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 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 fulfill a contract with a customer

The Company incurs certain costs to obtain or fulfill contracts with customers viz. intermediary commission, etc. The Company has estimated that the average customer life derived from customer churn rate is longer than 12 months and, thus, such costs are recognised 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 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.

### 2.24 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 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 judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

conditions as well as forward looking estimates at the end of each reporting period.

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 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 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. The Company announced a new corporate structure on April 14, 2021 to sharpen its focus on driving the rapidly unfolding digital opportunity in India while enabling it to unlock value. To give effect to this proposed rearrangement, the Board of Directors of the Company, in its meeting held on April 14, 2021, has approved the composite scheme of arrangement ('Scheme') between the Company, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act for (a) amalgamation of Nettle Infrastructure Investments Limited, Airtel Digital Limited and Telesonic Networks Limited, wholly owned subsidiaries with and into Bharti Airtel Limited; and (b) demerger of the Telecom Business Undertaking of Bharti Airtel Limited and vesting of the same with Airtel Limited, its wholly owned subsidiary on a going concern basis, subsequent to the completion of the aforesaid amalgamations. As on the date of financial statement, the Scheme is subject to the applicable statutory / regulatory approvals and the effect of the Scheme will be accounted after obtaining such approvals.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**ii.** 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').

Subsequent to the Court Judgement, DoT 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, DoT 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.

In the absence of any potential reliefs, the Company provided for ₹346,951 for the periods upto March 31, 2020 which was computed 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 in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

On July 20, 2020, the Hon'ble Supreme Court, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation.

Consequently, without prejudice and out of prudence, during the three months ended June 30, 2020 the Company has further recorded an incremental provision of ₹106,890 (including interest on total provision created considering interest rate as per the modification application filed by DoT on March 16, 2020 with effect from the date of Court Judgement) to give effect of the differential amount between the AGR provision and the DoT Demand along with provision for subsequent periods for which demands have not been received, computed on the basis of the License Agreement read with the guidelines / clarifications and the Court judgement, which has been presented as exceptional item (refer note 30(i)(d)). During the period from July 1, 2020 to March 31, 2021, the Company has continued to recognise its AGR obligations based on Court Judgement and guidelines / clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

Further, in its judgement dated, September 1, 2020 ('AGR September Judgement') the Hon'ble Supreme Court reaffirmed that the Demand raised by the DoT and stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031 and payable by March 31 of every succeeding financial year. The Company has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders and accordingly filed a compliance affidavit with Hon'ble Supreme Court confirming compliance with payment of 10% of the total dues by March 31, 2021. The Company has filed an application before the Hon'ble Supreme Court *inter-alia* highlighting basic arithmetical, clerical and computational errors in the DoT demand. The application is pending adjudication.

**iii.** During the year ended March 31, 2021, the Company has issued unsubordinated, direct, unconditional and unsecured senior notes of USD 750 Mn (₹54,795) at an issue price of USD 99.908, due on June 3, 2031. The notes bear interest at a rate of 3.25% per annum payable semi-annually in arrears. These senior notes have been classified as debt instruments.

During the year ended March 31, 2021, Network i2i Limited (a wholly owned subsidiary of the Company) has issued subordinated perpetual securities of USD 500 Mn (₹36,358) at an issue price of USD 99.888 which are guaranteed by the Company. The notes bear interest at a rate of 3.975% per annum payable semi-annually in arrears. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend by the Company and Network i2i Limited until such cumulative interest remains unpaid.

**iv.** During the year ended March 31, 2021, the Company has been declared as successful bidder for 319.25 MHz of spectrum across Sub GHz and mid bands for a total consideration of ₹185,158 Mn in the auction conducted by the DoT, Government of India. The Company has opted for the deferred payment option and has paid an advance of ₹62,412 on March 18, 2021. Out of the total upfront payment of ₹69,005, an additional amount of ₹1,532 was paid to DoT on April 12, 2021 for immediate allocation of spectrum in some service areas in which the spectrum was to be allocated at a later date and the remaining upfront amount of ₹5,061 will be paid in the coming months depending on the date of allocation of spectrum by DoT.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The balance amount of ₹116,153 is payable along with interest of 7.3% per annum in 16 equal annual installments after a moratorium of two years. Pending the allocation of spectrum by the Government of India, the balance amount has been disclosed under capital commitments (refer note 22(b)).

**v.** During the year ended March 31, 2021, Company acquired 20% of the equity share capital of Bharti Telemedia Limited ('BTL', a subsidiary of the Company) from Lion Meadow Investment Limited to increase its ownership in BTL to 100% (along with its subsidiary) by issuing 36,469,913 equity share of the Company on a preferential basis (face value of ₹5 each fully paid share including a premium of ₹595 per equity share) and cash consideration of ₹9,378, resulting in total consideration of ₹31,260. Additionally, the Company has considered contingent consideration (not exceeding ₹1,000 Mn), which will be mutually agreed (refer note 7).

**vi.** During the year ended March 31, 2021, the Hon'ble National Company Law Tribunal, New Delhi approved the Composite Scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 ('Scheme') for transfer of Very Small Aperture Terminal ('VSAT') business of the Company and Bharti Airtel Services Limited, a subsidiary of the Company, on a going concern basis by way of slump sale and vesting of the same with Hughes Communications India Private Limited and HCIL Comtel Private Limited respectively. The Scheme is subject to the applicable sectoral approvals and the effect of the Scheme will be accounted after obtaining such approval.

**vii.** On April 25, 2018, Indus Towers Limited (the 'Transferee Company'), (formerly known as Bharti Infratel Limited, which was a subsidiary of the Company) and erstwhile Indus Towers Limited (the 'Transferor Company') and their respective shareholders and creditors had entered into a proposed scheme of amalgamation and arrangement (under Sections 230 to 232 and other applicable provisions of the Act) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. Over time, the Scheme had received all the necessary approvals from the authorities and a certified copy of the National Company Law Tribunal order was filed with the Registrar of Companies on November 19, 2020 i.e. the effective date of merger. Upon the Scheme becoming effective, the Transferor Company stood dissolved without being wound-up.

The merger has resulted in a loss of control of the Company over the Transferee Company w.e.f. November 19, 2020 and led to a formation of a joint venture with joint control being shared between the Company along with its subsidiaries and Vodafone Group with a shareholding of 36.73% and 28.12% respectively and the balance of 35.15% being owned by other shareholders. The Company continues to recognise its investment in the Transferee Company at the carrying amount in line with the its accounting policy to record investments in joint ventures at cost.

Subsequently, on December 2, 2020 and December 28, 2020, the Company has acquired an additional stake of 4.935180% and 0.064816%, respectively, in the Transferee Company, which has been recognised at cost (refer note 7).

**viii.** The Company, after considering its current business plans, likely adoption of lower income tax rate permitted under Section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019, future projections and timing of taxable income, has re-assessed the carrying amounts of its deferred tax balances, including the Minimum Alternate Tax (MAT) credit available.

Simultaneously, the Company has opted for 'Vivad se Vishwas Scheme 2020', an income tax amnesty scheme to settle tax related litigations / disputes. The Company has decided to settle its disputes pertaining from assessment years 2010-11 to assessment years 2016-17.

The Income-Tax Authorities on July 21, 2020, have approved the Company's application for all the assessment years and all required formalities in relation to this have been duly completed. As a result of the above, tax expense for the year ended March 31, 2021 includes the impact of reversal of current tax liability relating to earlier years of ₹1,312, and net deferred tax charge of ₹71,417 (including provision against MAT credit ₹48,081) aggregating to ₹70,105.

**ix.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has issued draft of the Code on Social Security (Central) Rules, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company is assessing the impact of the Code and will record any related impact in the period in which the Code becomes effective.

**x.** During the year ended March 31, 2020, the Company had 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% FCCB offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount).

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**xi.** During the year ended March 31, 2020, the Company had 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 Act). 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 had been recognised as Capital reserve, a component of equity.

**xii.** 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 Act). 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 had 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 Telecom Disputes Settlement and Appellate Tribunal ('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 had been recognised as Capital reserve, a component of equity. While the merger is completed in the books of the Company, the same had also been taken on record by the DoT on February 6, 2020.

The summarised aggregated financial information of TTSL and TTML is as follows:

| | |
|---|---|
| **A. Consideration paid*** | 338 |
| **B. Net assets acquired** | |
| **Non-current assets** | |
| 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 |
| **Current assets** | |
| Indemnification assets | 44,083 |
| Others# | 8,964 |
| **Total Assets (a)** | **131,252** |
| **Non-current liabilities** | |
| Borrowings | 3,859 |
| **Current liabilities** | |
| Borrowings | 44,778 |
| Provisions^ | 41,006 |
| Others$ | 28,970 |
| **Total Liabilities (b)** | **118,613** |
| **Net assets acquired (a-b)** | **12,639** |

*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.

Out of the above, land & building included in Property, plant and equipment amounting to ₹2,865 (refer note 5) and land and building included in right-of-use assets (Refer note 34) amounting to ₹250, the title deed and lease agreements respectively are held in the name of TTSL / TTML and are pending to be transferred in the name of Company.

**xiii.** During the year ended March 31, 2020, 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 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 by the Company and Network i2i Limited till such cumulative interest remains unpaid.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**xiv.** 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.

**xv.** During the year ended March 31, 2020, the Company had 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 Act with appointed date being September 1, 2017. The Company had accounted the merger as a common control transaction as required under Ind AS 103, 'Business Combinations' and given the effect from April 1, 2018.

**xvi.** 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 ₹29,522 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) of ₹29,522 for the same. As the said incremental liabilities pertains to the period before the acquisition, Telenor reserves its rights as available to them under law to take appropriate action vis-à-vis the authorities.

# 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, 2021 and March 31, 2020:

| | Leasehold improvement | Building | Land | Plant and equipment | Furniture & fixture | Vehicles | Office equipment | Computer & Servers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | |
| **As of April 1, 2019** | **5,383** | **5,609** | **1,429** | **1,181,711** | **2,004** | **260** | **4,511** | **33,185** | **1,234,092** |
| Additions | 482 | - | - | 150,695 | 63 | - | 176 | 3,170 | 154,586 |
| Acquisition through business combination@ | - | 236 | 2,630 | 469 | - | - | - | - | 3,335 |
| Transfer under common control^ | - | - | - | (115,003) | - | - | - | - | (115,003) |
| Disposals / adjustments | (1) | (572) | (124) | (7,627) | (24) | (12) | (37) | - | (8,397) |
| **As of March 31, 2020** | **5,864** | **5,273** | **3,935** | **1,210,245** | **2,043** | **248** | **4,650** | **36,355** | **1,268,613** |
| **As of April 1, 2020** | **5,864** | **5,273** | **3,935** | **1,210,245** | **2,043** | **248** | **4,650** | **36,355** | **1,268,613** |
| Additions | 138 | - | - | 129,687 | 24 | - | 104 | 2,704 | 132,657 |
| Disposals / adjustments | - | - | - | (5,810) | (4) | (37) | (9) | 2 | (5,858) |
| **As of March 31, 2021** | **6,002** | **5,273** | **3,935** | **1,334,122** | **2,063** | **211** | **4,745** | **39,061** | **1,395,412** |
| **Accumulated depreciation** | | | | | | | | | |
| **As of April 1, 2019** | **4,173** | **3,014** | **-** | **625,820** | **1,693** | **222** | **3,698** | **26,325** | **664,945** |
| 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) |
| **As of March 31, 2020** | **4,439** | **2,866** | **-** | **676,717** | **1,806** | **229** | **4,020** | **30,250** | **720,327** |
| **As of April 1, 2020** | **4,439** | **2,866** | **-** | **676,717** | **1,806** | **229** | **4,020** | **30,250** | **720,327** |
| Charge* | 240 | 254 | - | 120,106 | 91 | 8 | 275 | 3,593 | 124,567 |
| Disposals / adjustments | - | - | - | (5,114) | (3) | (32) | (9) | - | (5,158) |
| **As of March 31, 2021** | **4,679** | **3,120** | **-** | **791,709** | **1,894** | **205** | **4,286** | **33,843** | **839,736** |
| **Net carrying value** | | | | | | | | | |
| **As of March 31, 2020** | **1,425** | **2,407** | **3,935** | **533,528** | **237** | **19** | **630** | **6,105** | **548,286** |
| **As of March 31, 2021** | **1,323** | **2,153** | **3,935** | **542,413** | **169** | **6** | **459** | **5,218** | **555,676** |

@ refer note 4 (xii).

^ refer note 4 (xi).

*It includes exceptional items of ₹8,315 and ₹10,187 for the year ended March 31, 2021 and March 31, 2020 respectively with respect to plant and equipment [(refer note 30 (i) (b) and (ii) (b)].

The carrying value of capital work-in-progress as at March 31, 2021 and March 31, 2020 is ₹12,831 and ₹12,332 respectively, which mainly pertains to plant and equipment.

The Company has capitalised borrowing cost of ₹Nil and ₹2,837 during the year ended March 31, 2021 and March 31, 2020 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation is Nil and 9.35% for year ended March 31, 2021 and March 31, 2020 respectively which is the weighted average interest rate applicable to the Company's general borrowings.

### Changes in useful life

During the year ended March 31, 2021, 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 ending | | | | Future period till end of life |
|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2022 | March 31, 2023 | March 31, 2024 | |
| Impact on depreciation charge | 8,107 | (730) | (2,353) | (2,820) | (2,204) |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 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, 2021 and March 31, 2020:

| | | Other intangible assets | | | |
|---|---|---|---|---|---|
| | Goodwill | Software | Licenses (including spectrum) | Others | Total |
| **Gross carrying value** | | | | | |
| **As of April 1, 2019** | **739** | **22,386** | **931,575** | **8,724** | **962,685** |
| Additions | - | 3,152 | 163 | - | 3,315 |
| Acquisition through business combination@ | - | - | 32,239 | 1,007 | 33,246 |
| Disposals / adjustments | - | (8) | - | (18) | (26) |
| **As of March 31, 2020** | **739** | **25,530** | **963,977** | **9,713** | **999,220** |
| **As of April 1, 2020** | **739** | **25,530** | **963,977** | **9,713** | **999,220** |
| Additions | - | 3,781 | 94 | - | 3,875 |
| Transfer under common control | - | (134) | - | - | (134) |
| Disposals / adjustments | - | (1) | - | - | (1) |
| **As of March 31, 2021** | **739** | **29,176** | **964,071** | **9,713** | **1,002,960** |
| **Accumulated amortisation** | | | | | |
| **As of April 1, 2019** | - | **17,513** | **196,098** | **6,486** | **220,097** |
| Amortisation | - | 2,968 | 52,133 | 1,292 | 56,393 |
| Disposals / adjustments | - | (8) | - | (2) | (10) |
| **As of March 31, 2020** | **-** | **20,473** | **248,231** | **7,776** | **276,480** |
| **As of April 1, 2020** | - | **20,473** | **248,231** | **7,776** | **276,480** |
| Amortisation | - | 3,107 | 52,618 | 1,351 | 57,076 |
| Impairment* | - | - | 367 | - | 367 |
| Transfer under common control | - | (63) | - | - | (63) |
| Disposals / adjustments | - | (0) | - | - | (0) |
| **As of March 31, 2021** | **-** | **23,517** | **301,216** | **9,127** | **333,860** |
| **Net carrying value** | | | | | |
| **As of March 31, 2020** | **739** | **5,057** | **715,746** | **1,937** | **722,740** |
| **As of March 31, 2021** | **739** | **5,659** | **662,855** | **586** | **669,100** |

@ refer note 4 (xii).

* refer note 30 (i) (b).

Weighted average remaining amortisation period of licenses as of March 31, 2021 and March 31, 2020 is 13.18 and 14.14 years respectively.

The carrying value of intangible assets under development as at March 31, 2021 and March 31, 2020 is ₹232 and ₹255 respectively, which mainly pertains to spectrum and software / IT platform.

The Company has capitalised borrowing cost of ₹151 and ₹Nil during the year ended March 31, 2021 and March 31, 2020 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.31% and Nil for year ended March 31, 2021 and March 31, 2020 respectively which is the weighted average interest rate applicable to the Company's specific borrowings.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 7. Investments

### Non-current

Detail of investments in subsidiaries, associate and joint ventures, and other investments are as below:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Investment in subsidiaries** | | |
| Bharti Infratel Limited: (quoted) Nil equity shares (March 31, 2020 – 620,898,728 equity shares of ₹10 each (net of impairment))# | - | 164,538 |
| Network i2i Limited: 1,267,427,896 equity shares of USD 1 each | 87,909 | 87,909 |
| Bharti Telemedia Limited: 362,242,000 equity shares of ₹10 each (March 31, 2020 – 260,202,000 equity shares of ₹10 each) | 54,447 | 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 (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: 50,000 equity shares of ₹10 each | 1 | 1 |
| Bharti Airtel International (Netherlands) B.V.: 1 equity shares of EURO 1 each | 0 | 0 |
| Nettle Infrastructure Investments Limited: 45,000 equity shares of ₹10 each | 0 | 0 |
| | **153,311** | **285,585** |
| **Investment in associate** | | |
| 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 919,000,000 (March 31, 2020 - 678,700,000) | 9,190 | 6,787 |
| | **17,240** | **14,837** |
| **Investment in joint ventures** | | |
| 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 |
| Indus Towers Limited: (quoted) 620,898,728 equity shares of ₹10 each (March 31, 2020 Nil)^ | 164,538 | - |
| | **164,582** | **44** |
| **Investment in subsidiaries, associate and joint ventures** | **335,133** | **300,466** |
| **Investments carried at FVTPL** | | |
| Investment in subsidiary | | |
| Optionally convertible debentures of Nettle Infrastructure Investments Limited (Unquoted) (Face value of ₹10 each) | 150,000 | - |
| Other investments | | |
| Equity instruments | 152 | 50 |
| National Savings Certificates | 2 | 2 |
| | **150,154** | **52** |

#Upto November 18, 2020 (Refer note 4(vii)).

^w.e.f. November 19, 2020 (formerly known as Bharti Infratel Limited) (Refer note 4(vii)).

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Investment at FVTPL** | | |
| Debentures | - | 264 |
| Mutual funds (quoted) | 37,443 | 86,501 |
| | **37,443** | **86,765** |
| Interest accrued (refer note 10) | - | (15) |
| | **37,443** | **86,750** |
| Aggregate book value of unquoted investments | 320,749 | 135,980 |
| Aggregate book value of quoted investments | 201,981 | 251,288 |
| Aggregate market value of quoted investments | 189,563 | 186,094 |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Detail of significant investments in subsidiaries are as below:**

| Sr. No. | Name of the Subsidiaries | Place of incorporation | Principal activities | % of shareholding | |
|---|---|---|---|---|---|
| | | | | March 31, 2021 | March 31, 2020 |
| 1 | Bharti Infratel Limited# | India | Infrastructure sharing services | - | 33.57 |
| 2 | Network i2i Limited | Mauritius | Submarine cable system | 100.00 | 100.00 |
| 3 | Bharti Telemedia Limited | India | Direct to home services | 71.00 | 51.00 |
| 4 | Bharti Hexacom Limited | India | Telecommunication services | 70.00 | 70.00 |

#upto November 18, 2020 (Refer note 4(vii)).

## 8. Derivative instruments

The details of derivative financial instruments are as follows:-

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Assets** | | |
| Currency swaps, forward and option contracts | 28 | 1,936 |
| | **28** | **1,936** |
| **Liabilities** | | |
| Currency swaps, forward and option contracts | 430 | 35 |
| | **430** | **35** |
| Non-current derivative financial assets | - | 39 |
| Current derivative financial assets | 28 | 1,897 |
| Current derivative financial liabilities | (430) | (35) |

## 9. Loans and security deposits

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| **Non-current** | | |
| Loans to related parties (refer note 33) | - | 180,918 |
| Security deposits * | 5,764 | 6,541 |
| | **5,764** | **187,459** |
| Interest accured (refer note 10) | - | (207) |
| | **5,764** | **187,252** |
| **Current** | | |
| Loans to related parties (refer note 33) | 15,768 | 7,580 |
| Interest accured (refer note 10) | (99) | - |
| | **15,669** | **7,580** |

*Security deposits (net of allowance for bad and doubtful debts of ₹521 and ₹324 as at March 31, 2021 and March 31, 2020, respectively) primarily includes deposits given towards rented premises, cell sites and interconnect ports.

## 10. Financial assets – others

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Indemnification assets* | 10,121 | 12,658 |
| Claims recoverable | 1,012 | - |
| Others | 8 | 63 |
| | **11,141** | **12,721** |

*primarily includes indemnification assets pursuant to merger with TTSL / TTML and Telenor (refer note 4((xii) and (xvi))).

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Unbilled revenue (refer note 23) | 9,601 | 12,608 |
| Indemnification assets* | 166,329 | 182,143 |
| Interest accrued | 137 | 296 |
| Recoverable from related party (refer note 33) | 4,420 | - |
| Others# | 16,213 | 48,725 |
| | **196,700** | **243,772** |

*primarily includes indemnification assets pursuant to merger with TTSL / TTML and Telenor (refer note 4((xii) and (xvi))).
#primarily include receivable towards transfer of operations pertaining to optical fiber to Telesonic Network Limited (refer note 4(xi)).

## 11. Income taxes

### The major components of income tax expense / (credit) are:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Current income tax** | | |
| - For the year | (1,312) | - |
| | **(1,312)** | **-** |
| **Deferred tax** | | |
| - Origination and reversal of temporary differences | (19,910) | (150,123) |
| - Effect of change in tax rate | 88,344 | - |
| - Adjustments for prior periods* | 202 | 796 |
| | **68,636** | **(149,327)** |
| **Income tax expense / (credit)** | **67,324** | **(149,327)** |

*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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Deferred tax related to items charged or credited to Other Comprehensive Income during the year:** | | |
| - Remeasurement (losses) / gains on defined benefit plans | (1) | 38 |
| **Deferred Tax (charged) / credited to Other Comprehensive Income** | **(1)** | **38** |

### The reconciliation between the amount computed by applying the statutory income tax rate to the loss before tax and income tax expense / (credit) is summarised below:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Loss before tax | (184,652) | (510,209) |
| Enacted tax rates in India | 25.168% | 34.944% |
| Tax expense @ 25.168% / 34.944% | (46,474) | (178,288) |
| **Effect of:** | | |
| Effect of changes in tax rate including MAT | 88,344 | - |
| Adjustments in respect to previous years | 202 | 796 |
| Adjustment in respect to MAT credit recoverability (refer note 30) | - | 12,357 |
| Adjustment in respect of recoverability of losses | 34,991 | - |
| Impact of tax amnesty scheme | (20,280) | - |
| Deferred Tax recognised on losses and deductible temporary difference pertaining to business combination | - | (2,537) |
| (Income) / expense not (taxable) / deductible (net) | (154) | (3,742) |
| Adjustments in respect of impairment of investments | - | 22,008 |
| Losses against which no deferred tax asset recognised | 10,618 | - |
| Others | 77 | 79 |
| **Income tax expense / (credit)** | **67,324** | **(149,327)** |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**The analysis of deferred tax assets / (liabilities) is as follows:**

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Deferred tax asset / (liability)** | | |
| Allowance for impairment of debtors / advances | 7,732 | 10,118 |
| Carry forward losses | 172,266 | 221,070 |
| Employee benefits | 965 | 1,184 |
| Government Grants | 503 | 538 |
| Minimum tax credit | - | 48,081 |
| Fair valuation of financial instruments and exchange differences | 133 | 99 |
| Depreciation / amortisation on PPE / intangible assets | (41,749) | (57,665) |
| Fair valuation of foreign currency convertible bonds (FCCBs) | (1,067) | (1,796) |
| Claim for variable license fee acquired under amnesty scheme | 9,684 | - |
| Rates and taxes | 9,862 | 5,213 |
| Others | 57 | 172 |
| **Net deferred tax asset** | **158,386** | **227,014** |

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Deferred tax income** | | |
| Allowance for impairment of debtors / advances | (2,386) | 1,618 |
| Carry forward losses | (48,813) | 155,077 |
| Employee benefits | (218) | 42 |
| Government Grants | (35) | 538 |
| Minimum tax credit reversal | (48,081) | (12,011) |
| Fair valuation of financial instruments and exchange differences | 34 | (515) |
| Depreciation / amortisation on PPE / intangible assets | 15,916 | (187) |
| Fair valuation of FCCBs | 729 | 107 |
| Claim for variable license fee acquired under amnesty scheme | 9,684 | - |
| Rates and taxes | 4,649 | 4,736 |
| Others | (115) | (78) |
| **Net deferred tax (expense) / income** | **(68,636)** | **149,327** |

**The movement in deferred tax assets / (liabilities) during the year is as follows:**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening balance** | **227,014** | **49,803** |
| Tax (expense) / income recognised in profit or loss | (68,636) | 149,327 |
| Tax expense during the period recognised in equity on account of FCCBs | - | (1,903) |
| Tax (expense) / income recognised in OCI | (1) | 38 |
| Taxes acquired / transferred under common control transaction in equity | - | 3,744 |
| Taxes acquired / transferred in business combination in equity | 9 | 15,600 |
| Tax income during the period recognised in equity under Ind AS 116 | - | 10,405 |
| **Closing Balance** | **158,386** | **227,014** |

In line with Accounting Policy of the Company, 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 and deferred tax asset (net) has been recognised only to the extent of reasonable certainty of available tax profits in future. Accordingly, the Company has not recognised deferred tax assets in respect of carried forward losses / credits of ₹743,689 and ₹494,490 as of March 31, 2021 and March 31, 2020, respectively as it is not probable that relevant taxable profits will be available in future.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### The expiry schedule of the above unrecognised losses is as follows:

| Expiry date | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Within one – three years | 52,141 | 18,034 |
| Within three – five years | 385,285 | 289,149 |
| Above five years | 182,996 | 73,895 |
| Unlimited | 123,267 | 113,412 |
| | **743,689** | **494,490** |

The above includes business combination losses and unabsorbed depreciation in relation to:

a) Tata Tele Services Limited amounting to ₹175,450 (including ₹69,570 towards unabsorbed depreciation) as of March 31, 2021 and ₹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, 2021 and March 31, 2020.

b) Capital losses of ₹352,759 as of March 31, 2021 and ₹309,385 as of March 31, 2020.

c) Reversal of deferred tax assets on business losses amounting to ₹109,011 based on analysis of recoverability of Deferred Tax Assets basis the 10 year plan and unexpired MAT credit of ₹Nil as of March 31, 2021 (DTA on business loss as Nil and unexpired MAT credit of ₹12,357 as of March 31, 2020).

d) Losses of ₹42,189 as of March 31, 2021 (Nil as of March 31, 2020) on which deferred tax has not been recognised.

Besides above, the Company has also not recorded deferred tax assets in respect of impairment losses of Investment in Subsidiaries / JV amounting to ₹63,448 as of March 31, 2021 and March 31, 2020.

## 12. Other assets

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Advances (net)# | 17,034 | 20,928 |
| Costs to obtain a contract with the customer (refer note 23) | 14,258 | 4,827 |
| Prepaid expenses | 6,173 | 8,154 |
| Taxes recoverable$ | 13,221 | 10,878 |
| Capital advances (refer note 4 (iv)) | 62,755 | 21 |
| Others | 1,580 | 773 |
| | **115,021** | **45,581** |

#Advances represent payments made to various Government authorities under protest and are disclosed net of provision.

$ Taxes recoverable primarily pertains to goods & service tax ('GST') and customs duty.

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Taxes recoverable$ | 95,034 | 116,207 |
| Prepaid expenses | 3,062 | 2,926 |
| Advances to suppliers (net)@ | 3,042 | 3,700 |
| Deposit with government authorities# | - | 49,500 |
| Costs to obtain a contract with the customer (refer note 23) | 7,323 | 3,118 |
| Others* | 263 | 256 |
| | **108,724** | **175,707** |

$ Taxes recoverable primarily pertains to goods & service tax ('GST') and customs duty.

@ Advances to suppliers are disclosed net of provision of ₹1,489 and ₹1,652 as of March 31, 2021 and March 31, 2020 respectively.

# It represents deposits made with DoT towards the AGR matter (refer note 4(ii)).

* It mainly includes advances to staff and earnest money deposit.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 13. Trade receivables

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Trade receivables considered good – unsecured* | 56,639 | 61,552 |
| Less: Allowances for doubtful receivables | (24,857) | (23,452) |
| | **31,782** | **38,100** |

*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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening balance** | **23,452** | **19,114** |
| Additions | 1,816 | 4,653 |
| Write off (net of recovery) | (411) | (315) |
| | **24,857** | **23,452** |

## 14. Cash and bank balances

### Cash and cash equivalents ('C&CE')

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Balances with banks | | |
| - On current accounts | 1,488 | 681 |
| - Bank deposits with original maturity of 3 months or less | 8,446 | 32,984 |
| Cheques on hand | 28 | 40 |
| Cash on hand | 2 | 20 |
| | **9,964** | **33,725** |
| Interest accured (refer note 10) | (36) | (57) |
| | **9,928** | **33,668** |

### Other bank balances

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Earmarked bank balances – unpaid dividend | 11 | 12 |
| Term deposits with bank | - | 14 |
| Margin money deposits* | 428 | 299 |
| | **439** | **325** |
| Interest accured (refer note 10) | (2) | (17) |
| | **437** | **308** |

### For the purpose of statement cash flows, C&CE comprise of following:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| C&CE as per balance sheet | 9,928 | 33,668 |
| Bank overdraft (refer note 17) | (17) | (3,271) |
| | **9,911** | **30,397** |

*Margin money deposits represents amount given as collateral for legal cases and / or bank guarantees for disputed matters.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 15. Equity Share capital

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Authorised shares** | | |
| 29,555,980,000 (March 31, 2020 - 29,555,980,000) equity shares of ₹5 each | **147,780** | **147,780** |
| **Issued, Subscribed and fully paid-up shares** | | |
| 5,492,027,268 (March 31, 2020 - 5,455,557,355) equity shares of ₹5 each | 27,460 | 27,278 |
| | **27,460** | **27,278** |

### a) Reconciliation of the shares outstanding at the beginning and at the end of the year

| | As of March 31, 2021 | | As of March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares ('000') | Amount | No. of shares ('000') | Amount |
| At the beginning of the year | 5,455,557 | 27,278 | 3,997,400 | 19,987 |
| Issued during the year | 36,470 | 182 | 1,458,157 | 7,291 |
| **Outstanding at the end of the year** | **5,492,027** | **27,460** | **5,455,557** | **27,278** |

### b) 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.

### c) Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

| | As of March 31, 2021 | | As of March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares '000 | % holding | No. of shares '000 | % holding |
| **Equity shares of ₹5 each fully paid up** | | | | |
| Bharti Telecom Limited | 1,966,236 | 35.80% | 2,116,236 | 38.79% |
| Pastel Limited | 759,007 | 13.82% | 759,007 | 13.91% |
| Indian Continent Investment Limited | 331,436 | 6.03% | 331,436 | 6.08% |

### d) 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, 2021, 36,469,913 equity shares of ₹5 each were issued on preferential basis to Lion Meadow Investment Limited, an affiliate to Warburg Pincus LLC as partial consideration for acquisition of equity shares of Bharti Telemedia Limited (refer note 4 (v)).

» 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 (xii)).

» 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 (xvi)).

### e) Shares held by Bharti Airtel Welfare Trust against employee share-based payment plans (face value: ₹5 each)

| | As of March 31, 2021 | | As of March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares ('000') | Amount | No. of shares ('000') | Amount |
| **Opening balance** | **2,219** | **788** | **1,492** | **554** |
| Purchased during the year | 2,200 | 1,111 | 1,291 | 497 |
| Exercised during the year | (1,087) | (352) | (564) | (263) |
| | **3,332** | **1,547** | **2,219** | **788** |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**f) Dividend**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Declared and paid during the year** | | |
| Final dividend for 2019-20 | 10,911 | - |
| | **10,911** | **-** |
| **Proposed dividend** | | |
| Final dividend for 2020-21: ₹Nil per share (2019-20: ₹2 per share) | - | 10,911 |
| | **-** | **10,911** |

The proposed dividend being subject to approval at respective annual general meetings, accordingly no corresponding liability has been recognised in the respective financial years.

## 16. Reserves and surplus

a) **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, remeasurement differences on defined benefits plans, gains / (losses) on common control transactions and any transfer from general reserve.

b) **Securities premium account:** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

c) **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 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 Welfare Trust) of the corresponding stock options, is transferred to general reserve.

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.

d) **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.

e) **Debenture redemption reserve:** The Company had created debenture redemption reserve out of the profits in compliance with the erstwhile provisions of the Act, however in view of the exemption granted pursuant to the relevant amendments to the Act, the Company is not required to maintain debenture redemption reserve and accordingly, the amount of debenture redemption reserve created earlier has been transferred to retained earnings.

f) **Capital reserve:** It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 17. Borrowings

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Vehicle loans* | - | 1 |
| | **-** | **1** |
| Less: Current portion (A) | - | (1) |
| | **-** | **-** |
| **Unsecured** | | |
| Term loans | 43,667 | 143,363 |
| Non-convertible debentures** | 16,186 | 32,342 |
| Non-convertible bonds (refer note 4(iii)) | 128,555 | 76,192 |
| Liability component of foreign currency convertible bonds@ | 69,132 | 69,856 |
| Deferred payment liabilities ***^ | 774,224 | 458,892 |
| | **1,031,764** | **780,645** |
| Less: Interest accured (refer note 18) | (104,622) | (30,106) |
| Less: Current portion (B) | (28,054) | (45,827) |
| | **899,088** | **704,712** |
| | **899,088** | **704,712** |
| **Current maturities of Long term borrowings (A+B)** | **28,054** | **45,828** |

*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, 2021, Series I Non-Convertible Debentures aggregating to ₹15,000 has been redeemed.

@During the year ended March 31, 2020, the Company had issued 1.50% 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 upto 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.

*** 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.

^Refer movement of provision towards AGR matter given under note 19.

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Unsecured** | | |
| Term loans | 2,604 | 60,219 |
| Commercial papers | 14,325 | 9,629 |
| Bank overdraft | 17 | 3,271 |
| | **16,946** | **73,119** |
| Less: Interest accured (refer note 18) | (11) | (27) |
| | **16,935** | **73,092** |

### Analysis of borrowings

The details given below are gross of debt origination cost.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 17.1 Repayment terms of borrowings

The table below summarises the details of the Company's borrowings based on contractual undiscounted payments.

| | As of March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 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 |
| Term loans | 5.8% to 8.3% | Half yearly | 1-5 | 4,128 | 21,648 | 10,218 | - |
| | 5.8% | Annual | 2 | - | 3,750 | 3,750 | - |
| | 5.0% to 9.0% | One time | 1 | 2,593 | - | - | - |
| Non-convertible bonds | 3.3% to 4.4% | One time | 1 | - | - | 73,385 | 55,039 |
| Liability component of a foreign currency convertible bond | 1.5% | One time | 1 | - | - | 75,337 | - |
| Non-convertible debentures | 8.4% | One time | 1 | 15,000 | - | - | - |
| Deferred payment liabilities for spectrum | 9.3% to 10.0% | Annual | 2-10 | - | - | 35,519 | 397,974 |
| Deferred payment liabilities for adjusted gross revenue* | 8.0% | Annual | 10 | 9,028 | 7,560 | 61,489 | 160,532 |
| Commercial papers | 3.7% to 3.9% | One time | 1 | 14,500 | - | - | - |
| Bank Overdraft | 9.0% | On demand | NA | 17 | - | - | - |
| | | | | **45,266** | **32,958** | **259,698** | **613,545** |

*It is expected to change post reclass of accrued interest during Financial year 2021-22.

| | 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 | - |
| | 2.0% - 10.0% | One time | 1 | 61,860 | - | 7,568 | - |
| Non-convertible bonds | 4.4% | One time | 1 | - | - | - | 75,372 |
| 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 for spectrum | 9.3% - 10.0% | Annual | 2-10 | - | - | 6,790 | 426,703 |
| Commercial papers | 6.5% | One time | 1 | 9,674 | - | - | - |
| Bank Overdraft | 7.9% - 8.5% | Payable on demand | NA | 3,271 | - | - | - |
| | | | | **119,048** | **71,611** | **139,681** | **502,075** |

*The instalments amount due are equal / equated per se.

### 17.2 Interest rate and currency of borrowings

| | Weighted average rate of Interest | Total Borrowings | Floating Rate Borrowings | Fixed Rate Borrowings |
|---|---|---|---|---|
| INR | 8.9% | 747,531 | 40,110 | 707,421 |
| USD | 3.1% | 197,262 | - | 197,262 |
| **March 31, 2021** | | **944,793** | **40,110** | **904,683** |
| INR | 9.2% | 664,058 | 171,800 | 492,258 |
| USD | 2.9% | 160,496 | 15,297 | 145,199 |
| **March 31, 2020** | | **824,554** | **187,097** | **637,457** |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 18. Financial liabilities – others

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Payables against capital expenditure | 3,346 | 6,069 |
| Interest accrued | 70,944 | 25,399 |
| Others | 1 | 1 |
| | **74,291** | **31,469** |

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Payables against capital expenditure | 62,574 | 76,898 |
| Interest accrued | 33,689 | 4,734 |
| Security deposits* | 2,259 | 2,310 |
| Employee payables | 1,782 | 1,913 |
| Payable against business / asset acquisitions@ | 4,104 | 4,104 |
| Unpaid / unclaimed dividend$ | 13 | 26 |
| Others# | 7,067 | 6,752 |
| | **111,488** | **96,737** |

*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.

$No amount is due to be transferred to Investor Education and Protection Fund.

#It mainly includes refund payable to inactive customers and unclaimed liability.

## 19. Provisions

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 1,340 | 1,239 |
| Other employee benefit plans | 115 | 77 |
| | | |
| **Other provision** | | |
| Asset retirement obligations# | 750 | 603 |
| | **2,205** | **1,919** |

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 609 | 613 |
| Other employee benefit plans | 774 | 724 |
| Others | 256 | - |
| | | |
| **Other provision** | | |
| Sub-judice matters@ | 199,927 | 406,253 |
| | **201,566** | **407,590** |

Refer note 25 for movement of provisions towards various employee benefits.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

#The movement of provisions towards asset retirement obligations is as below:

| | For the year ended March 31, 2021 |
|---|---|
| **Opening balance** | **603** |
| Net additions / (reversal) | 104 |
| Net interest costs | 43 |
| | **750** |

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(ii))

| | For the year ended March 31, 2021 |
|---|---|
| **Opening balance** | **406,253** |
| Provision / adjustment during the year (net)# | 103,588 |
| Adjustment with deposits | (49,500) |
| Reclass to deferred payment liabilities (refer note 17)$ | (260,414) |
| **Closing balance** | **199,927** |

#It includes provision of ₹3,555 towards AGR pertaining to Telenor. The Company has recognised an indemnification asset towards the said provisions (refer note 4(xii), (xvi) and note 10).

$It includes interest accrued amounting to ₹21,805.

## 20. Other liabilities

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Current** | | |
| Taxes payable* | 29,999 | 27,412 |
| Others | 26 | 16 |
| | **30,025** | **27,428** |

*Taxes payable mainly pertains to GST and payable towards sub-judice matters related to entry tax and entertainment tax.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 21. Trade payables

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Due to micro and small enterprises | 702 | 122 |
| Others* | 222,248 | 186,431 |
| | **222,950** | **186,553** |

*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, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 1 | Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 702 | 122 |
| 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 | 1,406 | 192 |
| 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 | - | - |
| 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, 2021 | As of March 31, 2020 |
|---|---|---|---|
| (i) | Taxes, duties and other demands (under adjudication / appeal / dispute) | | |
| | - Sales Tax, Service Tax and GST | 10,891 | 8,343 |
| | - Income Tax | 6,929 | 10,439 |
| | - Customs Duty | 840 | 2,868 |
| | - Entertainment tax | 59 | 848 |
| | - Entry Tax (refer note 22(a)(e)) | 2,365 | 1,991 |
| | - Stamp Duty | 351 | 404 |
| | - Municipal Taxes | 1 | 121 |
| | - DoT demands | 54,292 | 51,129 |
| | - Other miscellaneous demands | 118 | 221 |
| (ii) | Claims under legal cases including arbitration matters | | |
| | - Access charges / Port charges | 234 | 13,487 |
| | - Others | 306 | 709 |
| | | **76,386** | **90,560** |

Further, refer note f(i) and f(iv) below for other DoT matter.

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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The service tax demands relate to CENVAT claimed on tower and related material, levy of service tax on SIM cards 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, differences in ITC claimed and as available over portal.

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. During the year ended March 31, 2021, the Company has reassessed the existing possible obligations under Vivad Se Vishwas ('VsV') scheme and accordingly provided for such amounts.

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. During the year ended March 31, 2021, the Company has reassessed the matter and considered the exposure as probable (Refer note 30 (i) (a)).

iii. BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgement in favour of BSNL. The said judgement 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. During the year ended March 31, 2021, the Company has reassessed the matter and considered the exposure as probable (Refer note 30 (i) (a)).

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. During the year ended March 31, 2021, the Company has reassessed the position and accordingly recorded provision against the same.

Apart from them, there are certain demands related to Non-submission of EODC Certificate, Valuation of goods imported and levy of anti dumping duty on certain products. These demands are currently pending at Tribunal for disposal.

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.

f) DoT demands

i. 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its judgement 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 allotted 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 upto the limit of 6.2 MHz has been set aside. The Hon'ble TDSAT has asked DoT to issue revise 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. The Hon'ble Supreme Court vide order dated August 21, 2020, stayed the TDSAT judgement July 4, 2019 in a case of another telecom service provider. The Supreme Court, vide order dated December 7, 2020, directed status quo to be maintained in case of another telecom service provider. Review Petition has been filed by one of the telecom service provider against the Supreme Court Judgement dated March 16, 2020. The review petition is pending adjudication.

Out of prudence, of the total demands of ₹79,403, the Company had recorded a charge of ₹17,915 for the year ended March 31, 2020 and along with interest thereon of ₹37,990, the aggregate of ₹55,905 was disclosed as an exceptional item.

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.

iv. 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.

v. 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 Judgement dated April 22, 2010. Thereafter, DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is pending for adjudication.

DoT, vide amendment dated November 13, 2014 to Guidelines for Unified License, incorporated new clause that the existing resources including inter-alia Microwave Access and Backbone (MWA and MWB) spectrum, will be reassigned / revalidated to the respective Telecom Service Provider (TSP) under Unified License (UL), whose licenses have expired / are expiring in future, subject to realisation of charges / fees as applicable in conformity with the extant guidelines / instructions.

Subsequently, DoT notified guidelines dated October 16, 2015 for allotment of MWA and MWB spectrum for the interim period provisionally pending final decision by the Government, which inter-alia requires TSPs to pay MWA & MWB spectrum charges as per circulars dated 2006 & 2008. DoT guidelines of 2015 were challenged by one of the TSPs before TDSAT, wherein TDSAT, vide its judgement dated March 13, 2019, held that 2006 rates are extant rates applicable to TSP, which DoT has the right to charge TSPs from any future date that may be notified. DoT and the said TSP have filed cross appeals before Supreme Court against the TDSAT judgement, wherein the Supreme Court has stayed the TDSAT Judgement vide order dated November 8, 2019. The appeals are pending for adjudication.

During the year ended March 31, 2021, the Company has applied for re-assignment / revalidation of its MWA / MWB carriers and accordingly, an amount of ₹9,242 (including interest and penalty) from the date of migration to UL been recorded as a liability in the financial statements and disclosed as an exceptional item (refer note 30(i)(c)) and an amount of ₹18,049 which pertains to pre-migration to UL is disclosed as contingent liability as on March 31, 2021.

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 License of the Company expired in March, 2014 and therefore, it had to renew its license under Unified License regime, wherein DoT imposed the condition of levy of license 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 order dated October 13, 2015 stayed the payment with respect to Pure Internet Service, subject to submission of undertaking. Meanwhile, in other similar petitions filed by ISP Associations and ISPs,

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

the TDSAT, vide its judgement & orders dated October 18, 2019 (ISPAI Judgement), 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 license fee on the basis of same concept of AGR as is being done in respect of ISPs holding licenses 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 license fee by way of ad hoc payments as per understating.

TDSAT, following ISPAI judgement, on June 12, 2020 allowed the petition filed by the Company and set aside the demand notices. DoT has filed an appeal against the ISPAI judgement before the Hon'ble Supreme Court of India. On January 5, 2021, the Hon'ble Supreme Court of India admitted the DoT appeal and also allowed Airtel's intervention application, with direction that DoT shall not be required to refund any amounts pursuant to TDSAT judgement and parties shall be bound by the final directions as may be passed by the Supreme Court. The appeal is pending adjudication.

On March 31, 2021, DoT issued amendment to the ISP licenses granted under the old regime i.e. under 2002 and 2007 with immediate effect. Amongst others, DoT included the revenue from pure internet services in the AGR for the purposes of license fees (which was earlier allowed as permissible deduction under old regime).

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 judgement and order the matter has now been assessed to be a contingent liability (refer note 30(ii)(e))

Considering the nature of above disputes / litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

*Guarantees:*

Corporate guarantees outstanding as of March 31, 2021 and March 31, 2020 amounting to ₹721,448 and ₹708,015 respectively have been issued by the Company on behalf of its subsidiaries. These guarantees relate to loans taken by these subsidiaries from banks and financial institutions amounting to ₹209,041 and ₹222,224 as of March 31, 2021 and March 31, 2020 respectively.

**b) Commitments**

### Capital commitments

The Company has contractual commitments towards capital expenditure (net of related advances) of ₹199,202 (including ₹122,746 toward spectrum) and ₹37,844 as of March 31, 2021 and March 31, 2020 respectively.

## 23. Revenue from operations

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Service revenue | 643,078 | 542,978 |
| Sale of products | 181 | 193 |
| | **643,259** | **543,171** |

### Disaggregation of Revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition are as follows:

| | Mobile Services | | Airtel Business | | Homes Services | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Geographical markets** | | | | | | | | |
| India | 509,216 | 419,366 | 62,324 | 56,926 | 22,749 | 21,818 | 594,289 | 498,110 |
| Outside India | 1,695 | 2,478 | 47,275 | 42,583 | - | - | 48,970 | 45,061 |
| | **510,911** | **421,844** | **109,599** | **99,509** | **22,749** | **21,818** | **643,259** | **543,171** |
| **Major Product / Services lines** | | | | | | | | |
| Data and Voice Services | 502,357 | 411,422 | 97,157 | 89,552 | 21,927 | 20,796 | 621,441 | 521,770 |
| Others | 8,554 | 10,422 | 12,442 | 9,957 | 822 | 1,022 | 21,818 | 21,401 |
| | **510,911** | **421,844** | **109,599** | **99,509** | **22,749** | **21,818** | **643,259** | **543,171** |
| **Timing of Revenue Recognition** | | | | | | | | |
| Products and services transferred at a point in time | 215 | 312 | 201 | 197 | 163 | 22 | 579 | 531 |
| Products and services transferred over time | 510,696 | 421,532 | 109,398 | 99,312 | 22,586 | 21,796 | 642,680 | 542,640 |
| | **510,911** | **421,844** | **109,599** | **99,509** | **22,749** | **21,818** | **643,259** | **543,171** |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**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, 2021 | As of March 31, 2020 |
|---|---|---|
| Unbilled Revenue (refer note 10) | 9,601 | 12,608 |
| Deferred Revenue | 56,426 | 47,432 |

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

| | For the year ended March 31, 2021 | |
|---|---|---|
| | Unbilled Revenue | Deferred Revenue |
| Revenue recognised that was included in deferred revenue at the beginning of the year | | 35,247 |
| Increase due to cash received, excluding amounts recognised as revenue during the year | | 44,241 |
| Transfers from unbilled revenue recognised at the beginning of the year to receivables | 12,608 | |

### Costs to obtain or fulfil a contract with a customer

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening balance** | **7,945** | **-** |
| Costs incurred and deferred | 18,186 | 9,206 |
| Less: Cost amortised | 4,550 | 1,261 |
| **Closing balance** | **21,581** | **7,945** |

## 24. Network operating expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Passive infrastructure charges | 37,583 | 31,339 |
| Power and fuel | 69,466 | 61,657 |
| Repair and maintenance | 26,244 | 27,869 |
| Internet bandwidth and leased line charges | 13,246 | 9,727 |
| Others* | 4,666 | 5,827 |
| | **151,205** | **136,419** |

*It includes charges towards managed services, installation, insurance and security.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 25. Employee benefits expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Salaries and bonus | 13,942 | 12,571 |
| Contribution to provident and other funds | 704 | 728 |
| Staff welfare expenses | 491 | 695 |
| Defined benefit plan / other Long term benefits | 558 | 581 |
| Share based payment expense | | |
| - Equity-settled plans | 648 | 302 |
| - Cash-settled plans | - | (22) |
| Others* | 302 | 347 |
| | **16,645** | **15,202** |

*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) |
|---|---|---|---|
| **Equity settled Plans** | | | |
| Scheme I | 2006 Plan | 1 - 5 | 7 |
| Scheme 2005 | Long term Incentive (LTI) Plan | 1 - 3 | 7 |
| **Cash settled Plans** | | | |
| 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, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Number of share options ('000) | Weighted average exercise price (₹) | Number of share options ('000) | Weighted average exercise price (₹) |
| **2006 Plan** | | | | |
| Outstanding at beginning of year | 30 | - | 65 | 5.00 |
| Granted | 93 | - | 30 | - |
| Exercised | (10) | 5.00 | (8) | 5.00 |
| Forfeited / expired | - | - | (57) | - |
| Outstanding at end of year | 113 | - | 30 | - |
| Exercisable at end of year | 20 | - | - | - |
| **LTI Plans** | | | | |
| Outstanding at beginning of year | 3,195 | 5.00 | 3,412 | 5.00 |
| Granted | 1,176 | - | 1,682 | - |
| Exercised | (1,077) | 5.00 | (556) | 5.00 |
| Forfeited / expired | (246) | 5.00 | (1,343) | 5.00 |
| Outstanding at end of year | 3,048 | 5.00 | 3,195 | 5.00 |
| Exercisable at end of year | 603 | 5.00 | 112 | 5.00 |
| **Performance Unit Plans** | | | | |
| Outstanding at beginning of year | - | - | 135 | - |
| Granted | - | - | - | - |
| Exercised | - | - | - | - |
| Forfeited / expired | - | - | (135) | - |
| Outstanding at end of year | - | - | - | - |
| Exercisable at end of year | - | - | - | - |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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, 2021 | March 31, 2020 |
|---|---|---|
| Remaining contractual life for the options outstanding as of (years) | 1.4 to 6.7 | 2.4 to 6.4 |
| Fair value for the options granted during the year ended (₹) | 347.7 to 548.7 | 338.2 to 409.7 |
| Share price for the options exercised during the year ended (₹) | 483.3 to 590.2 | 336.4 to 412.4 |

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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Risk free interest rates | 5.1% to 5.8% | 5.9% to 6.4% |
| Expected life | 48 to 78 months | 1 to 78 months |
| Volatility | 32.7% | 36.3% to 36.4% |
| Dividend yield | 0.4% | 0.7% to 0.7% |
| Weighted 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.

### 25.2 Employee benefits

The details of significant employee benefits are as follows:

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Gratuity | Compensated absences | Gratuity | Compensated absences |
| **Obligation:** | | | | |
| Balance as at beginning of the year | 1,852 | 724 | 1,702 | 666 |
| Current service cost | 257 | 167 | 248 | 150 |
| Interest cost | 128 | 50 | 130 | 51 |
| Benefits paid | (256) | (102) | (354) | (150) |
| Transfers | (29) | (21) | 18 | 5 |
| Remeasurements | (3) | (44) | 108 | 2 |
| **Present value of obligation** | **1,949** | **774** | **1,852** | **724** |
| **Current portion** | **609** | **774** | **613** | **724** |
| **Non-Current portion** | **1,340** | **-** | **1,239** | **-** |

As at March 31, 2021, expected contributions for the next annual reporting period is ₹402.

### Amount recognised in other comprehensive income

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Experience (gains) / losses | (18) | 2 |
| Losses from change in demographic assumptions | 9 | 3 |
| Losses from change in financial assumptions | 6 | 103 |
| **Remeasurements on liability** | **(3)** | **108** |

### 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The financial (per annum rates) and demographic assumptions used to determine defined benefits obligations are as follows:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Discount rate | 6.79% | 6.90% |
| Rate of return on plan assets | N.A. | N.A. |
| Rate of salary increase | 7.50% | 7.50% |
| Rate of attrition | 24% to 26% | 26% to 43% |
| Retirement age | 58 | 58 |

### 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, 2021 | As of March 31, 2020 |
|---|---|---|---|
| | | Gratuity | Gratuity |
| Discount Rate | +1% | (51) | (50) |
| | -1% | 63 | 54 |
| Salary Growth Rate | +1% | 62 | 53 |
| | -1% | (51) | (51) |

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, 2021 | As of March 31, 2020 |
|---|---|---|
| Within one year | 609 | 613 |
| Within one – three years | 676 | 684 |
| Within three – five years | 450 | 417 |
| Above five years | 686 | 578 |
| Weighted average duration (in years) | 3.51 | 2.92 |

## 26. Sales and marketing expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sales commission and distribution | 12,767 | 9,820 |
| Advertisement and marketing | 4,856 | 4,791 |
| Business promotion | 1,266 | 1,313 |
| Other ancillary expenses | 1,760 | 2,256 |
| | **20,649** | **18,180** |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 27. Other expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Content costs | 4,433 | 5,890 |
| Customer care expenses | 3,567 | 4,688 |
| IT expenses | 5,072 | 5,688 |
| Collection and recovery expenses | 1,181 | 1,181 |
| Legal and professional fees^ | 770 | 948 |
| Allowance for doubtful debts | 1,405 | 4,088 |
| Travelling and conveyance | 348 | 892 |
| Bad debts written off | 411 | 315 |
| Cost of good sold | 1,821 | 114 |
| Charity and donation* | 87 | 318 |
| Others# | 2,278 | 3,492 |
| | **21,373** | **27,614** |

^Details of Auditor's remuneration (excluding GST) included in legal and professional fees:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Audit fee | 71 | 71 |
| Reimbursement of expenses | 5 | 5 |
| Other services (including certification)@ | 16 | 20 |
| | **92** | **96** |

@Professional service fee relating to issuance of Bonds amounting to 8.4 has been included in debt origination cost relating to issuance for year ended March 31, 2021 and 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 for the year ended March 31, 2020. Hence, not included in above.

*As per the requirements of Section 135 of the Act, the Company was not required to spend any amount for the year ended March 31, 2021 and March 31, 2020 on Corporate Social Responsibility expenditure. During the year ended March 31, 2021 and March 31, 2020, the Company has spent in cash an amount of ₹86 and ₹316 towards education and sanitation respectively.

#It includes rent, printing and stationery, security, repairs and maintenance expenses etc. Further, it includes political contributions amounting to ₹150 and ₹273 made under Section 182 of the Act during the year ended March 31, 2021 and March 31, 2020 respectively.

## 28. Depreciation and amortisation expense

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation (including on ROU) | 162,899 | 147,528 |
| Amortisation | 57,076 | 56,393 |
| | **219,975** | **203,921** |

## 29. Finance costs

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest expense | 76,587 | 60,959 |
| Interest expense - leases liabilities | 28,425 | 25,099 |
| Net exchange (gain) / loss | (5,040) | 15,513 |
| Other finance charges* | 18,195 | 13,060 |
| | **118,167** | **114,631** |

*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, 2021:

a) Charge of ₹23,790 on account of re-assessment of contractual / regulatory levies and taxes

b) Charge of ₹8,681 on account of re-assessment of useful life of certain categories of network assets due to technological advancements and impairment of intangible assets

c) Charge of ₹9,242 on account of royalty charges of MWA and MWB spectrum (refer note 22(f)(v))

d) Charge of ₹106,890 on account of incremental provision and interest on license fee and spectrum usage charges (refer note 4(ii))

e) Gain of ₹161 pertaining to settlement of levies of entry tax

f) Charge of ₹1,788 on account of re-assessment of taxes.

(ii) For the year ended March 31, 2020:

a) Charge of ₹284,978 on account of license fee and spectrum usage charges (refer note 4(ii))

b) Charge of ₹10,354 towards accelerated depreciation on 3G network equipment / operating costs on network re-farming and up-gradation programme (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

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)(i))

### Tax expense / (credit) include:

Net charge ₹78,134 (including net charge on adoption of 'Vivad Se Vishwas Scheme 2020' and re-assessment of deferred tax assets as detailed in Note 4(viii)) for the year ended March 31, 2021.

Tax credit includes benefit, net of reversal of tax credit of ₹12,357, due to exceptional item aggregating ₹110,323 for the year ended March 31, 2020.

## 31. Earnings per share ('EPS')

The details used in the computation of basic and diluted EPS:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Loss attributable to equity shareholders as per statement of profit and loss (A) | (251,976) | (360,882) |
| Weighted average number of equity shares for calculation of basic earning per share (B) (in thousands) | 5,456,557 | 5,077,454 |
| Weighted average number of equity shares for calculation of diluted earning per share (C) (in thousands) | 5,456,557 | 5,077,454 |
| **Equity shares of face value ₹5 per share** | | |
| 1) Basic (A / B) | (46.18) | (71.08) |
| 2) Diluted (A / C) | (46.18) | (71.08) |

During the year ended March 31, 2020, the Company had issued FCCB, however, the same has not been included in the calculation of diluted earnings per share for year ended March 31, 2021 and March 31, 2020 respectively because they are anti-dilutive. Refer note 17 for terms of the bonds.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 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
Indus Tower Limited (formerly known as Bharti Infratel Limited) (ceased to be subsidiary w.e.f. November 19, 2020)
Bharti Telemedia Limited
Indo Teleports Limited
Nxtra Data Limited
Nettle Infrastructure Investments Limited
Smartx Services Limited (ceased to be subsidiary w.e.f. November 19, 2020)
Telesonic Networks Limited
Airtel Digital Limited
Airtel International LLP
Airtel Limited (incorporated on March 16, 2021)

Foreign

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. (under liquidation)
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.
Airtel Mobile Commerce Uganda Limited
Airtel Mobile Commerce Zambia Limited
Airtel Mobile Commerce DRC B.V. (incorporated on April 9, 2020)
Airtel Mobile Commerce Gabon B.V. (incorporated on April 9, 2020)
Airtel Mobile Commerce Niger B.V. (incorporated on April 9, 2020)
Airtel Money Kenya Limited (incorporated on June 29, 2020)
Airtel Digital Services Holdings B.V. (incorporated on November 12, 2020)
Airtel Africa Services (UK) Limited (incorporated on November 2, 2020)
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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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
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 on July 3, 2019)
Network i2i (UK) Limited (incorporated on May 19, 2020)
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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 (under liquidation)

### 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.

### 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 November 5, 2019)

### Joint Ventures

Indian
Indus Towers Limited (Formerly known as Bharti Infratel Limited)
Smartx Services Limited (w.e.f. November 19, 2020)
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)

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 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

### Others

Brightstar Telecommunication India Limited
Bharti Realty Holdings Limited (merged with Bharti Realty Limited w.e.f. December 4, 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. December 4, 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
The Airtel Africa Employee Benefit Trust
Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust)

* **'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.

## Key Management Personnel ('KMP')

Sunil Bharti Mittal
Gopal Vittal

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

In the ordinary course of business, there are certain transactions with the related parties, and all these transactions are on arm length basis. The transactions with related parties (other than with KMPs which are disclosed in note 33 (d)) for the year ended March 31, 2021 and March 31, 2020 respectively, are described below:

**(b) The summary of transactions with the above-mentioned parties is as follows:**

| | For the Year ended March 31, 2021 | | | | | For the Year ended March 31, 2020 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiaries | Joint ventures | Associates | Entitys having significant influence | Other related parties# | Subsidiaries | Joint Ventures | Associates | Entitys having significant influence | Other related parties# |
| Purchase of fixed assets / bandwidth | 6,861 | 6 | - | - | 349 | 7,164 | - | - | - | 1,250 |
| Sale of fixed assets / IRU given | 1,248 | - | - | - | - | 56,302 | - | - | - | - |
| Investments | 182,265 | - | 2,403 | - | - | 0 | - | 4,406 | - | - |
| Sale of investments | - | - | - | - | - | 50,562 | - | - | - | - |
| Rendering of services | 41,380 | 51 | 424 | 884 | 105 | 37,749 | 54 | 266 | 695 | 135 |
| Receiving of services | 59,965 | 21,152 | 1,207 | 247 | 585 | 58,498 | 14,694 | 326 | 225 | 707 |
| Fund transferred / expenses incurred on behalf of others | 2,640 | 9 | 229 | - | 0 | 2,279 | 8 | 249 | - | 18 |
| Fund received / expenses incurred on behalf of the Company | 924 | - | 16 | - | 88 | 92 | 1 | 21 | - | 135 |
| Donation | - | - | - | - | 6 | 0 | - | - | - | 300 |
| Security deposit given / advances paid | 2 | - | - | - | 0 | 21 | - | - | - | 33 |
| Security deposit taken | - | - | - | - | - | 0 | - | - | - | - |
| Refund of security deposit taken | - | - | - | - | - | 0 | - | - | - | - |
| Advance received / refund of security deposit given | 18 | 11 | - | - | - | 1,513 | 4,296 | - | - | - |
| Loans given | 61,320 | - | - | - | 1,111 | 69,714 | - | - | - | 497 |
| Repayment of loans given | 232,441 | - | - | - | 350 | 32,867 | - | - | - | 262 |
| Interest charged by others | 57 | 72 | - | - | - | 111 | 43 | - | - | - |
| Interest charged by the Company | 1,534 | 0 | - | - | - | 1,356 | 0 | - | - | - |
| Reimbursement of energy expenses | 11,502 | 38,783 | - | - | 0 | 15,873 | 31,391 | - | - | 1 |
| Reimbursement of energy expenses charged to related party | 4,279 | - | - | - | - | 3,689 | - | - | - | - |
| Receiving of assets (ROU)* | 8,595 | 17,140 | - | - | - | 144,823 | 14,551 | - | - | - |
| Guarantees and collaterals@ | 12,973 | - | - | - | - | (3,661) | - | - | - | - |
| Dividend paid | - | - | - | 5,450 | 7 | 0 | - | - | - | - |
| Dividend income | 6,099 | 11,064 | - | - | 0 | 8,630 | - | - | - | - |

# Other related parties / fellow companies.

* Amount disclosed is net of termination.

@ Includes foreign exchange.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The significant related party transactions are summarised below:

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **(i)** | **Transfer of business** | | |
| | Telesonic Networks Limited | - | 51,140 |
| | Network i2i Limited | - | 4,658 |
| **(ii)** | **Sale of fixed assets** | | |
| | Bharti Hexacom Limited | 1,056 | 504 |
| **(iii)** | **Purchase of fixed assets** | | |
| | **Subsidiaries** | | |
| | Bharti Hexacom Limited | 1,670 | 1,867 |
| | Bharti Airtel Services Limited | 729 | 382 |
| | Telesonic Networks Limited | 4,461 | 4,553 |
| **(iv)** | **Rendering of services** | | |
| | **Subsidiaries** | | |
| | Bharti Hexacom Limited | 15,733 | 16,417 |
| | Bharti Airtel (UK) Ltd. | 21,753 | 17,097 |
| | Nxtra Data Limited | 701 | 547 |
| | Bharti International (Singapore) Pte. Limited | 854 | 1,212 |
| | Bharti Airtel International (netherlands) B.V. | 650 | 878 |
| | **Entity having significant influence over the Company:** | | |
| | Singapore Telecommunications Ltd. | 884 | 695 |
| **(v)** | **Receiving of services** | | |
| | **Subsidiaries** | | |
| | Bharti Hexacom Limited | 6,503 | 6,208 |
| | Bharti Infratel Limited (upto November 18, 2020)*# | 6,132 | 9,368 |
| | Bharti Airtel (UK) Limited | 21,619 | 19,436 |
| | Telesonic Networks Limited | 1,496 | 1,639 |
| | Nxtra Data Limited | 9,183 | 10,809 |
| | Network i2i Limited | 6,932 | 2,254 |
| | Airtel Digital Limited | 4,516 | 5,159 |
| | Bharti International (Singapore) Pte. Limited | 1,701 | 1,392 |
| | **Joint Venture#** | | |
| | Indus Towers Limited (upto November 18, 2020)* | 11,175 | 14,567 |
| | Indus Towers Limited (w.e.f. November 19, 2020) (formerly known as Bharti Infratel Limited)* | 9,863 | - |
| | **Associate** | | |
| | Airtel Payment bank Limited | 1,187 | 289 |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **(vi)** | **Reimbursement of energy expenses paid** | | |
| | **Subsidiary** | | |
| | Bharti Infratel Limited (upto November 18, 2020)* | 11,497 | 15,860 |
| | **Joint Venture** | | |
| | Indus Towers Limited (upto November 18, 2020)* | 20,368 | 31,391 |
| | Indus Towers Limited (w.e.f. November 19, 2020) (formerly known as Bharti Infratel Limited)* | 18,414 | - |
| **(vii)** | **Reimbursement of energy expenses received** | | |
| | Nxtra Data Limited | 4,279 | 3,689 |
| **(viii)** | **Fund transferred / expenses incurred on behalf of others** | | |
| | **Subsidiary** | | |
| | Bharti Hexacom Limited | 1,222 | 921 |
| | Bharti Telemedia Ltd. | 621 | 778 |
| **(ix)** | **Fund received / Expenses incurred on behalf of the Company** | | |
| | **Subsidiary** | | |
| | Bharti Digital Limited | 814 | - |
| **(x)** | **Loans given** | | |
| | **Subsidiaries** | | |
| | Nettle Infrastructure Investments Limited | 32,287 | 161 |
| | Bharti Airtel Services Limited | 5,719 | 5,062 |
| | Nxtra Data Limited | 12,320 | 13,168 |
| | Airtel Digital Limited | 7,677 | 5,370 |
| | Telesonic Networks Limited | 2,982 | 100 |
| | Indo Teleports Limited | 335 | 151 |
| | Network i2i Limited | - | 45,701 |
| | **Entities where Key Management Personnel and their relatives exercise significant influence** | | |
| | Bharti Airtel Employees Welfare Trust | 1,111 | 497 |
| **(xi)** | **Repayment of loans given** | | |
| | **Subsidiaries** | | |
| | Bharti Airtel Services Limited | 6,680 | 4,130 |
| | Nettel Infrastructure Investments Limited$ | 161,967 | 5,132 |
| | Nxtra Data Limited | 15,981 | 17,775 |
| | Airtel Digital Limited | 5,375 | 5,390 |
| | Indo Teleports Limited | 203 | 240 |
| | Telesonic Networks Limited | 2,759 | - |
| | Network i2i Limited | 39,477 | - |
| | **Entities where Key Management Personnel and their relatives exercise significant influence** | | |
| | Bharti Airtel Employees Welfare Trust | 350 | 262 |

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **(xii)** | **Purchase of investments** | | |
| | **Subsidiaries** | | |
| | Bharti Telemedia Ltd. | 32,265 | - |
| | Nettel Infrastructure Investments Limited (OCD) | 150,000 | - |
| | **Associate** | | |
| | Airtel Payment bank Limited (CCPS) | 2,403 | 4,406 |
| **(xiii)** | **Sale of investment** | | |
| | **Subsidiaries** | | |
| | Bharti Infratel Limited (upto November 18, 2020)* | - | 50,562 |
| **(xiv)** | **Interest charged** | | |
| | **Subsidiaries** | | |
| | Bharti Airtel International (Netherlands) B.V. | 700 | 767 |
| | Network i2i Limited | 834 | 589 |
| **(xv)** | **Dividend income** | | |
| | **Subsidiaries** | | |
| | Nettel Infrastructure Investments Limited | 2,125 | - |
| | Bharti Infratel Limited (upto November 18, 2020)* | 3,974 | 8,630 |
| | **Joint Venture#** | | |
| | Indus Towers Limited (w.e.f. November 19, 2020) (formerly known as Bharti Infratel Limited)* | 11,064 | - |
| **(xvi)** | **Dividend paid** | | |
| | **Entities having control over the Company / entities having significant influence over the Company** | | |
| | Bharti Telecom Limited | 3,932 | - |
| | Pastel Limited | 1,518 | - |
| **(xvii)** | **Guarantees and collaterals given** | | |
| | **Subsidiary** | | |
| | Network i2i Limited | 29,591 | 12,610 |
| **(xviii)** | **Receiving of assets (ROU)*#** | | |
| | **Subsidiaries** | | |
| | Bharti Infratel Limited (upto November 18, 2020)*# | 3,271 | 4,438 |
| | Telesonic Networks Limited | 5,324 | 140,385 |
| | **Joint venture** | | |
| | Indus Towers Limited (upto November 18, 2020)* | 4,086 | 14,551 |
| | Indus Towers Limited (w.e.f. November 19, 2020) (formerly known as Bharti Infratel Limited)* | 13,055 | - |

# Amount does not include GST

* Amount disclosed is net of termination

$ Includes ₹150,000 converted into Optionally Convertable Debentures (refer Note 7)

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## (c) The outstanding balances of the above-mentioned related parties are as follows:

| | Subsidiaries | Joint ventures | Associates | Entitys having significant influence | Other related parties# |
|---|---|---|---|---|---|
| **As of March 31, 2021** | | | | | |
| Trade payables | (4,776) | (20,044) | (5) | (38) | (238) |
| Trade receivables | 4,978 | 6 | 630 | 0 | 39 |
| Loans (including accrued interest) | 15,760 | 8 | 0 | 0 | 1,534 |
| Security deposit | 0 | 1,525 | 0 | 0 | 1,116 |
| Guarantees and collaterals | 721,598 | 0 | 0 | 0 | 0 |
| Unutilised facilities | 273,865 | 32 | 0 | 0 | 0 |
| Lease liability@ | (143,286) | (122,531) | 0 | 0 | 0 |
| Other financial assets (Amount recoverable form related party) | 19,212 | 43 | 57 | 0 | 0 |
| **As of March 31, 2020** | | | | | |
| Trade payables | (9,368) | (13,520) | (10) | 0 | (170) |
| Trade receivables | 6,741 | 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 | 708,625 | 0 | 0 | 0 | 0 |
| Unutilised facilities | 152,133 | 0 | 0 | 0 | 0 |
| Lease liability@ | (184,710) | (91,135) | 0 | 0 | (7,651) |
| Other financial assets (Amount recoverable form related party) | 49,752 | - | - | - | - |

# 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, Indo Teleports Limited, Airtel Digital Limited, Nettle Infrastructure Investments Limited, Bharti Airtel Lanka (Private) Limited, Bharti International (Singapore) Pte. Limited, Airtel Africa Mauritius Limited, Bharti Airtel International (Mauritius) Investments Limited, Bharti Airtel Holding (Mauritius) Limited, Bharti Airtel Overseas (Mauritius) Limited and associate Airtel Payment Bank Limited.

## (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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Short term employee benefits | 186 | 269 |
| Performance linked Incentive ('PLI')# | 103 | 163 |
| Post-employment benefit | 18 | 29 |
| Share-based payment | 176 | 33 |
| | **483** | **494** |

#Value of PLI considered above represents incentive at 100% performance level. However, the same will be paid in the next year on the basis of actual performance parameters. During the year ended March 31, 2021 and March 31, 2020, PLI of ₹158 and ₹166 respectively and one-time special performance incentive of ₹Nil and ₹16 respectively, has been paid.

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, ₹2 and ₹Nil have been paid as dividend to key management personnel during the year ended March 31, 2021 and March 31, 2020 respectively.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**(e) The details of loans and advances as required by Schedule V of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 are given in the table below:**

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | Outstanding balance | Maximum amount outstanding during the year | Outstanding balance | Maximum amount outstanding during the year |
| **Subsidiaries** | | | | |
| Indo Teleports Limited | 692 | 700 | 560 | 649 |
| Nxtra Data Limited | - | 4,464 | 3,661 | 9,297 |
| Bharti Airtel Services Limited | 1,635 | 2,909 | 2,596 | 2,707 |
| Airtel Digital Limited | 2,958 | 3,162 | 655 | 894 |
| Nettle Infrastructure Investment Limited | 5,330 | 164,257 | 135,010 | 139,981 |
| Network i2i | 4,822 | 46,015 | 45,908 | 45,908 |
| Telesonic Network Limited | 323 | 336 | 100 | 100 |
| **Joint Venture** | | | | |
| FireFly Networks Limited | 8 | 8 | 8 | 8 |
| | **15,768** | **221,851** | **188,498** | **199,544** |

## 34. Leases

### Company as a lessee

#### Right-of-use assets ('ROU')

The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2021 and March 31, 2020:

| | Bandwidth | Plant and equipment | Building | 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 expense | (7,559) | (28,775) | (2,453) | (2,373) | (41,160) |
| Termination / other adjustments | 441 | (6,583) | (14) | (1,465) | (7,621) |
| **Balance at March 31, 2020** | **173,793** | **146,177** | **10,911** | **14,147** | **345,028** |
| **Balance at April 1, 2020** | **173,793** | **146,177** | **10,911** | **14,147** | **345,028** |
| Additions | 11,064 | 47,208 | 709 | 6,465 | 65,446 |
| Depreciation expense | (10,866) | (30,411) | (2,420) | (2,951) | (46,648) |
| Termination / other adjustments | 2,124 | (14,045) | (501) | (3,035) | (15,457) |
| **Balance at March 31, 2021** | **176,115** | **148,929** | **8,699** | **14,626** | **348,369** |

@ refer note 4(xii).

» **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 and other services.

» **Building**

The Company's leases of building comprise of lease of offices, warehouses and shops.

» **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)

The Company ('Lessee') has applied the practical expedient provided under para 46A of Ind AS 116 (as amended) to one-time concession on lease payment provided by Telesonic Networks Limited ('Lessor') in relation to the lease of dark fiber. By electing this practical expedient, the Company has accounted for the change in lease payment resulting from the rent concession, in the same way, it would account for the change applying Ind AS 116, if the change were not a lease modification. Accordingly, ₹3,324 has been recognised as a negative variable lease payment under network operating expenses in the statement of profit or loss for the year ended March 31, 2021.

### Amounts recognised in profit or loss

### Leases under Ind AS 116

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest on lease liabilities | 28,425 | 25,099 |
| Expenses relating to short term leases | 11 | 95 |
| Expenses relating to leases of low value assets, excluding short term leases of low value assets | 175 | 137 |
| | **28,611** | **25,331** |

### Amounts recognised in statement of cash flows

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Cash outflow for leases | 51,846 | 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 following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Not later than one year | 86,554 | 84,493 |
| Later than one year but not later than five years | 189,872 | 204,354 |
| Later than five years | 278,871 | 280,629 |
| | **555,297** | **569,476** |

### 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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Amounts recognised in profit or loss**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Rental income | 242 | 235 |

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Less than one year | 246 | 242 |
| One to two years | 252 | 247 |
| Two to three years | 193 | 252 |
| Three to four years | 6 | 194 |
| Four to five years | 1 | 7 |
| More than five years | 2 | 3 |
| | **700** | **945** |

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, 2021 and March 31, 2020 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 un-predictability 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).

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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 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) |
|---|---|---|---|
| **For the year ended March 31, 2021** | | | |
| US Dollars | +5% | (9,516) | - |
| | -5% | 9,516 | - |
| Others | +5% | 37 | - |
| | -5% | (37) | - |
| **For the year ended March 31, 2020** | | | |
| US Dollars | +5% | (8,791) | - |
| | -5% | 8,791 | - |
| Others | +5% | 72 | - |
| | -5% | (72) | - |

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 underlying 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.

### 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:

| | Increase / decrease (basis points) | Effect on profit before tax |
|---|---|---|
| **For the year ended March 31, 2021** | | |
| INR – borrowings | +100 | (401) |
| | -100 | 401 |
| **For the year ended March 31, 2020** | | |
| INR – borrowings | +100 | (1,718) |
| | -100 | 1,718 |
| US Dollar – borrowings | +25 | (38) |
| | -25 | 38 |

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings and the interest swaps.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The above sensitivity analysis is based on a reasonably possible change in the underlying 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.

### 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:

| | Neither past due nor impaired | Past due but not impaired | | | | Total |
|---|---|---|---|---|---|---|
| | | Less Than 30 days | 30 to 60 days | 60 to 90 days | Above 90 days | |
| March 31, 2021 | 10,092 | 8,716 | 3,092 | 2,620 | 7,262 | 31,782 |
| March 31, 2020 | 15,190 | 9,246 | 3,827 | 4,323 | 5,514 | 38,100 |

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.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 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 entity's 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 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, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Carrying amount** | **On Demand** | **Less than 6 months** | **6 to 12 months** | **1 to 2 years** | **> 2 years** | **Total** |
| Interest bearing borrowings*# | 1,048,710 | 0 | 43,208 | 45,917 | 166,959 | 1,469,279 | 1,725,363 |
| Other financial liabilities* | 81,146 | 6,363 | 69,298 | 2,138 | 3,039 | 308 | 81,146 |
| Trade payables# | 222,950 | - | 222,950 | - | - | - | 222,950 |
| Lease Liabilities | 359,997 | - | 47,886 | 38,669 | 56,432 | 412,310 | 555,297 |
| **Financial liabilities (excluding derivatives)** | **1,712,803** | **6,363** | **383,342** | **86,724** | **226,430** | **1,881,897** | **2,584,756** |
| Derivative assets | 28 | - | 16 | 12 | - | - | 28 |
| Derivative liabilities | (430) | - | (405) | (25) | - | - | (430) |
| **Net derivatives** | **(402)** | **-** | **(389)** | **(13)** | **-** | **-** | **(402)** |

| | 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* | 98,073 | 6,413 | 51,143 | 34,445 | 5,045 | 1,027 | 98,073 |
| Trade payables# | 186,553 | - | 186,553 | - | - | - | 186,553 |
| Lease Liabilities | 364,373 | - | 36,696 | 47,797 | 72,018 | 412,965 | 569,476 |
| **Financial liabilities (excluding derivatives)** | **1,502,764** | **9,684** | **353,403** | **134,462** | **160,899** | **1,541,797** | **2,200,245** |
| Derivative assets | 1,936 | - | 1,417 | 480 | - | 39 | 1,936 |
| Derivative liabilities | (35) | - | (13) | (22) | - | - | (35) |
| **Net derivatives** | **1,901** | **-** | **1,404** | **458** | **-** | **39** | **1,901** |

*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 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. The outflow in respect of these guarantees arises only on any default / non-performance of the subsidiary with respect to the guaranteed debt / advance. Such loans are due for re-payment between 2 to 25 years from the reporting date (refer note 22).

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 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, 2020 | Cash flows | Non-cash changes | | | | March 31, 2021 |
|---|---|---|---|---|---|---|---|---|
| | | | | Interest capitalised | Interest expense | Foreign exchange movement | Others | |
| Borrowings* | Proceeds / repayments of borrowings (including short term) | 386,868 | (112,631) | - | - | (4,910) | 2,631 | 271,958 |
| Interest accrued / derivative instruments | Interest and other finance charges paid | 28,232 | (56,793) | 151 | 128,213 | - | 5,232 | 105,035 |

*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, 2021 | As of March 31, 2020 |
|---|---|---|
| Borrowings | 944,077 | 823,632 |
| Less: Cash and cash equivalents | 9,928 | 33,668 |
| Less: Term deposits with bank | - | 14 |
| **Net debt** | **934,149** | **789,950** |
| Equity | 773,601 | 1,014,292 |
| **Total capital** | **773,601** | **1,014,292** |
| **Capital and Net Debt** | **1,707,750** | **1,804,242** |
| **Gearing Ratio** | **54.70%** | **43.78%** |

## 36. COVID-19

To tackle the COVID-19 pandemic which has resulted in phased lock downs with restrictions imposed on movement of people and goods for a prolonged period, the Government is taking necessary steps including rolling out of vaccination to minimise the impact on the economy, and continuous monitoring of the evolving situation.

Telecommunications, Internet, Broadcast and Cable Services have been mentioned as an "Essential" service as per the relevant 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.

For the year ended March 31, 2021, the Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. The company has noted excess demand as most of the industries have resorted to conducting their operations remotely, and hence the Company believes that the carrying amount of these assets will be recovered.

The company has updated the foregoing assessment as at March 31, 2021 and there is no material impact on the standalone financial statements for the year ended March 31, 2021.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 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, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Financial Assets** | | | | | |
| **Fair value through profit or loss** | | | | | |
| Derivatives | | | | | |
| - Currency swaps, forward and option contracts | Level 2 | 28 | 1,936 | 28 | 1,936 |
| Investments - quoted | Level 1 | 37,445 | 86,752 | 37,445 | 86,752 |
| Investments - unquoted | Level 2 | 152 | 50 | 152 | 50 |
| Investments - unquoted | Level 3 | 150,000 | - | 150,000 | - |
| **Amortised cost** | | | | | |
| Loans and security deposits | | 21,433 | 194,832 | 21,433 | 194,832 |
| Trade receivables | | 31,782 | 38,100 | 31,782 | 38,100 |
| Cash and cash equivalents | | 9,928 | 33,668 | 9,928 | 33,668 |
| Other bank balances | | 437 | 308 | 437 | 308 |
| Other financial assets | | 207,841 | 256,493 | 207,841 | 256,493 |
| | | **459,046** | **612,139** | **459,046** | **612,139** |
| **Financial Liabilities** | | | | | |
| **Fair value through profit or loss** | | | | | |
| Derivatives | | | | | |
| - Currency swaps, forward and option contracts | Level 2 | 430 | 35 | 430 | 35 |
| **Amortised cost** | | | | | |
| Borrowings – fixed rate | Level 1 | 210,888 | 144,416 | 224,873 | 137,579 |
| Borrowings – fixed rate | Level 2 | 687,101 | 463,481 | 737,735 | 537,548 |
| Borrowings – fixed rate | | 5,994 | 28,765 | 5,994 | 28,765 |
| Borrowings – floating rate | | 40,094 | 186,970 | 40,094 | 186,970 |
| Trade payables | | 222,950 | 192,478 | 222,950 | 192,478 |
| Other financial liabilities | | 185,779 | 122,281 | 185,779 | 122,281 |
| | | **1,353,236** | **1,138,426** | **1,417,855** | **1,205,656** |

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. 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.

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, 2021 and March 31, 2020:

| 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 |

Valuation inputs and relationship to fair value (Level 3)

Unlisted optionally convertible debentures- The value was derived basis the listed and unlisted shared held by the respective entity.

During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

# Notes to Standalone Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 38. Other matters

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. 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.

## 39. Events after the reporting period

Subsequent to the balance sheet date, on April 6, 2021, the Company has entered into an agreement with Reliance Jio Infocomm Limited ("Jio") to transfer the "Right to Use" of the Company's 800 MHz spectrum in Andhra Pradesh (3.75 MHz), Delhi (1.25 MHz) and Mumbai (2.5 MHz) to Jio. Pursuant to this agreement, the Company will receive a consideration of ₹10,380 from Jio for the proposed transfer and Jio will assume future liabilities of ₹4,592 relating to the spectrum. The agreement is subject to requisite statutory approvals.

# 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 loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), 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 report of the other auditor on separate financial statements of the erstwhile joint venture 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, 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated changes in equity and their 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 auditor in terms of their report 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 Matter

**Material uncertainty arising out of certain developments and its consequential impact on business operations of Indus Towers Limited, a joint venture**

We draw attention to Note 4(l) of the Consolidated Financial Statements, which describes the effect on business operations and financial position of the Joint Venture Company on account of the Joint Venture Company's one of the largest customer's ability to continue as a going concern. The customer's assumption of going concern is essentially dependent on successful negotiations with lenders and its ability to generate cash flows from its operations that it needs to settle / refinance its liabilities and guarantees as they fall due. The Board of Directors of the customer, at their meeting held on September 4, 2020 have approved the fund-raising plan of upto ₹250,000 million.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1. | **Revenue from operations:**<br>We considered accuracy of revenues relating to Mobile Services, Airtel Business and Digital TV Services segments as a key audit matter because of the complexity of the IT systems, significance of volumes of data processed by the IT systems and the impact of changing pricing models (tariff structures, incentive arrangements and discounts, etc.). In addition, for Airtel Business, we also considered occurrence of revenue as a key audit matter due to the risk that revenue may be recorded without active service links being provided to customers or for contracts that are cancelled / not renewed.<br>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. | **Principal Audit Procedures:**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of (i) the general IT controls, automated controls, interfaces, control over plan configuration and system generated reports relevant for revenue recognition by involving our IT specialist; (ii) controls over recording of revenue relating to Mobile Services, Airtel Business and Digital TV Services segments; and (iii) control over reconciliations performed between the number of links / connection as per the active customer base to the billing system relating to Airtel Business Segment.<br>We tested *inter se* reconciliations between relevant IT systems (such as billing system, prepaid application systems, active customer database) and with general ledger, and performed verification of revenue recognised, deferred and unbilled revenue.<br>We made test calls to determine the accuracy of revenue recorded and tested the rating validation.<br>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. |
| 2. | **Assessment of recoverability relating to Deferred tax assets ("DTA") recognised on carry forward losses:**<br>The DTA balance as at March 31, 2021 of ₹200,864 million primarily relates to DTA on carry forward losses.<br>The Group exercises significant judgement in assessing the recoverability of DTA relating to carry forward losses for certain components, particularly in respect of Bharti Airtel Limited, Bharti Hexacom Limited, Airtel Networks Limited, Airtel Congo RDC S.A and Airtel Tanzania plc (the 'five components'). In estimating the recoverability of DTA on carry forward losses, management uses inputs such as internal business and tax projections over a 10 or 5 years period, as applicable.<br>Recoverability of DTA on carry forward losses is considered a key audit matter as it 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.<br>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. | **Principal Audit Procedures:**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the process for determining the recoverability of the DTA relating to carry forward losses which included amongst others controls over the assumptions and judgements used in the projections of future taxable income and tax projections.<br>To assess the five components management's ability to estimate future taxable income, we compared the five components previous forecasts to actual results to determine its reasonableness and examined the consistency of projections used for assessing DTA recoverability with business projections used for goodwill impairment assessment.<br>We involved our tax specialists in evaluating the tax planning strategies, opinion obtained by the five component's management from its tax advisors and interpretation of tax laws used by the management of five components in the tax projections for supporting the recoverability of DTA. |

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 3. | **Provisions and contingencies relating to regulatory and tax matters:**<br>The Group has recognised provisions for probable outflows relating to legal, tax and regulatory matters and have disclosed contingencies for legal, tax and regulatory matters where the obligations are considered possible.<br>The Group in consultation with the legal, tax and other advisers assess a likelihood that a pending matter relating to tax, legal or regulatory will succeed. In performing this assessment, the Group applies judgement and has recognised provisions based on whether additional amounts will be payable and has disclosed contingent liabilities where economic outflows are considered possible.<br>We have considered the provisions recorded and the contingencies relating to tax, legal and regulatory matters as a key audit matter as there is significant judgement to determine the possible outcome of matters under dispute and determining the amounts involved, which may vary depending on the outcome of the matters.<br>Refer note 2.18 "Contingencies" for accounting policies, 3.1.e 'Contingent liabilities and provisions' under the head "Key sources of estimation uncertainties", note 4(c) on AGR dues provision, note 21 "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. | **Principal Audit Procedures:**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:<br>(1) identification, evaluation, recognition of provisions, disclosure of contingencies for matters under review or appeal with relevant adjudicating authorities by considering the assumptions and information used by management in performing this assessment;<br>(2) completeness and accuracy of the underlying data / information used in the assessment.<br>For tax matters, with the help of our tax specialist, we evaluated the reasonableness of the management's positions by considering tax regulations and past decisions from tax authorities, new information and opinions obtained by the component management from its external tax advisors, where applicable.<br>For regulatory matters, we evaluated the reasonableness of the management's positions by considering relevant assessment orders, court judgements, statutes, interpretations and amendments, circulars and external legal opinion obtained by the component management, where applicable.<br>We also evaluated the disclosures provided in the notes to the consolidated financial statements concerning these matters. |
| 4. | **Goodwill – Impairment Assessment:**<br>As at March 31, 2021, the Group had ₹329,064 million of Goodwill allocated across the Group's six group of cash generating units ("CGU's") 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.<br>Management performs Goodwill impairment testing as at December 31 (the annual impairment testing date) or more frequently when there are indicators of impairment.<br>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 EBITDA margins, capital expenditure, and in determining the valuation assumptions relating to discount rates applied to estimated future cash flows and Long term growth rate.<br>Management's methodology in determining the discount rate is set out in note 6 "Intangible assets" to the consolidated financial statements.<br>These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID-19 and therefore considered as a key audit matter.<br>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. | **Principal Audit Procedures:**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Group's forecasting process and goodwill impairment review including controls related to the review of EBITDA margins, capital expenditure and the assumptions used to develop the discount rates and Long term growth rates in respect of the three Africa CGUs and Mobile services India CGU.<br>We evaluated reasonableness of management's assumptions related to EBITDA margins, capital expenditure, discount rates and Long term growth rates in respect of the three Africa CGUs and Mobile services India CGU by considering (i) the current and past performance, (ii) the consistency with external sources of information, where available, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.<br>We also assessed the sensitivity of each of such CGUs to key assumptions and testing the integrity and mathematical accuracy of the impairment models.<br>We involved our internal valuation specialists to assist in the evaluation of the appropriateness of the Group's model for calculating value in use for each of the three Africa CGUs and Mobile services India CGU and reasonableness of significant assumptions like discount rate and Long term growth rates.<br>We also evaluated the impairment disclosures against the requirements of Ind AS 36 – Impairment of Assets. |

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 5. | **Accounting for Loss of control in Bharti Infratel Limited (renamed now as Indus Towers Limited):**<br>The merger of Bharti Infratel Limited (erstwhile subsidiary of the Company) and Indus Towers Limited (erstwhile Joint Venture of Bharti Infratel / "the Group") with effect from November 19, 2020 resulted in the Group losing control over Bharti Infratel Limited. After the merger, Bharti Infratel is now named as Indus Towers Limited and is a joint venture of the Group.<br>On loss of control, the Group derecognised the carrying value of assets, liabilities and the related non-controlling interest and recognised the Group's retained interest in Indus Towers Limited at fair value resulting in a gain of ₹94,496 million in the consolidated statement of profit and loss for the year ended March 31, 2021. Further, the results of Bharti Infratel Limited (Tower Infrastructure segment) till the date of merger has been presented as a discontinued operation.<br>The Group has exercised significant judgements in (i) assessment relating to classification of retained interest in Indus Towers Limited, as a joint venture and disclosure of Bharti Infratel Limited as discontinued operations; (ii) determining the fair value of the retained interest in the joint venture; and (iii) determining the fair value of individual identified assets and liabilities of the joint venture (purchase price allocation) with the help of external specialists. In performing this exercise, the Group has used business and valuation assumptions, including level III assumptions.<br>Refer note 2.25 for policy on discontinued operations and note 4(b) in 'Significant transactions / new developments' to the consolidated financial statements. | **Principal Audit Procedures:**<br>We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over appropriateness of management's assessment (i) relating to classification of retained interest in Indus Towers Limited as a joint venture and disclosure of Bharti Infratel Limited as discontinued operations; (ii) in determining the fair value of the retained interest in the joint venture; and (iii) in determining the fair value of individual identified assets and liabilities of the joint venture (purchase price allocation).<br>We tested management's assessment relating to classification of retained interest in Indus Towers Limited as a joint venture and disclosure of Bharti Infratel Limited as discontinued operations for appropriateness with supporting accounting literature as per Ind AS.<br>We tested the fair value of retained interest computed based on market observable inputs with underlying market information used by the Management on the date of merger.<br>We tested the fair value of net assets (purchase price allocation) with the help of our internal valuation specialist for individual identified assets and liabilities by comparing business and valuation assumptions with internal and external information, including market inputs as appropriate.<br>We also audited 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 erstwhile joint venture audited by the other auditor, to the extent it is applicable and relates to this entity and, in doing so, place reliance on the work of the other auditor 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 erstwhile joint venture, is traced from their financial statements audited by the other auditor.

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 loss, 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 judgements 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 judgement 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 controls 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 associates and joint venture companies 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 upto 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 entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by the other auditors, such 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 ₹7,835 million and total comprehensive income of ₹7,828 million for the period April 1, 2020 to November 18, 2020 as considered in the Consolidated Financial Statements, in respect of erstwhile joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has 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 this erstwhile joint venture, is so far as it relates to aforesaid joint venture is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements above is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit of the Group 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.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive loss, 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, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its 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, 2021 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 Parent 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;

   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;

   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)

**Vijay Agarwal**
(Partner)
(Membership No.: 094468)
UDIN: 21094468AAAAEC3569

Place: Gurugram
Date: May 17, 2021

# Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph (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 at and for the year ended March 31, 2021, 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 at 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 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, 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, 2021, 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.

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

**Vijay Agarwal**
(Partner)
(Membership No.: 094468)
UDIN: 21094468AAAAEC3569

Place: Gurugram
Date: May 17, 2021

# Consolidated Balance Sheet

(All amounts are in millions of Indian Rupee)

| | Notes | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 858,046 | 877,573 |
| Capital work-in-progress | 5 | 43,665 | 39,972 |
| Right-of-use assets | 35 | 288,117 | 259,049 |
| Goodwill | 6 | 329,064 | 346,192 |
| Other intangible assets | 6 | 759,569 | 809,741 |
| Intangible assets under development | 6 | 13,600 | 2,851 |
| Investment in joint ventures and associates | 7 | 234,346 | 96,808 |
| Financial assets | | | |
| - Investments | 9 | 377 | 20,278 |
| - Derivative instruments | 10 | 473 | 41 |
| - Security deposits | 11 | 7,154 | 8,728 |
| - Others | 12 | 15,775 | 14,696 |
| Income tax assets (net) | | 21,239 | 21,088 |
| Deferred tax assets (net) | 13 | 200,864 | 270,160 |
| Other non-current assets | 14 | 140,460 | 74,181 |
| | | **2,912,749** | **2,841,358** |
| **Current assets** | | | |
| Inventories | | 2,660 | 1,569 |
| Financial assets | | | |
| - Investments | 9 | 40,781 | 137,679 |
| - Derivative instruments | 10 | 501 | 2,792 |
| - Trade receivables | 15 | 36,377 | 46,058 |
| - Cash and cash equivalents | 16 | 80,859 | 135,507 |
| - Other bank balances | 16 | 53,802 | 23,420 |
| - Others | 12 | 191,947 | 210,523 |
| Other current assets | 14 | 138,358 | 208,884 |
| Assets-held-for-sale | 38 | 2,244 | - |
| | | **547,529** | **766,432** |
| **Total assets** | | **3,460,278** | **3,607,790** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 27,460 | 27,278 |
| Other equity | | 562,067 | 744,170 |
| **Equity attributable to owners of the Parent** | | **589,527** | **771,448** |
| Non-controlling interests ('NCI') | | 222,739 | 249,847 |
| | | **812,266** | **1,021,295** |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| - Borrowings | 19 | 1,105,603 | 910,792 |
| - Lease liabilities | | 251,086 | 243,678 |
| - Derivative instruments | 10 | 586 | 292 |
| - Others | 20 | 121,807 | 67,399 |
| Deferred revenue | 24 | 29,724 | 22,844 |
| Provisions | 21 | 5,020 | 7,548 |
| Deferred tax liabilities (net) | 13 | 16,107 | 16,877 |
| Other non-current liabilities | 22 | 1,720 | 2,189 |
| | | **1,531,653** | **1,271,619** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| - Borrowings | 19 | 80,823 | 167,034 |
| - Current maturities of Long term borrowings | 19 | 111,473 | 98,364 |
| - Lease liabilities | | 78,867 | 62,413 |
| - Derivative instruments | 10 | 1,055 | 568 |
| - Trade payables | | 278,721 | 243,668 |
| - Others | 20 | 201,132 | 174,885 |
| Deferred revenue | 24 | 63,135 | 54,588 |
| Provisions | 21 | 235,160 | 450,722 |
| Current tax liabilities (net) | | 15,199 | 13,890 |
| Other current liabilities | 22 | 49,415 | 48,744 |
| Liabilities-held-for-sale | 38 | 1,379 | - |
| | | **1,116,359** | **1,314,876** |
| **Total liabilities** | | **2,648,012** | **2,586,495** |
| **Total equity and liabilities** | | **3,460,278** | **3,607,790** |

The accompanying notes 1 to 42 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)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO (India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, India

**Pankaj Tewari**
**Company Secretary**
Place: Gurugram, India

Date: **May 17, 2021**

# 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, 2021 | For the year ended March 31, 2020# |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 24 | 1,006,158 | 846,765 |
| Other income | | 6,428 | 15,357 |
| | | **1,012,586** | **862,122** |
| **Expenses** | | | |
| Network operating expenses | 25 | 219,819 | 196,305 |
| Access charges | | 103,521 | 107,395 |
| License fee / Spectrum charges | | 91,084 | 73,826 |
| Employee benefits expenses | 26 | 41,146 | 35,137 |
| Sales and marketing expenses | 27 | 38,009 | 34,236 |
| Other expenses | 29 | 58,862 | 57,332 |
| | | **552,441** | **504,231** |
| **Profit before depreciation, amortisation, finance costs, share of profit of associates and joint ventures, exceptional items and tax** | | **460,145** | **357,891** |
| Depreciation and amortisation expense | 28 | 294,044 | 270,944 |
| Finance costs | 30 | 150,910 | 140,732 |
| Share of loss of associates and joint ventures (net) | 7 | 928 | 6,627 |
| **Profit / (loss) before exceptional items and tax** | | **14,263** | **(60,412)** |
| Exceptional items (net) | 31 | 159,145 | 400,892 |
| **Loss before tax from continuing operations** | | **(144,882)** | **(461,304)** |
| **Tax expense / (credit)** | | | |
| Current tax | 13 | 20,584 | 17,932 |
| Deferred tax | 13 | 68,741 | (143,056) |
| | | **89,325** | **(125,124)** |
| **Loss for the year from continuing operations** | | **(234,207)** | **(336,180)** |
| Profit from discontinued operation before tax | | 113,698 | 32,839 |
| Tax expense of discontinued operation | | 3,131 | 3,301 |
| **Profit for the year from discontinued operation#** | | **110,567** | **29,538** |
| **Loss for the year** | | **(123,640)** | **(306,642)** |
| **Other comprehensive income ('OCI')** | | | |
| Items to be reclassified subsequently to profit or loss: | | | |
| Net (loss) / gain due to foreign currency translation differences | | (16,499) | 4,814 |
| Net gain / (loss) on net investment hedge | | 367 | (10,856) |
| Net loss on cash flow hedge | | - | (109) |
| Net loss on fair value through OCI investments | | (124) | (108) |
| Tax (charge) / credit on above | 13 | (96) | 2,883 |
| | | **(16,352)** | **(3,376)** |
| Items not to be reclassified to profit or loss: | | | |
| Remeasurement loss on defined benefit plans | 26.2 | (77) | (76) |
| Tax credit / (charge) on above | 13 | 42 | (41) |
| Share of other comprehensive (loss) / income of associates and joint ventures | 7 | (107) | 15 |
| | | **(142)** | **(102)** |
| **Other comprehensive loss for the year** | | **(16,494)** | **(3,478)** |
| **Total comprehensive loss for the year** | | **(140,134)** | **(310,120)** |
| **(Loss) / profit for the year attributable to:** | | **(123,640)** | **(306,642)** |
| Owners of the Parent | | (150,835) | (321,832) |
| Non-controlling interests | | 27,195 | 15,190 |
| **Other comprehensive (loss) / income for the year attributable to:** | | **(16,494)** | **(3,478)** |
| Owners of the Parent | | (5,647) | (11,748) |
| Non-controlling interests | | (10,847) | 8,270 |
| **Total comprehensive (loss) / income for the year attributable to:** | | **(140,134)** | **(310,120)** |
| Owners of the Parent | | (156,482) | (333,580) |
| Non-controlling interests | | 16,348 | 23,460 |
| **Loss per share from continuing operations (Face value: ₹5 each)** | | | |
| Basic | 32 | (46.50) | (66.48) |
| Diluted | 32 | (46.50) | (66.48) |
| **Earnings per share from discontinued operation (Face value: ₹5 each)** | | | |
| Basic | | 18.85 | 3.07 |
| Diluted | | 18.85 | 3.07 |
| **Loss per share from continuing and discontinued operations (Face value: ₹5 each)** | | | |
| Basic | | (27.65) | (63.41) |
| Diluted | | (27.65) | (63.41) |

#refer note 4(b)

The accompanying notes 1 to 42 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)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

Date: **May 17, 2021**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO (India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, 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 attributable to owners of the Parent | | | | | | | | | | | Non-controlling interests ('NCI') | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity share capital | | Other equity | | | | | | | | | | |
| | | | Reserves and surplus | | | | | | | | | | |
| | No. of shares (in '000) | Amount | Securities premium | Retained earnings | General reserves | Debenture redemption reserve | Capital reserve | Share based payment reserve | NCI reserve | Other components of equity (refer note 18) | Total | | |
| **As of April 1, 2019** | **3,997,400** | **19,987** | **123,456** | **435,496** | **23,052** | **7,500** | **5,315** | **744** | **164,280** | **(84,971)** | **674,872** | **129,975** | **824,834** |
| (Loss) / profit for the year | - | - | - | (321,832) | - | - | - | - | - | - | (321,832) | 15,190 | (306,642) |
| Other comprehensive (loss) / income | - | - | - | (116) | - | - | - | - | - | (11,632) | (11,748) | 8,270 | (3,478) |
| **Total comprehensive (loss) / income** | **-** | **-** | **-** | **(321,948)** | **-** | **-** | **-** | **-** | **-** | **(11,632)** | **(333,580)** | **23,460** | **(310,120)** |
| **Transaction with owners of equity** | | | | | | | | | | | | | |
| Issue of equity shares, net of expenses (refer note 4 (t) & (v)) | 1,134,562 | 5,673 | 243,425 | - | - | - | - | - | - | - | 243,425 | - | 249,098 |
| Employee share based payment expense | - | - | - | - | - | - | - | 345 | - | - | 345 | 17 | 362 |
| Issue of equity shares to Qualified Institutional Buyers, net of expenses (refer note 4 (s)) | 323,595 | 1,618 | 141,438 | - | - | - | - | - | - | - | 141,438 | - | 143,056 |
| Issuance of foreign currency convertible bonds, net of expenses (refer note 4 (s)) | - | - | - | - | - | - | - | - | - | 3,542 | 3,542 | - | 3,542 |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | - | (497) | (497) | - | (497) |
| Exercise of share options | - | - | - | - | 133 | - | - | (416) | - | 263 | (20) | (13) | (33) |
| Transaction with NCI (net of expenses) | - | - | - | - | - | - | - | - | 2,880 | - | 2,880 | 44,177 | 47,057 |
| Issue of perpetual securities (refer note 4 (r)) | - | - | - | - | - | - | - | - | - | - | - | 71,390 | 71,390 |
| Business combination (refer note 4 (t)) | - | - | - | - | - | - | 12,912 | - | - | - | 12,912 | 262 | 13,174 |
| Dividend (including tax) to NCI | - | - | - | - | - | - | - | - | - | - | - | (18,425) | (18,425) |
| New tax regime charge on Ind AS 116 transition impact / others | - | - | - | (371) | - | - | - | - | - | - | (371) | (322) | (693) |
| Movement on account of court approved schemes | - | - | - | (776) | - | - | - | - | - | - | (776) | (674) | (1,450) |
| **As of March 31, 2020** | **5,455,557** | **27,278** | **508,319** | **112,401** | **23,185** | **7,500** | **18,227** | **673** | **167,160** | **(93,295)** | **744,170** | **249,847** | **1,021,295** |
| (Loss) / profit for the year | - | - | - | (150,835) | - | - | - | - | - | - | (150,835) | 27,195 | (123,640) |
| Other comprehensive loss | - | - | - | (129) | - | - | - | - | - | (5,518) | (5,647) | (10,847) | (16,494) |
| **Total comprehensive (loss) / income** | **-** | **-** | **-** | **(150,964)** | **-** | **-** | **-** | **-** | **-** | **(5,518)** | **(156,482)** | **16,348** | **(140,134)** |

# Consolidated Statement of Changes in Equity

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | Equity attributable to owners of the Parent | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity share capital | | Other equity | | | | | | | | | Non-controlling interests ('NCI') | Total equity |
| | | | Reserves and surplus | | | | | | | | | | |
| | No. of shares (in '000) | Amount | Securities premium | Retained earnings | General reserves | Debenture redemption reserve | Capital reserve | Share based payment reserve | NCI reserve | Other components of equity (refer note 18) | Total | | |
| **Transaction with owners of equity** | | | | | | | | | | | | | |
| Issue of equity shares on preferential basis (refer note 4(d)) | 36,470 | 182 | 21,700 | - | - | - | - | - | - | - | 21,700 | - | 21,882 |
| Employee share based payment expense | - | - | - | - | - | - | - | 713 | - | - | 713 | 20 | 733 |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | - | (1,111) | (1,111) | - | (1,111) |
| Exercise of share options | - | - | - | - | 47 | - | - | (492) | - | 350 | (95) | (29) | (124) |
| Issue of perpetual securities (refer note 4 (g)) | - | - | - | - | - | - | - | - | - | - | - | 36,048 | 36,048 |
| Transaction with NCI (net of expenses) (refer note 4(d)) | - | - | - | - | - | - | - | - | (33,508) | - | (33,508) | 642 | (32,866) |
| Dividend to Company's shareholders | - | - | - | (10,907) | - | - | - | - | - | - | (10,907) | - | (10,907) |
| Dividend to NCI | - | - | - | (1,512) | - | - | - | - | - | - | (1,512) | (14,791) | (16,303) |
| Adjustment on account of Indus-Infratel merger (refer note 4(b)) | - | - | - | - | - | - | - | (17) | - | - | (17) | (65,022) | (65,039) |
| Transfer to retained earning (refer note 18(c)) | - | - | - | 7,500 | - | (7,500) | - | - | - | - | - | - | - |
| Movement on account of court approved schemes | - | - | - | (884) | - | - | - | - | - | - | (884) | (324) | (1,208) |
| **As of March 31, 2021** | **5,492,027** | **27,460** | **530,019** | **(44,366)** | **23,232** | **-** | **18,227** | **877** | **133,652** | **(99,574)** | **562,067** | **222,739** | **812,266** |

The accompanying notes 1 to 42 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)

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

Date: **May 17, 2021**

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO**
**(India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, India

**Pankaj Tewari**
**Company Secretary**
Place: Gurugram, India

# Consolidated Statement of Cash Flows

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Loss before tax (including discontinued operation) | **(31,184)** | **(428,465)** |
| **Adjustments for:** | | |
| Depreciation and amortisation expenses | 297,092 | 276,896 |
| Finance costs | 149,304 | 137,261 |
| Dividend income | - | (57) |
| Net gain on FVTPL instruments | (4,546) | (7,208) |
| Gain on deemed disposal of subsidiary | (94,496) | - |
| Interest income | (2,906) | (3,981) |
| Net loss / (gain) on derivative financial instruments | 3,382 | (4,852) |
| Share of profit of joint ventures and associates (net) | (6,907) | (6,524) |
| Exceptional items (net) | 159,246 | 401,619 |
| Employee share based payment expense | 708 | 357 |
| Loss on sale of property, plant and equipment | 99 | 10 |
| Other non-cash items | 4,154 | 5,132 |
| **Operating cash flows before changes in working capital** | **473,946** | **370,188** |
| **Changes in working capital** | | |
| Trade receivables | (3,954) | (8,925) |
| Trade payables | 6,902 | (2,477) |
| Inventories | (1,139) | (522) |
| Provisions | (67,556) | (128,107) |
| Other financial and non-financial liabilities | 24,186 | 19,064 |
| Other financial and non-financial assets | 71,993 | (44,997) |
| **Net cash generated from operations before tax** | **504,378** | **204,224** |
| Income tax paid – net | (22,328) | (22,937) |
| **Net cash generated from operating activities (a)** | **482,050** | **181,287** |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment and capital work-in-progress | (248,143) | (191,902) |
| Proceeds from sale of property, plant and equipment | 1,437 | 1,317 |
| Purchase of intangible assets | (24,433) | (15,266) |
| Payment towards spectrum (including deferred payment liability)* | (63,240) | (15,424) |
| Proceeds from sale / (purchase) of current investments (net) | 67,168 | (85,236) |
| Proceeds from sale of non-current investments | 3,678 | 2,950 |
| Purchase of non-current investments | (101) | - |
| Adjustment on account of deemed disposal of subsidiary | (17) | - |
| Consideration / advance for acquisitions, net of cash acquired | - | (1,345) |
| Investment in associates / joint ventures | (32,603) | (4,761) |
| Dividend received | 24,239 | - |
| Interest received | 3,131 | 4,748 |
| **Net cash used in investing activities (b)** | **(268,884)** | **(304,919)** |

# Consolidated Statement of Cash Flows

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **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 | 327,276 | 377,400 |
| Repayment of borrowings | (409,779) | (439,813) |
| Payment of lease liabilities | (64,206) | (47,740) |
| Repayment of short term borrowings (net) | (35,659) | (117,140) |
| Purchase of treasury shares | (1,111) | (497) |
| Interest and other finance charges paid | (71,294) | (109,993) |
| Proceeds from exercise of share options | 9 | 5 |
| Dividend paid (including tax) | (26,906) | (18,263) |
| Net proceeds from issuance of equity shares to NCI | - | 57,144 |
| Net proceeds from issuance of perpetual bonds to NCI | 36,048 | 71,370 |
| Proceeds from issuance of Compulsorily convertible preference shares to NCI | 7,000 | - |
| Net payment towards derivatives | - | (41,517) |
| Payment of bond / share issue expenses | (17) | - |
| Purchase of shares from NCI | (10,243) | - |
| Payment on maturity of forwards | (221) | (1,782) |
| **Net cash (used in) / generated from financing activities (c)** | **(249,103)** | **191,444** |
| **Net (decrease) / increase in cash and cash equivalents during the year (a+b+c)** | **(35,937)** | **67,812** |
| Effect of exchange rate on cash and cash equivalents | (3,972) | 8,934 |
| Cash and cash equivalents as at beginning of the year | 130,539 | 53,793 |
| **Cash and cash equivalents as at end of the year (refer note 16)** | **90,630** | **130,539** |

*Cash flows towards spectrum acquisition are based on the timing of payouts to Department of Telecom (viz. upfront / deferred).

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash flows'.

Please refer note 36(1)(vi), for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows.

The accompanying notes 1 to 42 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)

**For and on behalf of the Board of Directors of Bharti Airtel Limited**

**Vijay Agarwal**
**Partner**
Membership No.: 094468
Place: **Gurugram, India**

**Sunil Bharti Mittal**
**Chairman**
DIN: 00042491
Place: London, England

**Gopal Vittal**
**Managing Director & CEO**
**(India and South Asia)**
DIN: 02291778
Place: Gurugram, India

**Badal Bagri**
**Chief Financial Officer**
Place: Gurugram, India

**Pankaj Tewari**
**Company Secretary**
Place: Gurugram, India

Date: **May 17, 2021**

# 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 ('NSE') and the BSE. The registered office of the Company is situated at Airtel Center, Plot No. 16, Udyog Vihar, Phase – IV, Gurugram – 122 015, Haryana.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence primarily 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 are further provided in note 33 and note 42 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 Standards ('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 accounting principles generally accepted in India.

The financial statements are approved for issue by the Company's Board of Directors on May 17, 2021.

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 Act. 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 disaggregated 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 certain items. Comparative figures have been regrouped or reclassified, to confirm to such current period's grouping / classifications. There is no impact on equity or net loss due to these regroupings / reclassifications.

#### New amendments adopted during the year

MCA vide notification no. G.S.R. 463(E) dated July 24, 2020 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 which amends following Ind AS:

- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 116, Leases
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 10, Events after the Reporting Period
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendments are applicable for annual periods beginning on or after the April 1, 2020, however, these do not have material impact on the financial statements of the Group.

#### Amendment to Schedule III Division II

MCA vide notification dated March 24, 2021, has amended disclosure requirements to Division II of Schedule III of the Act. The amendments are applicable from April 1, 2021.

### 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 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

## 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. The financial statements of all entities used for the purpose of consolidation are drawn upto the same reporting date as that of Parent Company i.e. Year ended on March 31.

Subsidiaries are fully consolidated from the date on which control is acquired by the Group, and they are deconsolidated from the date that control ceases. NCI is the equity in a subsidiary not attributable to a parent and presented separately from the parent's equity. NCI 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 NCI in proportion to their ownership interests, even if this results in the NCI 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 NCI. In addition, any amounts previously recognised in the other comprehensive income in respect of that deconsolidated 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 NCI 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 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 and other generally accepted accounting principles.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 unrealised gains resulting from intra-group transactions are also eliminated. Similarly, the unrealised 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 unrealised 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, unrealised 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 NCI is initially recognised at the NCI'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 remeasured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any NCI 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').

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 restatement / settlement, recognised in the statement of profit and loss. 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 restatement / 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 derecognised 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.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress ('CWIP'), advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed under Other Non-current assets.

The expenditures that are incurred after the item of PPE has been available for 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 Act and has accordingly, depreciated the assets over such useful life.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Freehold land is not depreciated as it has an unlimited useful life.

The Group has established the estimated range of useful lives for different categories of PPE as follows:

| Categories | Years |
|---|---|
| Leasehold improvement | Lease term or 20 years, whichever is less |
| Building | 20 |
| Building on leased land | Lease term or 20 years, whichever is less |
| 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 & fixtures and office equipment | 1 – 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 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 derecognised from the Balance Sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

## 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 life of acquired licenses and spectrum range is upto 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

**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.

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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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, Right-of-use-assets ('ROU'), intangible assets and intangible assets under development

PPE (including CWIP), ROU, 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.

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

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 other 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 other 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 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 remeasured. 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### d) Hedging activities

**I. Fair value hedge**

Some of the Group 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, 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. 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.

**III. Net investment hedge**

The Group hedges its net investment in certain foreign subsidiaries which are accounted for similar to cash flow hedges and 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 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 derecognised from the Balance Sheet when the underlying 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

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

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 standalone prices of each lease component and the aggregate standalone price of the non-lease components.

### 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,

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 is also recognised in respect of carried forward tax losses and tax credits. 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 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 respective countries where the group entities operate and generate taxable income, 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 unconditional 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 reissued, 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

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 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 remeasurements of the net defined benefit obligation are recognised directly in the other comprehensive income in the period in which they arise. The said remeasurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Remeasurements 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 remeasurements 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 remeasured 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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.

## 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 unwinding 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, other 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 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 recognised 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 recognised 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 and other value added services. 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 standalone 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 recognised 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.

## 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 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 2.24 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.

### 2.25 Discontinued operation

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operation are presented separately in the statement of profit and loss for all the periods presented.

## 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

Property, plant and equipment (including capital work-in-progress) 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. Goodwill and intangible assets under development are 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.

#### 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 standalone 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.

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 underlying 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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) The Group announced a new corporate structure on April 14, 2021 to sharpen its focus on driving the rapidly unfolding digital opportunity in India while enabling it to unlock value. To give effect to this proposed rearrangement, the Board of Directors of the Company, in its meeting held on April 14, 2021, has approved the composite scheme of arrangement ('Scheme') between the Company, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act for (a) amalgamation of Nettle Infrastructure Investments Limited, Airtel Digital Limited and Telesonic Networks Limited, wholly owned subsidiaries with and into Bharti Airtel Limited; and (b) demerger of the Telecom Business Undertaking of Bharti Airtel Limited and vesting of the same with Airtel Limited, its wholly owned subsidiary on a going concern basis, subsequent to the completion of the aforesaid amalgamations. As on the date of financial statements, the Scheme is subject to the applicable statutory / regulatory approvals and the effect of the Scheme will be accounted after obtaining such approvals.

b) (i) On April 25, 2018, Indus Towers Limited (the 'Transferee Company'), (formerly known as Bharti Infratel Limited, which was a subsidiary of the Company) and erstwhile Indus Towers Limited (the 'Transferor Company') and their respective shareholders and creditors had entered into a proposed scheme of amalgamation and arrangement (under Sections 230 to 232 and other applicable provisions of the Act) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. Over time, the Scheme had received all the necessary approvals from the authorities and a certified copy of the National Company Law Tribunal order was filed with the Registrar of Companies (ROC) on November 19, 2020 i.e. the effective date of merger. Upon the Scheme becoming effective, the Transferor Company stood dissolved without being wound-up. In compliance with the scheme, on merger of Transferor Company with the Transferee Company, 845,328,704 equity shares of the Transferee Company were issued to shareholders of the Transferor Company and ₹37,601 were paid to Vodafone Idea Limited towards cash option exercised for its shareholding of 11.15% in the Transferor Company.

The merger has resulted in a loss of control of the Group over the Transferee Company w.e.f. November 19, 2020 and led to a formation of a joint venture with joint control being shared between the Group and Vodafone with a shareholding of 36.73% and 28.12% respectively and the balance 35.15% being owned by other shareholders. The reduction in Group's shareholding in the Transferee Company on account of its loss of control has been considered as a deemed disposal of subsidiary, and accordingly, the Transferee Company's business has been presented as a discontinued operation and its results are presented separately in the statement of profit and loss for all the periods presented. On loss of control, the assets and liabilities of the Transferee Company along with related NCI were derecognised and the Group's retained interest in the Transferee Company was recognised at fair value. The resultant gain on deemed disposal on account of loss of control over the Transferee Company, amounting to ₹94,496, is included in profit from discontinued operation in the statement of profit and loss. With effect from November 19, 2020, the Group has applied the equity method to account for its investment in the Transferee Company resulting in a provisional goodwill of ₹81,605 included in the carrying amount of the investment. The Group's share of profit of the Transferee Company for the current period is ₹7,417 including the impact of fair value adjustment arising from provisional purchase price allocation of ₹560.

Subsequently, on December 2, 2020 and December 28, 2020, the Group has acquired an additional stake of 4.935180% and 0.064816%, respectively, in the Transferee Company, which has been recognised at cost.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### (ii) Financial performance and cash flow information

The financial performance and cash flow information (net of eliminations) for the discontinued operation is as follows:

| | For the year ended March 31, 2021# | For the year ended March 31, 2020 |
|---|---|---|
| Income | 19,016 | 32,615 |
| Expenses | 7,649 | 12,927 |
| Share of profit of joint ventures | 7,835 | 13,151 |
| **Profit before tax** | **19,202** | **32,839** |
| Tax expense | 3,131 | 3,301 |
| **Profit after tax** | **16,071** | **29,538** |
| Gain on deemed disposal of subsidiary after tax | 94,496 | - |
| **Profit from discontinued operation** | **110,567** | **29,538** |
| **Other comprehensive loss from discontinued operation** | **(8)** | **(110)** |
| **Total comprehensive income / (loss) attributable to owners of the Parent arises from:** | **(156,482)** | **(333,580)** |
| Continuing operations | (259,295) | (349,115) |
| Discontinued operation | 102,813 | 15,535 |
| | | |
| Net cash generated from operating activities | 4,643 | 12,767 |
| Net cash generated from / (used in) investing activities | 23,912 | (10,347) |
| Net cash used in financing activities | (29,659) | (1,248) |
| **Net (decrease) / increase in cash and cash equivalents from discontinued operation** | **(1,104)** | **1,172** |

#The above financial performance and cash flow information for the discontinued operation pertain to period April 1, 2020 to November 18, 2020.

### (iii) Gain on deemed disposal of subsidiary

| | As of November 18, 2020 |
|---|---|
| Fair value of retained interest | 184,000 |
| Carrying amount of net assets of subsidiary (net of NCI of ₹65,022) | 89,504 |
| **Gain on deemed disposal of subsidiary before tax** | **94,496** |
| Tax expense on gain | - |
| **Gain on deemed disposal of subsidiary after tax** | **94,496** |

### (iv) The carrying amount of assets and liabilities (net of eliminations) of subsidiary on the date of deemed disposal were as follows:

| | As of November 18, 2020 |
|---|---|
| **Non-current assets** | |
| Property, plant and equipment (including CWIP of ₹900) | 49,148 |
| Right-of-use assets | (12,564) |
| Investment in joint ventures and associates | 61,338 |
| Other investments | 17,405 |
| Others | 9,998 |
| **Current assets** | |
| Investments | 14,205 |
| Trade receivables | 7,539 |
| Others | 3,560 |
| **Total carrying value of assets (a)** | **150,629** |
| **Non-current liabilities** | |
| Lease liabilities | (23,346) |
| Others | 5,698 |
| **Current liabilities** | |
| Trade payables | 1,000 |
| Lease liabilities | 2,761 |
| Others | 9,990 |
| **Total carrying value of liabilities (b)** | **(3,897)** |
| **Net carrying value of assets (a-b)** | **154,526** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

c) 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').

Subsequent to the Court Judgement, DoT 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 reverification / reconciliation by DoT.

On March 16, 2020, DoT 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.

In the absence of any potential reliefs, the Group provided for ₹368,322 for the periods upto March 31, 2020 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 in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of reassessment or recalculation.

Consequently, without prejudice and on prudence, during the three months ended June 30, 2020 the Group had further recorded an incremental provision of ₹107,444 (including net interest on total provision created considering interest rate as per the modification application filed by DoT on March 16, 2020 with effect from the date of Court Judgement) to give effect of the differential amount between the AGR Provision and the DoT Demand along with provision for subsequent periods for which demands have not been received, computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgement, which had been presented as an exceptional item (refer note 31(i)(a)). During the period from July 1, 2020 to March 31, 2021, the Company has continued to recognise its AGR obligations based on Court Judgement and guidelines / clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

Further, in its judgement dated, September 1, 2020 ('AGR September Judgement') the Hon'ble Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or reassessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Group has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders and accordingly filed a compliance affidavit with Hon'ble Supreme Court confirming compliance with payment of 10% of the total dues by March 31, 2021. The Group has filed an application before the Hon'ble Supreme Court *inter-alia* highlighting basic arithmetical, clerical and computational errors in the DoT demand. The application is pending adjudication.

d) During the year ended March 31, 2021, Company acquired 20% of the equity share capital of Bharti Telemedia Limited ('BTL', a subsidiary of the Company) from Lion Meadow Investment Limited to increase its ownership in BTL to 100% (along with its subsidiary) by issuing 36,469,913 equity shares of the Company on a preferential basis (face value of ₹5 each fully paid share including a premium of ₹595 per equity share) and cash consideration of ₹9,378, resulting in total consideration of ₹31,260. Additionally, the Company has considered contingent consideration (not exceeding ₹1,000), which will be mutually agreed. The excess of consideration paid to NCI over the carrying value of interest acquired ₹33,291 has been recognised in NCI reserve, a component of equity.

e) During the year ended March 31, 2021, the Hon'ble National Company Law Tribunal, New Delhi approved the Composite Scheme of arrangement under Sections 230 to 232 of the Act ('Scheme') for transfer of Very Small Aperture Terminal ('VSAT') business of the Company and Bharti Airtel Services Limited, a subsidiary of the Company, on a going concern basis by way of slump sale and vesting of the same with Hughes Communications India Private Limited and HCIL Comtel Private Limited respectively. The Scheme is subject to the applicable sectoral approvals and the effect of the Scheme will be accounted after obtaining such approvals.

f) During the year ended March 31, 2021, the Group has been declared as successful bidder for 355.45 MHz spectrum across Sub GHz and mid band for a total

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

consideration of ₹187,034 in the auction conducted by the DoT, Government of India ('GoI'). The Group has opted for the deferred payment option and has paid an advance of ₹63,240 on March 18, 2021 out of the total upfront payment of ₹69,874. An additional amount of ₹1,573 was paid to DoT on April 12, 2021 for immediate allocation of spectrum in some service areas in which the spectrum was to be allocated at a later date. The balance upfront amount of ₹5,061 will be paid in the coming months depending on the date of allocation of spectrum by DoT. The balance amount of ₹117,159 is payable along with interest of 7.3% per annum in 16 equal installments after a moratorium of two years. Pending the allocation of spectrum by the GoI, the balance amount has been disclosed under capital commitments (refer note 23(iii)).

g) During the year ended March 31, 2021, the Company has issued unsubordinated, direct, unconditional and unsecured senior notes of USD 750 Mn (₹54,795) at an issue price of USD 99.908, due June 3, 2031. The notes bear interest at a rate of 3.25% per annum payable semi-annually in arrears. These senior notes have been classified as debt instruments.

During the year ended March 31, 2021, Network i2i Limited (a wholly owned subsidiary of the Company) has issued subordinated perpetual securities of USD 500 Mn (₹36,358) at an issue price of USD 99.888 which are guaranteed by the Company. The notes bear interest at a rate of 3.975% per annum payable semi-annually in arrears. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend by the Company and Network i2i Limited until such cumulative interest remains unpaid. These securities have been classified as equity instrument.

h) During the year ended March 31, 2021, the Company and Nxtra Data Limited, a wholly owned subsidiary of the Company, have entered into an Investment Agreement with CA Cloud Investments (formerly Comfort Investments II) ('investor'). In accordance with the said agreement, the investor will subscribe to 17,880,000 compulsorily convertible preference shares ('CCPS'), each at ₹1,000, and 10 equity shares, each at ₹5,780 (including securities premium of ₹5,770), of Nxtra Data Limited for an aggregate consideration of ₹17,880 in three separate tranches. During the year ended March 31, 2021, Nxtra Data Limited has received the first tranche of ₹7,000 and has allotted 7,000,000 CCPS and 10 equity shares to the investor. The same has been classified as liability (refer note 20).

i) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has issued draft of the Code on Social Security (Central) Rules, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Group is assessing the impact of the Code and will record any related impact in the period the Code becomes effective.

j) As of March 31, 2021, Bharti Hexacom Limited, a subsidiary of the Company, has outstanding commercial papers (CPs) of ₹13,456, which are listed on NSE. The listing is pursuant to SEBI circulars SEBI / HO / IMD / DF2 / CIR / P / 2019 / 104 dated October 1, 2019 and SEBI / HO / DDHS / DDHS / CIR / P / 2019 / 115 dated October 22, 2019.

k) During the year ended March 31, 2021, Bharti Hexacom Limited, a subsidiary of the Company, issued 15,000 listed, unsecured, rated, redeemable, Non-Convertible Debentures (NCDs) having face value of ₹10 lakhs each, at a coupon rate of 6% per annum payable annually, at par aggregating to ₹15,000 on private placement basis. These NCDs will be due for maturity on January 19, 2024.

l) On April 22, 2021, Indus Towers Limited, a Joint Venture Company ('JVC') of the Company, in its annual financial statements for the year ended March 31, 2021 reported that a large customer in the telecom services industry contributed substantial part of the net sales of the JVC, for the same period, which also resulted in significant part of the trade receivables due from the said customer as at March 31, 2021. It also reported that the JVC's said customer in its declared results for the quarter and nine months ended December 31, 2020, had expressed its ability to continue as going concern to be dependent on successful negotiations with lenders and its ability to generate cash flow that it needs to settle / refinance its liabilities and guarantee as they fall due. The said customer has in the meeting held on September 4, 2020 has approved the fund-raising plan upto ₹250,000.

Subsequently, by virtue of JVC merger as mentioned in note 4(b), the said customer agreed that the payment of outstanding dues under the Master Service Agreement (MSA) would be settled by way of upfront payment which has been received on November 19, 2020 and partly by way of payment in 4 equal instalments along with interest @ 6% per annum, out of which all instalments have been received during the year ended March 31, 2021. Furthermore, the said customer made an interest bearing (6% per annum) prepayment of ₹24,000 to the JVC towards its future obligations under MSA. The JVC has been adjusting the prepayment of ₹24,000 towards undisputed dues and amounts falling due after subsequent dispute.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Additionally, the payment obligations of the said customer are secured through a share pledge agreement whereby, subject to terms of agreement, the JVC has a primary pledge over 190,657,769 shares in the JVC's company, out of those issued to the promoter of the said customer.

In addition, the JVC will have a secondary pledge, subject to terms and conditions agreed between the parties, over the above promoter's remaining shares in the JVC and the corporate guarantee by such promoter which can get triggered in certain situations and events in the manner agreed between the parties upto a maximum of ₹42,500. Pursuant to such security and the guarantees by the promoter group of such customer, uncertainty in regard to recovery of trade receivables for the next one year has been mitigated. Basis the security package, the JVC has recognised contractual exit charges as and when it gets due.

However, the loss of the significant customer or the failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the JVC.

m) The Company, after considering its current business plans, likely adoption of lower income tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019, future projections and timing of taxable income, has reassessed the carrying amounts of its deferred tax balances, including the Minimum Alternate Tax (MAT) credit available.

Simultaneously, the Company has opted for 'Vivad se Vishwas Scheme 2020', an income tax amnesty scheme to settle tax related litigations / disputes. The Company has decided to settle its disputes pertaining to assessment year 2010-11 till assessment year 2016-17.

The Income Tax Authorities on July 21, 2020, have approved the Company's application for all the assessment years and all required formalities in relation to this have been duly completed.

As a result of the above, tax expense for the year ended March 31, 2021 includes the impact of reversal of current tax liability relating to earlier years of ₹1,312, and net deferred tax charge of ₹68,442 (including provision against MAT credit of ₹48,081) aggregating to ₹67,130 (refer note 31).

n) During the year ended March 31, 2021, Bharti International Singapore Pte. Limited, a wholly owned subsidiary of the Company, pursuant to an agreement with NTT Docomo Inc. has bought entire 6.31% shareholding of NTT Docomo, Inc. in Robi Axiata Limited, an associate of the Company, for a consideration of USD 12 million (₹907). Consequently, the Group's shareholding in Robi Axiata Limited has increased to 31.31%. Subsequently, Robi Axiata Limited has listed its shares on Bangladesh stock exchange by way of IPO and issued additional 10% shares. This resulted in dilution of Group's shareholding in Robi Axiata Limited from 31.3% to 28.18%.

o) On March 18, 2021, the Group entered into an agreement, under which The Rise Fund, the global impact investing platform of leading alternative investment firm TPG, will invest USD 200 Mn (₹14,677) in Airtel Mobile Commerce BV ("AMC BV"), a subsidiary of the Group, by way of purchase of a portion of AMC BV's shareholding from the Group. The transaction will close in two stages i.e. upon receipt of USD 150 Mn (₹11,008) at first close and USD 50 Mn (₹3,669) at second close based on closing conditions defined in sale agreements. On respective closings, the Group will record transaction with NCI in equity. Further, under the terms of the transaction, and in very limited circumstances, TPG would have the option, so as to provide liquidity to them, to sell its shares in AMC BV to Airtel Africa or its affiliates at fair market value subject to a minimum and maximum payable amount. As of March 31, 2021, there are no accounting implications under this transaction.

p) On March 31, 2021, the Group entered into an agreement under which Mastercard, will invest USD 100 Mn (₹7,339) in Airtel Mobile Commerce B.V. ('AMC BV'), a subsidiary of the Group, by way of purchase of a portion of AMC BV's shareholding from the Group. The transaction will close in two stages i.e. upon receipt of USD 75 Mn (₹5,504) at first close and USD 25 Mn (₹1,835) at second close based on closing conditions defined in sale agreements. On respective closings, the Group will record transaction with NCI in equity. Further, under the terms of the transaction, and in very limited circumstances, Mastercard would have the option, so as to provide liquidity to them, to sell its shares in AMC BV to Airtel Africa or its affiliates at fair market value subject to a minimum and maximum payable amount. As of March 31, 2021, there are no accounting implications under this transaction.

q) On March 23, 2021, the Group signed two separate agreements to sell its telecommunications tower companies in Madagascar and Malawi at an aggregate consideration of USD 108 Mn (₹7,926) to Helios Towers plc under a sale and leaseback arrangement. The completion of the sale of the tower company holding 494 towers in Madagascar is considered highly probable and is only subject to conditions that are usual and customary. Consequently, the Group has classified the assets and liabilities of the Madagascar tower company as held for sale as of March 31, 2021.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The completion of sale of tower company holding 735 towers in Malawi in addition to certain customary conditions, is also subject to a non-customary condition which is beyond Group's control. As of March 31, 2021, the Group cannot ascertain the likelihood of this condition as being highly probable and hence has not classified the assets of Malawian tower company as held for sale.

On the same date, the Group also entered into exclusive Memorandum of Understanding agreements with Helios for the potential sale of its tower assets in Chad and Gabon, however since no binding sale agreement has been signed between the parties, the assets are not considered as held for sale as of March 31, 2021.

On February 22, 2021, the Group signed an agreement to sell 162 towers in Rwanda to IHS Rwanda Ltd under a sale and lease back arrangement. As at March 31, 2021, the sale of such tower assets are subject only to usual and customary conditions and the sale is highly probable within the next 12 months. Consequently, the Group has classified such assets and related liabilities as held for sale.

For disclosures on the Madagascar and Rwanda assets held for sale, please refer note 38.

r) During the year ended March 31, 2020, Network i2i Limited (a wholly owned subsidiary of the Company) on October 15, 2019 had 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 had 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 constituted 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 by the Company and Network i2i Limited until such cumulative interest remains unpaid. Both the securities had been classified as equity instruments. Subsequently, during the year ended March 31, 2021, Network i2i Limited has made a distribution of USD 56 Mn (₹4,144) as interest for the period of October 15, 2019 to October 15, 2020 to the holders of these securities, out of which USD 5 Mn (₹368) (constituting the accrued interest collected from holders of additional securities for the period of October 15, 2019 to February 18, 2020) has been debited to its equity and remaining amount of USD 51 Mn (₹3,776) has been debited to its retained earnings as distribution to the security holders.

s) During the year ended March 31, 2020, the Company had 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).

t) During the year ended March 31, 2020, the Group had given effect to the merger of consumer mobile businesses of Tata Teleservices Limited ('TTSL') 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 Act). 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 had been completed and as a consequence of the Court Judgement, the incremental liabilities of TTSL / TTML pertaining to AGR as per the estimates available had 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, TTSL / 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 Telecom Disputes Settlement and Appellate Tribunal ('TDSAT') orders directing the operationalisation of the spectrum and taking all consequent actions, and based on the final approval by Tribunal and ROC believes that the required approvals were in place for the Scheme to be effective. Accordingly, the said merger was accounted in accordance with Ind AS 103, 'Business Combinations'. Consequently, the excess of net assets over purchase consideration, amounting to ₹13,174 had been recognised as Capital reserve, a component of equity. While the merger was completed in the books of the Group, the same had also been taken on record by the DoT on February 6, 2020.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The summarised aggregated financial information of TTSL and TTML is as follows:

| | |
|---|---|
| **A. Consideration paid*** | 338 |
| **B. Net assets acquired** | |
| **Non-current assets** | |
| 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 |
| **Current assets** | |
| Indemnification assets | 48,092 |
| Others# | 9,206 |
| **Total Assets (a)** | **137,299** |
| **Non-current liabilities** | |
| Borrowings | 3,859 |
| **Current liabilities** | |
| Borrowings | 45,680 |
| Provisions^ | 43,085 |
| Others$ | 31,163 |
| **Total Liabilities (b)** | **123,787** |
| **Net assets acquired (a-b)** | **13,512** |

*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 TTSL / TTML and are pending to be transferred in the name of Company.

u) Certain Group entities had 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 had recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby and the related impact was 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 had 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 had resulted as an exceptional charge of ₹4,195 in statement of profit and loss and a charge of ₹856 in the equity for the year ended March 31, 2020.

v) During the year ended March 31, 2020, pursuant to the closure of rights issue on May 17, 2019, the Company had 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.

w) During the year ended March 31, 2020, Airtel Africa plc., a subsidiary of the Company, had listed on the London Stock Exchange and Nigeria Stock Exchange by issuing approximately 676 Mn equity shares at 80 pence and 363 Nigerian Naira per share respectively. Due to the transaction, the shareholding of the Group in Airtel Africa plc. reduced to approximately 56%.

x) 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 had 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 had listed on Malawi Stock Exchange on February 24, 2020. Accordingly, with effect from the date of such transfer, the Group had recognised a NCI equivalent to 20% of the net assets of Airtel Malawi. The excess of carrying value over consideration received from NCI amounting to USD 20 Mn (₹1,493), had been recognised in the 'transaction with NCI reserve', within equity.

y) Pursuant to Telecom Regulatory Authority of India's tariff order in relation to broadcasting services, Bharti Telemedia Limited, one of the Company's subsidiary, had 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 had reassessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, the Group had 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 had implemented second amendment to the tariff order effective from March 1, 2020 and Bharti Telemedia Limited had implemented the same to the extent is applicable and is in control of Bharti Telemedia Limited, as a distributor.

On March 31, 2021, Ministry of Information and Broadcasting (MIB) has granted provisional license for providing DTH services to Bharti Telemedia w.e.f. April 1, 2021. As per the amended guidelines, amongst other conditions, the validity of license which will be issued subsequently, would be 20 years and the License fee (LF) prescribed is @ 8% of AGR, calculated by excluding GST from gross revenue and the LF is to be paid on quarterly basis to MIB.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

z) 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') 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 had been completed and as a consequence of the Court Judgement, during the year ended March 31, 2020, the incremental liabilities of ₹29,522 of Telenor pertaining to AGR as per the estimates available had been recorded in the books of the Company with a corresponding indemnity asset (included in Other current financial assets) of ₹29,522 for the same. As the said incremental liabilities pertained to the period before the acquisition, Telenor reserves its rights as available to them under law to take appropriate action vis-à-vis the authorities.

# 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, 2021 and March 31, 2020:

| | Leasehold improvement | Building | Land | Plant and equipment | Furniture & fixture | Vehicles | Office equipment | Computer & Servers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | |
| **As of April 1, 2019** | **9,839** | **10,032** | **3,388** | **1,665,199** | **3,148** | **2,211** | **8,074** | **82,812** | **1,784,703** |
| 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) | (635) | (17,388) |
| Exchange differences | 190 | (14) | 91 | 1,760 | (65) | 215 | (0) | 1,852 | 4,029 |
| **As of March 31, 2020** | **10,655** | **10,921** | **5,843** | **1,893,843** | **3,832** | **2,173** | **9,130** | **89,935** | **2,026,332** |
| **As of April 1, 2020** | **10,655** | **10,921** | **5,843** | **1,893,843** | **3,832** | **2,173** | **9,130** | **89,935** | **2,026,332** |
| Additions | 235 | 54 | 7 | 220,964 | 1,065 | 4 | 870 | 5,124 | 228,323 |
| Disposals / adjustments | (401) | (11) | (7) | (167,970) | (104) | (77) | (367) | (951) | (169,888) |
| Transferred to assets held for sale^ | - | - | - | (5,740) | - | 0 | - | (3) | (5,743) |
| Exchange differences | (132) | (233) | (0) | (14,381) | (140) | (53) | (184) | (2,489) | (17,612) |
| **As of March 31, 2021** | **10,357** | **10,731** | **5,843** | **1,926,716** | **4,653** | **2,047** | **9,449** | **91,616** | **2,061,412** |
| **Accumulated depreciation** | | | | | | | | | |
| **As of April 1, 2019** | **7,786** | **4,262** | **53** | **890,970** | **2,660** | **2,054** | **5,775** | **72,627** | **986,187** |
| Depreciation# | 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) |
| **As of March 31, 2020** | **8,455** | **4,335** | **0** | **1,044,080** | **2,941** | **1,979** | **6,743** | **80,226** | **1,148,759** |
| **As of April 1, 2020** | **8,455** | **4,335** | **0** | **1,044,080** | **2,941** | **1,979** | **6,743** | **80,226** | **1,148,759** |
| Depreciation# | 417 | 548 | - | 175,581 | 568 | 35 | 1,037 | 5,932 | 184,118 |
| Disposals / adjustments | (320) | (2) | 0 | (114,920) | (48) | (83) | (342) | (811) | (116,526) |
| Transferred to assets held for sale^ | - | - | - | (4,282) | - | (0) | - | (3) | (4,285) |
| Exchange differences | (88) | (82) | - | (6,084) | (44) | (15) | (121) | (2,266) | (8,700) |
| **As of March 31, 2021** | **8,464** | **4,799** | **0** | **1,094,375** | **3,417** | **1,916** | **7,317** | **83,078** | **1,203,366** |
| **Net carrying value** | | | | | | | | | |
| **As of March 31, 2020** | **2,200** | **6,586** | **5,843** | **849,763** | **891** | **194** | **2,387** | **9,709** | **877,573** |
| **As of March 31, 2021** | **1,893** | **5,932** | **5,843** | **832,341** | **1,236** | **131** | **2,132** | **8,538** | **858,046** |

@Refer note 4 (t) & (z)

^Refer note 38.

#It includes ₹8,553 (March 31, 2020 ₹13,591) on account of exceptional item with respect to plant and equipment (refer note 31(i)(d) and (ii)(b)) and ₹437 (March 31, 2020 ₹440) on account of court approved scheme / arrangements.

The Company has capitalised borrowing cost of ₹111 and ₹2,978 during the year ended March 31, 2021 and March 31, 2020 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.71% for year ended March 31, 2021 and 9.35% for year ended March 31, 2020, which is the weighted average interest rate applicable to the Group's general borrowings.

The carrying value of CWIP as at March 31, 2021 and March 31, 2020 is ₹43,665 and ₹39,972 respectively, which mainly pertains to plant and equipment.

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)

### Change in useful life

During the year ended March 31, 2021, the Group has reassessed useful life of certain categories of network assets due to technological advancement 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 ending | | | | Future period till end of life |
|---|---|---|---|---|---|
| | March 31, 2021 | March 31, 2022 | March 31, 2023 | March 31, 2024 | |
| Impact on depreciation charge | 8,345 | (731) | (2,404) | (2,880) | (2,330) |

## 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, 2021 and March 31, 2020:

| | | Other intangible assets | | | |
|---|---|---|---|---|---|
| | Goodwill # | Software | Licenses (including spectrum) | Other acquired intangibles | Total |
| **Gross carrying value** | | | | | |
| **As of April 1, 2019** | **335,199** | **24,047** | **1,043,266** | **10,989** | **1,078,302** |
| 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 |
| **As of March 31, 2020** | **348,829** | **27,586** | **1,081,989** | **12,201** | **1,121,776** |
| **As of April 1, 2020** | **348,829** | **27,586** | **1,081,989** | **12,201** | **1,121,776** |
| Additions | - | 4,208 | 16,161 | - | 20,369 |
| Disposals / adjustments | - | (749) | 4,228 | (105) | 3,374 |
| Transferred to assets held for sale (note 38) | - | - | 14 | - | 14 |
| Exchange differences | (17,128) | (21) | (2,995) | (67) | (3,083) |
| **As of March 31, 2021** | **331,701** | **31,024** | **1,099,397** | **12,029** | **1,142,450** |
| **Accumulated amortisation** | | | | | |
| **As of April 1, 2019** | - | **19,126** | **229,094** | **8,594** | **256,814** |
| Amortisation | - | 3,143 | 61,330 | 1,441 | 65,914 |
| Disposals / adjustments* | - | - | (10,099) | 0 | (10,099) |
| Exchange differences | - | 33 | (786) | 159 | (594) |
| **As of March 31, 2020** | **-** | **22,302** | **279,539** | **10,194** | **312,035** |
| **As of April 1, 2020** | - | **22,302** | **279,539** | **10,194** | **312,035** |
| Amortisation | - | 3,349 | 64,031 | 1,412 | 68,792 |
| Impairment$ | - | - | 367 | - | 367 |
| Disposals / adjustments | - | (669) | 4,090 | (105) | 3,316 |
| Exchange differences | - | (15) | (1,554) | (60) | (1,629) |
| **As of March 31, 2021** | **-** | **24,967** | **346,473** | **11,441** | **382,881** |
| **Net carrying value** | | | | | |
| **As of March 31, 2020** | **346,192** | **5,284** | **802,450** | **2,007** | **809,741** |
| **As of March 31, 2021** | **329,064** | **6,057** | **752,924** | **588** | **759,569** |

#Net carrying value of goodwill includes accumulated impairment of ₹2,637 and ₹2,637 as at March 31, 2021 and March 31, 2020 respectively.

@Refer note 4 (t) & (z).

*Mainly pertains to gross block and accumulated amortisation of license (including spectrum) and software whose useful life has expired.

$Refer note 31(i)(d).

The carrying value of Intangible assets under development as at March 31, 2021 and March 31, 2020 is ₹13,600 and ₹2,851 respectively, which pertains to spectrum and software / IT platform.

During the year ended March 31, 2021 and March 31, 2020 the Group has capitalised borrowing cost of ₹151 and ₹Nil respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation is 6.31% for year ended March 31, 2021 and Nil for year ended March 31, 2020, which is the weighted average interest rate applicable to the Group's specific borrowings.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Weighted average remaining amortisation period of licenses as of March 31, 2021 and March 31, 2020 is 13.10 years and 13.99 years respectively.

For details towards pledge of the above assets refer note 19.2.

### 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 Group of CGUs pertain to Airtel Africa plc. (Airtel Africa) operations.

| | As of March 31, 2021 | | As of March 31, 2020 | |
|---|---|---|---|---|
| Mobile Services Africa – Nigeria | 95,254 | | 103,977 | |
| Mobile Services Africa – East Africa | 133,670 | | 140,535 | |
| Mobile Services Africa – Francophone Africa | 52,544 | | 54,259 | |
| Mobile services – Africa | | 281,468 | | 298,771 |
| Mobile Services – India | | 40,413 | | 40,413 |
| Airtel business | | 6,839 | | 6,664 |
| Homes Services | | 344 | | 344 |
| | | **329,064** | | **346,192** |

The change in its goodwill is on account of foreign exchange differences.

The Group tests goodwill for impairment annually on December 31. The carrying value of Goodwill as of December 31, 2020 was USD 1,349 Mn (₹98,996), USD 1,836 Mn (₹134,735) and USD 730 Mn (₹53,571) for Nigeria, East Africa and Francophone Africa, respectively. 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 the Board. The Group operates in emerging markets which are underpenetrated when compared to developed markets. In such emerging markets, short term plans (for example, five years) are not indicative of the Long term future prospects and performance of the Group. Considering this, the life of the Group's regulatory licenses and network assets, which are at an average of 10 years, and the potential opportunities of the emerging African telecom sector, which is mostly a 2-3 player market with lower smartphone penetration, the Group has adopted a ten-year plan for the purpose of internal forecasts and impairment testing. Accordingly, the Board approved that this planning horizon reflects the assumptions for medium to Long term market developments, appropriately covers market dynamics of emerging markets and better reflects the expected performance in the markets in which the Group operates.

While using the ten-year plan, the Group also considers external market data to support the assumptions used in such plans, which is generally available only for the first five years. Considering the degree of availability of external market data beyond year five, the Group has performed sensitivity analysis to assess the impact on impairment of using a five-year plan. The results of this sensitivity analysis demonstrate that the initial five year plan with appropriate changes including Long term growth rates applied at the end of this period does not result in any impairment and does not impact the headroom by more than 6% in any of the group of CGUs as compared to the headroom using the ten-year plan. In performing this sensitivity, the Group has changed the Long term growth rate for Nigeria from 2.51% to 4.51% while retaining the Long term growth rates for the other group of CGUs. The change in Nigerian Long term growth rate is aligned to the level of penetration and growth opportunities in the Nigerian telecom market towards the expiry of the five-year period and is in line with our view of combined growth over years six to ten and after ten years. Further, the Group is confident that projections for years six to ten are reliable and can demonstrate its ability, based on past experience, to forecast cash flows accurately over a longer period. Accordingly, the Board has approved and the Group continues to follow a consistent policy of using an initial forecast period of ten years for the purpose of impairment testing.

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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Details of impairment testing for the Group are as follows:

## A. Impairment review of goodwill pertaining to Airtel Africa operations

The inputs used in performing the impairment assessment at December 31, 2020 were as follows: -

| Assumptions | Nigeria | East Africa | Francophone Africa |
|---|---|---|---|
| Pre tax discount rate | 22.45% | 14.82% | 14.25% |
| Capital expenditure (1) | 8% - 9% | 6% - 17% | 5% - 10% |
| Long term growth rate | 2.51% | 5.11% | 3.70% |

(1) Capital expenditure is expressed as a percentage of revenue over the plan period.

At December 31, 2020, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs.

The key assumptions in performing the impairment assessment are as follows:

| Assumptions | Basis of assumptions |
|---|---|
| Discount rate | Discount rate reflects the market assessment of the risks specific to the group of CGUs and are estimated based on the weighted average cost of capital for each respective group of CGUs. Following the onset of the COVID-19 outbreak, the Group had 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 a ten year period. At December 31, 2020 this significant market volatility has reduced and management have reverted to using a spot rate. |
| Capital expenditures | The cash flow forecast of capital expenditure are based on experience after considering the capital expenditure equired to meet coverage and capacity requirements relating to voice, data, and mobile money service. |
| 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 internal / external sources of information. |

At December 31, 2020, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs. The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by USD 1,719 Mn (₹126,149) for Nigeria (69%), USD 4,811 Mn (₹353,055) for East Africa (155%) and USD 1,811 Mn (₹132,900) for Francophone Africa (107%). The Group therefore concluded that no impairment was required to the Goodwill held against each groups of CGUs.

### Sensitivity in discount rate and capital expenditure

Management believes that no reasonably possible or foreseeable change in any of the key assumptions would cause the difference between the carrying value and recoverable amount for any cash-generating unit to be materially different from the recoverable value in the base case. The below table, presents the increase in isolation in pre-tax discount rate and capital expenditure which will result in equating the recoverable amount with the carrying amount of the group of CGU's:

| | Nigeria | East Africa | Francophone Africa |
|---|---|---|---|
| Pre tax discount rate | 33.28% | 29.04% | 26.32% |

The table below presents the increase in isolation in capital expenditure as a percentage of revenue which will result in equating the recoverable amount with the carrying amount for each group of CGUs:

| | Nigeria | East Africa | Francophone Africa |
|---|---|---|---|
| Capital expenditure | 6.81% | 13.94% | 9.86% |

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 2020, 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 11.60% for the year ended March 31, 2021 and 13.40% for the year ended March 31, 2020. |
| 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, 2021 and 3.5% for March 31, 2020. |
| 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 ₹618,103 (39.3%) as of December 31, 2020 and ₹787,359 (48.48%) as of December 31, 2019. An increase of 3.04% (December 31, 2019: 4.67%) 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, 2020. 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, 2021 | As of March 31, 2020 |
|---|---|---|
| Joint ventures | 200,883 | 60,781 |
| Associates | 33,463 | 36,027 |
| | **234,346** | **96,808** |

The amounts recognised in the statement of profit and loss are as follows:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Recognised in profit and loss** | | |
| Joint ventures (including discontinued operation)# | 10,540 | 11,069 |
| Associates | (3,633) | (4,545) |
| | **6,907** | **6,524** |
| **Recognised in other comprehensive income** | | |
| Joint ventures (including discontinued operation)# | 7 | (9) |
| Associates | (114) | 24 |
| | **(107)** | **15** |

#refer note 4(b)

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The summarised financial information of joint venture and associate that are material to the Group are as follows:

## Summarised Balance Sheet

| | As of | | | | | |
|---|---|---|---|---|---|---|
| | Joint ventures | | | | Associate | |
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| | Indus Towers Limited (formerly known as Bharti Infratel Limited)#$ | Indus Towers Limited$ | Robi Axiata Limited | | Airtel Payment Bank Limited ('APBL') | |
| **Assets** | | | | | | |
| **Non-current assets** | **353,139** | **278,070** | **153,116** | **139,753** | **1,349** | **2,448** |
| **Current assets** | | | | | | |
| Cash and cash equivalents ('C&CE') | 145 | 1,355 | 3,773 | 2,178 | 1,345 | 423 |
| Other current assets (excluding 'C&CE') | 96,153 | 59,816 | 10,311 | 13,357 | 13,884 | 9,715 |
| **Total current assets** | **96,298** | **61,171** | **14,084** | **15,535** | **15,229** | **10,138** |
| **Liabilities** | | | | | | |
| **Non-current liabilities** | | | | | | |
| Borrowings | 15,051 | 1,667 | 37,107 | 5,215 | - | - |
| Other liabilities | 136,110 | 110,011 | 15,414 | 31,247 | 92 | 86 |
| **Total Non-current liabilities** | **151,161** | **111,678** | **52,521** | **36,462** | **92** | **86** |
| **Current liabilities** | | | | | | |
| Borrowings | 54,652 | 36,254 | 10,164 | 15,511 | - | 470 |
| Other liabilities | 84,854 | 54,838 | 47,135 | 50,061 | 13,208 | 9,229 |
| **Total current liabilities** | **139,506** | **91,092** | **57,299** | **65,572** | **13,208** | **9,699** |
| **Equity** | **158,770** | **136,471** | **57,380** | **53,254** | **3,278*** | **2,801** |
| Percentage of Group's ownership interest | 41.73% | 42.00% | 28.18% | 25.00% | 80.10% | 80.10% |
| Interest in joint venture / associate | 66,250 | 57,318 | 16,170 | 13,313 | 1,176^ | 2,244 |
| Consolidation adjustment (inlcuding goodwill / accounting policy alignment) | 134,525 | 3,355 | 8,577 | 12,336 | 7,128 | 7,766 |
| **Carrying amount of investment** | **200,775** | **60,673** | **24,747** | **25,649** | **8,304** | **10,010** |
| **Quoted market price of investment** | **275,509** | **-** | **56,585** | **-** | **-** | **-** |

* This includes 0.0001% non- cumulative compulsory convertible non-redeemable preference shares amount to ₹13,278.

^ This amount has been derived by applying 80.10% on equity stake and 69.21% on above preference shares.

# w.e.f. November 19, 2020

$ refer note 4(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, 2021 | March 31, 2021^ | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| | Indus Towers Limited (formerly known as Bharti Infratel Limited)#$ | Indus Towers Limited$ | | Robi Axiata Limited | | Airtel Payment Bank Limited | |
| Revenue | 96,060 | 117,366 | 188,281 | 66,486 | 64,557 | 6,217 | 4,698 |
| Depreciation and amortisation | 20,877 | 24,909 | 39,895 | 19,307 | 16,772 | 135 | 115 |
| Finance income | 813 | 356 | 630 | 62 | 70 | 19 | 45 |
| Finance cost | 6,662 | 8,027 | 12,601 | 4,153 | 3,955 | 134 | 90 |
| Income tax expense | 6,248 | 7,007 | 7,047 | 3,331 | 3,973 | - | - |
| **Profit / (loss) for the year** | **19,293** | **20,627** | **32,869** | **1,495** | **511** | **(4,332)** | **(4,638)** |
| OCI / loss for the year | 31 | (17) | (22) | (371) | 74 | (1) | 7 |
| **Total comprehensive income / (loss) for the year** | **19,324** | **20,610** | **32,847** | **1,124** | **585** | **(4,333)** | **(4,631)** |
| Percentage of Group's ownership interest | 41.73% | 42.00% | 42.00% | 28.18% | 25.00% | 80.10% | 80.10% |
| Group's share in profit / (loss) for the year | 7,977 | 8,663 | 13,805 | 438 | 128 | (3,470) | (3,715) |
| Group's share in OCI / (loss) for the year | 14 | (7) | (9) | (113) | 18 | (1) | 6 |
| Consolidation adjustments / accounting policy alignment | (560) | (828) | (654) | - | - | (638) | (969) |
| **Group's share in profit / (loss)** | **7,417** | **7,835** | **13,151** | **438** | **128** | **(4,108)** | **(4,684)** |
| Dividend received | 20,039 | 4,200 | - | - | - | - | - |

#w.e.f. November 19, 2020

$ refer note 4(b)

^The above summarised information on statement of profit and loss pertains to period from April 1, 2020 to November 18, 2020.

The aggregate information of joint ventures that are individually immaterial is as follows:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Carrying amount of investments | 108 | 108 |

| **Group's share in joint ventures** | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Net profit | (4,712) | (2,082) |
| **Total comprehensive income** | **(4,712)** | **(2,082)** |

The aggregate information of associates that are individually immaterial is as follows:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Carrying amount of investments | 412 | 368 |

| **Group's share in associates** | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Net profit | 37 | 11 |
| **Total comprehensive income** | **37** | **11** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Details of joint ventures:**

| Sr. No. | Name of joint ventures# | Principal place of business | Principal activities | Ownership interest % As of March 31, 2021 | Ownership interest % As of March 31, 2020 |
|---|---|---|---|---|---|
| 1 | Indus Towers Limited (formerly known as Bharti Infratel Limited)@ | India | Passive infrastructure services | 41.73 | - |
| 2 | Indus Towers Limited* | India | Passive infrastructure services | - | 22.47 |
| 3 | Bharti Airtel Ghana Holdings B.V.$ | Netherlands | Investment company | 50.00 | 50.00 |
| 4 | Bridge Mobile Pte Limited | Singapore | Provision of regional mobile services | 10.00 | 10.00 |
| 5 | FireFly Networks Limited | India | Telecommunication services | 50.00 | 50.00 |

# Investments in joint ventures are unquoted except investment in Indus Tower Limited (formerly known as Bharti Infratel Limited).

@ w.e.f. November 19, 2020, refer note 4(b). The joint venture has a subsidiary Smartx Services Limited. For details, refer note 42.

* refer note 4(b)

$ 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 42.

**Details of associates:**

| Sr. No. | Name of associates# | Principal place of business | Principal activities | Ownership interest % As of March 31, 2021 | Ownership interest % As of March 31, 2020 |
|---|---|---|---|---|---|
| 1 | Seychelles Cable Systems Company Limited* | Seychelles | Submarine cable system | 14.56 | 14.56 |
| 2 | Robi Axiata Limited** | Bangladesh | Telecommunication services | 28.18 | 25.00 |
| 3 | Seynse Technologies Private Limited | India | Financial services | - | 22.54 |
| 4 | Juggernaut Books Private Limited | India | Digital books publishing services | 17.79 | 17.79 |
| 5 | Airtel Payments Bank Limited | India | Mobile commerce services | 80.10 | 80.10 |

# Investments in associates are unquoted except investment in Robi Axiata Limited. Refer note 4(n)

* Airtel Africa plc, in which the Group has 56.01% equity interest (56.01% as of March 31, 2020), 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 42.

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:

| Sr. No. | Principal activity | Principal place of business | Number of wholly owned subsidiaries As of March 31, 2021 | Number of wholly owned subsidiaries As of March 31, 2020 |
|---|---|---|---|---|
| 1 | Telecommunication services | India | 4 | 3 |
| 2 | Telecommunication services | South Asia | 1 | 1 |
| 3 | Telecommunication services | Others | 6 | 6 |
| 4 | Direct to home services | India | 1 | 0 |
| 5 | Mobile commerce services | Africa | 0 | 1 |
| 6 | Submarine cable | Others | 1 | 0 |
| 7 | Submarine cable | Mauritius | 1 | 1 |
| 8 | Submarine cable | Africa | 1 | 1 |
| 9 | Investment company | Mauritius | 5 | 5 |
| 10 | Investment company | India | 1 | 1 |
| 11 | Others | India | 2 | 2 |
| | | | **23** | **21** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| Sr. No. | Principal activity | Principal place of business | Number of non-wholly owned subsidiaries As of March 31, 2021 | Number of non-wholly owned subsidiaries As of March 31, 2020 |
|---|---|---|---|---|
| 1 | Telecommunication services | India | 1 | 2 |
| 2 | Telecommunication services | Africa | 14 | 14 |
| 3 | Mobile commerce services | Africa | 18 | 15 |
| 4 | Infrastructure services | India | 0 | 1 |
| 5 | Infrastructure services | Africa | 5 | 5 |
| 6 | Direct to home services | India | 0 | 1 |
| 7 | Investment company | Africa | 2 | 2 |
| 8 | Investment company | Mauritius | 5 | 5 |
| 9 | Investment company | Netherlands | 34 | 31 |
| 10 | Investment company | Others | 2 | 2 |
| 11 | Others | India | 1 | 1 |
| 12 | Others | Others | 1 | 0 |
| | | | **83** | **79** |

Additionally, the Group also controls the employee stock option plan trusts as mentioned here below:

| Sr. No. | Name of trust | Principal place of business |
|---|---|---|
| 1 | Bharti Airtel Employees' Welfare Trust | India |
| 2 | The Airtel Africa Employee Benefit Trust | Africa |

The summarised financial information of subsidiaries (including acquisition date fair valuation and adjustments thereto, and accounting policies alignment) having material NCI is as follows:

### Summarised Balance Sheet

| | Indus Tower Limited*$ | Bharti Hexacom Limited | | Airtel Africa Plc.*# | |
|---|---|---|---|---|---|
| **Principle place of business** | India | India | | Africa | |
| | As of March 31, 2020 | As of March 31, 2021 | As of March 31, 2020 | As of March 31, 2021 | As of March 31, 2020 |
| **Assets** | | | | | |
| Non-current assets | 158,946 | 129,840 | 123,947 | 593,527 | 578,466 |
| Current assets | 53,495 | 20,195 | 30,400 | 139,741 | 127,671 |
| **Liabilities** | | | | | |
| Non-current liabilities | 25,959 | 55,288 | 27,946 | 229,068 | 267,707 |
| Current liabilities | 42,102 | 74,887 | 96,201 | 257,123 | 188,789 |
| **Equity** | **144,380** | **19,860** | **30,200** | **247,077** | **249,641** |
| % of ownership interest held by NCI | 46.49% | 30.00% | 30.00% | 43.99% | 43.99% |
| Accumulated NCI | 67,122 | 5,958 | 9,060 | 109,152 | 109,817 |

#Equity includes NCI of ₹(3,770) as of March 31, 2021 and ₹(8,094) as of March 31, 2020 respectively.

### Summarised statement of profit and loss

| | Indus Tower Limited*$ | | Bharti Hexacom Limited | | Airtel Africa Plc.* | |
|---|---|---|---|---|---|---|
| | For the year ended March 31, 2021^ | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Revenue | 42,148 | 66,244 | 47,043 | 38,920 | 288,633 | 242,173 |
| Net profit / (loss)@ | 16,670 | 31,449 | (10,339) | (27,165) | 24,729 | 28,564 |
| Other comprehensive (loss) / income | (8) | (119) | (1) | (2) | (17,972) | 6,569 |
| Total comprehensive income / (loss) | 16,662 | 31,330 | (10,340) | (27,167) | 6,756 | 35,133 |
| Profit / (loss) allocated to NCI | 8,327 | 14,618 | (3,102) | (8,150) | 10,877 | 8,716 |

@net profit / (loss) represents respective entities owner's share.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### Summarised statement of cash flows

| | Indus Tower Limited*$ | | Bharti Hexacom Limited | | Airtel Africa Plc.* | |
|---|---|---|---|---|---|---|
| | For the year ended March 31, 2021^ | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| Net cash inflow / (outflow) from operating activities | 12,868 | 23,151 | 15,172 | (3,159) | 123,700 | 98,311 |
| Net cash inflow / (outflow) from investing activities | 24,049 | (10,122) | (8,825) | (10,756) | (85,848) | (56,439) |
| Net cash (outflow) / inflow from financing activities | (38,021) | (11,854) | (6,042) | 18,642 | (42,771) | (27,564) |
| **Net cash (outflow) / inflow** | **(1,104)** | **1,175** | **305** | **4,727** | **(4,919)** | **14,308** |
| Dividend paid to NCI (including tax) | 5,503 | 14,408 | - | - | 5,586 | 3,533 |

*Based on consolidated financial statements of the entity.

$Formerly known as Bharti Infratel Limited, ceased to exist as a subsidiary w.e.f. November 19, 2020, refer note 4(b).

^The above summarised statement of profit and loss and statement of cash flows pertain to period from April 1, 2020 to November 18, 2020.

## 9. Investments

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Investment at FVTPL** | | |
| Government securities | 2 | 2 |
| Equity instruments | 131 | 2,900 |
| Mutual funds | 101 | 17,002 |
| Preference shares | 143 | 374 |
| | **377** | **20,278** |

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Investment at FVTPL** | | |
| Mutual funds | 40,781 | 134,489 |
| Government securities | - | 2,940 |
| Non-convertible debenture | - | 250 |
| | **40,781** | **137,679** |
| **Aggregate book / market value of quoted investments** | | |
| Non-current | 103 | 17,002 |
| Current | 40,781 | 137,679 |
| **Aggregate book value of unquoted investments** | | |
| Non-current | 274 | 3,276 |
| 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, 2021 | As of March 31, 2020 |
|---|---:|---:|
| **Assets** | | |
| Currency swaps, forward and option contracts | 974 | 2,716 |
| Interest swaps | - | 117 |
| | **974** | **2,833** |
| **Liabilities** | | |
| Currency swaps, forward and option contracts | 1,248 | 600 |
| Interest swaps | 157 | 26 |
| Embedded derivatives | 236 | 234 |
| | **1,641** | **860** |
| Non-current derivative financial assets | 473 | 41 |
| Current derivative financial assets | 501 | 2,792 |
| Non-current derivative financial (liabilities) | (586) | (292) |
| Current derivative financial (liabilities) | (1,055) | (568) |

Refer note 36 for details of the financial risk management of the Group.

## 11. Security deposits

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---:|---:|
| Considered good* | 7,154 | 8,728 |
| Considered doubtful | 1,530 | 1,548 |
| Less: allowance for doubtful deposits | (1,530) | (1,548) |
| | **7,154** | **8,728** |

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, 2021 | As of March 31, 2020 |
|---|---:|---:|
| Indemnification asset* | 12,052 | 14,606 |
| Bank deposits | - | 16 |
| Margin money deposits | 44 | 74 |
| Claims recoverable** | 3,055 | - |
| Others | 624 | - |
| | **15,775** | **14,696** |

*primarily includes indemnification assets pursuant to merger with TTML / TTSL and Telenor (refer note 4(t) and 4(z)).

**claims recoverable majorly include USOF subsidy.

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---:|---:|
| Unbilled revenue (refer note 24) | 14,902 | 19,221 |
| Indemnification assets* | 174,474 | 189,718 |
| Interest accrued on investments / deposits | 102 | 296 |
| Others# | 2,469 | 1,288 |
| | **191,947** | **210,523** |

*primarily includes indemnification assets pursuant to merger with TTML / TTSL and Telenor (refer note 4(t) and 4(z)).

#It includes amounts due from related party (refer note 34).

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)

## 13. Income tax

### The major components of the income tax expense are:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Current income tax (from continuing and discontinued operations)** | | |
| - For the year | 24,873 | 25,400 |
| - Adjustments for prior periods | (554) | (1,662) |
| | **24,319** | **23,738** |
| **Deferred tax (from continuing and discontinued operations)** | | |
| - Origination and reversal of temporary differences | (17,305) | (151,653) |
| - Effect of change in tax rate | 85,369 | 5,090 |
| - Adjustments for prior periods | 73 | 1,002 |
| | **68,137** | **(145,561)** |
| **Income tax expense / (credit)** | **92,456** | **(121,823)** |
| **Tax impact of discontinued operations:** | | |
| Current tax | 3,735 | 5,806 |
| Deferred tax | (604) | (2,505) |
| | **3,131** | **3,301** |

### Consolidated statement of other comprehensive income

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Deferred tax related to items charged or credited to other comprehensive income during the year: | | |
| Tax (charged) / credited on fair value changes of financial assets of FVTOCI | (13) | 13 |
| Net (losses) / gains on net investments hedge | (83) | 2,870 |
| Remeasurement gains / (losses) on defined benefit plans | 42 | (41) |
| **Deferred Tax (charged) / credited recorded in other comprehensive income** | **(54)** | **2,842** |

The reconciliation between the amount computed by applying the statutory income tax rate to the loss before tax and the income tax charge is summarised below:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Loss before tax (from continuing and discontinued operations) | (31,184) | (428,465) |
| Enacted tax rates in India | 25.168% | 34.944% |
| Tax expense @ Company's domestic tax rate 25.168% / 34.944% | (7,849) | (149,723) |
| Effect of: | | |
| Share of profits in associates and joint ventures | (1,728) | (926) |
| Tax holiday | 542 | 516 |
| Adjustment in respect to MAT credit recoverability | - | 12,357 |
| Adjustments in respect of previous years | (481) | (660) |
| Effect of changes in tax rate including MAT | 85,369 | 5,090 |
| Additional taxes / taxes for which no credit is allowed | 690 | 476 |
| Difference in tax rate applicable to group companies | (13,887) | 11,305 |
| Items subject to different tax rate | - | (43) |
| Adjustment in respect of tax amnesty scheme | (20,280) | - |
| Adjustment in respect of recoverability of losses | 36,690 | - |
| (Income) / expense (net) not taxable / deductible | (8,262) | (4,998) |
| Tax on undistributed retained earnings | 2,908 | 8,167 |
| Items for which no deferred tax has been recognised | 16,746 | 2,145 |
| Settlement of various disputes | 766 | 233 |
| Deferred tax recognised on losses and deductible temporary differences pertaining to business combination | - | (2,537) |
| Tax on common control transactions | (9) | (4,037) |
| Others | 1,241 | 812 |
| **Income tax expense / (credit)** | **92,456** | **(121,823)** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The analysis of deferred tax assets and liabilities is as follows:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Deferred tax assets (net)** | | |
| **a) Deferred tax liability due to** | | |
| Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities | (38,973) | (53,717) |
| **b) Deferred tax asset arising out of** | | |
| Allowance for impairment of debtors / advances | 10,625 | 13,504 |
| Carry forward losses | 198,316 | 253,351 |
| Unearned income | 487 | 171 |
| Employee benefits | 1,548 | 1,378 |
| Minimum alternate tax ('MAT') credit | - | 48,081 |
| Claim for variable license fee acquired under amenesty scheme | 9,684 | - |
| Fair valuation of financial instruments and exchange differences | 6,656 | 1,132 |
| Fair valuation of foreign currency convertible debentures | (1,067) | (1,796) |
| Government grant | 1,206 | 965 |
| Rates and taxes | 11,743 | 5,837 |
| Others | 639 | 1,254 |
| | **200,864** | **270,160** |

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Deferred tax liabilities (net)** | | |
| **a) Deferred tax liability due to** | | |
| Revenue equalisation (net) | - | 1,542 |
| Fair valuation of financial instruments and exchange differences | (164) | 699 |
| Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities | 6,436 | 4,215 |
| Undistributed retained earnings | 10,890 | 11,220 |
| Others | (153) | 395 |
| **b) Deferred tax asset arising out of** | | |
| Allowance for impairment of debtors / advances | (490) | (762) |
| Carry forward losses | (291) | (254) |
| Unearned income | 11 | 9 |
| Employee benefits | (132) | (187) |
| | **16,107** | **16,877** |

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Deferred tax expense** | | |
| Allowance for impairment of debtors / advances | (2,739) | 470 |
| Carry forward losses | (50,302) | 161,622 |
| Unearned income | 155 | (272) |
| Employee benefits | 108 | (45) |
| MAT credit reversal | (48,076) | (12,348) |
| Claim for variable license fee acquired under amenesty scheme | 9,684 | - |
| Revenue equalisation (net) | 224 | 1,258 |
| Fair valuation of financial instruments and exchange differences | 2,129 | (4,916) |
| Fair valuation of foreign currency convertible bonds (FCCB) | 729 | 107 |
| Rates and taxes | 5,875 | 4,330 |
| Depreciation / amortisation on PPE / intangible assets / ROU / interest on lease liabilities | 13,276 | 1,872 |
| Government grant | 241 | 965 |
| Undistributed retained earnings | 745 | (7,684) |
| Others | (186) | 202 |
| **Net deferred tax (expense) / income** | **(68,137)** | **145,561** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The movement in deferred tax assets and liabilities during the year is as follows:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening balance** | **253,283** | **78,082** |
| Tax (expense) / income recognised in statement of profit or loss | (68,137) | 145,561 |
| Tax expense recognised in equity on FCCB | - | (1,903) |
| Tax income during the period recognised in equity under Ind AS 116 | - | 13,039 |
| Tax arising on business combination | - | 15,500 |
| Tax (expense) / income recognised in OCI: | | |
| - on net investments hedge | (83) | 2,870 |
| - on fair value changes of financial assets of FVTOCI | (13) | 13 |
| - on fair value through OCI investments | 42 | (41) |
| Exchange differences and others | 90 | (3,875) |
| Tax recognised under common control transaction in equity | - | 4,037 |
| Tax impact in relation to investment | (604) | - |
| Adjustment on account of Indus Infratel Merger | 179 | - |
| **Closing balance** | **184,757** | **253,283** |

In line with accounting policy of the Group, 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 and deferred tax asset (net) has been recognised only to the extent of reasonable certainty of available tax profits in future. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses (including capital losses) of ₹874,530 and ₹636,739 as of March 31, 2021 and March 31, 2020 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, 2021 and March 31, 2020, ₹191,767 and ₹154,605 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Expiry date** | | |
| Within five years | 480,915 | 387,510 |
| Above five years | 201,848 | 94,624 |
| Unlimited | 191,767 | 154,605 |
| | **874,530** | **636,739** |

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 ₹79,800 and ₹86,245 as of March 31, 2021 and March 31, 2020 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, 2021 in the relevant jurisdiction.

### Factors affecting the tax charge in future years

a) 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

b) 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

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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.

c) 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.

## 14. Other assets

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Costs to obtain a contract with the customer (refer note 24) | 17,612 | 6,471 |
| Revenue equalisation | 114 | 3,460 |
| Advances (net)# | 18,570 | 23,737 |
| Capital advances* | 64,378 | 207 |
| Prepaid expenses | 24,316 | 26,063 |
| Taxes recoverable | 14,540 | 13,509 |
| Others** | 930 | 734 |
| | **140,460** | **74,181** |

#Advances (net) represent payments made to various government authorities under protest and are disclosed net of allowance.

* It mainly includes advance given for acquisition of spectrum (refer note 4(f)).

**It mainly includes receivable from minority shareholders on account of issue of shares in one of the subsidiary.

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Costs to obtain a contract with the customer (refer note 24) | 10,992 | 5,788 |
| Taxes recoverable# | 112,445 | 135,665 |
| Advances to suppliers (net)@ | 4,744 | 6,725 |
| Prepaid expenses | 9,088 | 9,635 |
| Deposit with government authorities^ | - | 50,000 |
| Others* | 1,089 | 1,071 |
| | **138,358** | **208,884** |

#Taxes recoverable primarily include goods and service tax and customs duty.

@Advances to suppliers are disclosed net of allowance of ₹3,107 and ₹3,304 as of March 31, 2021 and March 31, 2020 respectively.

^It represents deposits made with DoT towards the AGR matter (refer note 4(c)).

*It includes employee receivables which principally consist of advances given for business purpose.

## 15. Trade receivables

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Trade receivables considered good- unsecured* | 79,901 | 91,986 |
| Less: allowance for doubtful receivables | (43,524) | (45,928) |
| | **36,377** | **46,058** |

*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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening balance** | **45,928** | **37,850** |
| Additions | 3,862 | 5,199 |
| Write off (net of recovery) | (1,763) | (697) |
| Adjustment on account of Indus- Infratel merger | (10,790) | - |
| Exchange differences | 6,287 | 3,576 |
| **Closing balance** | **43,524** | **45,928** |

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, 2021 | As of March 31, 2020 |
|---|---|---|
| Balances with banks | | |
| - On current accounts | 40,064 | 14,286 |
| - Bank deposits with original maturity of 3 months or less | 37,328 | 119,487 |
| Cheques on hand | 68 | 102 |
| Cash on hand | 3,399 | 1,632 |
| | **80,859** | **135,507** |

### Other bank balances

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Balance held under mobile money trust* | 32,278 | 22,330 |
| Earmarked bank balances – unpaid dividend | 13 | 12 |
| Term deposits with bank | 18,845 | 153 |
| Margin money deposits# | 2,666 | 925 |
| | **53,802** | **23,420** |

*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, refer note 12) is as below:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Cash and cash equivalents** | | |
| - Bank deposits with original maturity 3 months or less | 46 | 122 |
| | **46** | **122** |
| **Other bank balance** | | |
| - Term deposits with bank | 56 | 113 |
| | **56** | **113** |
| | **102** | **235** |

For the purpose of statement cash flows, cash and cash equivalents comprise of following:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Cash and cash equivalents as per Balance Sheet | 80,859 | 135,507 |
| Balance held under mobile money trust* | 32,278 | 22,330 |
| Bank overdraft | (22,507) | (27,298) |
| | **90,630** | **130,539** |

*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. Equity Share capital

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Authorised shares** | | |
| 29,555,980,000 (March 31, 2020 - 29,555,980,000) equity shares of ₹5 each | **147,780** | **147,780** |
| **Issued, subscribed and fully paid-up shares** | | |
| 5,492,027,268 (March 31, 2020 - 5,455,557,355) equity shares of ₹5 each | 27,460 | 27,278 |
| | **27,460** | **27,278** |

### a) Reconciliation of the shares outstanding at the beginning and at the end of the year

| | As of March 31, 2021 | | As of March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares ('000') | Amount | No. of shares ('000') | Amount |
| At the beginning of the year | 5,455,557 | 27,278 | 3,997,400 | 19,987 |
| Issued during the year | 36,470 | 182 | 1,458,157 | 7,291 |
| **Outstanding at the end of the year** | **5,492,027** | **27,460** | **5,455,557** | **27,278** |

### b) 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.

### c) Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company

| | As of March 31, 2021 | | As of March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares ('000') | Amount | No. of shares ('000') | Amount |
| **Equity shares of ₹5 each fully paid up** | | | | |
| Bharti Telecom Limited | 1,966,236 | 35.80% | 2,116,236 | 38.79% |
| Pastel Limited | 759,007 | 13.82% | 759,007 | 13.91% |
| Indian Continent Investment Limited | 331,436 | 6.03% | 331,436 | 6.08% |

### d) 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, 2021, 36,469,913 equity shares of ₹5 each were issued on preferential basis to Lion Medow Investment Ltd., an affiliate to Warburg Pincus LLC as partial consideration for acquisition of equity shares of BTL (refer note 4 (d)).
- 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 (t)).
- 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 (z)).

### e) Treasury shares

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares ('000') | Amount | No. of shares ('000') | Amount |
| **Opening balance** | **2,219** | **788** | **1,492** | **554** |
| Purchased during the year | 2,200 | 1,111 | 1,291 | 497 |
| Excercised during the year | (1,087) | (352) | (564) | (263) |
| **Closing balance** | **3,332** | **1,547** | **2,219** | **788** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## f) Dividend

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Declared and paid during the year:** | | |
| Final dividend for 2019-20: ₹2 per share | 10,907 | - |
| Dividend on treasury shares | 4 | - |
| | **10,911** | **-** |
| **Proposed dividend** | | |
| Final dividend for 2020-21: ₹Nil per share (2019-20: ₹2 per share) | - | 10,911 |
| | **-** | **10,911** |

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, remeasurement 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 value over the original book value 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 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.

c) **Debenture redemption reserve:** The Company had created debenture redemption reserve out of the profits in compliance with the erstwhile provisions of the Act, however in view of the exemption granted pursuant to the relevant amendments to the Act, the Company is not required to maintain debenture redemption reserve and accordingly, the amount of debenture redemption reserve created earlier has been transferred to retained earnings.

d) **Capital reserve:** It pertains to capital reserve acquired pursuant to the scheme of arrangement under the 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**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 |
|---|---|---|---|---|---|---|
| **As of April 1, 2019** | **(84,658)** | **62** | **179** | **(554)** | **-** | **(84,971)** |
| Net loss due to foreign currency translation differences | (4,478) | - | - | - | - | (4,478) |
| Net loss on net investment hedge | (7,038) | - | - | - | - | (7,038) |
| Net loss on cash flow hedge | - | (62) | - | - | - | (62) |
| Net loss 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 |
| **As of March 31, 2020** | **(96,174)** | **-** | **125** | **(788)** | **3,542** | **(93,295)** |
| Net loss due to foreign currency translation differences | (6,532) | - | - | - | - | (6,532) |
| Net gain on net investment hedge | 1,170 | - | - | - | - | 1,170 |
| Net loss on fair value through OCI investments | - | - | (156) | - | - | (156) |
| Purchase of treasury shares | - | - | - | (1,111) | - | (1,111) |
| Exercise of share options | - | - | - | 350 | - | 350 |
| **As of March 31, 2021** | **(101,536)** | **-** | **(31)** | **(1,549)** | **3,542** | **(99,574)** |

## 19. Borrowings

**Non-current**

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Term loans | 3,669 | - |
| Vehicle loans* | - | 1 |
| | **3,669** | **1** |
| Less: Current portion (A) | (3,669) | (1) |
| | **-** | **-** |
| **Unsecured** | | |
| Liability component of a foreign currency convertible bonds | 69,132 | 69,856 |
| Term loans# | 127,562 | 222,746 |
| Non-convertible bonds@$ | 309,886 | 259,486 |
| Non-convertible debentures | 31,320 | 32,342 |
| Deferred payment liabilities**^ | 785,393 | 458,892 |
| | **1,323,293** | **1,043,322** |
| Less: Current portion (B) | (107,804) | (98,363) |
| Less: Interest accrued (refer note 20) | (109,886) | (34,167) |
| | **1,105,603** | **910,792** |
| | **1,105,603** | **910,792** |
| **Current maturities of Long term borrowings (A+B)** | **111,473** | **98,364** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Current**

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Bank overdraft | - | 280 |
| | **-** | **280** |
| **Unsecured** | | |
| Term loans | 30,575 | 114,692 |
| Commercial papers | 27,781 | 25,173 |
| Bank overdraft | 22,507 | 27,018 |
| | **80,863** | **166,883** |
| Less: Interest accrued (refer note 20) | (40) | (129) |
| | **80,823** | **167,034** |

*These loans are secured by hypothecation of the vehicles.

#It includes reborrowable term loans of ₹Nil and ₹511 as of March 31, 2021 and March 31, 2020 respectively which have daily prepayment flexibility.

@ Refer note 4(g).

$ It includes impact of fair value hedge refers note 36(1)(ii). During the year ended March 31, 2020, Airtel Africa Plc 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.

^Refer movement of provision towards AGR matter given under note 21.

### 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, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 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 |
| Term loans | 6.5% to 15.0% | Monthly | 3-36 | 1,197 | 1,088 | 1,058 | - |
| | 2.5% to 9.0% | Quarterly | 5-24 | 3,576 | 6,395 | 10,495 | 4,000 |
| | 5.8% to 14.5% | Half yearly | 1-8 | 4,128 | 24,537 | 19,182 | - |
| | 5.8% to 6.2% | Annual | 2-3 | - | 4,250 | 5,250 | - |
| | 1.4% to 13.9% | One time | 1 | 34,696 | 10,729 | 21,173 | - |
| | 8.8% to 8.9% | On demand | 1 | 9,650 | - | - | - |
| Liability component of a foreign currency convertible bond | 1.50% | One time | 1 | - | - | 75,337 | - |
| Non-convertible bonds | 3.3% to 5.4% | One time | 1 | 64,531 | 37,072 | 146,747 | 55,039 |
| Non-convertible debentures | 6.0% to 8.4% | One time | 1 | 15,000 | - | 15,000 | - |
| Deferred payment liabilities for spectrum | 9.3% to 10.0% | Annual | 2-10 | - | - | 35,519 | 397,974 |
| Deferred payment liabilities for adjusted gross revenue** | 8.00% | Annual | 10 | 9,354 | 7,826 | 64,081 | 167,177 |
| Commercial papers | 3.7% to 4.7% | One time | 1 | 28,150 | - | - | - |
| Bank overdraft | 1.1% to 17.5% | On demand | NA | 13,891 | 8,617 | - | - |
| | | | | **184,173** | **100,514** | **393,842** | **624,190** |

*The instalments amount due are equal / equated per se.

**It is expected to change post reclass of accrued interest during FY 2021-22.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | 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% | Quaterly | 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 for spectrum | 9.3% - 10% | Annual | 2-10 | - | - | 6,790 | 426,703 |
| 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** | **264,041** | **503,165** |

*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 | 8.57% | 850,141 | 94,018 | 756,123 |
| USD | 3.95% | 351,810 | 30,127 | 321,683 |
| Euro | 3.31% | 70,062 | 5,531 | 64,531 |
| XAF | 7.67% | 7,174 | - | 7,174 |
| XOF | 7.15% | 4,975 | - | 4,975 |
| Others | 6.02% to 15.89% | 11,687 | 6,152 | 5,535 |
| **March 31, 2021** | | **1,295,849** | **135,828** | **1,160,021** |
| 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 |
| **March 31, 2020** | | **1,173,611** | **290,261** | **883,350** |

### 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:

| Entity | Nature of Loan | Outstanding loan amount | | Security detail |
|---|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 | |
| Bharti Airtel limited | Vehicle Loan | - | 1 | Hypothecation of Vehicles |
| Airtel Networks Limited | Term Loans | 3,669 | - | Pledge of all fixed and floatiing assets |
| Airtel Tanzania plc | Bank Overdraft | - | 280 | Pledge of all fixed and floatiing assets |
| | | **3,669** | **281** | |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**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 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-pasu 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.

## 20. Financial liabilities – others

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Payables against capital expenditure | 4,109 | 6,773 |
| Interest accrued | 70,947 | 25,401 |
| Compulsorily convertible preference shares@ | 6,819 | - |
| Security deposits | 155 | 734 |
| Others* | 39,777 | 34,491 |
| | **121,807** | **67,399** |

@refer note 4(h)

*It includes advance received amounting to ₹34,055 and ₹33,415 as on March 31, 2021 and March 31, 2020 respectively against an agreement to sell certain investment, at a future date and is subject to certain customary closing conditions. Also includes, deferred payment spectrum liabilities recognised in accordance with initial capitalisation of deferred spectrum payments and subsequent capitalisation based on satisfaction of capitalisation criteria.

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Payables against capital expenditure | 101,525 | 122,783 |
| Mobile money wallet balance | 31,674 | 22,302 |
| Interest accrued | 38,979 | 8,613 |
| Payable against business / asset acquisition@ | 4,995 | 4,296 |
| Employees payables | 5,817 | 5,041 |
| Security deposit^ | 3,930 | 3,565 |
| Unpaid / Unclaimed Dividend$ | 256 | 163 |
| Others# | 13,956 | 8,122 |
| | **201,132** | **174,885** |

@ 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.

$No amount is due to be transferred to Investor Education and Protection Fund ('IEPF').

#It includes refund payable to inactive customers, unclaimed liability and liability towards cash settled employee share based payment plans and other statutory dues payable.

## 21. Provisions

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 2,757 | 2,713 |
| Other employee benefit plans | 713 | 549 |
| **Other provision** | | |
| Asset retirement obligations | 1,550 | 4,286 |
| | **5,020** | **7,548** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**Current**

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity | 922 | 987 |
| Other employee benefit plans | 1,064 | 1,454 |
| Other | 615 | - |
| **Other provision** | | |
| Sub-judice matters* | 232,559 | 448,281 |
| | **235,160** | **450,722** |

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, 2021 |
|---|---|
| **Opening balance** | **4,286** |
| Net addition | 87 |
| Interest cost | 151 |
| Adjustment on account of Indus-Infratel merger | (2,974) |
| **Closing balance** | **1,550** |

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(c)):

| | For the year ended March 31, 2021 |
|---|---|
| **Opening balance** | **443,759** |
| Net addition during the year# | 105,686 |
| Adjustment with deposits | (50,000) |
| Reclass to deferred payment liabilities^ | (271,196) |
| **Closing balance** | **228,249** |

#It includes provision of ₹Nil towards AGR pursuant to merger with TTSL / TTML and provision of ₹3,555 towards AGR pertaining to Telenor. The Company has recognised an indemnification asset towards the said provisions (refer note 4(t) and 4(z)).

^includes interest accrued amounting to ₹22,758, refer note 19.

Other sub-judice matters

| | For the year ended March 31, 2021 |
|---|---|
| **Opening balance** | **4,522** |
| Addition during the year | 1,381 |
| Reversal during the year | (130) |
| Utilisation during the year | (1,463) |
| **Closing balance** | **4,310** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 22. Other liabilities

### Non-current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Income received in advance | 1,720 | 2,189 |
| | **1,720** | **2,189** |

### Current

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Taxes payable* | 48,820 | 44,220 |
| Others | 595 | 4,524 |
| | **49,415** | **48,744** |

*Taxes payable mainly pertains to GST and payable towards sub-judice matters related to entry tax and entrainment tax.

## 23. Contingencies and commitments

### (i) Contingent liabilities

Claims against the Company not acknowledged as debt:

| | | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|---|
| (i) | Taxes, duties and other demands (under adjudication / appeal / dispute) | | |
| | - Sales Tax, Service Tax and GST* | 13,994 | 30,075 |
| | - Income Tax | 9,254 | 15,331 |
| | - Customs Duty* | 1,659 | 3,837 |
| | - Entry Tax | 2,937 | 4,315 |
| | - Stamp Duty | 351 | 596 |
| | - Municipal Taxes | 1 | 1,943 |
| | - DoT demands | 55,427 | 52,925 |
| | - Entertainment Tax | 7,733 | 7,826 |
| | - Other miscellaneous demands | 813 | 1,327 |
| (ii) | Claims under legal cases including arbitration matters | | |
| | - Access charges / Port charges* | 299 | 14,393 |
| | - Others | 6,806 | 7,108 |
| | | **99,274** | **139,676** |

*Refer note 31(i)(b)

Further, refer below for note g(i) and (iv) other DoT matter.

In addition to the above, the Group's share of joint ventures and associates contingent liabilities is ₹55,208 and ₹49,849 as of March 31, 2021 and March 31, 2020 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, ITC eligibility. Pending final decisions, the Group has deposited amounts under protest with statutory authorities for certain cases. During the year ended March 31, 2021, the Group has reassessed the position on certain items (treatment of Set Top Box installed at Customer Premises) and accordingly recorded provision for part of the Contingent liabilities.

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, differences in ITC claimed and as available over portal.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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. During the year, the Company has reassessed the existing possible obligations under Vivad Se Viswas scheme and accordingly provided for such amounts.

c) 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. During the year ended March 31, 2021, the Group has reassessed the position and accordingly recorded provision against the same.

Apart from them, there are certain demands related to non-submission of EODC Certificate, valuation of goods imported and levy of anti dumping duty on certain products. These demands are currently pending at Tribunal for disposal.

d) 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.

e) Entertainment tax

The contingent liability for entertainment tax comprise of cases for levying entertainment tax on activation charges and interest on disputed dues.

f) 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 Group 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. During the year ended March 31, 2021, the Group has reassessed the matter and considered the exposure as probable. Refer note 31(i)(b).

(iii) BSNL challenged before TDSAT the port charges reduction contemplated by the regulations issued by TRAI in 2007 which passed its judgement in favour of BSNL. The said judgement 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. During the year ended March 31, 2021, the Group has reassessed the matter and considered the exposure as probable. Refer note 31(i)(b).

g) DoT demands

(i) 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 has 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 judgement dated July 4, 2019, has set aside the DoT order

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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 allotted 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 upto the limit of 6.2 MHz has been set aside. The Hon'ble TDSAT has asked DoT to issue revise 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. The Hon'ble Supreme Court vide order dated August 21, 2020, stayed the TDSAT judgement July 4, 2019 in a case of another telecom service provider. The Supreme Court, vide order dated December 7, 2020, directed status quo to be maintained in case of another telecom service provider. Review Petition has been filed by one of the telecom service provider against the Supreme Court Judgement dated March 16, 2020. The review petition is pending adjudication.

Out of prudence, of the total demands of ₹84,140, the Company had recorded a charge of ₹18,075 for the year ended March 31, 2020 and along with interest thereon of ₹38,345, the aggregate of ₹56,420 was disclosed as an exceptional item (refer note 31(ii)(c)).

(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 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) 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.

(v) 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 Judgement dated April 22, 2010. Thereafter, DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is pending for adjudication.

DoT, vide amendment dated November 13, 2014 to Guidelines for Unified License (UL), incorporated new clause that the existing resources including *inter-alia* Microwave Access and Backbone (MWA and MWB) spectrum, will be reassigned / revalidated to the respective Telecom Service Provider (TSP) under UL, whose licenses have expired / are expiring in future, subject to realisation of charges / fees as applicable in conformity with the extant guidelines / instructions.

Subsequently, DoT notified guidelines October 16, 2015 for allotment of MWA and MWB spectrum for the interim period provisionally pending final decision by the Government, which *inter-alia* requires TSPs to pay MWA and MWB spectrum charges as per circulars dated 2006 & 2008. DoT guidelines of 2015 were challenged by one of the TSPs before TDSAT, wherein TDSAT, vide its judgement dated March 13, 2019, held that 2006 rates are extant rates applicable to TSP, which DoT has the right to charge TSPs from any future date that may be notified. DoT and the said TSP have filed cross appeals before Supreme Court against the TDSAT judgement, wherein the Supreme Court has stayed the TDSAT judgement vide order dated November 8, 2019. The appeals are pending adjudication.

During the year ended March 31, 2021, the Company has applied for reassignment / revalidation of its MWA / MWB carriers and accordingly, an amount of ₹10,175 (including interest and penalty) from the date of migration to UL been recorded as a liability in the financial statements and disclosed as an exceptional item (refer note 31(i)(c)) and an amount of ₹18,644 which pertains to pre-migration to UL is disclosed as contingent liability as on March 31, 2021.

(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 License of the Company expired in March, 2014 and therefore, it had to renew its license under Unified License regime, wherein DoT imposed the condition of levy of license 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 order dated October 13,

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

2015 stayed the payment with respect to Pure Internet Service, subject to submission of undertaking. Meanwhile, in other similar petitions filed by ISP Associations and ISPs, the TDSAT, vide its judgement & orders dated October 18, 2019 (ISPAI Judgement), 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 license fee on the basis of same concept of AGR as is being done in respect of ISPs holding licenses 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 license fee by way of ad-hoc payments as per understating.

TDSAT, following ISPAI judgement, on June 12, 2020 allowed the petition filed by the Company and set aside the demand notices. DoT has filed an appeal against the ISPAI Judgement before the Hon'ble Supreme Court of India. On January 5, 2021, the Hon'ble Supreme Court of India admitted the DoT appeal and also allowed Airtel's intervention application, with direction that DoT shall not be required to refund any amounts pursuant to TDSAT judgement and parties shall be bound by the final directions as may be passed by the Supreme Court. The appeal is pending adjudication.

On March 31, 2021, DoT issued amendment to the ISP Licenses granted under the old regime i.e. under 2002 and 2007 with immediate effect. Amongst others, DoT included the revenue from pure internet services in the AGR for the purposes of license fees (which was earlier allowed as permissible deduction under old regime).

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 judgement and order the matter had now been assessed to be a contingent liability.

Considering the nature of above disputes / litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

**(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 ₹252,257 and ₹87,885 as of March 31, 2021 and March 31, 2020 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is ₹4,389 and ₹3,031 as of March 31, 2021 and March 31, 2020 respectively.

## 24. Revenue from operations

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Service revenue | 1,001,880 | 842,514 |
| Sale of products | 4,278 | 4,251 |
| | **1,006,158** | **846,765** |

# 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:

| | Mobile Services | | Airtel Business | | Homes Services | | Digital TV Services | | Total (Continuing operations) | | Tower Infrastructure Services (Discontinued operation) | | Total (Continuing and discontinued operations) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| **Geographical markets*** | | | | | | | | | | | | | | |
| India | 539,396 | 442,956 | 93,097 | 85,448 | 23,292 | 22,287 | 30,562 | 29,201 | 686,347 | 579,892 | 17,563 | 28,625 | 703,910 | 608,517 |
| South Asia | 4,110 | 4,366 | - | - | - | - | - | - | 4,110 | 4,366 | - | - | 4,110 | 4,366 |
| Africa | 283,738 | 236,975 | - | - | - | - | - | - | 283,738 | 236,975 | - | - | 283,738 | 236,975 |
| Others | - | - | 31,963 | 25,532 | - | - | - | - | 31,963 | 25,532 | - | - | 31,963 | 25,532 |
| | **827,244** | **684,297** | **125,060** | **110,980** | **23,292** | **22,287** | **30,562** | **29,201** | **1,006,158** | **846,765** | **17,563** | **28,625** | **1,023,721** | **875,390** |
| **Major products / Services lines** | | | | | | | | | | | | | | |
| Data and Voice Services | 700,895 | 564,605 | 104,530 | 94,449 | 22,454 | 21,250 | - | - | 827,879 | 680,304 | - | - | 827,879 | 680,304 |
| Setting up, operating and maintaining towers | - | - | - | - | - | - | - | - | - | - | 17,563 | 28,625 | 17,563 | 28,625 |
| Others | 126,349 | 119,692 | 20,530 | 16,531 | 838 | 1,037 | 30,562 | 29,201 | 178,279 | 166,461 | - | - | 178,279 | 166,461 |
| | **827,244** | **684,297** | **125,060** | **110,980** | **23,292** | **22,287** | **30,562** | **29,201** | **1,006,158** | **846,765** | **17,563** | **28,625** | **1,023,721** | **875,390** |
| **Timing of revenue recognition** | | | | | | | | | | | | | | |
| Products and services transferred at a point in time | 3,142 | 3,094 | 2,631 | 2,919 | 169 | 22 | - | - | 5,942 | 6,035 | - | - | 5,942 | 6,035 |
| Products and services transferred over time | 824,102 | 681,203 | 122,429 | 108,061 | 23,123 | 22,265 | 30,562 | 29,201 | 1,000,216 | 840,730 | 17,563 | 28,625 | 1,017,779 | 869,355 |
| | **827,244** | **684,297** | **125,060** | **110,980** | **23,292** | **22,287** | **30,562** | **29,201** | **1,006,158** | **846,765** | **17,563** | **28,625** | **1,023,721** | **875,390** |

*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, 2021 | As of March 31, 2020 |
|---|---|---|
| Unbilled revenue (refer note 12) | 14,902 | 19,221 |
| Deferred revenue | 92,859 | 77,432 |

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

| | For the year ended March 31, 2021 | |
|---|---|---|
| | Unbilled Revenue | Deferred Revenue |
| Revenue recognised that was included in the deferred revenue at the beginning of the year | - | 54,588 |
| Increase due to cash received, excluding amounts recognised as revenue during the year | - | 70,015 |
| Transfers from unbilled revenue recognised at the beginning of the year to receivables | 19,221 | - |

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Costs to obtain a contract with a customer** | | |
| Opening balance | 12,259 | - |
| Costs incurred and deferred | 26,295 | 17,457 |
| Less: Cost amortised | 9,950 | 5,198 |
| **Closing balance** | **28,604** | **12,259** |

## 25. Network operating expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Passive infrastructure charges | 46,724 | 38,542 |
| Power and fuel | 98,538 | 82,094 |
| Repair and maintenance | 49,156 | 46,141 |
| Internet, bandwidth and leased line charges | 13,883 | 11,316 |
| Others* | 11,518 | 18,212 |
| | **219,819** | **196,305** |

*It includes charges towards managed services, installation, insurance and security.

## 26. Employee benefits expense

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Salaries | 34,938 | 29,233 |
| Contribution to provident and other funds | 1,962 | 1,961 |
| Staff welfare expenses | 1,889 | 1,880 |
| Defined benefit plan / other Long term benefits | 1,410 | 1,177 |
| Employee share based payment expense | | |
| - Equity-settled plans | 683 | 321 |
| - Cash-settled plans | 81 | (13) |
| Others* | 183 | 578 |
| | **41,146** | **35,137** |

*It mainly includes recruitment and training expenses.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

### 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) |
|---|---|---|---|
| **Equity settled Plans** | | | |
| 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 |
| Africa Plan | Restricted share awards | 3 | 3 |
| Africa Plan | One-off award | 1-3 | 3 |
| Africa Plan | Performance share awards | 3 | 3 |
| **Cash settled Plans** | | | |
| 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 | 2 |

*upto November 18, 2020, further refer note 4(b).

The stock options vesting is 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 given in the table below:

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Number of share options ('000) | Weighted average exercise price (₹) | Number of share options ('000) | Weighted average exercise price (₹) |
| **2006 Plan** | | | | |
| Outstanding at beginning of year | 30 | 5 | 65 | 5 |
| Granted during the year | 93 | - | 30 | - |
| Exercised | (10) | 5 | (8) | 5 |
| Forfeited / expired | - | - | (57) | - |
| Outstanding at end of year | 113 | - | 30 | - |
| Exercisable at end of year | 20 | - | - | - |
| **Infratel 2008 Plan** | | | | |
| Outstanding at beginning of year | 46 | 110 | 58 | 110 |
| Granted during the year | - | - | - | - |
| Exercised | (21) | 110 | (10) | 110 |
| Forfeited / expired | - | - | (2) | 110 |
| Adjustment on account of Indus Infratel merger (refer note 4 (b)) | (25) | 110 | - | - |
| Outstanding at end of year | - | - | 46 | 110 |
| Exercisable at end of year | - | - | 46 | 110 |
| **LTI Plans** | | | | |
| Outstanding at beginning of year | 3,195 | 5 | 3,412 | 5 |
| Granted during the year | 1,176 | - | 1,682 | - |
| Exercised | (1,077) | 5 | (556) | 5 |
| Forfeited / expired | (246) | 5 | (1,343) | 5 |
| Outstanding at end of year | 3,048 | 5 | 3,195 | 5 |
| Exercisable at end of year | 603 | 5 | 112 | 5 |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Number of share options ('000) | Weighted average exercise price (₹) | Number of share options ('000) | Weighted average exercise price (₹) |
| **Infratel LTI plans** | | | | |
| Outstanding at beginning of year | 334 | 10 | 295 | 10 |
| Granted during the year | - | - | 135 | 10 |
| Exercised | (135) | 10 | (76) | 10 |
| Forfeited / expired | (23) | 10 | (20) | 10 |
| Adjustment on account of Indus Infratel merger (refer note 4 (b)) | (176) | 10 | - | - |
| Outstanding at end of year | - | - | 334 | 10 |
| Exercisable at end of year | - | - | 73 | 10 |
| **Replacement stock awards*** | | | | |
| Outstanding at beginning of year | 674 | - | - | - |
| Converted from performance unit plans | - | - | 674 | - |
| Granted during the year | 23 | - | - | - |
| Exercised | (398) | - | - | - |
| Forfeited / expired | - | - | - | - |
| Outstanding at end of year | 299 | - | 674 | - |
| Exercisable at end of year | - | - | - | - |
| **IPO Awards*** | | | | |
| Outstanding at beginning of year | 755 | - | - | - |
| Converted from performance unit plans | - | - | 755 | - |
| Granted during the year | 28 | - | - | - |
| Exercised | (217) | - | - | - |
| Forfeited / expired | - | - | - | - |
| Outstanding at end of year | 566 | - | 755 | - |
| Exercisable at end of year | - | - | - | - |
| **IPO share options*** | | | | |
| Outstanding at beginning of year | 3,132 | 77 | - | - |
| Converted from performance unit plans | - | - | 3,132 | 77 |
| Granted during the year | - | - | | |
| Exercised | - | - | - | - |
| Forfeited / expired | - | - | - | - |
| Outstanding at end of year | 3,132 | 75 | 3,132 | 77 |
| Exercisable at end of year | 1,044 | 75 | - | - |
| **IPO executive share options*** | | | | |
| Outstanding at beginning of year | 11,881 | 77 | - | - |
| Converted from performance unit plans | - | - | 12,517 | 77 |
| Granted during the year | - | - | - | - |
| Exercised | - | - | - | - |
| Forfeited / expired | (1,287) | - | (636) | - |
| Outstanding at end of year | 10,594 | 75 | 11,881 | 77 |
| Exercisable at end of year | 3,531 | 75 | - | - |
| **Performance Unit Plans*** | | | | |
| Outstanding at beginning of year# | 7 | - | 1,287 | - |
| Granted during the year | - | - | - | - |
| Exercised# | - | - | (423) | - |
| Forfeited / expired# | - | - | (236) | - |
| Converted into shadow stock plan# | - | - | (479) | - |
| Converted into replacement stock awards# | - | - | (142) | - |
| Adjustment on account of Indus-Infratel merger (refer note 4 (b)) | (7) | - | | |
| Outstanding at end of year | - | - | 7 | - |
| Exercisable at end of year | - | - | 7 | - |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Number of share options ('000) | Weighted average exercise price (₹) | Number of share options ('000) | Weighted average exercise price (₹) |
| **Shadow stock plan** | | | | |
| Outstanding at beginning of year | 1,843 | - | - | |
| Converted into shadow stock plan# | - | - | 2,276 | - |
| Granted during the year | 111 | | - | - |
| Exercised | (1,199) | | | |
| Forfeited / expired# | (67) | - | (433) | - |
| Outstanding at end of year | 688 | - | 1,843 | - |
| **Performance share awards** | | | | |
| Outstanding at beginning of year | - | - | - | - |
| Granted during the year | 1,373 | - | - | - |
| Outstanding at the end of the year | 1,373 | - | - | - |
| Exercisable at the end of the year | - | - | - | - |
| **Restricted share awards** | | | | |
| Outstanding at beginning of year | - | - | - | - |
| Granted during the year | 633 | - | - | - |
| Outstanding at the end of the year | 633 | - | - | - |
| Exercisable at the end of the year | - | - | - | - |
| **One-off award** | | | | |
| Outstanding at beginning of year | - | - | - | - |
| Granted during the year | 361 | - | - | - |
| Outstanding at the end of the year | 361 | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

*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.

#Below share options has been converted into shadow stock plan and replacement stock and these plan no longer exist as on March 31, 2021:

| | March 31, 2020 |
|---|---|
| | Number of share options (in '000) |
| **Performance unit plans ('PUP')** | |
| Outstanding at beginning of year | 1,130 |
| Granted | - |
| Exercised | (407) |
| Forfeited / Expired | (102) |
| Converted into shadow stock plan | (479) |
| Converted into replacement stock awards | (142) |
| Outstanding at end of year | - |
| 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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Risk free interest rates | 0.2% to 5.8% | 0.1% to 6.6% |
| Expected life | 36 to 78 months | 1 to 78 months |
| Volatility | 32.7% to 35.6% | 26.6% to 36.4% |
| Dividend yield | 0.4% to 5.4% | 0.7% to 10.0% |

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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The details of weighted average remaining contractual life, weighted average fair value and weighted average share price for the options are as follows:-

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| **Weighted average** | | |
| Remaining contractual life for the options outstanding as of (years) | 0 to 8 | 1 to 9 |
| Fair value for the options granted during the year ended (₹) | 50.54 to 548.7 | 0.0 to 409.7 |
| Share price for the options exercised during the year ended (₹) | 33.33 to 590.2 | 247.6 to 412.4 |

The carrying value of cash settled plans liability is ₹51 and ₹46 as of March 31, 2021 and March 31, 2020 respectively.

### 26.2 Employee benefits

The details of significant employee benefits are as follows:

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Retirement benefits | Compensated absence | Retirement benefits | Compensated absence |
| **Obligation:** | | | | |
| Balance as at beginning of the year | 3,705 | 1,620 | 3,311 | 1,253 |
| Current service cost | 707 | 353 | 392 | 377 |
| Interest cost | 270 | 105 | 268 | 105 |
| Benefits paid | (720) | (239) | (524) | (373) |
| Transfers | (4) | (5) | 16 | 5 |
| Remeasurements | 77 | (24) | 76 | 36 |
| Adjustment on account of Indus-Infratel merger (refer note 4(b)) | (254) | (148) | 50 | 67 |
| Exchange Difference | (96) | (17) | 116 | 150 |
| **Present value of funded obligation** | **3,685** | **1,645** | **3,705** | **1,620** |
| **Assets:** | | | | |
| Balance as at beginning of year | 5 | - | 4 | - |
| Interest income | 1 | - | 1 | - |
| Adjustment on account of Indus-Infratel merger (refer note 4(b)) | - | - | - | - |
| **Fair value of plan assets** | **6** | **-** | **5** | **-** |
| **Liability recognised in the Balance Sheet** | **3,679** | **1,645** | **3,700** | **1,620** |
| **Current portion** | **922** | **1,237** | **987** | **1,294** |
| **Non-current portion** | **2,757** | **408** | **2,713** | **326** |

As at March 31, 2021, expected contributions for defined benefit plans for Indian entities for the next annual reporting period is ₹532.

### Amount recognised in other comprehensive income for the above plans

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Experience loss / (Gain) | 22 | (72) |
| Gain from change in demographic assumptions | (12) | (6) |
| Loss from change in financial assumptions | 67 | 154 |
| **Remeasurements on liability** | **77** | **76** |
| Return on plan assets, excluding interest income | - | - |
| **Remeasurements on plan assets** | **-** | **-** |
| **Net remeasurements recognised in OCI** | **77** | **76** |

The above-mentioned plan assets are entirely represented by funds invested with LIC.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

**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, 2021 | As of March 31, 2020 |
|---|---|---|
| Discount rate | 9.26% | 9.38% |
| Rate of return on plan assets | 3.40% | 3.45% |
| Rate of salary increase | 5.90% | 5.82% |
| Rate of attrition | 7.65%- 26% | 5.57%- 43% |
| Retirement age | 58 to 60 | 58 to 60 |

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, 2021 | As of March 31, 2020 |
|---|---|---|---|
| | | Retirement benefits | Retirement benefits |
| Discount Rate | +1% | (134) | (162) |
| | -1% | 137 | 156 |
| Salary Growth Rate | +1% | 136 | 154 |
| | -1% | (135) | (163) |

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.

The table below summarises the maturity profile and duration of the gratuity liability:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Within one year | 893 | 988 |
| Within one-three years | 1,168 | 973 |
| Within three-five years | 910 | 1,002 |
| above five years | 2,367 | 2,085 |
| | **5,338** | **5,048** |
| Weighted average duration (in years) | 5.35 | 6.24 |

## 27. Sales and marketing expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sales commission and distribution | 23,555 | 18,098 |
| Advertisement and marketing | 9,585 | 10,412 |
| Business promotion | 1,620 | 1,893 |
| Other ancillary expenses | 3,249 | 3,833 |
| | **38,009** | **34,236** |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 28. Depreciation and amortisation expense

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation (including on ROU) | 225,284 | 205,106 |
| Amortisation | 68,760 | 65,838 |
| | **294,044** | **270,944** |

## 29. Other expenses

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Content cost | 9,096 | 8,778 |
| Cost of good sold | 18,175 | 12,958 |
| IT expenses | 5,293 | 5,710 |
| Customer care expenses | 5,558 | 7,120 |
| Legal and professional fees | 3,520 | 3,307 |
| Allowance for doubtful debts | 1,497 | 3,949 |
| Collection and recovery expenses | 1,489 | 1,486 |
| Travelling and conveyance | 1,056 | 2,232 |
| Bad debts written off | 1,740 | 623 |
| Charity and donation | 1,027 | 722 |
| Others# | 10,411 | 10,447 |
| | **58,862** | **57,332** |

#It includes rent, printing and stationary, security, repair and maintenance expenses etc. Further, it includes political contributions amounting to ₹150 and ₹393 made under Section 182 of the Act during the year ended March 31, 2021 and March 31, 2020 respectively.

## 30. Finance costs

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Finance costs** | | |
| Interest expense | 95,757 | 79,438 |
| Interest expense - lease liabilities | 28,517 | 29,417 |
| Net foreign exchange loss | 3,193 | 14,824 |
| Other finance charges# | 23,443 | 17,053 |
| | **150,910** | **140,732** |

#It includes bank charges, trade finance charges, charges relating to derivative instruments and interest charges towards sub-judice matters.

## 31. Exceptional items

Exceptional items comprise of the following:

(i) For the year ended March 31, 2021:

a) charge on account of incremental provision and interest on license fees and spectrum usage charge (SUC) of ₹107,444 as detailed in note 4(c).

b) charge on account of reassessment of contractual / regulatory levies and taxes of ₹32,513.

c) charge on account of royalty charge of MWA and MWB ₹10,175 as detailed in note 23(i)(g)(v)

d) charge on account of reassessment of the useful life of certain categories of network assets due to technological advancements and impairment of intangible assets of ₹8,920.

e) charge of ₹447 pertaining to restructuring cost in one of Group's subsidiary under a one-time right fitting exercise.

f) credit of ₹162 pertaining to settlement of levies of entry tax.

g) net credit on account of settlement with a customer and other charge for related entities ₹192.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

(ii) 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(c).

b) charge of ₹13,757 towards accelerated depreciation on 3G network equipments / operating costs on network refarming and upgradation 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)(i).

d) charge of ₹1,681 on account of license fees and interest based on a recent judgement 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 reassessment of levies based on a recent judgement.

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 reassessment of levies based on ex-parte judgement.

**Tax expense / (credit) include:**

» Net charge of ₹73,502 (including net charge on adoption of 'Vivad se Vishwas Scheme 2020 and reassessment of deferred tax assets as detailed in note 4 (m) and credit of deferred tax asset pertaining to one of the subsidiaries recognised) during the year ended March 31, 2021.

» 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 subsidiary recognised) during the year ended March 31, 2020, relating to above exceptional items.

The net impact for NCI is benefit ₹1,117 and charge of ₹7,032 during the year ended March 31, 2021 and March 31, 2020 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:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Loss attributable to equity shareholders as per statement of profit and loss from continuing operations (A) | (253,652) | (337,426) |
| Profit attributable to equity shareholders as per statement of profit and loss from discontinued operation (B) | 102,817 | 15,594 |
| Weighted average number of equity shares for calculation of basic earning per share (C) (in thousands) | 5,454,335 | 5,075,636 |
| Weighted average number of equity shares for calculation of diluted earning per share (D) (in thousands) | 5,454,335 | 5,075,636 |
| **Loss per share from continuing operations** | | |
| Equity shares of face value ₹5 per share | | |
| 1) Basic (A / C) | (46.50) | (66.48) |
| 2) Diluted (A / D) | (46.50) | (66.48) |
| **Earnings per share from discontinued operation** | | |
| Equity shares of face value ₹5 per share | | |
| 1) Basic (B / C) | 18.85 | 3.07 |
| 2) Diluted (B / D) | 18.85 | 3.07 |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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, 2021 | As of March 31, 2020 |
|---|---|---|
| Weighted average shares outstanding for basic EPS | 5,454,335 | 5,075,636 |
| Effect of dilution due to employee share options | - | - |
| **Weighted average shares outstanding for diluted EPS** | **5,454,335** | **5,075,636** |

The effect of employee share options and foreign currency convertible bonds is anti-dilutive, hence, these have not been included in the calculation of diluted earnings per share.

## 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.

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, 2021 is as follows:

| | Mobile Services India | Mobile Services Africa | Mobile Services South Asia | Airtel Business | Tower Infrastructure Services | Homes Services | Digital TV Services | Others | Unallocated | Eliminations / Adjustments | Total of continuing operations | Discontinued operation: Tower Infrastructure Services (refer note 4(b))# | Total from continuing and discontinued operations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from external customers | 539,396 | 283,738 | 4,110 | 125,060 | - | 23,292 | 30,562 | - | - | - | 1,006,158 | 17,563 | 1,023,721 |
| Inter-segment revenue | 16,281 | 4,895 | 136 | 19,015 | - | 50 | - | 123 | - | (40,500) | - | - | - |
| **Total revenue** | **555,677** | **288,633** | **4,246** | **144,075** | **-** | **23,342** | **30,562** | **123** | **-** | **(40,500)** | **1,006,158** | **17,563** | **1,023,721** |
| Share of results of joint ventures and associates | (6) | 41 | - | - | 7,417 | 9 | - | (8,389) | - | - | (928) | 7,835 | 6,907 |
| Segment results | 33,046 | 82,459 | (1,321) | 39,825 | 7,417 | 5,285 | 11,261 | (8,384) | (1,748) | (1,427) | 166,413 | 18,229 | 184,642 |
| **Less:** | | | | | | | | | | | | | |
| Net finance costs* | | | | | | | | | | | 148,020 | (1,772) | 146,248 |
| Non-operating expense (net) | | | | | | | | | | | 2,953 | - | 2,953 |
| Charity and donation | | | | | | | | | | | 1,177 | 799 | 1,976 |
| Exceptional items (net) (refer note 31) | | | | | | | | | | | 159,145 | - | 159,145 |
| Gain on deemed disposal of subsidiary | | | | | | | | | | | - | (94,496) | (94,496) |
| **Loss before tax** | | | | | | | | | | | **(144,882)** | **113,698** | **(31,184)** |
| **Other segment items** | | | | | | | | | | | | | |
| Capital expenditure | 205,496 | 45,429 | 3,966 | 19,128 | - | 10,995 | 12,843 | - | - | (71) | 297,786 | 4,472 | 302,258 |
| Addition to ROU | 59,643 | 26,672 | 44 | 754 | - | 1,478 | 394 | - | - | - | 88,985 | 4,650 | 93,635 |
| Depreciation and amortisation expense | 209,590 | 50,561 | 1,452 | 15,148 | - | 8,158 | 9,527 | - | 1,119 | (1,511) | 294,044 | 3,046 | 297,090 |
| **As of March 31, 2021** | | | | | | | | | | | | | |
| Segment assets | 2,039,561 | 703,976 | 10,443 | 202,691 | 200,775 | 36,441 | 37,587 | 34,808 | 268,543 | (74,547) | 3,460,278 | - | 3,460,278 |
| Segment liabilities | 899,088 | 219,786 | 4,677 | 148,598 | - | 27,126 | 49,192 | 548 | 1,373,974 | (74,977) | 2,648,012 | - | 2,648,012 |
| Investment in joint ventures and associates (included in segment assets above) | 69 | 312 | - | - | 200,775 | 39 | - | 33,151 | - | - | 234,346 | - | 234,346 |

*This is net of income / gain from dividend, interest, FVTPL investments and derivative financial instruments.

#This is net of eliminations.

# 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:

| | Mobile Services India | Mobile Services Africa | Mobile Services South Asia | Airtel Business | Homes Services | Digital TV Services | Others | Unallocated | Eliminations/ Adjustments | Total of continuing operations | Discontinued operation: Tower Infrastructure Services (refer note 4(b))# | Total from continuing and discontinuing operations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue from external customers | 442,956 | 236,975 | 4,366 | 110,980 | 22,287 | 29,201 | - | - | - | 846,765 | 28,625 | 875,390 |
| Inter-segment revenue | 16,707 | 5,198 | 186 | 21,351 | 164 | 38 | 50 | - | (43,694) | - | - | - |
| **Total revenue** | **459,663** | **242,173** | **4,552** | **132,331** | **22,451** | **29,239** | **50** | **-** | **(43,694)** | **846,765** | **28,625** | **875,390** |
| Share of results of joint ventures and associates | 5 | 13 | - | - | 31 | - | (6,676) | - | - | (6,627) | 13,151 | 6,524 |
| Segment results | (31,379) | 64,488 | (1,055) | 31,889 | 5,191 | 11,394 | (6,629) | (2,975) | (794) | 70,130 | 30,554 | 100,684 |
| **Less:** | | | | | | | | | | | | |
| Net finance costs* | | | | | | | | | | 128,155 | (4,335) | 123,820 |
| Non-operating expense (net) | | | | | | | | | | 1,272 | - | 1,272 |
| Charity and donation | | | | | | | | | | 1,115 | 598 | 1,713 |
| Exceptional items (net) (refer note 31) | | | | | | | | | | 400,892 | 1,452 | 402,344 |
| **Loss before tax** | | | | | | | | | | **(461,304)** | **32,839** | **(428,465)** |
| **Other segment items** | | | | | | | | | | | | |
| Capital expenditure | 108,373 | 45,417 | 1,513 | 26,058 | 5,589 | 10,512 | - | - | - | 197,462 | 8,720 | 206,182 |
| Addition to ROU | 50,106 | 10,980 | 438 | 1,912 | 789 | 410 | - | - | - | 64,635 | 5,626 | 70,261 |
| Depreciation and amortisation expense | 200,926 | 42,786 | 1,485 | 10,774 | 6,147 | 8,565 | - | 1,276 | (1,015) | 270,944 | 5,952 | 276,896 |
| **As of March 31, 2020** | | | | | | | | | | | | |
| Segment assets | 2,108,687 | 675,156 | 8,188 | 200,255 | 42,425 | 39,749 | 36,724 | 441,744 | (109,668) | 3,443,260 | 164,530 | 3,607,790 |
| Segment liabilities | 1,025,832 | 201,937 | 3,943 | 131,256 | 23,355 | 41,224 | 437 | 1,236,696 | (67,526) | 2,597,154 | (10,659) | 2,586,495 |
| Investment in joint ventures and associates (included in segment assets above) | 77 | 264 | - | - | 31 | - | 35,766 | - | - | 36,138 | 60,670 | 96,808 |

*This is net of income / gain from dividend, interest, FVTPL investments and derivative financial instruments.

#This is net of eliminations.

# 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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| India (including discontinued operation) | 703,910 | 608,518 |
| Africa | 283,738 | 236,975 |
| Others | 36,073 | 29,897 |
| | **1,023,721** | **875,390** |

(b) Non-current assets#:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| India (including discountinued operation) | 1,775,879 | 1,773,398 |
| Africa | 558,397 | 541,850 |
| Others | 22,163 | 20,334 |
| | **2,356,439** | **2,335,582** |

*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. 42.

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)

  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)

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

b) *Others*

Bharti Land Limited
Bharti Realty Holdings Limited (merged with Bharti Realty Limited w.e.f. December 4, 2019)
Bharti Realty Limited
Brightstar Telecommunication India Limited
Centum Learning Limited
Centum Work skills India Limited
Deber Technologies Private Limited
Fieldfresh Foods Private Limited
Gourmet Investments Private Limited
Jersey Airtel Limited
Nile Tech Limited (merged with Bharti Realty Limited w.e.f. December 4, 2019)
Oak Infrastructure Developers Limited
Hike Messenger Limited
Indian School of Business
Century Metal Recycling Private Limited
Guernsey Airtel Limited
CA Cloud Investments
The Airtel Africa Employee Benefit Trust
Indus Towers Employee's Welfare Trust (formerly Bharti Infratel Employee's Welfare Trust)

* **'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, and all these transactions are on arm length basis. 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, 2021 and March 31, 2020 respectively, are described below:

### (b) The summary of transactions with the above-mentioned parties is as follows:

| | For the year ended March 31, 2021 | | | | For the year ended March 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| Relationship | Significant influence entities | Associates | Joint ventures | ORP / FC* | Significant influence entities | Associates | Joint ventures | ORP / FC* |
| Purchase of assets | (28) | - | (6) | (664) | (313) | - | - | (1,339) |
| Sale / rendering of services | 885 | 616 | 137 | 994 | 757 | 309 | 88 | 179 |
| Purchase of goods / receiving of services | (748) | (1,331) | (22,541) | (763) | (706) | (2,831) | (15,706) | (821) |
| Reimbursement of energy expenses | - | (266) | (41,829) | (133) | - | - | (33,818) | (1) |
| Purchase of investments | - | (3,310) | (29,288) | - | - | - | - | - |
| Loans taken | - | - | - | (36,000) | - | - | - | - |
| Repayment of loans taken | - | - | - | 26,350 | - | - | - | - |
| Receiving of assets (related to ROU)# | - | - | (18,406) | - | - | - | (16,592) | - |
| Dividend paid | (5,450) | - | - | (9) | - | - | - | - |
| Dividend received | - | - | 24,239 | 0 | - | - | - | - |
| Sale of fixed assets / IRU | - | - | - | - | 241 | - | - | 124 |
| Fund transferred / expenses incurred on behalf of others | - | 230 | 9 | 0 | - | 252 | 8 | 18 |
| Fund received / expenses incurred on behalf of the Company | - | (16) | (0) | (368) | - | (307) | (1) | (515) |
| Security deposit given | - | - | - | - | - | - | - | 33 |
| Loans given | - | - | - | 1,111 | - | - | - | 497 |
| Repayment of loans given | - | - | - | (350) | - | - | - | (262) |
| Interest charged by the Company | - | - | 0 | - | - | - | 0 | - |
| Refund of security deposit given | - | - | (11) | - | - | - | (4,460) | - |
| Interest charged by others | - | - | (72) | (1,992) | - | - | (43) | - |
| Commission paid | - | - | (55) | - | - | - | (93) | - |

*Other related parties / fellow companies.

# Amount disclosed is net of termination.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The significant related party transactions are summarised below:

| | | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| **(i)** | **Purchase of fixed assets** | | |
| | **Other related parties** | | |
| | Brightstar Telecommunication India Limited | (664) | (1,339) |
| **(ii)** | **Rendering of services** | | |
| | **Entities having control over the Company / entities having significant influence over the Company** | | |
| | Singapore Telecommunications Limited | 885 | 687 |
| | **Associates** | | |
| | Airtel Payment bank Limited | 615 | 306 |
| | **Other related parties** | | |
| | Brightstar Telecommunication India Limited | 758 | 11 |
| **(iii)** | **Receiving of services** | | |
| | **Entities having control over the Company / entities having significant influence over the Company** | | |
| | Singapore Telecommunications Limited | (748) | (693) |
| | **Associates** | | |
| | Airtel Payment bank Limited | (1,310) | (2,795) |
| | **Joint venture#** | | |
| | Indus Towers Limited (upto November 18, 2020)$ | (11,954) | (15,579) |
| | Indus Towers Limited (w.e.f. November 19, 2020)$ (formerly known as Bharti Infratel Limited) | (10,482) | - |
| **(iv)** | **Reimbursement of energy expenses paid** | | |
| | **Joint Venture** | | |
| | Indus Towers Limited (upto November 18, 2020)$ | (21,948) | (33,829) |
| | Indus Towers Limited (w.e.f. November 19, 2020)$ (formerly known as Bharti Infratel Limited) | (19,879) | - |
| **(v)** | **Refund of security deposit given** | | |
| | **Joint Venture** | | |
| | Indus Towers Limited (upto November 18, 2020)$ | - | 4,460 |
| **(vi)** | **Repayments of loans given** | | |
| | **Other related parties** | | |
| | Bharti Airtel Employees Welfare Trust | 350 | 262 |
| **(vii)** | **Loans given** | | |
| | **Other related parties** | | |
| | Bharti Airtel Employees Welfare Trust | 1,111 | 497 |
| **(viii)** | **Receiving of assets (ROU)*#** | | |
| | **Joint venture** | | |
| | Indus Towers Limited (upto November 18, 2020)$ | (4,694) | (16,592) |
| | Indus Towers Limited (w.e.f. November 19, 2020)$ (formerly known as Bharti Infratel Limited) | (13,711) | - |
| **(ix)** | **Dividend received** | | |
| | **Joint venture** | | |
| | Indus Towers Limited (upto November 18, 2020)$ | 4,200 | - |
| | Indus Towers Limited (w.e.f. November 19, 2020)$ (formerly known as Bharti Infratel Limited) | 20,039 | - |
| **(x)** | **Dividend paid** | | |
| | **Entities having control over the Company / entities having significant influence over the Company** | | |
| | Bharti Telecom Limited | 3,932 | - |
| | Pastel Limited | 1,518 | - |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **(xi) Investment made** | | |
| **Joint venture** | | |
| Indus Towers Limited (w.e.f. November 19, 2020)$ (formerly known as Bharti Infratel Limited) | 29,288 | |
| **Associate** | | |
| Airtel Payment Bank Limited | 2,403 | 4,406 |
| Robi Axiata Limited | 907 | - |
| **(xii) Loans taken** | | |
| **Entities having control over the Company / entities having significant influence over the Company** | | |
| Bharti Telecom Limited | 36,000 | - |
| **(xiii) Loans repayment** | | |
| **Entities having control over the Company / entities having significant influence over the Company** | | |
| Bharti Telecom Limited | 26,350 | - |
| **(xiv) Interest charged by others** | | |
| **Entities having control over the Company / entities having significant influence over the Company** | | |
| Bharti Telecom Limited | 1,992 | - |

#Amount does not include GST.

*Amount disclosed is net of termination.

$Refer note 4(b).

### (c) The outstanding balances of the above-mentioned related parties are as follows:

| | Significant influence entities | Associates | Joint ventures | ORP / FC* |
|---|---|---|---|---|
| **As of March 31, 2021** | | | | |
| Trade payables | (207) | (119) | (24,618) | (472) |
| Trade receivables | - | 1,036 | 31 | 282 |
| Other financial assets | - | 57 | - | - |
| Loans | - | - | 8 | (8,116) |
| Security deposit | 1 | - | 1,598 | 1,263 |
| Lease liability# | - | - | (133,065) | - |
| Other financial liabilities | - | - | - | (7,000) |
| **As of March 31, 2020** | | | | |
| Trade payables | (57) | (38) | (16,301) | (260) |
| Trade receivables | - | 1,886 | - | 838 |
| Loans | - | - | 8 | - |
| Security deposit | 1 | - | 1,148 | 1,248 |
| Lease liability# | - | - | (98,440) | (7,910) |

*Other related parties / fellow companies.

#It include discounted value of future cash payouts.

(1) Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

(2) The Company has agreed to ensure financial support only if and to extent required by its associate Airtel Payment Bank Limited.

(3) In addition to the above, ₹449 and ₹714 donation has been given to Satya Bharti Foundation and Bharti Foundation during the year ended March 31, 2021 and March 31, 2020 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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Short term employee benefits | 265 | 340 |
| Performance linked incentive ('PLI')# | 152 | 203 |
| Post-employment benefits | 18 | 29 |
| Other Long term benefits | 140 | 18 |
| Other awards | 172 | 86 |
| Share based payment | 206 | 47 |
| | **953** | **723** |

#Value of PLI considered above represents incentive at 100% performance level. However, the same will be paid in the next year on the basis of actual performance parameters. During the year ended March 31, 2021 and March 31, 2020, PLI of ₹209 and ₹205 respectively and one-time special performance incentive of ₹Nil and ₹16 respectively, has been paid.

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, ₹2 and ₹Nil have been paid as dividend to key management personnel during the year ended March 31, 2021 and March 31, 2020 respectively.

## 35. Leases

### 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, 2021 and March 31, 2020:

| | Bandwidth | Plant and equipment | Building | Land | Transponder | Vehicle | Total |
|---|---|---|---|---|---|---|---|
| **Balance 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 | (3,238) | (35,605) | (2,894) | (2,623) | (1,272) | (74) | (45,706) |
| Termination / other adjustments | 422 | (9,484) | (14) | (1,864) | (23) | - | (10,963) |
| Exchange differences | 14 | 1,916 | 250 | - | - | (18) | 2,162 |
| **Balance as of March 31, 2020** | **39,832** | **189,610** | **12,169** | **16,544** | **869** | **25** | **259,049** |
| **Balance as of April 1, 2020** | 39,832 | 189,610 | 12,169 | 16,544 | 869 | 25 | 259,049 |
| Additions | 9,714 | 73,807 | 1,367 | 8,280 | 393 | 74 | 93,635 |
| Net addition due to deemed disposal of subsidiary | 93 | 12,471 | - | - | - | - | 12,564 |
| Transferred to Assets held for sale | - | (380) | - | - | - | - | (380) |
| Depreciation | (4,038) | (42,052) | (3,058) | (3,312) | (682) | (29) | (53,171) |
| Termination / other adjustments | - | (16,886) | (578) | (3,395) | (260) | - | (21,119) |
| Exchange differences | (138) | (2,575) | 255 | (0) | - | (3) | (2,461) |
| **Balance as of March 31, 2021** | **45,463** | **213,995** | **10,155** | **18,117** | **320** | **67** | **288,117** |

@ Refer note 4(t).

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

» **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 and other services.

» **Building**

The Group's leases of building comprise of lease of offices, warehouses and shops.

» **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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest on lease liabilities | 28,517 | 25,662 |
| Expenses relating to short term leases | 986 | 427 |
| Expenses relating to leases of low-value assets, excluding short term leases of low-value assets | 215 | 173 |

### Amounts recognised in statement of cash flows

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Total cash outflow for leases | 64,206 | 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 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, 2021 | As of March 31, 2020 |
|---|---|---|
| Not later than one year | 106,873 | 86,271 |
| Later than one year but not later than five years | 219,673 | 221,900 |
| Later than five years | 104,124 | 98,978 |
| **Total** | **430,670** | **407,149** |

# 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, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Lease income | 15,921 | 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.

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Operating leases under Ind AS 116** | | |
| Less than one year | 2,954 | 17,013 |
| One to two years | 1,914 | 15,636 |
| Two to three years | 685 | 14,813 |
| Three to four years | 550 | 13,130 |
| Four to five years | 339 | 11,241 |
| More than five years | 190 | 22,203 |
| **Total** | **6,632** | **94,036** |

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, 2021 and March 31, 2020 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 ('the BoD') 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.

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 the Parent, 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

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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, 2021 | March 31, 2020 |
|---|---|---|
| Currency exchange risk hedged | - | CHF to USD# |
| Nominal amount of hedging instruments | - | CHF 350 Mn |
| Maturity date | - | March 2020 |
| Weighted average forward price | - | 1 CHF: 1.12 USD |
| Carrying value of derivative instruments (liabilities) | | - |
| Change in fair value during the year | | |
| Hedged item | - | (1,806) |
| Hedging instrument | - | 1,806 |
| CFHR for continuing hedge | - | - |
| Hedging loss recognised during the year | - | - |
| Gain reclassification during the year to P&L | - | 109 |

# During the year ended March 31, 2020, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Company, redeemed CHF 350 Mn (₹26,486) bonds on maturity. Consequently, the cash flow hedges on these bonds have been discontinued.

## b) Net investment hedge

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| 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 1885 Mn | Euro 160 Mn | USD 1883 Mn |
| Maturity date | May 2021 | June 2025 - February 2028 | May 2021 | June 2025 - February 2028 |
| Carrying value of hedging instruments (borrowings) | 13,769 | 138,331 | 13,364 | 142,647 |
| Change in fair value during the year | | | | |
| Hedged item | 837 | (1,205) | (377) | 11,232 |
| Hedging instrument | (837) | 1,205 | 377 | (11,232) |
| FCTR loss for continuing hedge (net of tax and NCI) | (2,410) | (23,945) | (1,941) | (25,067) |
| Hedging loss recognised during the year | (837) | 1,205 | 377 | (11,232) |
| Loss reclassification during the year to P&L under exceptional items | - | - | - | - |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

*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) |
|---|---|---|---|
| **For the year ended March 31, 2021** | | | |
| US Dollar | +5% | (17,106) | (11,521) |
| | -5% | 17,106 | 11,521 |
| Euro | +5% | (2,548) | (699) |
| | -5% | 2,548 | 699 |
| Others | +5% | (80) | - |
| | -5% | 80 | - |
| **For the year ended March 31, 2020** | | | |
| 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 | - |

The sensitivity disclosed in the above table is mainly attributable to, in case of to 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 underlying 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The following table analyses the financial impact of fair value hedge and details thereto.

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Interest rate risk covered for currency | USD | USD |
| Nominal amount of Hedging instruments | - | USD 2200 Mn# |
| Maturity date | - | - |
| Carrying value of hedging instruments (derivative assets) | - | - |
| Carrying value of hedging instruments (derivative liabilities) | - | - |
| Carrying value of hedged item (borrowings) | - | - |
| Change in fair value during the year | | |
| Hedged item | - | (5,752) |
| Hedging instrument | - | 5,759 |
| Hedge ineffectiveness recognised in other income / cost during the year | - | 8 |
| Cumulative change in fair value of hedged item | | - |
| Unamortised portion of fair value hedge adjustment | (4,123) | (4,484) |

#During the year ended March 31, 2020, the derivatives designated for fair value hedges has been cancelled.

### 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 |
|---|---|---|
| **For the year ended March 31, 2021** | | |
| INR – borrowings | +100 | (940) |
| | -100 | 940 |
| USD – borrowings | +25 | (75) |
| | -25 | 75 |
| Other currency – borrowings | +100 | (117) |
| | -100 | 117 |
| **For the year ended March 31, 2020** | | |
| INR – borrowings | +100 | (2,166) |
| | -100 | 2,166 |
| USD – borrowings | +25 | (161) |
| | -25 | 161 |
| Other currency – borrowings | +100 | (56) |
| | -100 | 56 |

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 underlying 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 tenure 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 mark to market value of the investments by ₹Nil and ₹44 as on March 31, 2021 and March 31, 2020 respectively.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## (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.

### 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:

| | Neither past due nor impaired | Past due but not impaired | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 30 days | 30 to 60 days | 60 to 90 days | Above 90 days | |
| March 31, 2021 | 9,139 | 12,657 | 4,902 | 4,201 | 5,478 | 36,377 |
| March 31, 2020 | 11,891 | 16,860 | 7,128 | 6,402 | 3,777 | 46,058 |

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 of (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-of, 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, counter-parties 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.

Moreover, the GSM regularly monitors the rolling forecasts of the entities' liquidity reserve (comprising of the amount of available undrawn 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 undrawn 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

Based on past performance and current expectations, the Group believes that the cash and cash equivalents, cash generated from operations and available undrawn 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, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | On Demand | Less than 6 months | 6 to 12 months | 1 to 2 years | > 2 years | Total |
| Interest bearing borrowings*# | 1,407,825 | 13,873 | 155,762 | 75,943 | 247,050 | 1,627,895 | 2,120,523 |
| Lease liabilities* | 329,953 | - | 60,994 | 45,879 | 70,562 | 253,235 | 430,670 |
| Other financial liabilities#^ | 206,194 | 43,454 | 116,223 | 3,027 | 38,556 | 9,226 | 210,486 |
| Trade payables | 278,721 | - | 278,721 | - | - | - | 278,721 |
| **Financial liabilities (excluding derivatives)** | **2,222,693** | **57,327** | **611,700** | **124,849** | **356,168** | **1,890,356** | **3,040,400** |
| Derivative liabilities | 1,460 | - | 938 | 117 | 249 | 156 | 1,460 |

| | 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*# | 1,210,204 | 20,406 | 161,520 | 115,322 | 168,813 | 1,263,802 | 1,729,863 |
| Lease liabilities* | 306,091 | - | 36,827 | 49,520 | 74,869 | 246,008 | 407,224 |
| Other financial liabilities# | 208,270 | 29,238 | 99,798 | 37,460 | 39,553 | 2,872 | 208,921 |
| Trade payables | 243,668 | - | 243,668 | - | - | - | 243,668 |
| **Financial liabilities (excluding derivatives)** | **1,968,233** | **49,644** | **541,813** | **202,302** | **283,235** | **1,512,682** | **2,589,676** |
| Derivative liabilities | 860 | - | 319 | 239 | - | 302 | 860 |

*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 has been included in interest bearing borrowings and excluded from other financial liabilities.

^Compulsorily convertible preference shares are 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, 2020 | Cash flows | Non-cash movements: Interest expense | Foreign exchange | Fair value changes | FCTR | Others | March 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|
| Borrowings* | Proceeds / repayments of borrowings (including short term) | 715,399 | (118,162) | - | (184) | (440) | (6,777) | 3,623 | 593,459 |
| Interest accrued / derivative instruments | Interest and other finance charges paid | 6,901 | (61,335) | 131,084 | 220 | 2,819 | 1,225 | 4,115 | 85,029 |

*It does not include deferred payment liabilities and bank overdraft.

## 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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The Group monitors capital using a gearing ratio calculated as below:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| Borrowings | 1,297,899 | 1,176,190 |
| Less: cash and cash equivalents | 80,859 | 135,507 |
| Less: term deposits with bank | 18,845 | 153 |
| **Net debt (A)** | **1,198,195** | **1,040,530** |
| Equity | 589,527 | 771,448 |
| **Total capital** | **589,527** | **771,448** |
| **Capital and net debt (B)** | **1,787,722** | **1,811,978** |
| **Gearing ratio (A / B)** | **67.0%** | **57.4%** |

## 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, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| **Financial assets** | | | | | |
| **Fair value through profit and loss** | | | | | |
| Derivatives | | | | | |
| - Forward and option contracts | Level 2 | 926 | 2,716 | 926 | 2,716 |
| - Interest swaps | Level 2 | - | 117 | - | 117 |
| - Cross currency swap | Level 3 | 48 | - | 48 | - |
| Investments - quoted | Level 1 | 40,884 | 154,682 | 40,884 | 154,682 |
| Investments - unquoted | Level 2 | 274 | 3,275 | 274 | 3,275 |
| **Amortised cost** | | | | | |
| Security deposits | | 7,154 | 8,728 | 7,154 | 8,728 |
| Trade receivables | | 36,377 | 46,058 | 36,377 | 46,058 |
| Cash and cash equivalents | | 80,859 | 135,507 | 80,859 | 135,507 |
| Other bank balances | | 53,802 | 23,420 | 53,802 | 23,420 |
| Other financial assets | | 207,722 | 225,219 | 207,722 | 225,219 |
| | | **428,046** | **599,722** | **428,046** | **599,722** |
| **Financial liabilities** | | | | | |
| **Fair value through profit and loss** | | | | | |
| Derivatives | | | | | |
| - Currency swaps, forward and option contracts | Level 2 | 999 | 600 | 999 | 600 |
| - Interest rate swaps / others | Level 2 | 157 | 26 | 157 | 26 |
| - Cross currency swap | Level 3 | 249 | - | 249 | - |
| - Embedded derivatives | Level 2 | 236 | 234 | 236 | 234 |
| **Amortised cost** | | | | | |
| Borrowings – fixed rate | Level 1 | 417,229 | 333,510 | 435,206 | 325,204 |
| Borrowings – fixed rate | Level 2 | 704,277 | 468,397 | 754,776 | 541,211 |
| Borrowings – fixed rate | | 20,893 | 56,886 | 20,893 | 56,886 |
| Borrowings – floating rate | | 155,500 | 317,397 | 155,500 | 317,397 |
| Trade payables | | 278,721 | 243,668 | 278,721 | 243,668 |
| Other financial liabilities | | 322,939 | 242,284 | 322,939 | 242,284 |
| | | **1,901,200** | **1,663,002** | **1,969,676** | **1,727,510** |

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.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

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, 2021 and March 31, 2020, 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, 2021 and March 31, 2020:

| 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 |
| - Embedded derivatives | Forward currency exchange rates, Interest rates |
| Investments | Prevailing interest rates in market, future cashflows |
| Fixed rate borrowings | Prevailing interest rates in market, future payouts |

### 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, 2021(1) | For the year ended March 31, 2020(2) |
|---|---|---|
| **Opening balance** | **-** | **9,139** |
| Issuance: recognised in finance costs / other income | - | - |
| Increase in fair value (net): recognised in finance costs / other income | 201 | 31,979 |
| Payment | - | (41,118) |
| **Closing balance** | **201** | **-** |

(1) The Group during the year has entered into a Cross Currency Swap (CCS) in one of its subsidiaries, which has been accounted for as FVTPL. The fair value of CCS has been estimated based on the contractual terms of the CCS and parameters such as interest rates, foreign exchange rates etc. Since, the data from any observable markets in respect of interest rates is not available, the interest rates are considered to be significant unobservable inputs to the valuation of this CCS.

(2) As part of issue of equity shares to global investors, the Group had committed indemnities pertaining to acquisition of NCI 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 categorised within level 3.

## 38. Assets and Liabilities held for sale

As described under Note 4(q), assets and liabilities of disposal Groups held for sale at March 31, 2021 relate to our telecommunication tower subsidiary in Madagascar (part of Francophone Africa segment) and 162 towers and related liabilities in Rwanda (part of East Africa segment). The disposals do not meet the definition of a discontinued operation per Ind AS 105.

For these disposals, the Group has agreed a selling price with the prospective purchaser which is used as the fair value for the impairment test and the same is classified as Level 3 on the fair value hierarchy. The disposals are expected to result in profits and therefore no impairment has been recognised on classification as held for sale.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

The disposal Groups were stated at their carrying value and comprised the following assets and liabilities:

| | As of March 31, 2021 | As of March 31, 2020 |
|---|---|---|
| **Assets of disposal group classified as held for sale** | | |
| Property, plant and equipment | 1,428 | - |
| Capital work-in-progress | 2 | - |
| Right of use assets | 380 | - |
| Other intangible assets | 14 | - |
| Income tax assets | 3 | - |
| Deferred tax assets | 177 | - |
| Trade receivables | 25 | - |
| Cash and cash equivalents | 46 | - |
| Loans and security deposits | 3 | - |
| Other current assets | 166 | - |
| | **2,244** | **-** |
| **Liabilities of disposal group classified as held for sale** | | |
| Lease liabilities | 549 | - |
| Provisions | 101 | - |
| Deferred tax liabilities | 65 | - |
| Trade payables | 128 | - |
| Other current liabilities | 536 | - |
| | **1,379** | **-** |

The cumulative other comprehensive loss relating to the disposal Group classified as held for sale is ₹321 (USD 4 Mn).

## 39. COVID-19

To tackle the COVID-19 pandemic which has resulted in phased lock downs with restrictions imposed on movement of people and goods for a prolonged period, the Government is taking necessary steps including rolling out of vaccination to minimise the impact on the economy, and continuous monitoring of the evolving situation.

Telecommunications, Internet, Broadcast and Cable Services have been mentioned as an "Essential" service as per the relevant 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.

For the year ended March 31, 2021, the Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Group has noted excess demand as most of the industries have resorted to conducting their operations remotely, and hence the Group believes that the carrying amount of these assets will be recovered.

The Group has updated the foregoing assessment as at March 31, 2021 and there is no material impact on the consolidated financial statements for the year ended March 31, 2021.

## 40. Other matters

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. The Company therefore has filed appeal against the said order with division bench and the appeal is currently pending adjudication. DoT had also filed an appeal against the single judge order. Both these appeals are tagged together and are listed for final hearing.

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 41. Events after the reporting period

No subsequent events or transactions have occurred since the date of Balance Sheet or are pending that would have material effect on the financial statements as at and for the year ended March 31, 2021 except as disclosed below:

a) On April 6, 2021, the Company has entered into an agreement with Reliance Jio Infocomm Limited ("Jio") to transfer the "Right to Use" of the Company's 800 MHz spectrum in Andhra Pradesh (3.75 MHz), Delhi (1.25 MHz) and Mumbai (2.5 MHz) to Jio. Pursuant to this agreement, the Company will receive a consideration of ₹10,380 from Jio for the proposed transfer and Jio will assume future liabilities of ₹4,592 relating to the spectrum. The agreement is subject to requisite statutory approvals.

b) On April 20, 2021, the Group has entered into inaugural multi-bank Long term facility amounting to USD 500 Mn (₹36,692).

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

## 42. Additional information as required under Schedule III of the Act

### Table 1 – Details pertaining to share in net assets, profit or loss and total comprehensive income

| Name of the entity / Principal activities | % of shareholding as at March 31, 2021 and 2020 (Refer note 1 and 2) | Principal place of operation / country of incorporation | March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 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 N A | Amount | As % of consolidated P&L | Amount | As % of TCI | Amount |
| **Parent** | | | | | | | | |
| **Telecommunication services** | | | | | | | | |
| 1 Bharti Airtel Limited | 100.00% | India | 95.24% | 773,601 | 167.05% | (251,976) | 161.02% | (251,974) |
| **Subsidiaries** | | | | | | | | |
| **A. Indian** | | | | | | | | |
| **Telecommunication services** | | | | | | | | |
| 1 Bharti Hexacom Limited | 70.00% | India | 2.44% | 19,859 | 6.86% | (10,340) | 6.61% | (10,341) |
| 2 Nxtra Data Limited | 100.00% | India | 0.35% | 2,842 | -1.19% | 1,788 | -1.14% | 1,785 |
| 3 SmarTx Services Limited (upto November 18, 2020) | 53.51% | India | 0.00% | - | 0.03% | (39) | 0.02% | (39) |
| 4 Telesonic Networks Limited | 100.00% | India | 0.97% | 7,873 | -1.97% | 2,977 | -1.90% | 2,973 |
| 5 Airtel Digital Limited (formerly known as Wynk Limited) | 100.00% | India | -0.29% | (2,381) | 1.51% | (2,274) | 1.45% | (2,276) |
| 6 Airtel Limited (Incorporated w.e.f. March 16, 2021) | 100.00% | India | 0.00% | - | 0.00% | - | 0.00% | - |
| **Direct To Home services** | | | | | | | | |
| 1 Bharti Telemedia Limited | 100%(i) | India | -0.61% | (4,961) | -1.75% | 2,644 | -1.69% | 2,641 |
| **Infrastructure sharing services** | | | | | | | | |
| 1 Indus Towers Limited (Formerly known as Bharti Infratel Limited) (upto November 18, 2020) | 53.51% | India | 0.00% | - | -7.09% | 10,701 | -6.83% | 10,691 |
| **Investment Company** | | | | | | | | |
| 1 Nettle Infrastructure Investments Limited | 100.00% | India | -2.31% | (18,729) | -7.44% | 11,228 | -29.57% | 46,277 |
| **Other** | | | | | | | | |
| 1 Bharti Airtel Services Limited | 100.00% | India | 0.06% | 497 | -0.35% | 527 | -0.34% | 530 |
| 2 Airtel International LLP | 100.00% | India | 0.01% | 87 | -0.01% | 15 | -0.01% | 15 |
| **Uplinking channels for broadcasters** | | | | | | | | |
| 1 Indo Teleports Limited | 100.00% | India | -0.09% | (694) | 0.01% | (22) | 0.01% | (22) |
| **B. Foreign** | | | | | | | | |
| **Infrastructure sharing services** | | | | | | | | |
| 1 Congo RDC Towers S.A. | 100.00% | Democratic Republic of Congo | -0.08% | (686) | 0.02% | (32) | 0.02% | (32) |
| 2 Gabon Towers S.A. # | 100%(ii) | Gabon | 0.00% | (2) | 0.00% | - | 0.00% | - |
| 3 Madagascar Towers S.A. | 100.00% | Madagascar | 0.11% | 885 | -0.07% | 108 | -0.07% | 108 |
| 4 Malawi Towers Limited | 100.00% | Malawi | -0.03% | (271) | -0.03% | 45 | -0.03% | 45 |
| 5 Tanzania Towers Limited # | 51.00% | Tanzania | 0.00% | (35) | 0.00% | (1) | 0.00% | (1) |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | Name of the entity / Principal activities | % of shareholding as at March 31, 2021 and 2020 (Refer note 1 and 2) | Principal place of operation / country of incorporation | March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 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 N A | Amount | As % of consolidated P&L | Amount | As % of TCI | Amount |
| | **Investment Company** | | | | | | | | |
| 1 | Africa Towers N.V. (Liquidated w.e.f. December 31, 2020) | 100.00% | Netherlands | 0.00% | - | -0.46% | 691 | -0.44% | 691 |
| 2 | Airtel Mobile Commerce B.V. | 100.00% | Netherlands | 0.36% | 2,938 | -2.08% | 3,136 | -2.00% | 3,136 |
| 3 | Airtel Mobile Commerce Holdings B.V. | 100.00% | Netherlands | 0.00% | 10 | 0.00% | 7 | 0.00% | 7 |
| 4 | Airtel Africa Mauritius Limited | 100.00% | Mauritius | 14.65% | 118,985 | -4.33% | 6,535 | -4.18% | 6,535 |
| 5 | Airtel Africa Plc | 56.01% | United Kingdom | 37.36% | 303,462 | 0.31% | (466) | 0.30% | (466) |
| 6 | Airtel Mobile Commerce Nigeria B.V. | 100.00% | Netherlands | 0.00% | 1 | 0.00% | 1 | 0.00% | 1 |
| 7 | Airtel Mobile Commerce (Seychelles) B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 8 | Airtel Mobile Commerce Congo B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 9 | Airtel Mobile Commerce Kenya B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 10 | Airtel Mobile Commerce Madagascar B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 11 | Airtel Mobile Commerce Malawi B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 12 | Airtel Mobile Commerce Rwanda B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 13 | Airtel Mobile Commerce Tchad B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 14 | Airtel Mobile Commerce Uganda B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 15 | Airtel Mobile Commerce Zambia B.V. | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 16 | Bharti Airtel Africa B.V. | 100.00% | Netherlands | 11.15% | 90,545 | 12.68% | (19,124) | 12.22% | (19,124) |
| 17 | Bharti Airtel Chad Holdings B.V. | 100.00% | Netherlands | -0.06% | (524) | 0.00% | 2 | 0.00% | 2 |
| 18 | Bharti Airtel Congo Holdings B.V. | 100.00% | Netherlands | 0.53% | 4,311 | 0.29% | (435) | 0.28% | (435) |
| 19 | Bharti Airtel Developers Forum Limited | 96.36% | Zambia | 0.00% | - | 0.00% | - | 0.00% | - |
| 20 | Bharti Airtel Holding (Mauritius) Limited | 100.00% | Mauritius | 1.43% | 11,633 | 0.00% | (1) | 0.00% | (1) |
| 21 | Bharti Airtel Overseas (Mauritius) Limited | 100.00% | Mauritius | 0.96% | 7,812 | 0.00% | (1) | 0.00% | (1) |
| 22 | Bharti Airtel Gabon Holdings B.V. | 100.00% | Netherlands | 1.15% | 9,311 | 0.00% | 2 | 0.00% | 2 |
| 23 | Bharti Airtel International (Mauritius) Limited | 100.00% | Mauritius | 2.31% | 18,792 | -0.18% | 266 | -0.17% | 266 |
| 24 | Bharti Airtel International (Netherlands) B.V. | 100.00% | Netherlands | 26.56% | 215,758 | 8.79% | (13,262) | 8.48% | (13,262) |
| 25 | Bharti Airtel Kenya B.V. | 100.00% | Netherlands | -3.47% | (28,186) | 1.11% | (1,668) | 1.07% | (1,668) |
| 26 | Bharti Airtel Kenya Holdings B.V. | 100.00% | Netherlands | -0.41% | (3,365) | 0.06% | (96) | 0.06% | (96) |
| 27 | Bharti Airtel Madagascar Holdings B.V. | 100.00% | Netherlands | -0.54% | (4,373) | -0.08% | 126 | -0.08% | 126 |
| 28 | Bharti Airtel Malawi Holdings B.V. | 100.00% | Netherlands | 0.63% | 5,084 | -0.65% | 985 | -0.63% | 985 |
| 29 | Bharti Airtel Mali Holdings B.V. | 100.00% | Netherlands | 0.00% | (21) | 0.01% | (16) | 0.01% | (16) |
| 30 | Bharti Airtel Niger Holdings B.V. | 100.00% | Netherlands | 1.92% | 15,570 | -0.15% | 219 | -0.14% | 219 |
| 31 | Bharti Airtel Nigeria B.V. | 100.00% | Netherlands | -11.62% | (94,380) | 2.56% | (3,865) | 2.47% | (3,865) |
| 32 | Bharti Airtel Nigeria Holdings II B.V. | 100.00% | Netherlands | -0.01% | (121) | 0.00% | - | 0.00% | - |
| 33 | Bharti Airtel RDC Holdings B.V. | 100.00% | Netherlands | 0.03% | 213 | -0.89% | 1,348 | -0.86% | 1,348 |
| 34 | Bharti Airtel Rwanda Holdings Limited | 100.00% | Mauritius | 0.00% | (24) | 0.00% | - | 0.00% | - |
| 35 | Bharti Airtel Services B.V. | 100.00% | Netherlands | 0.04% | 344 | 0.00% | (6) | 0.00% | (6) |
| 36 | Bharti Airtel Tanzania B.V. | 100.00% | Netherlands | -0.46% | (3,753) | -0.44% | 667 | -0.43% | 667 |
| 37 | Bharti Airtel Uganda Holdings B.V. | 100.00% | Netherlands | 1.00% | 8,126 | -5.29% | 7,977 | -5.10% | 7,977 |
| 38 | Bharti Airtel Zambia Holdings B.V. | 100.00% | Netherlands | 1.45% | 11,761 | 0.00% | - | 0.00% | - |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| | Name of the entity / Principal activities | % of shareholding as at March 31, 2021 and 2020 (Refer note 1 and 2) | Principal place of operation / country of incorporation | March 31, 2021 Net Assets ('N A'), i.e. total assets minus total liabilities: As % of consolidated N A | Net Assets: Amount | Share in profit or loss ('P&L'): As % of consolidated P&L | Share in P&L: Amount | Share in total comprehensive income ('TCI'): As % of TCI | Share in TCI: Amount |
|---|---|---|---|---|---|---|---|---|---|
| 39 | Celtel (Mauritius) Holdings Limited | 100.00% | Mauritius | 0.35% | 2,862 | 0.00% | (2) | 0.00% | (2) |
| 40 | Channel Sea Management Company (Mauritius) Limited | 100.00% | Mauritius | 0.00% | 34 | 0.00% | (1) | 0.00% | (1) |
| 41 | Indian Ocean Telecom Limited | 100.00% | Jersey | 0.21% | 1,689 | -0.04% | 62 | -0.04% | 62 |
| 42 | Montana International | 100.00% | Mauritius | 0.00% | (17) | 0.00% | - | 0.00% | - |
| 43 | Partnership Investments Sarl | 100.00% | Democratic Republic of Congo | 0.00% | - | 0.00% | - | 0.00% | - |
| 44 | Société Malgache de Téléphone Cellulaire S.A. | 100.00% | Mauritius | 0.01% | 115 | 0.00% | (1) | 0.00% | (1) |
| 45 | Bharti Airtel International (Mauritius) Investments Limited | 100.00% | Mauritius | 0.00% | (0) | 0.00% | (1) | 0.00% | (1) |
| 46 | Airtel Mobile Commerce DRC B.V. (incorporated on April 9, 2020) | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 47 | Airtel Mobile Commerce Gabon B.V. (incorporated on April 9, 2020) | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 48 | Airtel Mobile Commerce Niger B.V. (incorporated on April 9, 2020) | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| 49 | Airtel Digital Services Holdings B.V. (incorporated on November 12, 2020) | 100.00% | Netherlands | 0.00% | - | 0.00% | - | 0.00% | - |
| **Mobile commerce services** | | | | | | | | | |
| 1 | Airtel Mobile Commerce (Kenya) Limited | 100.00% | Kenya | 0.00% | - | 0.00% | - | 0.00% | - |
| 2 | Airtel Mobile Commerce (Seychelles) Limited | 100.00% | Seychelles | 0.00% | (23) | 0.00% | 2 | 0.00% | 2 |
| 3 | Airtel Mobile Commerce (Tanzania) Limited | 100.00% | Tanzania | 0.00% | - | 0.00% | - | 0.00% | - |
| 4 | Airtel Mobile Commerce (Malawi) Limited | 100.00% | Malawi | 0.19% | 1,572 | -0.59% | 889 | -0.57% | 889 |
| 5 | Airtel Mobile Commerce Madagascar S.A. | 100.00% | Madagascar | 0.04% | 314 | -0.08% | 115 | -0.07% | 115 |
| 6 | Airtel Mobile Commerce (Rwanda) Limited | 100.00% | Rwanda | 0.00% | 15 | 0.00% | - | 0.00% | - |
| 7 | Airtel Mobile Commerce Tchad S.A (formerly known as Airtel Mobile Commerce Tchad S.a.r.l.) | 100.00% | Chad | 0.01% | 59 | 0.00% | (7) | 0.00% | (7) |
| 8 | Airtel Mobile Commerce Uganda Limited | 100.00% | Uganda | 0.02% | 200 | 0.00% | - | 0.00% | - |
| 9 | Airtel Mobile Commerce Zambia Limited | 100.00% | Zambia | 0.11% | 874 | -0.84% | 1,267 | -0.81% | 1,267 |
| 10 | Airtel Money (RDC) S.A. | 98.50% | Democratic Republic of Congo | 0.35% | 2,822 | -0.72% | 1,091 | -0.70% | 1,091 |
| 11 | Airtel Money Niger S.A. | 90.00% | Niger | 0.04% | 324 | -0.08% | 119 | -0.08% | 119 |
| 12 | Airtel Money S.A. (Gabon) | 100.00% | Gabon | 0.07% | 536 | -0.79% | 1,198 | -0.77% | 1,198 |
| 13 | Airtel Money Transfer Limited | 100.00% | Kenya | 0.00% | 26 | 0.00% | - | 0.00% | - |
| 14 | Mobile Commerce Congo S.A. | 100.00% | Congo Brazzaville | 0.01% | 60 | 0.00% | (6) | 0.00% | (6) |
| 15 | Airtel Money Tanzania Limited | 51.00% | Tanzania | 0.06% | 469 | -1.20% | 1,816 | -1.16% | 1,816 |
| 16 | Airtel Mobile Commerce (Nigeria) Limited | 91.74% | Nigeria | 0.00% | - | 0.00% | - | 0.00% | - |
| 17 | Airtel Money Kenya Limited (incorporated on June 29, 2020) | 100.00% | Kenya | 0.00% | 3 | 0.00% | - | 0.00% | - |
| **Submarine Cable System** | | | | | | | | | |
| 1 | Network i2i Limited | 100.00% | Mauritius | 27.40% | 222,533 | -4.84% | 7,300 | -4.67% | 7,300 |
| 2 | Network I2I (Kenya) Limited | 100.00% | Kenya | 0.00% | (0) | 0.00% | (0) | 0.00% | (0) |
| **Management Service** | | | | | | | | | |
| 1 | Network i2i (UK) Limited (incorporated w.e.f. May 19, 2020) | 100.00% | United Kingdom | 0.00% | 14 | -0.01% | 14 | -0.01% | 14 |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| Name of the entity / Principal activities | % of shareholding as at March 31, 2021 and 2020 (Refer note 1 and 2) | Principal place of operation / country of incorporation | March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 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 N A | Amount | As % of consolidated P&L | Amount | As % of TCI | Amount |
| **Telecommunication services** | | | | | | | | |
| 1 Airtel (Seychelles) Limited | 100.00% | Seychelles | -0.01% | (88) | 0.22% | (338) | 0.22% | (338) |
| 2 Airtel Congo (RDC) S.A. | 98.50% | Democratic Republic of Congo | -6.03% | (48,942) | -2.85% | 4,299 | -2.75% | 4,299 |
| 3 Airtel Congo S.A. | 90.00% | Congo Brazzaville | -0.28% | (2,255) | 0.24% | (366) | 0.23% | (366) |
| 4 Airtel Gabon S.A. | 100%(iii) | Gabon | -0.57% | (4,643) | -0.54% | 814 | -0.52% | 814 |
| 5 Airtel Madagascar S.A. | 100.00% | Madagascar | -1.30% | (10,591) | 0.93% | (1,402) | 0.90% | (1,402) |
| 6 Airtel Malawi Plc | 80.00% | Malawi | 0.37% | 2,966 | -1.49% | 2,243 | -1.43% | 2,243 |
| 7 Airtel Networks Kenya Limited @ | 100.00% | Kenya | -3.89% | (31,594) | 1.30% | (1,964) | 1.26% | (1,964) |
| 8 Airtel Networks Limited | 91.74% | Nigeria | 6.29% | 51,058 | -17.36% | 26,180 | -16.73% | 26,180 |
| 9 Airtel Rwanda Limited | 100.00% | Rwanda | -2.79% | (22,627) | 2.26% | (3,415) | 2.18% | (3,415) |
| 10 Airtel Tanzania plc | 51.00% | Tanzania | -3.15% | (25,546) | -4.11% | 6,196 | -3.96% | 6,196 |
| 11 Airtel Tchad S.A. | 100.00% | Chad | -0.67% | (5,406) | -0.50% | 757 | -0.48% | 757 |
| 12 Airtel Uganda Limited | 100.00% | Uganda | 0.28% | 2,268 | -5.96% | 8,983 | -5.74% | 8,983 |
| 13 Bharti Airtel (France) SAS | 100.00% | France | 0.13% | 1,044 | -0.15% | 231 | -0.15% | 231 |
| 14 Bharti Airtel (Hong Kong) Limited | 100.00% | Hong Kong | 0.04% | 327 | 0.02% | (36) | 0.02% | (36) |
| 15 Bharti Airtel (Japan) Private Limited | 100.00% | Japan | 0.00% | 7 | 0.00% | (2) | 0.00% | (2) |
| 16 Bharti Airtel (UK) Limited | 100.00% | United Kingdom | 0.07% | 557 | 0.50% | (762) | 0.49% | (762) |
| 17 Bharti Airtel (USA) Limited | 100.00% | United States of America | 0.10% | 841 | 0.06% | (94) | 0.06% | (94) |
| 18 Bharti Airtel Lanka (Private) Limited | 100.00% | Sri Lanka | -0.55% | (4,473) | 1.50% | (2,258) | 1.44% | (2,258) |
| 19 Bharti International (Singapore) Pte. Ltd. | 100.00% | Singapore | 1.77% | 14,389 | -0.63% | 953 | -0.61% | 953 |
| 20 Celtel Niger S.A. | 90.00% | Niger | -0.29% | (2,344) | -0.58% | 869 | -0.56% | 869 |
| 21 Airtel Networks Zambia Plc | 96.36% | Zambia | -0.23% | (1,843) | 0.04% | (59) | 0.04% | (59) |
| **Support Service** | | | | | | | | |
| 1 Airtel Africa Services (UK) Limited (incorporated on November 2, 2020) | 100.00% | United Kingdom | 0.00% | - | 0.00% | - | 0.00% | - |
| **Minority Interests in all subsidiaries** | | | 27.42% | 222,739 | 18.03% | (27,195) | 10.45% | (16,348) |
| **Associates (Investment as per the equity method)** | | | | | | | | |
| **A. Indian** | | | | | | | | |
| **Financial Services** | | | | | | | | |
| 1 Seynse Technologies Private Limited | 0.00% | India | 0.00% | - | 0.00% | - | 0.00% | - |
| **Mobile commerce services** | | | | | | | | |
| 1 Airtel Payments Bank Limited | 80.10% | India | 1.02% | 8,304 | 2.72% | (4,108) | 2.63% | (4,109) |
| **Others** | | | | | | | | |
| 1 Juggernaut Books Private Limited | 17.79% | India | 0.01% | 102 | 0.00% | (5) | 0.00% | (5) |
| **B. Foreign** | | | | | | | | |
| **Submarine cable system** | | | | | | | | |
| 1 Seychelles Cable Systems Company Limited | 26.00% | Seychelles | 0.04% | 312 | -0.03% | 41 | -0.03% | 41 |

# Notes to Consolidated Financial Statements

(All amounts are in millions of Indian Rupee; unless stated otherwise)

| Name of the entity / Principal activities | % of shareholding as at March 31, 2021 and 2020 (Refer note 1 and 2) | Principal place of operation / country of incorporation | March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | 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 N A | Amount | As % of consolidated P&L | Amount | As % of TCI | Amount |
| **Telecommunication services** | | | | | | | | |
| 1 Robi Axiata Limited | 28.18% | Bangladesh | 3.05% | 24,747 | -0.29% | 439 | -0.21% | 326 |
| 2 RedDot Digital Limited | 28.18% | Bangladesh | 0.00% | - | 0.00% | - | 0.00% | - |
| **Joint Ventures (Investment as per the equity method)** | | | | | | | | |
| **A. Indian** | | | | | | | | |
| **Passive infrastructure services** | | | | | | | | |
| 1 Indus Towers Limited (upto November 18, 2020) | 22.47% | India | 0.00% | - | -5.19% | 7,835 | -5.00% | 7,828 |
| 2 Indus Towers Limited (Formerly known as Bharti Infratel Limited) (w.e.f. November 19, 2020) | 41.73% | India | 24.72% | 200,775 | -4.92% | 7,417 | -4.75% | 7,431 |
| **Telecommunication services** | | | | | | | | |
| 1 FireFly Networks Limited | 50.00% | India | 0.00% | 39 | -0.01% | 9 | -0.01% | 9 |
| **B. Foreign** | | | | | | | | |
| **Provision of regional mobile services** | | | | | | | | |
| 1 Bridge Mobile Pte Limited | 10.00% | Singapore | 0.01% | 69 | 0.00% | (6) | 0.00% | (6) |
| **Investment company** | | | | | | | | |
| 1 Bharti Airtel Ghana Holdings B.V. | 50.00% | Netherlands | 0.00% | 0 | 3.13% | (4,715) | 3.01% | (4,715) |
| Inter-company eliminations / adjustments on consolidation | | | -155.15% | (1,260,201) | -44.02% | 66,398 | -9.57% | 14,980 |
| **Total** | | | **100%** | **812,266** | **100%** | **(150,835)** | **100%** | **(156,482)** |

# 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

| Name of the entity | % of shareholding as at March 31, 2021 and 2020 (Refer note 1 and 2) | Principal place of operation / country of incorporation | March 31, 2021 Share in other comprehensive income ('OCI') | |
|---|---|---|---|---|
| | | | As % of OCI | Amount |
| **Parent** | | | | |
| **Telecommunication services** | | | | |
| 1 Bharti Airtel Limited | 100.00% | India | -0.04% | 2 |
| **Subsidiaries** | | | | |
| **Indian** | | | | |
| **Telecommunication services** | | | | |
| 1 Bharti Hexacom Limited | 70.00% | India | 0.02% | (1) |
| 2 Nxtra Data Limited | 100.00% | India | 0.05% | (3) |
| 3 Telesonic Networks Limited | 100.00% | India | 0.07% | (4) |
| 4 Airtel Digital Limited (formerly known as Wynk Limited) | 100.00% | India | 0.04% | (2) |
| **Direct To Home services** | | | | |
| 1 Bharti Telemedia Limited | 100%(i) | India | 0.05% | (3) |
| **Infrastructure sharing services** | | | | |
| 1 Indus Towers Limited (Formerly known as Bharti Infratel Limited) (upto November 18, 2020) | 53.51% | India | 0.18% | (10) |
| **Investment Company** | | | | |
| 1 Nettle Infrastructure Investments Limited | 100.00% | India | -620.71% | 35,049 |
| **Other** | | | | |
| 1 Bharti Airtel Services Limited | 100.00% | India | -0.05% | 3 |
| **Foreign** | | | | |
| **Telecommunication services** | | | | |
| 1 Bharti Airtel Lanka (Private) Limited | 100.00% | Sri Lanka | 0.00% | - |
| **Minority Interests in all subsidiaries** | | | -192.10% | 10,847 |
| **Associates (Investment as per the equity method)** | | | | |
| **A. Foreign** | | | | |
| **Telecommunication services** | | | | |
| 1 Robi Axiata Limited | 28.18% | Bangladesh | 1.99% | (113) |
| **Mobile commerce services** | | | | |
| 1 Airtel Payments Bank Limited | 80.10% | India | 0.02% | (1) |
| **Joint Ventures (Investment as per the equity method)** | | | | |
| **A. Indian** | | | | |
| **Passive infrastructure services** | | | | |
| 1 Indus Towers Limited (upto November 18, 2020) | 22.47% | India | 0.12% | (7) |
| 2 Indus Towers Limited (Formerly known as Bharti Infratel Limited) (w.e.f. November 19, 2020) | 41.73% | India | -0.25% | 14 |
| Inter-company eliminations / adjustments on consolidation | | | 910.61% | (51,418) |
| **Total** | | | **100%** | **(5,647)** |

**Notes:**

**1. Changes in shareholding during the year ended March 31, 2021:**

i) The Company has increased its shareholding to 100% (80% in March 31, 2020) during the year ended March 31, 2021.

ii) The Company has increased its shareholding to 100% (97.95% in March 31, 2020) during the year ended March 31, 2021.

iii) The Company has increased its shareholding to 100% (97.95% in March 31, 2020) during the year ended March 31, 2021.

**2. Others**

# Under liquidation

@ The Group also holds 100% preference shareholding in the Company. The preference shares do not carry any voting rights.

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, 2021, pursuant to Section 129 (3) of the Companies Act, 2013

## Part A – Subsidiaries

₹ in million

| Sr. 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, 2021 | Share Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit / (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Bharti Airtel (France) SAS | 9-Jun-10 | France | EUR | Apr'20 to Mar'21 | 31-Mar-21 | 86.05 | 1 | 1,042 | 3,917 | 2,874 | - | 2,474 | 322 | 92 | 230 | - | 100.00% |
| 2 | Bharti Airtel (Hong Kong) Limited | 12-Oct-06 | Hong Kong | HKD | Apr'20 to Mar'21 | 31-Mar-21 | 9.44 | 27 | 300 | 706 | 379 | - | 533 | (39) | (3) | (36) | - | 100.00% |
| 3 | Bharti Airtel (Japan) Private Limited | 5-Apr-10 | Japan | JPY | Apr'20 to Mar'21 | 31-Mar-21 | 0.67 | 0 | 8 | 22 | 14 | - | 38 | (2) | 0 | (2) | - | 100.00% |
| 4 | Bharti Airtel Services Limited | 26-Mar-01 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 1 | 496 | 3,917 | 3,420 | 47 | 5,045 | 662 | 135 | 527 | - | 100.00% |
| 5 | Bharti Airtel (UK) Limited | 29-Aug-06 | United Kingdom | GBP | Apr'20 to Mar'21 | 31-Mar-21 | 100.68 | 24 | 533 | 5,785 | 5,228 | - | 45,460 | (869) | (107) | (762) | - | 100.00% |
| 6 | Bharti Airtel (USA) Limited | 12-Sep-06 | United States of America | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | - | 841 | 1,456 | 615 | - | 1,168 | (97) | (3) | (94) | - | 100.00% |
| 7 | Bharti International (Singapore) Pte Ltd | 18-Mar-10 | Singapore | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 115,422 | (101,033) | 43,256 | 28,865 | 26,864 | 11,196 | 1,306 | 354 | 952 | - | 100.00% |
| 8 | Bharti Airtel International (Mauritius) Limited | 6-Apr-10 | Mauritius | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 225,122 | (206,329) | 18,812 | 19 | - | - | 274 | 8 | 266 | - | 100.00% |
| 9 | Bharti Airtel Lanka (Private) Limited | 29-Mar-07 | Sri Lanka | LKR | Apr'20 to Mar'21 | 31-Mar-21 | 0.37 | 23,117 | (27,590) | 10,443 | 14,916 | - | 4,247 | (2,258) | - | (2,258) | - | 100.00% |
| 10 | Bharti Hexacom Limited | 18-May-04 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 2,500 | 17,359 | 148,685 | 128,826 | 0 | 46,023 | (9,892) | 448 | (10,340) | - | 70.00% |
| 11 | Indo Teleports Limited | 4-Mar-09 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 230 | (924) | 340 | 1,034 | - | 241 | (22) | - | (22) | - | 100.00% |
| 12 | Indus Towers Limited (Formerly known as Bharti Infratel Limited) (upto November 18, 2020) | 30-Nov-06 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 18,496 | 122,256 | 186,436 | 45,684 | 92,029 | 43,461 | 17,605 | 3,531 | 14,074 | - | 53.51% |
| 13 | SmarTx Services Limited (upto November 18, 2020) | 21-Sep-15 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 150 | (134) | 423 | 407 | - | 31 | (40) | (1) | (39) | - | 53.51% |
| 14 | Bharti Telemedia Limited | 5-Jun-07 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 5,102 | (10,063) | 45,063 | 50,024 | 1,896 | 30,562 | 4,134 | 1,490 | 2,644 | - | 100.00% |
| 15 | Network i2i Limited | 28-Sep-07 | Mauritius | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 189,890 | 32,643 | 293,624 | 71,091 | 143 | 13,077 | 7,449 | 149 | 7,300 | - | 100.00% |
| 16 | Telesonic Networks Limited | 5-Feb-13 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 939 | 6,933 | 63,592 | 55,720 | 751 | 21,029 | 4,125 | 1,148 | 2,977 | - | 100.00% |
| 17 | Nxtra Data Limited | 2-Jul-13 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 90 | 2,752 | 18,823 | 15,981 | 694 | 11,091 | 2,414 | 625 | 1,789 | - | 100.00% |
| 18 | Airtel Digital Limited (formerly known as Wynk Limited) | 13-Jan-15 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 1 | (2,382) | 3,943 | 6,324 | 0 | 5,533 | (2,029) | 245 | (2,274) | - | 100.00% |
| 19 | Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited) | 14-Mar-17 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 1 | (18,730) | 136,668 | 155,397 | 123,578 | - | 11,228 | - | 11,228 | - | 100.00% |
| 20 | Bharti Airtel International (Mauritius) Investments Limited | 26-Mar-18 | Mauritius | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 4 | (4) | 0 | 0 | - | - | (1) | - | (1) | - | 100.00% |
| 21 | Bharti Airtel Holding (Mauritius) Limited | 27-Jun-18 | Mauritius | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 10,882 | 750 | 11,632 | 0 | - | - | (1) | - | (1) | - | 100.00% |
| 22 | Bharti Airtel Overseas (Mauritius) Limited | 28-Jun-18 | Mauritius | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 10,879 | (3,067) | 7,812 | 0 | 7,798 | - | (1) | - | (1) | - | 100.00% |
| 23 | Airtel Africa Mauritius Limited | 28-Jun-18 | Mauritius | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 137,206 | (18,220) | 151,719 | 32,733 | - | - | 6,535 | - | 6,535 | - | 100.00% |
| 24 | Network I2I (Kenya) Limited (incorporated on July 3, 2019) | 3-Jul-19 | Kenya | KES | Apr'20 to Mar'21 | 31-Mar-21 | 0.67 | - | (0) | - | 0 | - | - | (0) | - | (0) | - | 100.00% |
| 25 | Network i2i (UK) Limited (incorporated w.e.f. May 19, 2020) | 19-May-20 | United Kingdom | GBP | Apr'20 to Mar'21 | 31-Mar-21 | 100.68 | 0 | 14 | 101 | 87 | - | - | 17 | 3 | 14 | - | 100.00% |
| 26 | Bharti Airtel International (Netherlands) B.V. | 19-Mar-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 173,147 | 88,048 | 476,796 | 215,601 | - | - | (12,078) | 951 | (13,029) | - | 56.01% |
| 27 | Bharti Airtel Africa B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 41 | 91,618 | 408,140 | 316,481 | - | - | (18,935) | 2 | (18,937) | - | 56.01% |
| 28 | Bharti Airtel Chad Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 1 | 496 | 15,406 | 14,909 | - | - | 2 | - | 2 | - | 56.01% |
| 29 | Airtel Tchad S.A. | 8-Jun-10 | Chad | XOF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 3,647 | (9,020) | 12,801 | 18,174 | - | 9,359 | 1,411 | 751 | 660 | - | 56.01% |
| 30 | Bharti Airtel Gabon Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 9,956 | 10,381 | 423 | - | - | 2 | - | 2 | - | 56.01% |
| 31 | Airtel Gabon S.A. | 8-Jun-10 | Gabon | XAF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 787 | (5,133) | 11,633 | 15,977 | - | 10,904 | 1,714 | 619 | 1,095 | - | 56.01% |
| 32 | Bharti Airtel Congo Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 6,922 | 18,820 | 11,896 | - | - | (420) | - | (420) | - | 56.01% |
| 33 | Airtel Congo S.A. | 8-Jun-10 | Congo Brazzaville | XAF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 11,046 | (13,259) | 21,546 | 23,759 | - | 8,296 | (81) | 252 | (333) | - | 50.41% |
| 34 | Bharti Airtel RDC Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 1 | 249 | 56,624 | 56,374 | - | - | 1,342 | - | 1,342 | - | 56.01% |
| 35 | Airtel Congo (RDC) S.A. | 8-Jun-10 | Democratic Republic of Congo | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 25 | (48,436) | 40,074 | 88,485 | - | 24,243 | 1,961 | (1,949) | 3,910 | - | 55.17% |
| 36 | Bharti Airtel Mali Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 1 | 161 | 728 | 566 | - | - | (16) | - | (16) | - | 56.01% |
| 37 | Bharti Airtel Kenya Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 1 | (3,365) | 92,404 | 95,768 | - | - | (95) | - | (95) | - | 56.01% |
| 38 | Bharti Airtel Kenya B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | (17,114) | 79,378 | 96,490 | - | - | (1,473) | 168 | (1,641) | - | 56.01% |

₹ in million

| Sr. 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, 2021 | Share Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit / (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 39 | Airtel Networks Kenya Limited # | 8-Jun-10 | Kenya | KES | Jan'20 to Dec'20 | 31-Dec-20 | 0.67 | 17,391 | (46,732) | 28,730 | 58,071 | - | 18,818 | (2,262) | 148 | (2,410) | - | 56.01% |
| 40 | Bharti Airtel Malawi Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 5,213 | 5,235 | 20 | - | - | 1,082 | 121 | 961 | - | 56.01% |
| 41 | Airtel Malawi Plc | 8-Jun-10 | Malawi | MWK | Jan'20 to Dec'20 | 31-Dec-20 | 0.09 | - | 2,978 | 11,891 | 8,913 | 8 | 10,780 | 3,047 | 922 | 2,125 | - | 44.81% |
| 42 | Bharti Airtel Niger Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 1 | 16,015 | 16,013 | (3) | - | - | 260 | 44 | 216 | - | 56.01% |
| 43 | Celtel Niger S.A. | 8-Jun-10 | Niger | XOF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 197 | (1,526) | 20,087 | 21,416 | - | 9,781 | 819 | (252) | 1,071 | - | 50.41% |
| 44 | Airtel Networks Zambia Plc | 8-Jun-10 | Zambia | ZMW | Jan'20 to Dec'20 | 31-Dec-20 | 3.32 | 3 | (1,208) | 10,951 | 12,156 | - | 9,293 | 316 | 476 | (160) | - | 53.97% |
| 45 | Bharti Airtel Uganda Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 8,565 | 8,605 | 38 | - | - | 7,895 | - | 7,895 | - | 56.01% |
| 46 | Airtel Uganda Limited | 8-Jun-10 | Uganda | UGX | Jan'20 to Dec'20 | 31-Dec-20 | 0.02 | 28 | 2,821 | 34,107 | 31,258 | - | 34,721 | 12,820 | 3,931 | 8,889 | - | 56.01% |
| 47 | Bharti Airtel Tanzania B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | (3,222) | 37,437 | 40,657 | - | - | 660 | - | 660 | - | 56.01% |
| 48 | Airtel Tanzania Public Limited Company (formerly known as Airtel Tanzania Limited) | 8-Jun-10 | Tanzania | TZS | Jan'20 to Dec'20 | 31-Dec-20 | 0.03 | 1,526 | (27,033) | 25,787 | 51,294 | - | 15,948 | 3,323 | (2,503) | 5,826 | - | 28.57% |
| 49 | Bharti Airtel Madagascar Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | (2,546) | 14,227 | 16,771 | - | - | 125 | - | 125 | - | 56.01% |
| 50 | Channel Sea Management Company (Mauritius) Limited | 8-Jun-10 | Mauritius | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 1 | 33 | - | (34) | - | - | (1) | - | (1) | - | 56.01% |
| 51 | Bharti Airtel Rwanda Holdings Limited | 8-Jun-10 | Mauritius | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 3 | (26) | 17,391 | 17,414 | - | - | - | - | - | - | 56.01% |
| 52 | Montana International | 8-Jun-10 | Mauritius | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | - | (16) | 3 | 19 | - | - | - | - | - | - | 56.01% |
| 53 | Airtel Madagascar S.A. | 8-Jun-10 | Madagascar | MGA | Jan'20 to Dec'20 | 31-Dec-20 | 0.02 | 57 | (10,699) | 8,267 | 18,909 | - | 2,300 | (1,365) | 11 | (1,376) | - | 56.01% |
| 54 | Bharti Airtel Nigeria Holdings II B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | (122) | 171,919 | 172,039 | - | - | - | - | - | - | 56.01% |
| 55 | Bharti Airtel Nigeria B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 1 | (70,241) | 102,741 | 172,981 | - | - | (3,740) | 82 | (3,822) | - | 56.01% |
| 56 | Bharti Airtel Services B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 342 | 845 | 501 | - | - | (6) | - | (6) | - | 56.01% |
| 57 | Airtel Networks Limited | 8-Jun-10 | Nigeria | NGN | Jan'20 to Dec'20 | 31-Dec-20 | 0.18 | 743 | 50,395 | 138,579 | 87,441 | - | 109,354 | 35,200 | 10,649 | 24,551 | - | 51.38% |
| 58 | Bharti Airtel Zambia Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 15,711 | 15,812 | 99 | - | - | - | - | - | - | 56.01% |
| 59 | Airtel Mobile Commerce (Malawi) Limited | 8-Jun-10 | Malawi | MWK | Jan'20 to Dec'20 | 31-Dec-20 | 0.09 | 5 | 1,567 | 4,808 | 3,236 | - | 2,751 | 1,193 | 347 | 846 | - | 56.01% |
| 60 | Airtel Mobile Commerce (Kenya) Limited | 8-Jun-10 | Kenya | KES | Jan'20 to Dec'20 | 31-Dec-20 | 0.67 | - | - | 790 | 790 | - | - | - | - | - | - | 56.01% |
| 61 | Celtel (Mauritius) Holdings Limited | 8-Jun-10 | Mauritius | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 1 | 2,941 | 9,740 | 6,798 | - | - | (2) | - | (2) | - | 56.01% |
| 62 | Airtel Mobile Commerce Zambia Limited | 8-Jun-10 | Zambia | ZMW | Jan'20 to Dec'20 | 31-Dec-20 | 3.32 | 7 | 867 | 6,113 | 5,239 | - | 3,942 | 1,749 | 611 | 1,138 | - | 56.01% |
| 63 | Airtel Mobile Commerce Tchad S.A (formerly known as Airtel Mobile Commerce Tchad S.a.r.l.) | 8-Jun-10 | Chad | XOF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 66 | (7) | 542 | 483 | - | - | (6) | - | (6) | - | 56.01% |
| 64 | Airtel Mobile Commerce B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 2,955 | 4,526 | 1,569 | - | - | 3,780 | 652 | 3,128 | - | 56.01% |
| 65 | Airtel Money S.A. (Gabon) | 26-Oct-10 | Gabon | XAF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 1 | 535 | 6,033 | 5,497 | - | 3,769 | 1,812 | 625 | 1,187 | - | 56.01% |
| 66 | Malawi Towers Limited | 15-Dec-10 | Malawi | MWK | Jan'20 to Dec'20 | 31-Dec-20 | 0.09 | 1 | (272) | 2,823 | 3,094 | - | 1,228 | 173 | 138 | 35 | - | 56.01% |
| 67 | Airtel Money Niger S.A. | 8-Jun-10 | Niger | XOF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 172 | 152 | 426 | 102 | - | 248 | 221 | 102 | 119 | - | 50.41% |
| 68 | Société Malgache de Téléphone Cellulaire S.A. | 8-Jun-10 | Mauritius | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 3 | 158 | 183 | 22 | - | - | (1) | - | (1) | - | 56.01% |
| 69 | Airtel Mobile Commerce Holdings B.V. | 8-Jun-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 2 | 8 | 3 | (7) | - | - | 9 | 1 | 8 | - | 56.01% |
| 70 | Indian Ocean Telecom Limited | 19-Oct-10 | Jersey | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 183 | 1,778 | 1,960 | (1) | - | - | 60 | - | 60 | - | 56.01% |
| 71 | Airtel (Seychelles) Limited | 27-Aug-10 | Seychelles | SCR | Jan'20 to Dec'20 | 31-Dec-20 | 3.48 | 125 | (205) | 1,959 | 2,039 | 312 | 1,030 | (389) | (123) | (266) | - | 56.01% |
| 72 | Airtel Mobile Commerce (Tanzania) Limited | 11-Nov-10 | Tanzania | TZS | Jan'20 to Dec'20 | 31-Dec-20 | 0.03 | - | - | 7,960 | 7,960 | - | 2 | - | - | - | - | 56.01% |
| 73 | Airtel Mobile Commerce Uganda Limited | 7-Oct-10 | Uganda | UGX | Jan'20 to Dec'20 | 31-Dec-20 | 0.02 | 200 | - | 8,176 | 7,976 | - | - | - | - | - | - | 56.01% |
| 74 | Africa Towers N.V. | 5-Oct-10 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | - | - | - | - | - | - | 689 | - | 689 | - | 56.01% |
| 75 | Madagascar Towers S.A. | 15-Mar-11 | Madagascar | MGA | Jan'20 to Dec'20 | 31-Dec-20 | 0.02 | - | 885 | 1,423 | 538 | - | 1,087 | 242 | 134 | 108 | - | 56.01% |
| 76 | Mobile Commerce Congo S.A. | 8-Jun-10 | Congo Brazzaville | XAF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 66 | (6) | 802 | 742 | - | - | (5) | - | (5) | - | 56.01% |
| 77 | Tanzania Towers Limited ## | 15-Mar-11 | Tanzania | TZS | Jan'20 to Dec'20 | 31-Dec-20 | 0.03 | - | (35) | - | 35 | - | - | (1) | - | (1) | - | 28.57% |
| 78 | Airtel Money (RDC) S.A. | 8-Jun-10 | Democratic Republic of Congo | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 651 | 2,171 | 5,576 | 2,754 | - | 2,816 | 1,603 | 523 | 1,080 | - | 55.17% |
| 79 | Congo RDC Towers S.A. | 5-Apr-11 | Democratic Republic of Congo | USD | Jan'20 to Dec'20 | 31-Dec-20 | 73.39 | 7 | (693) | 291 | 977 | - | - | (32) | - | (32) | - | 56.01% |
| 80 | Gabon Towers S.A. ## | 17-May-11 | Gabon | XAF | Jan'20 to Dec'20 | 31-Dec-20 | 0.13 | 1 | (4) | - | 3 | - | - | - | - | - | - | 56.01% |

₹ in million

| Sr. 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, 2021 | Share Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit / (Loss) Before Taxation | Provision for Taxation | Profit / (Loss) After Taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 81 | Airtel Mobile Commerce Madagascar S.A. | 5-Apr-11 | Madagascar | MGA | Jan'20 to Dec'20 | 31-Dec-20 | 0.02 | 10 | 305 | 1,016 | 701 | - | 562 | 150 | 34 | 116 | - | 56.01% |
| 82 | Airtel Rwanda Limited | 2-Sep-11 | Rwanda | RWF | Jan'20 to Dec'20 | 31-Dec-20 | 0.07 | 7 | (22,556) | 8,696 | 31,245 | - | 2,957 | (3,326) | - | (3,326) | - | 56.01% |
| 83 | Airtel Africa Plc | 12-Jul-18 | United Kingdom | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 250,973 | 61,443 | 312,192 | (224) | - | - | (463) | - | (463) | 6,898 | 56.01% |
| 84 | Airtel Mobile Commerce (Rwanda) Limited | 22-Feb-13 | Rwanda | RWF | Jan'20 to Dec'20 | 31-Dec-20 | 0.07 | 15 | - | 381 | 366 | - | - | - | - | - | - | 56.01% |
| 85 | Airtel Mobile Commerce (Seychelles) Limited | 9-Aug-13 | Seychelles | SCR | Jan'20 to Dec'20 | 31-Dec-20 | 3.48 | 3 | (27) | 13 | 37 | - | 3 | 2 | 1 | 1 | - | 56.01% |
| 86 | Airtel Money Tanzania Limited | 10-Jun-16 | Tanzania | TZS | Jan'20 to Dec'20 | 31-Dec-20 | 0.03 | - | 469 | 800 | 331 | - | 5,728 | 2,546 | 752 | 1,794 | - | 28.57% |
| 87 | Airtel Mobile Commerce Nigeria B.V. | 5-Dec-18 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | 1 | 1,018 | 1,017 | - | - | 1 | - | 1 | - | 56.01% |
| 88 | Airtel Mobile Commerce (Nigeria) Limited | 31-Aug-17 | Nigeria | NGN | Jan'20 to Dec'20 | 31-Dec-20 | 0.18 | - | - | - | - | - | - | - | - | - | - | 51.38% |
| 89 | Airtel Mobile Commerce (Seychelles) B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 0 | - | - | - | (0) | - | (0) | - | 56.01% |
| 90 | Airtel Mobile Commerce Congo B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 63 | 63 | - | - | (0) | - | (0) | - | 56.01% |
| 91 | Airtel Mobile Commerce Kenya B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 3 | 3 | - | - | (0) | - | (0) | - | 56.01% |
| 92 | Airtel Mobile Commerce Madagascar B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 572 | 572 | - | - | (0) | - | (0) | - | 56.01% |
| 93 | Airtel Mobile Commerce Malawi B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 0 | (0) | - | - | (0) | - | (0) | - | 56.01% |
| 94 | Airtel Mobile Commerce Rwanda B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 16 | 16 | - | - | (0) | - | (0) | - | 56.01% |
| 95 | Airtel Mobile Commerce Tchad B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 63 | 63 | - | - | (0) | - | (0) | - | 56.01% |
| 96 | Airtel Mobile Commerce Uganda B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 200 | 200 | - | - | (0) | - | (0) | - | 56.01% |
| 97 | Airtel Mobile Commerce Zambia B.V. | 29-Jan-19 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | (0) | 0 | (0) | - | - | (0) | - | (0) | - | 56.01% |
| 98 | Airtel Money Transfer Limited | 20-Jul-15 | Kenya | KES | Jan'20 to Dec'20 | 31-Dec-20 | 0.67 | 27 | (1) | 36 | 10 | - | 2 | (0) | 0 | (0) | - | 56.01% |
| 99 | Airtel International LLP | 27-Mar-19 | India | INR | Apr'20 to Mar'21 | 31-Mar-21 | 1.00 | 33 | 53 | 375 | 289 | - | - | 154 | 138 | 16 | - | 56.01% |
| 100 | Airtel Money Kenya Limited (incorporated on June 29, 2020) | 29-Jun-20 | Kenya | KES | Jan'20 to Dec'20 | 31-Dec-20 | 0.67 | 3 | (0) | 3 | 0 | - | - | (0) | - | (0) | - | 56.01% |
| 101 | Airtel Mobile Commerce DRC B.V. (incorporated on April 9, 2020) | 9-Apr-20 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | 0 | 0 | 0 | - | - | 0 | - | 0 | - | 56.01% |
| 102 | Airtel Mobile Commerce Gabon B.V. (incorporated on April 9, 2020) | 9-Apr-20 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | 0 | 0 | 0 | - | - | 0 | - | 0 | - | 56.01% |
| 103 | Airtel Mobile Commerce Niger B.V. (incorporated on April 9, 2020) | 9-Apr-20 | Netherlands | USD | Apr'20 to Mar'21 | 31-Mar-21 | 73.39 | 0 | 0 | 161 | 161 | - | - | 0 | - | 0 | - | 56.01% |

**Notes:**

1. The above financial information is basis audited / unaudited financial statements / financial information considered for the purpose of consolidated audited Ind AS financial statements.
2. The figures which are appearing as '0' are result of rounding off.
3. All particulars has been converted using closing exchange rate as on March 31, 2021.
4. 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, 2021.

* Investments exclude investments in subsidiaries.

**Other details:**

## I. Subsidiaries yet to commence operations:

1. Partnership Investments SARL
2. Bharti Airtel Developers Forum Limited
3. Airtel Limited (Incorporated w.e.f. March 16, 2021)
4. Airtel Digital Services Holdings B.V. (incorporated on November 12, 2020)
5. Airtel Africa Services (UK) Limited (incorporated on November 2, 2020)

## II. Subsidiaries have been liquidated / sold during the year:

1. Africa Towers N.V.

## Salient features of the financial statement of subsidiaries, associates and joint ventures for the year ended March 31, 2021, pursuant to Section 129 (3) of the Companies Act, 2013

### Part B - Associates and Joint Ventures

₹ in million

| Sr. 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, 2021 | | | 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, 2021 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Amount of Investment in Associate / Joint Venture | Extent of holding % | | | Considered in consolidation | Not Considered in consolidation |
| | **Associates** | | | | | | | | | |
| 1 | Robi Axiata Limited @$ | November 16, 2016 | December 31, 2020 | 1,475,834,961 | 24,747 | 28.18% | By virtue of shareholding | 18,586 | 438 | - |
| 2 | Seynse Technologies Private Limited | February 21, 2017 | March 31, 2019 | - | - | 0.00% | By virtue of shareholding | 18 | - | - |
| 3 | Seychelles Cable Systems Company Limited | June 8, 2010 | June 30, 2020 | 260 | 312 | 14.56% | By virtue of shareholding | 163 | 41 | - |
| 4 | Airtel Payments Bank Limited | October 25, 2018 | March 31, 2020 | 805,025,128 | 8,304 | 80.10% | By virtue of shareholder agreement | 2,244 | (4,108) | - |
| 5 | Juggernaut Books Private Limited | November 26, 2017 | March 31, 2020 | 2,100,471 | 102 | 17.79% | By virtue of shareholder agreement | 11 | (5) | - |
| | **Joint Ventures** | | | | | | | | | |
| 1 | Bridge Mobile Pte Limited | November 3, 2004 | March 31, 2020 | 800,000 | 69 | 10% | By virtue of shareholding | 74 | (6) | - |
| 2 | Indus Towers Limited (upto November 18, 2020) | December 7, 2007 | March 31, 2020 | - | - | 0.00% | By virtue of shareholding | 30,671 | 7,835 | - |
| 3 | Indus Towers Limited (Formerly known as Bharti Infratel Limited) (w.e.f. November 19, 2020) | November 20, 2020 | March 31, 2021 | 1,124,527,726 | 200,775 | 41.73% | By virtue of shareholding | 66,250 | 7,417 | - |
| 4 | FireFly Networks Limited | February 4, 2014 | March 31, 2020 | 1,000,000 | 39 | 50% | By virtue of shareholding | 27 | 9 | - |
| 5 | Bharti Airtel Ghana Holdings B.V.# | October 12, 2017 | March 31, 2017 | 18,000 | 0.000001^ | 50% | By virtue of shareholding | NA# | (4,715)^ | - |
| 6 | Airtel Ghana Limited# | October 12, 2017 | December 31, 2018 | 440,709,862 | | 49.95% | By virtue of shareholding | 0 | | - |

@RedDot Digital Limited is incorporated on November 5, 2019 and is subsidiary of Robi Axiata Limited.

# 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.

$ The group has increased its shareholding to 28.18% (25% in March 31, 2020) during the year ended March 31, 2021.

**Note:**

Amount of investment in joint venture / associate is based on the carrying value of investments in the consolidated financial statements of Bharti Airtel Limited.

## Notes

# Corporate Information

## Board of Directors

Mr. Sunil Bharti Mittal, Chairman
Ms. Chua Sock Koong
Mr. Dinesh Kumar Mittal
Mr. Gopal Vittal, Managing Director & CEO (India & South Asia)
Ms. Kimsuka Narasimhan
Mr. Manish Kejriwal
Ms. Nisaba Godrej
Mr. Rakesh Bharti Mittal
Mr. Shishir Priyadarshi
Mr. Tao Yih Arthur Lang
Mr. V. K. Viswanathan

## Chief Financial Officer

Mr. Badal Bagri

## Company Secretary

Mr. Pankaj Tewari

## Statutory Auditors

Deloitte Haskins & Sells, LLP
Chartered Accountants

## Chief Internal Auditor

Mr. Anil Jeet Singh Riat

## Internal Assurance Partners

Ernst & Young LLP
ANB & Co., Chartered Accountants

## Cost Auditors

Sanjay Gupta & Associates
Cost Accountants

## Secretarial Auditors

Chandrasekaran Associates
Company Secretaries

## Registered Office

Airtel Center, Plot No. 16,
Udyog Vihar, Phase-IV,
Gurugram – 122015, India

## Corporate Office

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

## Website

http://www.airtel.com

# 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
Shubham Buildwell, Sundarpur,
RG Baruah Road,
Guwahati - 781006,
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
2nd 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
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
3rd & 4th Floor, Scheme No. 54,
A. B. Road, Metro Tower,
Near Vijay Nagar Square,
Indore - 452010,
Madhya Pradesh

## Maharashtra & Goa
Vega Centre, A - Building,
2nd Floor, Shankarsheth Road,
Next to Income tax office
Swargate, Pune - 411037,
Maharashtra

## Mumbai
7th 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 & Uttaranchal
TCG - 7/7, Vibhuti Khand,
Gomti Nagar,
Lucknow - 226010,
Uttar Pradesh

## West Bengal & Odisha
1st, 5th, 6th & 7th Floor, Infinity Building,
Salt Lake Electronics Complex,
Block GP, Sector V,
Kolkata - 700091,
West Bengal

**Registered Office**
Bharti Airtel Limited
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