



BHARTI AIRTEL LIMITED

Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 and a certificate of incorporation was granted to our Company by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"). Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC. For details of change in the Registered Office of our Company, see "General Information" on page 86.

Registered Office: Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana, 122 015, India; **Tel:** +91 12 4422 2222
Corporate Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India; **Tel:** +91 11 4666 6100
Contact Person: Mr. Rohit Krishan Puri, Deputy Company Secretary and Compliance Officer; **Tel:** +91 11 4666 6100
E-mail: compliance.officer@bharti.in; **Website:** www.airtel.in
Corporate Identity Number: L74899HR1995PLC095967

PROMOTER OF OUR COMPANY: BHARTI TELECOM LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BHARTI AIRTEL LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 392,287,662 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 535 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 530 PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 209,873.90 MILLION* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARES FOR EVERY 14 (FOURTEEN) EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY (THE "ISSUE") ON THE RECORD DATE, THAT IS, ON TUESDAY, SEPTEMBER 28, 2021 (THE "RECORD DATE").

*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares

Amount payable per Rights Equity Share*

	Face Value (in ₹)	Premium (₹)	Total (₹)
On Application	1.25	132.50	133.75
Two more additional calls as may be decided by the Board / Committee of the Board from time to time	3.75	397.50	401.25
Total (₹)	5.00	530.00	535.00

*For further details on Payment Schedule, see "Terms of the Issue" on page 434.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the Investors is invited to the section "Risk Factors" on page 22 before making an investment in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges". Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated September 20, 2021, respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGERS TO THE ISSUE

					
Axis Capital Limited 1 st Floor, Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai 400 025 Maharashtra, India Telephone: +91 22 4325 2183 E-mail: bal.rights@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Harish Patel/Akash Aggarwal SEBI Registration Number: INM000012029	J.P. Morgan India Private Limited J.P. Morgan Tower, Off. C.S.T. Road, Kalina, Santacruz - East, Mumbai - 400098 Maharashtra, India Telephone: +91 22 6157-3000 Email: bharti_rightsissue@jpmorgan.com Investor Grievance Email: Investorsmb.jpmipl@jpmorgan.co m Website: www.jpmipl.com Contact Person: Saarthak Soni SEBI Registration Number: INM000002970	Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Finance Centre, G-Block, C-54 & C- 55, Bandra Kurla Complex, Bandra (East), Mumbai - 400 098, Maharashtra, India Telephone: +91 22 6175 9999 Email: BhartiAirtel.RightsIssue@citigroup.com Investor Grievance Email: investors.cgmb@citi.com Website: www.online.citibank.co.in/rhtm/citigr oupglobalscreen1.htm Contact Person: Nirmiti Varkanthe SEBI Registration Number: INM000010718	Kotak Mahindra Capital Company Limited 27BKC, 1st Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India Telephone: +91 22 4336 0000 E-mail: bal.rights@kotak.com Investor Grievance E-mail: kmcressedral@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration Number: INM000008704	BNP Paribas BNP Paribas House, 1-North Avenue, Maker Maxity, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051 Maharashtra, India Telephone: +91 22 3370 4000 E-mail: dl.bal.rights@asia.bnpparibas.com Investor Grievance E-mail: indiainvestors.care@asia.bnpparibas.c om Website: www.bnpparibas.co.in Contact Person: Soumya Guha SEBI Registration Number: INM000011534	BofA Securities India Limited Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +9122 6632 8000 E-mail: dg.bharti_rights@bofa.com Investor Grievance E-mail: dg.india_merchantbanking@bofa.com Contact Person: Deepa Salvi Website: www.ml-india.com SEBI Registration No.: INM000011625

LEAD MANAGERS TO THE ISSUE

				
Goldman Sachs (India) Securities Private Limited 951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Telephone: +91 22 6616 9000 E-mail: bharti.airtelrights2021@gs.com Investor Grievance E-mail: india-client-support@gs.com Website: http://www.goldmansachs.com Contact Person: Rishabh Garg SEBI Registration No.: INM000011054	HDFC Bank Limited Investment Banking Group, Unit No. 401 & 402, 4th Floor, Tower B, Peninsula Business Park, Lower Parel, Mumbai 400 013 Maharashtra, India Telephone: +91 22 3395 8233 E-mail: bal.rights@hdfcbank.com Investor Grievance E-mail: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Harsh Thakkar / Ravi Sharma SEBI Registration No.: INM000011252	ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai, - 400 020 Maharashtra, India Telephone: +91 22 2288 2460 E-mail: bharti.rights2021@icicisecurities.com Investor Grievance E-mail: customer.care@icicisecurities.com Website: www.icicisecurities.com Contact Person: Sameer Purohit / Akhil Mohod SEBI Registration Number: INM000011179	JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Telephone: +91 22 6630 3030; + 91 22 6630 3262 Email: airtel.rights@jmfml.com Investor Grievance Email: grievance.ibd@jmfml.com Website: www.jmfml.com Contact Person: Prachee Dhuri SEBI Registration Number: INM000010361	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Address: Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032 Telangana, India. Telephone Number: +91 40 6716 2222 Fax: +91 40 2343 1551 Toll free number: 18003094001 Website: www.kfintech.com Email: bharti.airtel.rights@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
TUESDAY, OCTOBER 05, 2021	THURSDAY, OCTOBER 14, 2021	THURSDAY, OCTOBER 21, 2021

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Statements” on 106 and 168, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Company / our Company / the Company / the Issuer	Bharti Airtel Limited, on a standalone basis, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office situated at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana, 122 015, India and its Corporate Office situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
We, Our, Us or our Group	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company together with our Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
Airtel Africa Group	Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings
Annual Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company for the year ended March 31, 2021 which comprises the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Articles of Association/ Articles / AoA	The articles of association of our Company, as amended
Associate Companies or Associates	Companies constituting the associate companies of our Company as determined in terms of Section 2(6) of the Companies Act or applicable accounting standards
Bharti Airtel Employees' Welfare Trust	The trust, earlier known as the Bharti Tele-Ventures Employees Welfare Trust, and created vide a trust deed dated March 31, 2001 with its office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070, India or such other trust as may be formed and/or designated by our Company for the administration of ESOP 2001 and ESOP 2005
Bharti Digital	Bharti Digital Networks Private Limited (earlier known as Tikona Digital Networks Private Limited)
Bharti Hexacom	Bharti Hexacom Limited
Board of Directors / Board	Board of directors of our Company or a duly constituted committee thereof
BTL	Bharti Telecom Limited
CARE	CARE Ratings Limited
CRISIL	CRISIL Research, a division of CRISIL Limited
CRISIL Report	Report titled “Telecom Services Report” dated July, 2021 issued by CRISIL
Corporate Office	Corporate Office of our Company situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi 110 070, India
Equity Shareholder	A holder of Equity Shares
Equity Shares	The equity shares of our Company each having a face value of ₹ 5 each, unless otherwise specified

Term	Description
ESOP 2001	Employee Stock Option Scheme 2001 of our Company
ESOP 2005	Employee Stock Option Scheme 2005 of our Company
ESOP Compensation Committee	A committee constituted by our Board under the provisions of the SEBI SBESE Regulations, 2021 or any other law for the time being in force, to administer the ESOP 2001 and ESOP 2005
Executive Directors	Executive director(s) of our Company, unless otherwise specified
FCCBs	Foreign currency convertible bonds
FCCB Issue	The issuance of FCCBs of an aggregate principal amount of US\$ 1,000 million of 1.50 per cent. due 2025, approved pursuant to our Board, Shareholders', the Special Committee of Directors for Fund Raising resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020, respectively
Financial Statements	Annual Audited Consolidated Financial Statements and Interim Audited Financial Statements. For details, see "Financial Statements" on page 165
HR and Nomination Committee	HR and Nomination committee of our Company
Holding Company	The holding company of our Company, i.e., BTL
ICRA	ICRA Limited
India Ratings	India Ratings and Research Private Limited
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" on page 159
Interim Audited Consolidated Financial Statements	Audited interim condensed consolidated financial statements of our Company as at and for the three-month period ended June 30, 2021
Key Managerial Personnel/ KMP	The key managerial personnel of our Company as per the definition provided in Regulation 2(1)(bb) of the SEBI ICDR Regulations
Material Subsidiaries	The material subsidiaries of our Company identified in accordance with the SEBI Listing Regulations namely: • Network i2i Limited; • Airtel Africa Mauritius Limited; • Bharti Airtel International (Netherlands) B.V.; • Bharti Airtel Africa B.V.; • Airtel Networks Limited; and • Airtel Africa Plc
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil litigation, including tax litigation, involving our Company and/or our Subsidiaries, where the amount involved is equal to or in excess of ₹ 20,123 million (being 2% of the consolidated revenue of our Company, in terms of the Annual Audited Consolidated Financial Statements as at March 31, 2021)
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended
Non-Executive Director	A Director, not being an Executive Director of our Company
Preference Shares / RPS	Fully paid up redeemable, non-participating, non-cumulative, unlisted preference shares of our Company
Promoter/ Our Promoter	The promoter of our Company being, BTL. Pastel, who is a member of our Promoter Group, had been disclosed as a 'deemed promoter' in regulatory filings under the SEBI Takeover Regulations
Promoter Group	Persons and / or entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	Registered office of our Company situated at Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram, Haryana, 122 015, India
Registrar of Companies / RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi
Risk Management Committee	Risk management committee of our Company
Senior Management	Senior management of our Company, as disclosed in "Our Management" on page 159
Shareholders	The shareholders of our Company
Special Committee of Directors for Rights Issue	The committee of our Board constituted through the resolution dated August 29, 2021, for purposes of this Issue and incidental matters thereof, consisting Mr. Rakesh Bharti Mittal, Mr. Tao Yih Arthur Lang, Mr. D.K. Mittal and Mr. Gopal Vittal
Statutory Auditors	Statutory auditors of our Company, being Deloitte Haskins & Sells LLP, Chartered Accountants
Subsidiaries	Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable accounting standard. For details, see "Financial Statements" on page 165
Telenor	Telenor (India) Communications Private Limited

Term	Description
Telecom Business Undertaking	The entire telecom business undertaking, activities and operations of our Company to be transferred to Airtel Limited (which will be a wholly owned subsidiary of the Company) on a going concern basis pursuant to the Composite Scheme of Arrangement between Bharti Airtel Limited, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited, Airtel Limited and their respective shareholders and creditors
TNL	Telesonic Networks Limited
TTML	Tata Teleservices (Maharashtra) Limited
TTSL	Tata Teleservices Limited

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Allot / Allotment / Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to the Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Kotak Mahindra Bank Limited
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investors (s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of Application, i.e., ₹ 133.75 per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an Applicant to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	Collectively, the Allotment Account Bank(s) and the Refund Bank(s) to the Issue
Banker(s) to the Issue Agreement	Agreement dated September 22, 2021 entered into by and among our Company, the Registrar to the Issue, the Lead Managers and the Banker(s) to the Issue for transfer of funds to the Allotment Account from SCSBs and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “Terms of the Issue” on page 457
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule, being ₹ 401.25 per Rights Equity Share (75% of Issue Price) after payment of the Application Money
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call
Call(s)	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call

Term	Description
	Record Date for making a payment of the Call Monies
Controlling Branches	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, used by the Applicant and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Allotment Account Bank(s) or Refund Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue, in this case being Kotak Mahindra Bank Limited
IEPF	Investor Education and Protection Fund
ISIN	International securities identification number
Issue	Issue of 392,287,662 Rights Equity Shares of face value of ₹ 5 each of our Company for cash at a price of ₹ 535 per Rights Equity Share (including a premium of ₹ 530 per Rights Equity Share) aggregating to ₹ 209,873.90 million* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 (one) Rights Equity Share for every 14 (fourteen) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date <i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares</i> On Application, Investors will have to pay ₹ 133.75 per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ 401.25 per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on two more additional calls as may be decided by the Board/ Committee of the Board from time to time
Issue Agreement	Agreement dated September 22, 2021 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	Thursday, October 21, 2021
Issue Opening Date	Tuesday, October 05, 2021
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 535 per Rights Equity Share On Application, Investors will have to pay ₹ 133.75 per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ 401.25 per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on two more additional calls as may be decided by the Board/ Committee of the Board from time to time
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 209,873.90* million <i>* Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares</i>
Lead Managers	Collectively, Axis Capital Limited, J.P. Morgan India Private Limited, Citigroup Global Markets India Private Limited, Kotak Mahindra Capital Company Limited, , BofA Securities India Limited, BNP Paribas, Goldman Sachs (India) Securities Private Limited, HDFC Bank Limited, ICICI Securities Limited and JM Financial Limited
Letter of Offer / LOF	This letter of offer dated September 22, 2021 filed with the Designated Stock Exchange, with SEBI and NSE for purposes of record keeping
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Monitoring Agency	Axis Bank Limited
Monitoring Agency Agreement	Agreement dated September 22, 2021 between our Company and the Monitoring Agency in relation to monitoring of Net Proceeds
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see “Objects of the Issue” on page 96
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the ASBA

Term	Description
	Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the ASBA Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Thursday, October 14, 2021
Payment Schedule	Payment schedule under which 25% of the Issue Price is payable on Application, i.e., ₹ 133.75 per Rights Equity Share, and the balance unpaid capital constituting 75% of the Issue Price i.e., ₹ 401.25 will have to be paid, on two more additional calls as may be decided by the Board/ Committee of the Board from time to time
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Tuesday, September 28, 2021
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being Kotak Mahindra Bank Limited
Registrar Agreement	Agreement dated September 22, 2021 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue / Registrar	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Thursday, October 14, 2021, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Entitlement(s)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being 1 (one) Rights Equity Share for every 14 (fourteen) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements The Rights Entitlements with a separate ISIN: INE397D20024 will be credited to the respective demat account of Eligible Equity Shareholder before the date of opening of the Issue, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date
Rights Equity Shareholders	A holder of the Rights Equity Shares, from time to time
Rights Equity Shares	Equity shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis on Allotment
SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the amounts blocked in the ASBA Accounts will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees

Term	Description
Financial Year, Fiscal, or FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
144A	Rule 144A under Securities Act
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Arbitration Act	Arbitration and Conciliation Act, 1996
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBLO	Collateralized Borrowing and Lending Obligation
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Central Government / Government of India / GoI	Central Government of India
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Civil Procedure Code or Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act, 1956	erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013, along with the rules made thereunder
Cr.P.C. or Cr. PC	The Code of Criminal Procedure
CSR	Corporate social responsibility
Delhi Government	Government of National Capital Territory of Delhi
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DoT	Department of Telecommunications, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant identification
DPIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI
EBITDA/ Earnings Before Interest, Taxes, Depreciation and Amortization Expenses	Profit from operating activities before depreciation, amortisation, finance cost, share of profit/loss of associate and joint venture, exceptional items and tax as presented in the statement of profit and loss in the Annual Audited Financial Statements and Interim Audited Financial Statements, as the case may be
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 28, 2020 effective from October 15, 2020, issued by the DPIIT
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA Debt Regulations	Foreign Exchange Management (Debt Instruments) Regulations, 2019
FEMA Non-Debt Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
Government/ GoI	Government of India, unless otherwise specified
GST	Goods and services tax

Term	Description
HFC	Housing Finance Company
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax	Income-Tax Act, 1961
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended, notified under Section 133 of the Companies Act
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IPC	Indian Penal Code, 1860
IPO	Initial Public Offering
IT Act	Income-tax Act, 1961
ITAT	Income Tax Appellate Tribunal
MCA	The Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not Applicable
NBFC	Non-banking financial companies
NCLT	National Company Law Tribunal
Net Worth	Aggregate of Equity Share capital and other equity
NI Act	Negotiable Instruments Act, 1881
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008
SEBI Merchant Banker Regulations	SEBI (Merchant Bankers) Regulations, 1992
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Term	Description
	Regulations, 2011
TAN	Tax deduction account number
Trade Mark Act	Trade Mark Act, 1999
TRAI	Telecom Regulatory Authority of India
UPI	Unified Payment Interface
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. or United States	United States of America
Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value added tax
U.S. QIB	Persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act)
VCF	Venture capital fund

Industry Related Terms

Term / Abbreviation	Description / Full Form
2G	Second generation mobile telecommunication technology
3G	Third generation mobile telecommunication technology
4G	Fourth generation mobile telecommunication technology
4K	Four times the resolution of regular high definition television content
5G	Fifth generation mobile telecommunication technology
Active infrastructure or active equipment	Includes base transceiver station equipment, associated antennae, backhaul connectivity to an operator’s network and other requisite equipment and associated electrical works required to provide telecommunications services by such operator at a tower site
AGR	Adjusted gross revenue
ARPU	Average revenue per user
BSNL	Bharat Sanchar Nigam Limited
CAF	Customer Acquisition Form
Churn	A measure of customer turnover, churn is derived by dividing the total number of customer deactivations in a period by the average number of subscribers for that period and dividing the result by the number of months in a relevant period
Circle(s) / telecom circle(s)	22 service areas that the Indian telecommunications market has been segregated into
COAI	Cellular Operators Association of India
Co Location	Number of sharing operators at a tower, and where there is a single operator at a tower, “co-location” refers to that single operator
DoT	Department of Telecommunications, Ministry of Communications and Information Technology, Government of India
DPO	Distributor Platform Operators
DSL	Digital Subscriber Line
DTH	Digital TV services
EMF	Electromagnetic Fields
FTTH	Fiber to the Home
GB	Giga Bytes
GSM	Global System for Mobile Communication
Hotstar	Application owned and controlled by Novi Digital Entertainment Private Limited
HD	High Definition
Huawei	Huawei Telecommunications (India) Company Private Limited
ICR	Intra Circle Roaming
ICT	Information Communication and Technology
IoT	Internet of Things
ILD	International Long Distance
IP	Infrastructure Providers
IRU	Indefeasible right to use
ISP	Internet Service Provider
ITC	International Termination Charge
IUC	Interconnect/ Interconnection Usage Charge
LEO	Low-Earth Orbit
LCO	Local Cable Operator
LF	Licensed Fees
LTE/ FD-LTE/ TD-LTE	Long Term Evolution/ Frequency-Division Long-Term Evolution/ Time-Division Long-Term Evolution
MB	Mega-bytes

Term / Abbreviation	Description / Full Form
MHz	Mega Hertz
MIB	Ministry of Information and Broadcasting
MIMO	Multiple-Input Multiple-Output
MNP	Mobile Number Portability
MSO	Multi-system Cable Operators
MTN	Mobile Telecommunications Network
MTNL	Mahanagar Telephone Nigam Limited
Net neutrality	The principle that all internet traffic irrespective of its type or origin of content or means used to transmit packets, is treated equally. All points in a network are able to connect to all other points in the network and service providers are able to deliver traffic from one point to another seamlessly, without any differentiation on speed, access or price
NLD	National Long Distance
NTP/ NTP 1999/ NTP 2012	Refers to National Telecom Policy of 1999 or 2012, as applicable
OEM	Original Equipment Manufacturers
ORAN	Open Radio Access Network
O-RAN ALLIANCE	O-RAN ALLIANCE is a world-wide community of mobile network operators, vendors, and research and academic institutions operating in the RAN industry.
OTT	Over-the-top services
Reliance Jio	Reliance Jio Infocomm Limited
Rkms	Route kilometres
SACFA	Standing Advisory Committee on Radio Frequency Allocations of the Wireless Planning and Coordination wing of the Ministry of Communications, Government of India
SatCom	Satellite Communications
SD	Standard Definition
SIM	Subscriber Identity Module
SMS	Short Messaging Service
South Asia	South Asia shall mean the geographic areas of Sri Lanka and Bangladesh. For purposes of our Company's financial and management reporting, India is not included as part of South Asia
SRAN	Single Radio Access Network
Subscriber Acquisition Costs	Cost of signing up a new customer
SUC	Spectrum Usage Charge
SVOD	Subscription Video on Demand
TDD	Time Division Duplex
TDSAT	Telecom Disputes Settlement and Appellate Tribunal
Tower / Tower and related infrastructure	Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works
Tower infrastructure services	Tower Infrastructure Services include setting up, operating and maintaining wireless communication towers
TRAI	Telecom Regulatory Authority of India, constituted under the Telecom Regulatory Authority of India Act, 1997
TRAI Reported Revenue	Adjusted gross revenue for UASL and NLD license
TSP	Telecom service providers
TV	Television
UAS	Unified Access Service
UASL	Unified Access Service License
UL	Unified License
UPI	Unified Payments Interface
Uptime	Time during which a service provider's wireless telecommunications network is operational, as measured by the service provider's network operations centre and the tower infrastructure provider's tower operations centre
VAS	Value Added Services
Vodafone Idea	Vodafone Idea Limited
VoLTE	Voice over Long Term Evolution
VLR	Visitor Location Register
vRAN	Virtualized Radio Access Network

Notwithstanding the foregoing, the terms used in “Risk Factors”, “Statement of Special Tax Benefits”, “Our Business”, “Financial Statements” and “Outstanding Litigation and Defaults” on pages 22, 103, 133, 165 and 394, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Letter of Offer, unless otherwise specified.

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers and the Stock Exchanges.

Our Company, the Lead Managers, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer or the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "Other Regulatory Statutory Disclosures – Selling Restriction" on page 430.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in,

electronically transmitted from or dispatched from the United States; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. For restrictions relating to any change in shareholding of 5% or more of the total issued capital of our Company, see "*Terms of the Issue*" on page 434.

In addition, neither our Company nor the Lead Managers or its affiliates are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Rights Entitlements or the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Neither the delivery of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers nor any of their respective affiliates is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

The above information is given for the benefit of the Applicants. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

THIS LETTER OF OFFER IS BEING DELIVERED ONLY TO INVESTORS IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND IN RELIANCE, ON REGULATION S. NONE OF THE RIGHTS ENTITLEMENT OR THE RIGHTS EQUITY SHARES HAS BEEN, OR WILL BE, REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS IN THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS.

The above information is given for the benefit of the Applicants. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NOTICE TO THE INVESTOR

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ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Executive Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code.

Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

In this Letter of Offer, unless otherwise specified or context otherwise requires, references to ‘US\$’, ‘\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America, and references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless otherwise stated, references to “we”, “us”, “our” or “Company and its Subsidiaries” and similar terms are to Bharti Airtel Limited on a consolidated basis and references to “the Company” and “our Company” are to Bharti Airtel Limited on a standalone basis.

Unless stated otherwise, financial data in this Letter of Offer is derived from the Financial Statements, which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Letter of Offer. Our Company publishes its financial statements in Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31. For details, see “*Financial Statements*” on page 165.

In this Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Letter of Offer. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in million Rupees.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by us or the Lead Managers, and neither our Company nor the Lead Managers make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information. Certain information in “*Our Business*” on page 133 relating to the industry outlook of Indian telecom industry and the information relating to the industry outlook of sub-Saharan African telecom industry is derived from the report titled “*Telecom Services Report*” dated July 2021 and is subject to the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. The Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users /

transmitters/ distributors of the Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharti Airtel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India;
- 'Central African CFA Franc' and 'XAF' are to the legal currency of Republic of the Congo;
- 'Congolese Franc' and 'CDF' are to the legal currency of Democratic Republic of Congo;
- 'Malagasy Ariary', 'Ariary' and 'MGA' are to the legal currency of Madagascar;
- 'Tanzanian Shilling' and 'TZS' are to the legal currency of Tanzania;
- 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America; and
- 'Zambian Kwacha' and 'ZMW' are to the legal currency of Zambia.

Please note:

- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion rates for foreign currency

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of June 30, 2021 (in ₹)	As of March 31, 2021 (in ₹)	As of March 31, 2020 (in ₹)
1.	1 Central African CFA Franc	0.134	0.130	0.126
2.	1 Congolese Franc	0.037	0.036	0.044
3.	1 Malagasy Ariary	0.019	0.019	0.020
4.	1 Tanzanian Shilling	0.032	0.031	0.031
5.	1 United States Dollar	74.32	73.16	75.36
6.	1 Zambian Kwacha (ZMW)	3.27	3.31	4.15

Source: <https://www.xe.com/currencytables/>

Note: In the event that any of the abovementioned dates of any of the respective years is a public holiday, the previous calendar day not being a public holiday shall be considered

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, ‘future’, ‘forecast’, ‘target’, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward- looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements and any projections contained in this Letter of Offer (whether made by our Company or third parties) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward- looking statements include, among others:

- Adverse effect on our business and operations, and that of our customers and suppliers, due to the COVID-19 pandemic or other similar outbreaks, particularly if the economies of the countries in which we operate are affected for a significant amount of time;
- Ability to renew licenses in many countries, which have come up for renewal;
- Payment of additional spectrum charges for excess spectrum held or surrender excess spectrum held by our Company to the GoI;
- Failure to obtain reliefs in the material legal proceedings pertaining to adjusted gross revenue or any other legal proceedings in which our Company and our Subsidiaries are involved;
- Ability to provide telecommunications or related services that are technologically up to date;
- Exposure to a high risk of customer churn, resulting into increase in subscriber acquisition costs and loss of future subscriber revenues;
- Change in laws, regulations or governmental policy in the telecommunications market; and
- Ability to service our significant indebtedness and comply with its covenants to avoid refinancing risk.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections “*Risk Factors*” and “*Our Business*” on pages 22 and 133, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and neither our Company nor any of the Lead Managers undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, “Objects of the Issue”, “Our Business”, “Outstanding Litigation and Defaults”, “Financial Information” and “Risk Factors” on pages 96, 133, 394, 165 and 22, respectively.

Summary of Business

We are the world’s second largest provider of telecommunications services, based on total mobile connections on sum of consolidated subsidiaries (Source: GSMA Intelligence) with operations in 18 countries across Asia and Africa. As at June 30, 2021, we served approximately 474 million customers globally.

For further details, see “Our Business” at page 133 of this Letter of Offer.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(In ₹ million)	
Particulars	Amount
Pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT	1,59,254.16 [#]
General corporate purposes*	50,255.16 [#]
Total	209,509.32[#]

* Assuming full subscription in the Issue and receipt of all Call Monies with respect to the Rights Equity Shares in the Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted per the Rights Entitlement ratio. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

[#] Rounded off to two decimal places.

For further details, see “Objects of the Issue” on page 96 of this Letter of Offer.

Intention and extent of participation by our Promoter and Promoter Group

Our Promoter, BTL, and members of our Promoter Group, have confirmed to (a) subscribe to the full extent of their Rights Entitlement and not renounce their Rights Entitlement, (except to the extent of renunciation within the Promoter Group, if applicable); and (b) subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, either individually or jointly and/ or severally with the Promoter or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Further, our Promoter, BTL, and/or Indian Continent Investment Limited, member of the Promoter Group, shall subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by the Promoter or any other members of the Promoter Group of our Company or that they may acquire separately, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Outstanding Litigation

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Type of Proceedings	Number of	Amount****
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	cases	(₹ in million)
Cases against our Company		
Issues involving moral turpitude or criminal liability ⁺	21	-
Material violations of Statutory Regulations ^{*#++}	66	152,975.21
Direct tax proceedings	-	-
Indirect tax proceedings	-	-
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	2	44,842
Cases against our Subsidiaries		
Issues involving moral turpitude or criminal liability ⁺	13	-
Material violations of Statutory Regulations ^{^++}	35	22,955.39
Direct tax proceedings		
Indirect tax proceedings	1	11,429.73
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	1	-

**In addition to these amounts, ₹439,800 million are the total AGR dues of the Company and Hexacom (including Telenor which merged with the Company) as per the decisions of the Supreme Court in the AGM matter. As per directions of the Supreme Court in its judgment dated September 1, 2020, the said amount is to be paid in instalments i.e. first instance of payment of 10% of the total dues by March 31, 2021 and thereafter yearly instalments commencing from April 1, 2021 to March 31, 2031 with 8% interest. The company has paid a sum of ₹180,040 million towards its dues. Subject to the terms and conditions of the Telenor transaction, there is a contractual indemnity from Telenor towards its AGR dues For details, please see the chapter on Outstanding Litigation and Defaults.*

*** Such amount has been converted into Rupees using oanda.com at the prevailing conversion rate as of June 30, 2021.*

#This also includes matters initiated by the Company for recovery of dues. Please see the chapter on Outstanding Litigation and Defaults for details.

^ AGR dues of Bharti Hexacom Limited of ₹9250 Mn are included within the AGR dues of the Company and are not separately included in cases against subsidiaries Refer to footnote () above for the total of AGR dues.*

+ Since the cases involved are criminal in nature, the entire amounts may not be quantifiable. For details, see “Outstanding Litigation and Defaults” on page 394.

++ To the extent quantifiable

For further details, see “Outstanding Litigation and Defaults” on page 394.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares see “Risk Factors” on page 22.

Contingent Liabilities

For details regarding our contingent liabilities, see “Financial Statements” on page 165.

Related Party Transactions

For details of our related party transactions as per Ind AS 24, see “Financial Statements” on page 165.

Issue of Equity Shares for consideration other than cash

Except as stated below, our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing this Letter of Offer:

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature/ Reason of allotment	Benefits accrued to our Company
March 22, 2021	Lion Meadow Investment Limited, a	36,469,913	5	600 ⁽²⁾	Share swap ⁽¹⁾	Issuance of Equity Shares of our Company on

Date of allotment	Names of allottees	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature/ Reason of allotment	Benefits accrued to our Company
	Warburg Pincus entity (“ Lion Meadow ”)					preferential basis for consideration other than cash to substantially discharge a part of the consideration against the acquisition of equity shares of Bharti Telemedia.

⁽¹⁾The Board of Directors in its meeting dated February 17, 2021, had approved: (a) acquisition of 102,040,000 equity shares (representing 20%) of Bharti Telemedia Limited (“**Telemedia**”) from Lion Meadow (b) the issuance of up to 36,469,913 Equity Shares of the Company for a price of ₹ 600/- per Equity Share amounting to ₹ 21,882 million on a preferential basis to Lion Meadow for consideration other than cash. The said issuance of Equity Shares was approved by the Shareholders in the Extraordinary General Meeting held on March 19, 2021.

⁽²⁾Includes a premium of ₹ 595 per Equity Share.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we operate or the regions in which we operate. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the section entitled “Our Business” and “Financial Statements” on pages 133 and 165, respectively.

This Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see “Forward Looking Statements” on page 18.

In this section, unless the context otherwise indicates or implies, “we”, “us” and “our” refer to our Company together with our Subsidiaries, Joint Ventures and Associate Companies.

Unless otherwise stated, the financial information used in this section is derived from our Company’s audited consolidated financial statements as of and for the three-month period ended June 30, 2021 and audited consolidated financial statements as of and for the year ended March 31, 2021.

Internal Risk Factors

Risks Relating to Our Business

- 1. Our business and operations, and that of our customers and suppliers, have been and may continue to be adversely affected by the COVID-19 pandemic or other similar outbreaks, particularly if the economies of the countries in which we operate are affected for a significant amount of time.**

On March 11, 2020, the World Health Organization (“WHO”) declared COVID-19 as a global pandemic. In response, national, regional and local governmental authorities, including in India and other South Asian and African countries where we operate, have taken extraordinary and wide-ranging actions to contain and combat the outbreak and spread of COVID-19. These measures have included border controls and significant restrictions on movement and economic activity, wide-ranging restrictions on travel and public gatherings, including the closing of offices, businesses, schools, retail stores and other public venues, and by the

institution of curfews or quarantines. These restrictions, as well as the dangers posed by the novel coronavirus, produced a significant reduction in mobility during the first half of 2020 and restrictions were again imposed in India during the second wave of the pandemic in April and May 2021. These restrictions caused disruption in global economic activity across a number of geographies and markets, including global supply chain disruptions and shortages. This has also contributed to diminishing the level of economic activity in the markets in which we operate, which could negatively impact our retail sales, including revenue from roaming services that have decreased as a consequence of travel restrictions, as well as consumer confidence, investment by business and the national economies more broadly, which could in turn adversely affect our revenues.

While the impacts of the COVID-19 pandemic on our operations have thus far been isolated and limited, certain of these measures have, and are expected to continue to have, an indirect effect on our business. Negative impacts primarily resulted from a decline in handsets sales due to store closures, a decrease in prepaid plans, a decrease in roaming revenue and a decline in advertising revenue. Although the telecommunications industry in India was deemed an essential service and allowed to remain in operation through the lockdown periods, many of our stores and distribution channels were forced to close temporarily and a majority of our markets experienced very sharp reductions in mobility during the first half of 2020 and then again during the second wave in April and May 2021. In addition, flight cancellations and travel restrictions reduced the mobility of our international and regional workforce, resulting in operational disruptions to our planned workforce rotations and delays in our ability to mobilize on sites of newly awarded contracts. Addressing the disruptions caused by COVID-19 has also required our senior management team and staff to devote time and resources to address the impact of the pandemic on our businesses.

We cannot predict if and when customer spending and domestic travel will return to pre-COVID-19 levels, and any of these factors may adversely affect our ability to conduct our business on the same terms as we did prior to the COVID-19 pandemic.

Despite significant mobility restrictions imposed by governments, the virus has continued to spread rapidly in most of our markets. A sustained lockdown and other restrictions in the markets where we operate could potentially create widespread business continuity issues of unknown magnitude and duration. Accordingly, the impact of the COVID-19 pandemic on the markets in which we operate, including higher unemployment rates and decreased consumer spending, may impact our liquidity and access to capital and could result in our failure to achieve historical growth rates or profitability levels, among other things.

The full impact of the pandemic on our business remains uncertain and will ultimately depend on a number of factors that cannot be accurately predicted at this time, including, but not limited to, the duration (including the extent of any resurgence in the future) and severity of the COVID-19 pandemic, the timing of and manner in which containment efforts are reduced or lifted, the timing and ability of vaccination and other treatments to combat COVID-19, the duration and magnitude of its impact on unemployment rates and consumer discretionary spending, the length of time it takes for demand and pricing to return to pre-COVID-19 levels and for normal economic and operating conditions to resume, which are all beyond our knowledge and control. In addition, there are no comparable recent events that can serve as guidance as to the potential impacts of the COVID-19 pandemic.

For these reasons, we cannot reasonably estimate the ultimate impact of COVID-19 on our business with any certainty nor can we provide any assurance that COVID-19 will not have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, to the extent that COVID-19 adversely affects our business, financial condition and results of operations, it may also have the effect of heightening other risks described in this “*Risk Factors*” section, including those relating to our indebtedness,

ability to generate sufficient cash flows to fund our debt obligations, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations and Financial Condition—COVID-19*” and “*Our Business—Recent Developments—COVID-19*”.

2. The telecommunications market is highly regulated and subject to change in laws, regulations or governmental policy.

Telecommunications businesses in each of our markets are subject to governmental regulation regarding licensing, competition, frequency allocation, costs and arrangements pertaining to interconnection and leased lines. Changes in laws, regulations or governmental policy affecting our business activities could adversely affect our business, prospects, financial condition, cash flows and results of operations.

In various jurisdictions in which we operate, the regulatory landscape is in a continual state of change, and local regulators have significant latitude in the administration and interpretation of telecommunications licenses. In addition, actions taken by these regulators in the administration and interpretation of the licenses may be influenced by local political and economic pressures. Decisions by regulators, including the amendment or revocation of any existing licenses, could adversely affect our business, prospects, financial condition, cash flows and results of operations.

For example, in November 2019, the TRAI released a consultation paper on ‘Review of Interconnection Usage Charges’ whereby the TRAI, among other things, sought comments from the relevant stakeholders on the need for change in the regulatory regime for International Termination Charge (“ITC”) i.e., change the existing regulatory regime from fixing uniform rate of ITC to an alternate approach. Thereafter, on December 17, 2019, the TRAI promulgated the Telecommunication Interconnection Usage Charges (Fifteenth Amendment) Regulations, 2019 whereby the implementation of Bill and Keep regime was postponed to January 1, 2021. With effect from January 1, 2021, the mobile termination charge of 6p/ min for mobile to mobile calls have become zero. This could result in loss of revenue for us. More recently, on March 31, 2021, the DoT issued amendments to the ISP Licenses granted under the old regime which were to be implemented with immediate effect. The major change brought about through this amendment is the imposition of the license fee on the revenue from pure internet services (by disallowing the deduction) on standalone ISP operators. This may result in us requiring to pay additional license fees to the GoI which may adversely affect our revenue from operations and financial condition.

We have no control over changes in the laws and regulations of the jurisdictions where we operate and we are not able to accurately predict all future developments in this space. Future developments and changes to laws and regulations relating to our operations could adversely affect our business.

Compliance with these laws and regulations can be costly and can increase our exposure to litigation or governmental investigations or proceedings. Failure to comply with the laws and regulations may result in the imposition of penalties or other sanctions, which can have an adverse impact on our business and operations.

3. Our Company and our subsidiary Bharti Hexacom are involved in material legal proceedings pertaining to adjusted gross revenue.

Telecom services companies pay revenue share in the form of license fees at 8% of adjusted gross revenue and also spectrum usage charges at rates ranging from 3% to 5% of adjusted gross revenue from the wireless access subscribers. Adjusted gross revenue, as defined by the DoT, includes telecom service revenue as well as other non-core revenue. However, the Cellular Operators Association of India (“COAI”) had challenged this definition in 2003. It argued that adjusted gross revenue was to include only revenue from core licensed

telecom services. Our Company and our subsidiary, Bharti Hexacom, also challenged the Government's introduction of a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime, which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license. The dispute has arisen around the constituent of revenue — namely, gross revenue and adjusted gross revenue.

The Indian Supreme Court, by its judgment dated October 24, 2019, among other things, allowed the appeal filed by the DoT and dismissed the appeal filed by the TSPs. The Supreme Court further directed that payments of amounts due be made within three months' time. In accordance with the DoT's direction to the telecom service providers to pay the dues on the basis of self-assessment, our Company and Bharti Hexacom have paid a total amount of Rs. 177,490 million, excluding payment towards AGR pertaining to Telenor (comprising of Rs. 127,490 million basis self-assessment and an additional amount of Rs. 50,000 million as an ad-hoc payment to cover the differences, if any, after reconciliation/re-verification) and have filed an affidavit of compliance before the Supreme Court in response to the show cause notice issued by the Supreme Court on February 14, 2020, recording the details of the payments made. On March 16, 2020, the DoT filed a modification application seeking permission of the Supreme Court to recover the unpaid amounts due through annual instalments spread over 20 years as specified in the modification application. The Supreme Court *vide* its order dated March 18, 2020, among others, held that no exercise of self-assessment/re-assessment is to be done and the dues that were placed before the Supreme Court are final and are to be paid, including interests, penalty and interest on penalty, as specified in the order dated October 24, 2019. Thereafter, pursuant to the order dated July 20, 2020, the Supreme Court upheld the demands raised by the DoT in its modification application as payable. In addition, on September 1, 2020, the Supreme Court, among other things, directed telecom operators to pay 10% of the total dues as demanded by the DoT by March 31, 2021, and pay the remainder of the dues in yearly instalments commencing from April 1, 2021 to March 31, 2031. We had filed a modification application before the Supreme Court in December 2020, among other things, highlighting arithmetical, clerical and computational errors in the DoT demand. On July 23, 2021, the Supreme Court pronounced its judgment/order, whereby the applications filed by the TSPs for correction of errors were dismissed. Our Company and Bharti Hexacom have filed a review petition against the order/judgment dated July 23, 2021 before the Supreme Court. The review petition is pending adjudication. For more information, see "*Outstanding Litigation and Defaults*" on page 394.

We have made provisions of Rs. 368,322 million for the periods up to 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. During the three months ended June 30, 2020 we further recorded an incremental provision of Rs. 107,444 million (including net interest on total provisions) in relation to this matter, and we continue to make additional provisions for adjusted gross revenue-related obligations. An amount of Rs. 500,828 million is the amount of liabilities/provisions as at June 30, 2021 with respect to AGR matters. This includes Rs. 176,856 million towards AGR dues of companies that we have acquired, however, this is covered by indemnification clauses of respective merger/ transaction documents.

We cannot assure you that we will have the necessary financial resources to make payments in connection with the Supreme Court's adjusted gross revenue ruling as and when required to do so. There can be no assurance that the provisioned amounts will be sufficient to cover all such liabilities or that we will have sufficient liquidity to cover such payment obligations when they come due. Moreover, the requirement to constitute further provisions in the future may adversely affect our financial position and results of operations.

In addition, further developments in relation to the Supreme Court's adjusted gross revenue ruling and related proceedings may also require the attention of our management and demand additional costs to defend.

4. We are involved in certain material legal proceedings which may adversely affect our operations and financial position.

We are involved in certain material litigation proceedings for which, if an adverse outcome is reached, there may be an adverse impact on our operations or financial position.

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Type of Proceedings	Number of cases	Amount*** (₹ in million)
Cases against our Company		
Issues involving moral turpitude or criminal liability ⁺	21	-
Material violations of Statutory Regulations ^{*#++}	66	152,975.21
Direct tax proceedings	-	-
Indirect tax proceedings	-	-
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	2	44,842
Cases against our Subsidiaries		
Issues involving moral turpitude or criminal liability ⁺	13	-
Material violations of Statutory Regulations ^{^++}	35	22,955.39
Direct tax proceedings		
Indirect tax proceedings	1	11,429.73
Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	1	-

**In addition to these amounts, ₹439,800 million are the total AGR dues of the Company and Hexacom (including Telenor which merged with the Company) as per the decisions of the Supreme Court in the AGM matter. As per directions of the Supreme Court in its judgment dated September 1, 2020, the said amount is to be paid in instalments i.e. first instance of payment of 10% of the total dues by March 31, 2021 and thereafter yearly instalments commencing from April 1, 2021 to March 31, 2031 with 8% interest. The company has paid a sum of ₹180,040 million towards its dues. Subject to the terms and conditions of the Telenor transaction, there is a contractual indemnity from Telenor towards its AGR dues For details, please see the chapter on Outstanding Litigation and Defaults.*

*** Such amount has been converted into Rupees using oanda.com at the prevailing conversion rate as of June 30, 2021.*

#This also includes matters initiated by the Company for recovery of dues. Please see the chapter on Outstanding Litigation and Defaults for details.

^ AGR dues of Bharti Hexacom Limited of ₹9250 Mn are included within the AGR dues of the Company and are not separately included in cases against subsidiaries Refer to footnote () above for the total of AGR dues.*

+ Since the cases involved are criminal in nature, the entire amounts may not be quantifiable. For details, see "Outstanding Litigation and Defaults" on page 394.

++ To the extent quantifiable

Our Company is a party to certain matters pertaining to the revision of spectrum charges and the proceedings pertaining to the AGR applicable to telecom service providers by the DoT.

Our Company and Bharti Hexacom are also involved in certain legal proceedings pertaining to mergers and acquisition. For further details, see "Outstanding Litigation and Defaults" on page 394.

We are, and may in the future be, party to other litigation and legal, tax and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that we will be successful in any of these legal proceedings.

For further details on these matters and other material legal proceedings involving us, see “*Outstanding Litigation and Defaults*” on page 394. See also “*We are dependent on third-party telecommunications providers over which we have no direct control for the provision of interconnection and roaming services*” and “*Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.*”

5. We may have to pay additional spectrum charges for excess spectrum held or surrender excess spectrum held by us to the GoI.

According to the Performance Audit Report of the Comptroller and Auditor General of India on the “Issue of Licenses and Allocation of 2G Spectrum” dated November 8, 2010, for fiscal year 2010 (the “**Report**”), we held an aggregate of 32.4 MHz of additional spectrum in 13 circles beyond the upper limit laid down in the UAS license agreement without having paid any upfront charges in respect of such additional spectrum. In the Report, eight other operators were also stated to be holding excess spectrum.

Subsequently, based on TRAI’s recommendations, on December 28, 2012, the DoT issued an order for the levy of one-time charge for spectrum on incumbent telecom operators holding spectrum held in excess of 6.2 MHz between July 1, 2008 and December 31, 2012 and in excess of 4.4 MHz, effective from January 1, 2013, payable on an annual basis for remainder of the term of license. On January 8, 2013, DoT issued a demand notice to our Company and Bharti Hexacom Limited levying one-time spectrum charges amounting to Rs. 52,012 million, of which, Rs. 17,580.70 million was required to be paid within 21 days from the date of issuance of such demand notice. Our Company and Bharti Hexacom Limited challenged this demand for one-time charge in the Bombay High Court, which has by its order dated January 28, 2013, among other things, stayed the enforcement of the demand. However, the DoT through its letter dated June 27, 2018, revised the demand of one-time spectrum charge to Rs. 84,140 million. On August 19, 2019, our Company filed an affidavit before the Bombay High Court seeking clarification that the revised demand, wherein the Bombay High Court *vide* its order dated October 4, 2019 has: (i) taken on record a copy of DoT letter dated September 30, 2019 stating that the revised demand is subject to the decision of the Bombay High Court; and (ii) accepted the statement of the Union of India that no coercive steps are contemplated pursuant to the revised demand. As of the date of this Letter of Offer, the matter is pending. In the appeals filed by DoT and another telecom operator before the Hon’ble Supreme Court in a similar matter challenging the DoT order on spectrum charges, the Supreme Court *vide* its order dated December 7, 2020 has directed that status quo be maintained regarding the demands raised against such operator. For further details, see “*Outstanding Litigation and Defaults*” on page 394.

We cannot assure you that the outcome of these proceedings will be favorable to us. The costs and resources required to defend us from these proceedings may be substantial, and adverse decisions can result in material amounts, which may adversely affect us and may also damage our reputation.

6. We have incurred significant indebtedness, and we must service this debt and comply with our covenants to avoid defaulting on our borrowings and refinancing risk. Furthermore, we are subject to risks arising from interest rate fluctuations, currency fluctuation and regulatory changes.

We borrow funds in the domestic and international markets from various banks and financial institutions to meet the short-term and long-term funding requirements for our operations and funding growth initiatives. Such indebtedness may be substantial in relation to our shareholders’ equity, increasing our risk to debt. As at

March 31, 2021, we had consolidated long term borrowings (including current maturities of long-term borrowings) of Rs. 1,217,076 million, of which our consolidated outstanding secured long-term borrowings aggregated to Rs. 3,699 million. In addition, we may also incur additional indebtedness in the future to fund our operations and including but not limited to indebtedness incurred to fund capital contributions to our Subsidiaries, subject to limitations imposed by our financing arrangements and applicable law. We may not be able to generate sufficient cash flow from operations in the future and future working capital borrowings may not be available in an amount sufficient to enable us to do so. Further, financing may not be available for refinancing our existing and future debt obligations. Working capital facilities are typically uncommitted and may be callable. There is no guarantee that these facilities will continue to be available to us. We have routine commercial paper programs, factors impacting us or the Indian economy or changes in guidelines, regulations with respect to commercial papers may cause this source of funds to dry up. We also have significant bank guarantees issued to cover, including but not limited to, our disputes as well as spectrum liabilities, license fees and other regulatory obligations which may materialize and we may not be able to honor such obligations. We may not be able to obtain bank guarantees to meet any future bank guarantee requirements or to renew our existing bank guarantees. Any performance lag/default on those debt obligations by Subsidiaries may cause guarantees to be accelerated and we may not be able to honor such obligations. In addition, some of our loan agreements may also extend charges or negative charges on assets held in India and/or overseas. See “—*We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements.*” An increase in debt levels beyond the levels acceptable to rating agencies or any adverse impact in operations, may also put downward pressure on our ratings, which can increase the financing costs and reduce/restrict availability of further debt for us. For more information regarding changes in our credit ratings, see “—*Adverse change in credit ratings assigned to us may affect our ability to raise funds for future capital requirements.*”

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, without the prior consent of the respective lender or require prior intimation to lenders of any such events or covenants that give rights to the lenders, in a limited manner, to ask for mandatory prepayment of the loans granted under specific circumstances as set for the in various relevant debt documents. Amongst others, we are required to obtain prior approval or cause prior intimation of the following events:

- (i) Creation or allowing to exist any security interest on our movable and immovable assets without the prior approval of relevant lender except in specific circumstances as set forth in various relevant loan documents.
- (ii) Passing any resolution or otherwise taking any steps towards voluntary winding up or liquidation or dissolution by our Company.
- (iii) Undertaking any amalgamation, demerger, merger or corporate reconstruction except in specific circumstances as set forth in the relevant debt documents.
- (iv) Making any substantial change in the general nature of our business.
- (v) Conveying, selling, leasing or otherwise disposing of all or substantially all of our assets or receivables except for those assets, which are required to be disposed of in the ordinary course of business.
- (vi) Prepayment of loans in case of insolvency applications under the Insolvency and Bankruptcy Code.

Furthermore, for certain facilities, we may be required to mandatorily prepay the outstanding amount of the loan obligations if any Bharti entities (those entities of Bharti Group which hold shares in our Company) together cease to directly or indirectly control our Company. We cannot assure you that the lenders or investors will grant the required approvals in a timely manner, or at all. We are also required to maintain

certain financial ratios under certain financing arrangements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities and could have an adverse effect on our business, results of operations and financial condition. Furthermore, any change in control or occurrence of event of default may require us to make the prepayment of entire outstanding amount of the loan obligations. We may not be able to procure sufficient funds to make the repayments thereof and it may adversely affect our ability to conduct our business and operations.

We also borrow funds in the domestic and international markets from various banks and financial institutions to meet the long-term and short-term funding requirements for our operations and funding our growth initiatives. Increases in interest rates will increase the cost of debt that we incur. In addition, the interest rate that we will be able to secure in any future debt financing will depend on market conditions at the time and may differ from the rates on our existing debt. If the interest rates are high when we need to access the markets for additional debt financing, or if interest rates increase on our floating rate debt, our business, results of operations and financial condition may be adversely affected. We may have debt denominated in various currencies at floating rates of interest. We may not be able to successfully manage currency or interest rate risk and accordingly, our liability to repay on debt obligation may inflate. In addition, various aspects including tenor, purpose/end use, costs of raising debt are guided by regulatory change such as changes in regulations relating to external commercial borrowing or changes with respect to the Large Exposure Framework of the Reserve Bank of India that can cause our interest rates to fluctuate or impose additional hedging requirements or otherwise cause adverse impact on availability of capital. Further, any such hedging activity is likely to increase cost and has no assurance of fully mitigating the impact of variations caused by mentioned factors.

The Airtel Africa Group also has substantial debt in aggregate of interest-bearing loans and borrowings outstanding under its borrowing arrangement. As at June 30, 2021, net debt (defined as the sum of current and non-current borrowings (including lease liabilities) less investments and cash & cash equivalents) of the Airtel Africa Group was Rs. 265,575 million which represented 16.6% of our total consolidated net debt. As a result of such indebtedness, the Airtel Africa Group must dedicate a substantial portion of its cash flow from operating activities to the payment of principal of, and interest on, its borrowings, thereby reducing the availability of such cash flow to fund working capital or other general corporate purposes. In addition, the companies under the Airtel Africa Group have prescribed certain debt thresholds in their dividend policies, which if crossed will limit their ability to pay dividend. The amount of the indebtedness of the Airtel Africa Group could also reduce its flexibility to respond to general adverse economic and industry conditions and could place it at a disadvantage compared to competitors with lower levels of indebtedness.

Moreover, under the terms of some of its existing debt, Airtel Africa Plc and its subsidiaries are subject to certain restrictions and financial covenants which could limit the ability of Airtel Africa Plc or its subsidiaries to pay dividends under certain circumstances, may limit the ability of the Airtel Africa Group to finance future operations and capital needs and may limit its ability to pursue business opportunities and activities.

7. We have substantial capital requirements and may not be able to raise the additional funds required to meet these requirements.

We operate in a capital-intensive industry. Our funding requirements are primarily for award of licenses, purchase of spectrum, network expansion and upgrades, the roll-out of new networks following award of new licenses, spectrum and technological advancements, refinancing of existing debt and general corporate purposes. The adoption of any new technology such as the proposed adoption and implementation of 5G also requires significant capital expenditure. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, future cash

flows being less than anticipated, price increases, unanticipated expenses, imposition of taxes or regulatory dues, regulatory changes, and limitations on spectrum availability, market developments and new opportunities in the industry.

The financing required for such investments may not be available on terms acceptable to us or at all and we may be restricted by our existing or future financing arrangements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could have significant adverse effect on our profitability and other financial measures. We have, in the past and in the future, may continue to rely on financial support from our Promoter, Promoter Group, Shareholders and related parties and we cannot assure you that such funding will be available in the future. Our ability to finance capital expenditure plans is also subject to a number of risks, contingencies and other factors, some of which are beyond our control, including borrowing or lending restrictions under applicable laws, any restrictions on the amount of dividend payable and general economic and markets conditions.

Prudential norms, including but not limited to single and group borrower concentration limits prescribed by the RBI or other regulatory bodies to bank lenders in India (as well as corresponding limits under our financing arrangements with such bank lenders) may restrict our ability to seek additional credit facilities from our current bank lenders to fund business requirements in the future. Therefore, we may be required to maintain multiple banking relationships on an ongoing basis, or enter into new banking relationships in the future. We cannot assure you that new bank credit facilities will be available to us in a timely manner, on commercially viable terms, or at all.

Furthermore, the RBI or other regulators continue to amend the regulations regarding the granting or access of credit from time to time. Such amendments may impact the availability, longevity, terms or other nuances of capital available to us. For example, we are currently classified as a Specified Borrower/Large Borrower, and therefore we need to arrange capital in a certain manner, including from the capital markets in India in accordance with such regulation. We can provide no assurance that we will be able to do so.

Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans, the failure to meet roll-out obligations pursuant to our licenses or our inability to continue to provide appropriate levels of service in all or a portion of the telecom circles in which we operate (which may lead to penalties or loss of license). As a result, if adequate amount of capital is not available, there could be an adverse effect on our business, results of operations and prospects.

Similarly, the operations of the Airtel Africa Group require substantial amounts of capital and other long-term expenditures, including those relating to the development and acquisition of new networks and the expansion or improvement of existing networks. Our capital expenditure has been stable in the last two years and as of June 30, 2021, the Mobile Services segment - Africa had spent Rs. 7,817 million in capital expenditure. Any failure to arrange sufficient external financing from banks or other lenders on a timely basis or on satisfactory terms could have a material adverse effect on the business, prospects, results of operations and financial condition of the Airtel Africa Group.

8. Adverse change in credit ratings assigned to us may affect our ability to raise funds for future capital requirements.

Our Company is currently rated Bal by Moody's Investors Service ("Moody's") with a stable outlook; BBB- by Standard & Poor's ("S&P") with a stable outlook; AA Stable by CRISIL and BBB- with a negative outlook by Fitch Ratings Limited ("Fitch"). Adverse change in credit ratings assigned to our Company may affect our ability to raise funds for future capital requirements. Further, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings,

the rating of our existing debt and the terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. For details, see *“Any downgrading of India’s credit rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.”*

Given the significant competition in the Indian telecom industry we face and the consequent impact on our rating metrics, some of the ratings or outlook on our ratings had been revised downwards in the past by rating agencies. Any downgrade in our credit ratings may impact our ability to raise additional funds and/or the interest cost at which we borrow additional funds and could have an adverse effect on our business and results of operations. Certain additional restrictive covenants may also become applicable on a part of our indebtedness in case of downward revision of certain ratings. Further, we cannot assure you that we will not tie any of our future indebtedness that have linkages to rating levels changes which may result in an increase in pricing, restrictions on debt and other actions.

9. Our telecommunication licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect us.

The terms of our licenses, permits and frequency allocations are subject to finite terms, ongoing review and the renewal of license is required for the licensee to continue our services as well as purchase of spectrum in auctions. While we do not expect us or any of our Subsidiaries, Joint Ventures or Associate Companies to be required to cease operations at the end of the terms of their respective licenses in relation to usage of spectrum, there can be no assurance that these business arrangements or licenses will be extended on equivalent satisfactory terms, or at all. Failure to acquire new spectrum licenses, or failure to renew our existing spectrum licenses at auction, could adversely affect our business, competitive position, revenue-generating ability and cause long lived tangible and intangible assets to be impaired and require a charge against earnings. For more information, see *“—Our ability to grow our business and the number of subscribers is dependent on the quality and quantity of spectrum owned by us.”*

Upon termination, the licenses and spectrum held by us may revert to the local governments or local regulators in the respective jurisdiction, in some cases without any or adequate compensation being paid. Our licenses and allocations are subject to varying interpretations and the licensor reserves the unilateral right to amend the terms and conditions of our telecommunication licenses. In the event the licensor exercises such right, our business, prospects, results of operations and financial condition may be adversely affected. Supply of spectrum is limited by the restrictions on the participation in auctions, and we may not be able to effectively win spectrum back in these auctions. We are also required to comply with certain conditions such as maintaining the minimum net worth, minimum paid up equity capital and capitalization requirements specified under the terms of our telecom licenses.

We have migrated our unified access service (“UAS”) licenses of Delhi and Kolkata, which were due for renewal in November 2014 to unified license (“UL”) (access authorization). Subsequently, the licenses, which came for renewal in 2015 and 2016, were also migrated to the UL regime.

We have also purchased spectrum for a period of 20 years in the spectrum auctions of February 2014, March 2015 and October 2016 to ensure continuity of services in the license service areas where our licenses were due to expire between 2014 and 2016. Furthermore, we have also participated in the DoT spectrum auction in March 2021 and have acquired additional spectrum in various spectrum bands to cater to the needs of our growing customers and to create a 5G ready network. Typically, the UL is valid for 20 years and we will be required to renew the ULs upon expiry of such period.

In 14 service areas, namely Tamil Nadu (including Chennai), Gujarat, Haryana, Kerala, Madhya Pradesh, Maharashtra (excluding Mumbai), Mumbai, Uttar Pradesh West, Uttar Pradesh East, Bihar, Jammu & Kashmir, Odisha, West Bengal and Assam, we operate under UAS license with administratively allocated spectrum, which are due to expire between 2021 and 2024. However, we have also acquired liberalized spectrum in these 14 service areas through auctions, mergers and spectrum trading for the continuity of services. We had submitted an application to DoT for the renewal of our licenses under the UL regime which were due to expire in Fiscal Year 2022. The DoT has accepted our application and additional service authorizations under UL have been signed with the DoT.

In April 2021, our Company (as a seller) and RJIL (as a buyer) submitted a joint application for trading of access spectrum in 800 MHz band in the service areas of Delhi (1.25 MHz paired / 2.50 MHz Unpaired), Mumbai (2.50 MHz paired / 5.00 MHz Unpaired) and Andhra Pradesh (3.75 MHz paired / 7.50 MHz Unpaired) service areas. The DoT granted its approval to the trading arrangement on August 10, 2021.

While we believe that it we presently safeguarded ourselves against the risk arising from the expiry of our administratively allocated spectrum which is due to expire in the next couple of years by acquiring spectrum in auctions/trading as well as acquiring additional spectrum from other TSPs through acquisitions such as that of Tata Teleservices (Maharashtra) Limited (“TTML”), Tata Telservices Limited (“TTSL”) and Telenor, there can be no assurance that we will be able to implement the same strategy in the future when our current auction acquired spectrum reaches its expiry or that there would be adequate acquisition opportunities, at commercially acceptable terms, available at such time. Further, while we have acquired such spectrum usage for blocks of 20 years through the auction process, or otherwise, at a significant cost to us, if the technology and associated ecosystems and platforms change sooner than that, we may not be able to put this spectrum to commercial use for its full life.

We anticipate that we may have to pay increasingly significant license fees and spectrum charges in certain markets, as well as meet specified network build-out requirements. We cannot assure you that we will be successful in obtaining or funding these licenses, or, if licenses are awarded, that they can be obtained on terms commercially acceptable to us. Furthermore, if we renew existing licenses or obtain additional licenses, we may need to seek future funding through additional borrowings or equity offerings, and we cannot assure that such funding will be obtained on satisfactory terms or at all, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

10. From time to time, we also face uncertainties in many countries where licenses have come up for renewal.

We, through Airtel Africa Group operate in a number of emerging markets, in which the interpretation and application of laws and regulations affecting telecom services or other ancillary services such as mobile money may be subject to increased uncertainties due to developing or incomplete regulatory regimes and monitoring and ensuring compliance may be more difficult compared to more developed markets. In many of the countries in which the Airtel Africa Group operates, local regulators have significant latitude in the administration and interpretation of telecom and related licenses and laws, rules and regulations. In addition, the actions taken by these regulators in the administration and interpretation of these licenses and laws, rules and regulations may be influenced by local political and economic pressures.

The enforcement of regulations in the emerging markets in which the Airtel Africa Group operates may also be subject to increased uncertainties as a result of limited regulatory history or historic inconsistencies in the application of regulations and the penalties rendered, which may be sizeable. Consequently, we cannot provide any assurance that the Airtel Africa Group will not be subject to future regulatory enforcement

actions, which may include fines that could be substantial, which could have a material adverse effect on its reputation and its business, results of operations, financial condition and prospects.

In several of our subsidiaries, we have minority shareholders and joint venture partners having minority interests. While the relationship with such shareholders is well documented and forms part of the formal agreements, we cannot provide assurance that the relationship with such minority shareholders shall continue to be amicable at all times or that there will not be disputes with such minority shareholders leading to adverse business impact for such entities and businesses.

11. We face intense competition that may reduce our market share and lower our profits.

Competition in the Indian telecommunications industry is intense. We face significant competition from other companies, including from those with pan-India footprints such as Reliance Jio Infocomm Limited and Vodafone Idea Limited. Competition in the Indian telecommunications industry has increased notably due to liberalization of the foreign direct investment (“FDI”) policy of India. Liberalization led to the privatization of the telecommunication industry, allowed, and encouraged FDI and the provision of services by several mobile operators in various cellular zones established in India by the DoT. With further liberalization, new foreign and domestic competitors may enter the market, which will further increase competition.

The competitive landscape in India has also notably changed post the launch of services by a new operator three years ago. Intense pricing pressures, coupled with a general downward trend in prices of telecom services, and the need for future network expansion have led to a spree of consolidation and exits from the sector. Such disruptions in the market may also provide the opportunity for new entrants into the market. Similarly, increasing pricing pressure has affected and may continue to affect our profitability and ARPU as well as an increase in customer churn and selling and promotional expenses. Intense competition may impact our ability to retain long-term contracts with enterprise clients and may result in loss of business. We believe that prevailing competitive conditions in the telecom industry in India have adversely affected our results of operations in recent periods and contributed to our losses of Rs. 336,180 million and Rs. 234,207 million in fiscal years 2020 and 2021, respectively. In such a landscape, there is also a possibility that our competitors may seek new investments and concessions to maintain economic viability.

In addition, mobile number portability, which enables customers to switch their providers of mobile telecommunications services without changing their phone numbers, was introduced in India in the first quarter of the 2011 calendar year. This has resulted in a greater movement of customers among providers of mobile telecommunications services, has increased our marketing, distribution and administrative costs, slowed growth in subscribers and reduced revenues. As a substantial number of our subscribers are prepaid, we do not have long-term contracts with those subscribers and is therefore, more susceptible to subscriber churn.

Various technology focused companies have invested, and may in the future invest, in one or more of our competitors. As a result, such competitors may enjoy certain captive technological advantages on account of their strategic partnerships. For instance, our competitors may offer bundles, including cheaper or free handsets that can only be used on such competitor’s network, which could result in us losing customers.

We may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, internet-based services, such as Google Voice, WhatsApp, Skype, Zoom, Microsoft Teams and WebEx allow users to make calls, send text messages and offer other advanced features such as the ability to route calls to multiple handsets and access to internet services without the same amount of regulatory costs and scrutiny as subjected to telecom operators. It may reduce customers’ reliance on more traditional telecom services such as

voice calls and short message service (“SMS”), resulting in a decrease in our revenues. Furthermore, we may face competition from new market entrants providing satellite networks and solutions from low-earth orbit (“LEO”) in the future. LEO systems are presently being proposed to provide global communications for both voice and data applications. These systems are being designed to provide communications to areas of the world where either public telephone systems do not exist or cannot be provided due to terrain constraints. This has the potential to significantly affect our expansion into remote locations. Furthermore, satellite internet on smartphones can act as an alternative to traditional mobile wireless internet offered by telecom operators like us, and consequently may negatively impact our revenue from data services.

Our competitors may introduce new telecommunications services with specialized or more expensive and exclusive content from time to time. Access to such specialized, expensive and exclusive content may be available to our competitors that allow them to deliver services at lower prices, at higher quality or with other add-on services that might make our competitors’ services more competitive. Due to more limited resources than our competitors, we may not be able to capture opportunities in the market and may lose customers to competitors.

We also face substantial competition in our operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria, resulting in decreasing ARPU in these markets. In Sri Lanka, we compete with several larger service providers that have been operating in Sri Lanka for significantly longer periods than us, and we expect to face intense competition from these providers in our attempt to expand further. If we are not able to successfully compete in these markets, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. The availability of spectrum in Sri Lanka is limited and if we are unable to obtain more spectrum to launch additional services and to boost existing services, this could have a material adverse effect on our reputation, business, prospects, financial condition, cash flows and results of operations. Airtel Africa Plc and its consolidated subsidiaries and subsidiary undertakings (the “**Airtel Africa Group**”) operates in an increasingly competitive environment, particularly with respect to pricing and market share, across its markets and segments, which may adversely affect our revenue and margins. The existing and future competitors of the Airtel Africa Group may enjoy certain competitive advantages that we do not have, such as having easier access to financing, greater personnel resources or fewer regulatory burdens which may in turn negatively impact the competitive position of the Airtel Africa Group. Further, any failure of the Airtel Africa Group to compete effectively, including in terms of pricing of services, acquisition of new customers, retention of existing customers, developing and deploying of new or improved products and services and enhancing networks could have a material adverse effect on the reputation, business, prospects, financial condition, cash flows and results of operations of the Airtel Africa Group.

In Africa, social networking sites and messaging applications pose a threat to traditional telecommunications revenue streams such as pre-paid mobile, voice services, which have historically comprised a significant part of the revenue of the Airtel Africa Group. Any reduction in demand for traditional paid voice services across the telecom industry may lower the revenue that the Airtel Africa Group is able to generate from interconnect services. The ability of the Airtel Africa Group to retain and attract subscribers or provide an attractive alternative to traditional subscriber models could materially and adversely affect the profitability, business, results of operations and financial condition of the Airtel Africa Group.

12. If we do not continue to provide telecommunications or related services that are technologically up to date, we may not remain competitive.

We believe the telecommunications industry is characterized by technological changes, including an increasing pace of change in existing mobile systems, industry standards, customer demand, preferences,

behavior, and ongoing improvements in the capacity and quality of network. As new technologies develop, our equipment may need to be replaced or upgraded, or our networks may need to be rebuilt in part or in whole in order to sustain our competitive position in the Indian telecommunications industry. Furthermore, technology cycles are increasingly becoming shorter, thereby speeding up the time until which new technology becomes obsolete. As a result, we may require substantial capital expenditures and access to related technologies in order to integrate new technologies with our existing technology and phase out outdated and unprofitable technologies. If we are unable to modify our networks and equipment on a timely and cost effective basis, we may lose subscribers.

High-speed data services have emerged as a key competitive factor in India. Deployment of new telecom technologies, including fifth generation mobile telecom or 5G, in the future may involve significant additional resources including time, funds, and thereby could impact our results of operations, financial condition and cash flows. Technologies such as mobile money payment services, innovative mobile applications, and other over the top (“OTT”) and value-added service products are also of growing importance to our customers. We may not be able to provide such technologies or expand our offerings in a manner that enables us to compete effectively in the Indian telecom sector. If the costs associated with new technologies are higher than anticipated, our business, financial condition and results of operation may be adversely affected. In addition, we face the risk of unforeseen complications in the deployment of new services and technologies, and we cannot assure you that these new technologies will be commercially successful, once deployed. Our results of operations would also suffer if our new services and products are not well received by subscribers, are not appropriately timed with market opportunities or are not effectively brought to market or where our investments in ventures do not generate commensurate returns.

Additionally, we may be unable to successfully respond to technological advances and evolving industry standards due to the following:

- Upgrading our services in response to market demand may require the adoption of new technologies including 5G that could render many of the technologies that we are currently implementing less competitive or obsolete. Furthermore, these technologies are constantly evolving and global standards for 5G such as, open RAN (the basis for our 5G rollout) may not be the industry standard in the future and we may lose part or all of our investments in such technology. This would be in addition to the capital expenditure we would be required to incur to meet industry standard at the time of launching our 5G operations. We may also need to gain access to related or enabling technologies in order to integrate the new technology with our existing technology, including updating our technology and services to ensure compatibility with our customers’ hardware and software. Consistent with the experience of other industry players, our new services may contain flaws or other defects when first introduced to the market and will take some time to stabilize and get adopted.
- New telecommunications services are introduced by our competitors from time to time, including competitors who may bundle such telecom services with other offerings such as content, music, applications, e-commerce and other allied services. Our competitors may gain access to new advanced technology that allows them to deliver their services at lower prices, at higher quality or with other add-on services that might make our competitors’ services more competitive or attractive. If we does not anticipate these changes and promptly adopt new and innovative services in response, we may not be able to capture the opportunities in the market and may lose customers.
- To compete successfully, we may need to increase the diversity and sophistication of the services we offer and upgrade our telecommunications technology, including technology we use for our broadband internet and DTH services. We may be required to make substantial capital expenditures and may not

be successful in modifying our network infrastructure and/or upgrading to use other technology in a timely and cost-effective manner in response to these changes. For example, if DTH content providers migrate their channels from standard definition to high definition, 4K or 8K definition, we will have to ensure that our technology platform is able to support the migration of a substantial number or all of our customers from standard to high and ultra-high definition channels, which may require us to incur additional costs and deploy additional resources. Additionally, new technology or trends in the telecommunications industry could have an adverse effect on the services we currently offer and may cause significant write-downs of our fixed assets. Increased adoption of these or other competing technology may lead to a decline in our turnover and profitability. For example, while consumers are accustomed to viewing DTH content delivered over their television, consumers' preference may shift towards viewing content on OTT platforms through other devices, which use broadband internet or wireless mobile internet to receive such content. This may adversely affect our DTH service business.

- Advancements in technology or new technology developed in related or adjacent segments of the telecommunications industry, such as 5G wireless mobile internet services, may offer consumers attractive services, which are akin to or close alternatives to wired broadband internet services, and may reduce the relevance of or demand for our wired broadband internet services. This may result in a loss of customers, a decrease in ARPU and hence a substantial decline in our broadband internet business.
- Developing new services can be complex. We may not be able to implement the new services effectively, promptly and economically to meet customer demand. In developing new services, we may need to make significant investments in our network infrastructure and/or otherwise in order to support these services. If we exceed our budgeted capital expenditure and cannot meet the additional capital requirements through operating cash flows and planned financings, we may have to delay our projects, which could make us less competitive and lead to customer loss.
- Our new services may not be commercially successful. The failure of any of our services to achieve commercial acceptance could result in lower than expected turnover.

To respond to technological changes, including consumer demand for internet services at higher speeds, we may need to invest to further upgrade our existing technologies to prevent them from becoming obsolete. These changes may require us to replace and/or upgrade our network infrastructure and as a result, incur additional capital expenditure (which may be significant) in order to maintain the latest technological standards and remain competitive against newer products and services and may impair the value of our existing assets. If we cannot respond to new technology successfully and offer the new services to meet the demands of our customers in a timely manner and at competitive prices, our business, financial condition, results of operations and prospects could be adversely affected.

For our Africa operations, commercial success depends on providing attractive products and services such as voice, data, mobile money, connectivity and other value-added services to our customers on a timely basis and at a competitive cost. If the Airtel Africa Group is unable to anticipate customer preferences, respond to technological changes or industry changes or if they are unable to modify its service offerings or otherwise react to changing customer demands on a timely and cost-effective basis, they may lose customers and quality of services and it may have an adverse impact on business, results of operations financial condition and prospects of the Airtel Africa Group.

It is possible that the development of technologies, products and services may intensify competition due to the entrance of new competitors or the expansion of services offered by existing competitors or from players

of adjacent industries such as internet companies and OTT players. We cannot predict which of the many possible future technologies, products, or services will be important to maintain our competitive position. To the extent we do not keep pace with technological advances or fails to respond in a timely manner to changes in the competitive environment affecting the industry, we could lose market share or experience a decline in our business, prospects and results of operations.

13. We are exposed to a high risk of customer churn, which increases our subscriber acquisition costs.

The Indian mobile telecommunication industry has historically experienced a high rate of churn in the subscriber base. The high churn rate is a consequence of, among other things, mobile number portability and intense competition, which have led telecom operators to introduce promotional tariffs in order to add customers. Subscribers do not sign service contracts, which make our customer base susceptible to switching to other wireless service providers. It can be difficult to determine actual churn rates as customers may frequently keep switching networks, and definition to account for customers may not be uniform across all operators. In addition, many of our subscribers are first-time users of wireless telecommunications services who have a tendency to more frequently migrate between service providers, in light of availability of incentives or lower tariffs, than established users. The increased availability of incentives from our competitors increases the risk of churn in our subscribers. Churn is also a function of overall network quality and overall customer satisfaction. Further, in July 2021, we increased the price of our entry level prepaid recharge with a focus on offering superior connectivity solutions to our customers. There can be no assurance that we will be able to maintain our subscriber base in view of such tariff revision. Our inability to retain existing prepaid customers and manage churn levels could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The telecommunication market has undergone a vast change over the past few years. The Indian telecommunication markets have seen a reduction in the number of operators from 8 to 4, due to the consolidation of operators. This had resulted in a decline in overall revenues for the industry. Furthermore, any upward revision of tariffs by any operator results in them losing customers and subscribers and future upward revisions of tariffs are likely to reflect similar trends.

The following table sets forth the rate of churn in the subscriber base in mobile services and digital TV services segments for the years ended March 31, 2020 and 2021 and the three months ended June 30, 2021:

	For the year ended March 31,		For the three months ended June 30,
	2020	2021	2021
	<i>(Per cent. monthly churn)</i>		
Mobile services	2.5	2.0	2.8
Digital TV services	1.4	1.6	1.4

A high churn rate increases the average cost of signing up a new customer (the “**Subscriber Acquisition Costs**”). However, we may be unable to recover such increased Subscriber Acquisition Costs from existing and future customers and further, find it difficult to recover outstanding liabilities from post-paid subscribers who have been deactivated from the system or where such customers have to migrate to other telecom service providers. Higher churn in post-paid subscribers increases the incidence of bad debts. A high rate of churn or an increase in bad debts could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

14. It is possible that other telecom companies are able to acquire spectrum at cheaper prices in future spectrum auctions.

We have acquired spectrum in the spectrum auction processes conducted by the DoT. It is possible that future auctions may have simpler rules or the auction determined prices may be significantly below the prices at which we had acquired spectrum. Other telecom companies may therefore be able to acquire spectrum at cheaper prices, thereby reducing their costs and enabling them to compete through tariff reductions. This may have an adverse effect on our business, cash flows, results of operations and financial condition.

15. Our performance metrics may not be comparable to the performance metrics of other mobile telecommunication companies.

The methodology for calculating key performance and operating metrics, such as adjusted gross revenue, revenue and the number of customers, is not standardized across the mobile telecommunications industry and thus varies substantially between industry players, particularly in Africa. Additionally, there is a lack of published statistical data on the performance of telecommunication companies in the countries where we operate. As a result, operating metrics reported by us may not be comparable to similar operating metrics disclosed by other companies, and consequently, an investor is limited in his or her ability to adequately compare companies when making an investment decision. This may result in a negative impact on investment decisions in circumstances where operating metrics are calculated in a more favorable manner for competitor companies, which could have a material and adverse effect on our business, prospects, financial condition and cash flows.

16. Our ability to grow our business and the number of subscribers is dependent on the quality and quantity of spectrum owned by us.

The operation of our mobile telecommunications network, including rolling out 5G data services in the future is limited by the quality and quantity of spectrum owned by us in the jurisdictions we operate. In India, telecom operators obtain access spectrum through competitive bidding in GoI held auctions or by entering into spectrum sharing or trading arrangements with other telecom operators. Acquisition of spectrum is subject to certain conditions, risks and uncertainties, including:

- high reserve prices being set by the GoI for the auction of spectrum;
- our competitors outbidding us at the spectrum auctions and entering into spectrum sharing and trading arrangements with each other to our exclusion;
- regulatory uncertainties including delayed access to spectrum already acquired through competitive bidding; and
- the unavailability of spectrum in certain bands in certain telecom circles and inability to acquire contiguous spectrum.

Liberalized spectrum acquired through auction in all the bands (800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2300 MHz) can be used to provide wireless broadband services by the TSPs. In India, the DTH services are offered in Ku band and within the band, ISRO allocates specified spots (transponders) as per the requirements of the operator. Procurement of spectrum in India is determined by the DoT and by various local/jurisdictional regulators across our African operations and is also subject to caps on the amount of spectrum any telecommunications operator may obtain and hold. In determining spectrum distribution, governmental authorities generally seek to ensure choice of services, efficient use of spectrum and continuity of customer service while maintaining technology neutrality and providing a stable investment environment. The current spectrum procurement may not be sufficient for expected subscriber growth going forward, and

our future profitability and cash flows may be materially and adversely affected if our procured spectrum proves inadequate in the future for the expansion of our telecommunications business or if we are unable to procure additional spectrum in the future for the expansion of our telecommunications business. Additional spectrum may also be required to maintain quality of service. As the number of subscribers simultaneously using the same spectrum increases, the quality of the service may suffer, which may lead to a loss of subscribers and revenues. This could have an adverse effect on our business and results of operations. Further, with the introduction of stringent norms for telecom operators related to quality of service and call drops issues we may not be able to maintain, control or improve the quality of our service and may be subject to monetary penalty or any adverse action by regulators.

In August 2018, the TRAI had given its recommendation on auction of spectrum to DoT. TRAI had suggested that entire available spectrum available in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 3300-3400 MHz and 3400-3600 MHz bands in the forthcoming auction should be auctioned, as a single band and time division duplex (“TDD”) based frequency arrangement should be adopted for this band. Reserve price for 700 MHz and 3300-3600 MHz was recommended as Rs. 65,680 million/MHz and Rs. 4,920 million/MHz for pan India, respectively. While the DoT proposed a reduction in the abovementioned reserve price in its letter dated July 1, 2019 in relation to the proposed rollout of 5G services, TRAI reiterated its pricing recommendations issued in August, 2018 through a response issued on July 8, 2019. Further, TRAI had also suggested that all of the administratively allocated spectrum in 800 MHz, 900 MHz and 1800 MHz bands whose validity was due to expire by December 31, 2021 should also be auctioned. On January 6, 2021, DoT issued a Notice Inviting Application to conduct a spectrum auction, which took place in March 2021. A total of 2308.8 MHz spectrum was offered across seven bands (700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz) and spectrum in 3300-3600 MHz was not part of the March 2021 spectrum auction. We acquired 355.45 MHz spectrum across sub GHz, mid band and 2300 MHz bands for a total consideration of Rs 187.03 billion. Furthermore, for enabling 5G services, we will need high capacity backhaul, which would entail acquisition of E-band spectrum as that is an essential part of the backhaul architecture. There can be no assurance that the DoT will allot the E-band spectrum or allot the same at prices acceptable to us, which may impact our ability to deploy 5G technology for the benefit of our customers.

If we decide to bid for any additional spectrum that is put to auction, we may incur high capital expenditure for the acquisition of such spectrum and we may have to undertake additional indebtedness for the same, including through exposure to required performance bonds backing up our auction bid, or increase our mobile phone tariffs as a result. An increase in mobile phone tariffs may lead to reduced consumption of our services by subscribers or a shift of such subscribers to one of our competitors. Similarly, any additional indebtedness may impact our profitability and could have a material adverse impact on our business, prospects, financial condition, cash flows and results of operations.

Currently, the price of the bid in relation to auction of spectrum is the most important selection criteria. Increased competition may drive bidding prices for spectrum higher and we may not be able to acquire additional spectrum or may be required to pay a higher amount for acquiring additional spectrum. We cannot assure you that there will be further auctions for spectrum in the future, or that we will be successful in acquiring additional spectrum that we bid for, within a reasonable time, or at all. Further, we may not realize the expected benefits from investment in additional spectrum that we anticipated when we submitted our bid for such additional spectrum.

Spectrum usage rights offered in auctions are typically awarded for a period of 20 years in case of mobile telecommunication and we may not be a successful bidder when bidding for the same spectrum after expiry of such validity period. Moreover, spectrum acquired through competitive bidding may suffer from interference, which may limit its utility, temporarily or for a sustained period. Our business, financial condition, results of

operation and prospects may also be adversely affected if the GoI amends spectrum-holding caps in the future, which limit the amount of spectrum that can be held by one telecom operator. If we cannot acquire spectrum of the necessary quality and quantity to deploy our services on a timely basis and at adequate cost, our ability to attract and retain customers and the ability to successfully compete would be adversely affected.

17. We have rapidly expanded our international operations and our ability to manage the increased scope could affect future growth.

In the recent past, we have significantly expanded our international operations (in terms of geography and scope) through Subsidiaries and associate entities. These include the acquisition of new licenses and building of our own network infrastructure and purchasing interests in existing businesses. For example, we commenced telecommunications operations in Sri Lanka in 2009, Bangladesh in 2010 with the acquisition of Warid Telecom, and Africa in 2010 with the acquisition of Zain Telecom's operations in 15 African countries. We have, *inter alia*, divested control over our operations in Bangladesh (now with a minority stake in Robi Axiata which is a leading telecom service provider in Bangladesh), Sierra Leone and Burkina Faso. We have also expanded operations in Rwanda by acquiring Millicom's operations in Rwanda. We have also undertaken, and may undertake in the future, certain inorganic activities including additional mergers, acquisitions, demergers and slump sales.

Our ability to manage increased scope of operations both through organic and inorganic growth and to achieve future growth and profitability depends upon a number of factors, including our ability:

- to effectively increase penetration of our service and the scope of our management, operational and financial systems and controls to handle the increased complexity, expanded breadth and geographic area of our operations, particularly in Africa;
- to recruit, train and retain qualified staff to manage and operate our growing business across locations;
- to accurately evaluate the contractual, financial, regulatory, environmental and other obligations and liabilities associated with our international acquisitions and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with our accounting policies;
- to accurately judge market dynamics, demographics, growth potential and competitive environment;
- to effectively determine, evaluate, manage and respond to the risks and uncertainties in entering new markets, including political, economic and regulatory risks and uncertainties, and acquiring new businesses through our due diligence and other processes, particularly given the heightened risks in emerging markets;
- to effectively and efficiently respond to the competitive environment and manage varied customer demands and preferences in international markets; and
- to obtain and maintain necessary permits, licenses, spectrum allocation and approvals from governmental and regulatory authorities and agencies.

Any difficulties in addressing these issues or integrating one or more of our existing or future international operations could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, the value of our investments in associates (operating companies in which it has less than a controlling interest) could decline, requiring us to record impairments to those assets in its financial statements.

In Africa, business has historically and in recent years grown inorganically through mergers and acquisitions alongside organic growth, and the Airtel Africa Group has undertaken strategic divestments to streamline our footprint and focus on its core subscriber-facing operations. The inorganic component of the growth strategy of the Airtel Africa Group is based, in part, on strategic streamlining of our operational footprint, which included our exit from Burkina Faso and Sierra Leone in July 2016 and August 2016 respectively, as well as the expected continuation of our ongoing divestitures of tower assets. The growth strategy of the Airtel Africa Group depends in part on our ability to develop and integrate new services into existing services offering, including in connection with the expansion of our networks, as well as to expand our footprint into new markets, including through acquisitive growth. The Airtel Africa Group may be unable to identify or accurately evaluate suitable partners for acquisition or merger, or to complete or integrate past or prospective acquisitions or mergers successfully or in a timely or cost-effective manner, which could adversely affect our overall strategy. In addition, the Airtel Africa Group may also face risks with respect to any of our divestments. Any failures, material delays or unexpected costs related to the implementation of the growth strategy of the Airtel Africa Group could have a material adverse effect on its business, results of operations, financial condition and prospects.

18. We are exposed to certain risks in respect of the development, expansion and maintenance of our mobile telecommunications networks.

Our ability to increase our subscriber base depends upon the success of the expansion and management of our networks and upon our ability to obtain sufficient financing to facilitate these plans. The build-out of our networks are subject to risks and uncertainties, which could delay the introduction of services in some areas and increase the cost of network construction, including obtaining sufficient financing. We are engaged in a number of network expansion and infrastructure projects, including in India, Sri Lanka and in the African countries in which we operate. The speed at which we are able to expand our network and upgrade technology is critical to our ability to increase subscriber base. Thus, if any of these risks transpire, our business, financial condition, cash flows and results of operations may be adversely affected.

We purchase or rely on the purchase of commodities, such as diesel, steel and zinc, to support the development and maintenance of our tower network. Volatility in global commodity prices, in particular metal and fuel prices will make it more difficult for us to accurately forecast and plan the cost of equipment required for network maintenance and expansion, besides increasing our operating costs and capital expenditure.

Additionally, increases in such global commodity prices will increase the amount of capital expenditure required to finance our expansion plans, which will exert downward pressure on our profit margins if we are unable to pass these cost increases through to customers. Our operating costs, including that of the Airtel Africa Group, are subject to fluctuations, including changes in energy consumption costs, costs of obtaining and maintaining licenses, spectrum and other regulatory requirements. Any volatility in these and other variable operating costs or any inability to pass on increased costs to the customers could have a material adverse effect on our business, results of operations, financial condition and prospects.

In connection with our network strategy, we, from time to time, consider establishing partnerships with other carriers in our markets which may involve the sale of assets and may require funding from us. Network expansion and infrastructure projects, including those in our development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take significant amount of time before we can obtain the necessary permits and approvals for such projects to be completed and accrue benefits from such expansion, during which time we are subject to a number of construction, financing, operating, regulatory and other risks beyond our control, including, but not limited to:

- an inability to secure any necessary financing arrangements on favorable terms, if at all;

- changes in demand for our services;
- our technology becoming obsolete or outdated resulting in reduced commercial success of our services;
- shortage of material, equipment and labor, coupled with labor disputes and disputes with sub-contractors;
- inability to hire, train and retain qualified technical personnel;
- inadequate infrastructure, including as a result of failure by third parties to fulfill their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- accidents;
- changes in local governmental priorities or policies including security related restrictions on jurisdiction(s) from which we can purchase active infrastructure; and
- inability to obtain and maintain project development permission or requisite governmental licenses, permits or approvals.

The occurrence of one or more of these events may have a material adverse effect on our ability to complete current or future network expansion projects on schedule or within budget, if at all, and may prevent us from achieving targeted increases in subscriber base, revenues, internal rates of return or capacity associated with such projects. There can be no assurance that we will be able to generate revenues from our expansion projects that meet our planned targets and objectives, or that they will be sufficient to cover the associated construction and development costs, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

19. We may be unable to effectively manage our growth and derive the anticipated synergies or efficiencies from mergers and acquisition arrangements.

Our growth, including by way of mergers with Airtel Broadband Services Private Limited, Telenor, Bharti Digital Networks Private Limited, TTSL and TTML, is expected to place significant demands on our management and operational resources. In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to do so, or if there are any weaknesses in our internal controls and monitoring systems that would result in inconsistent internal standard operating procedures, we may not be able to service our clients' needs, hire, train and retain employees, pursue new business opportunities or operate existing and future business effectively. Failure to effectively manage new site construction for towers or properly budget or accurately estimate operational and other costs, which could result in delays in executing client contracts, trigger service level penalties, or cause our profit margins to not meet expectations or historical profit margins. Our inability to execute our growth strategy or to manage planned business expansion effectively could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We may not be able to realize the expected strategic and/or operational benefits from mergers, including, but not limited to, the Indus Merger. We also could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions.

20. We are exposed to risks associated with the passive infrastructure services business through our participation in the Indus Towers joint venture, including regulatory and market risks.

Immediately following the Indus Merger, our 53.5% shareholding in Bharti Infratel was reduced to 36.7% in the merged Indus Towers entity, a leading provider passive infrastructure and offer services, which include setting up, operating and maintaining wireless communication towers. On December 2, 2020 and December 28, 2020, we acquired an additional stake of 4.935180% and 0.064816%, respectively, in the merged Indus Towers entity, increasing our equity stake from 36.7% to 41.7%, as it currently stands on the date of this Letter of Offer. Due to this holding, we are exposed to the risks associated with passive infrastructure services, including the potential for a decrease in demand for tower space in India, which could materially and adversely affect our operations and business. Factors affecting this demand include:

- the effects of mergers or consolidations among mobile telecommunications operators and shutting down the business by some telecom operators;
- a general deterioration in the financial condition of mobile telecommunications service providers due to declining tariffs, media convergence or other factors;
- a decrease in the ability and willingness of mobile telecommunications service providers to maintain or increase capital expenditures;
- a decrease in the growth rate of mobile telecommunications or of a particular segment of the wireless communications sector;
- adverse developments with respect to auctioning of spectrum by the GoI and changes in telecommunications regulations;
- increased use of network sharing, roaming or resale arrangements by mobile telecommunications service providers amongst themselves;
- deteriorating financial condition and access to capital by mobile telecommunications service providers;
- changing strategy of mobile telecommunications service providers with respect to owning or sharing tower infrastructure services;
- adverse developments with regard to zoning, environmental, health and other government regulations;
- technological changes; and
- general economic conditions.

The passive infrastructure services business is based on the premise that the subscriber base for wireless telecommunications services in India will grow at a rapid pace and that Indian wireless service providers have, to a certain degree, adopted the tower infrastructure services sharing model. If the Indian wireless telecommunications services market does not grow or grows at a slower rate than we expect, or the behaviors of market players do not meet our current expectations, the demand for tower infrastructure and our growth prospects will be adversely affected, which would have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. In particular, in case a significant telecom operator(s) were to cease their operations, it may have a significant impact on our operational expenditure as the rent for using such passive infrastructure is inversely proportional to the number of operators sharing the tower.

The passive infrastructure services business is also required to obtain certain licenses and permits which are diverse and may be difficult to obtain, and once obtained, may be amended or revoked or may not be

renewed. We cannot assure you that the relevant authorities will not take any action or impose any conditions in relation to such licenses that could materially and adversely affect our operations and business.

21. We are dependent on third-party telecommunications providers over which we have no direct control for the provision of interconnection and roaming services.

Our ability to provide high quality and commercially viable mobile telecommunications services depends, in some cases, on our ability to interconnect with the telecommunications networks and services of other local, domestic and international mobile and fixed-line operators including our optical fiber cable transmission network. We also rely on other global telecommunication operators for the provision of international roaming services for to subscribers. While we have interconnection and international roaming agreements in place with such Indian and global telecommunication operators, we have no direct control over the quality of their networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to us on a consistent basis, could result in fall in number of subscribers or a decrease in traffic, which could adversely affect our business, prospects, financial condition, reputation, cash flows and results of operations. Further, there have been disputes between us and third-party telecommunications providers like BSNL, Aircel Limited, Reliance Communications Limited, Tata Teleservices (Maharashtra) Limited, and Tata Teleservices Limited, pertaining to SMS termination charges, which if determined against us, could have a material adverse effect on our business, results of operations, cash flows and financial condition. For details, see “*Outstanding Litigation and Defaults*” on page 394.

The Airtel Africa Group is also dependent on third parties for the supply of certain of its services. Any significant disruption or other adverse event affecting the relationship with any of the major suppliers of the Airtel Africa Group, the inability or unwillingness of key equipment and service providers to provide the operations of the Airtel Africa Group with adequate equipment and services on a timely basis and to manage its infrastructure in accordance with best practices, including at attractive prices, could materially adversely impact the ability of these operations to retain and attract subscribers or provide attractive product offerings, either of which could materially adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

22. We are dependent on suppliers and vendors for supply of equipment and services to build, develop, maintain and rollout our networks and operate our businesses over which we have no direct control.

We depend upon suppliers and vendors to provide us with equipment and services that we need to build, develop, maintain and roll out our networks and operate our businesses. We avail the services of vendors like Nokia and Huawei, and from various local vendors for ensuring operations and maintenance. We are dependent on these vendors for supplying components for future expansions besides also maintaining the networks and ensuring their upkeep. We cannot be certain that we will be able to obtain satisfactory equipment and service on commercially acceptable terms or that our vendors will perform as expected. If our contractual arrangements with such vendors expire or terminate, or if we fail to receive the quality of equipment and maintenance services that we require, to negotiate appropriate financial terms for equipment and services, obtain adequate supplies of equipment in a timely manner, or if our key suppliers discontinue the supply or maintenance of such equipment and services due to withdrawal from the Indian mobile telecommunications market or otherwise, we may find it difficult to replace a vendor on a timely basis without significant capital expenditure which could significantly disrupt our services. The occurrence of any such events could have an adverse effect on our business and results of operations.

We are dependent upon certain external suppliers of important services both to us and to our subscribers. We also import the services from vendors, and any adverse effect to import policies including increase in import duties and tariffs, or any embargo on imports from countries from which our vendors supply, such as security related restrictions by the GoI may have a negative impact on our business operations. In particular, trade tensions between the United States and major trading partners, including particularly with China, continue to escalate following the introduction of a series of tariff measures by the United States and/or its trading partners. Any further change in the United States' global trade policy against its trading partners, including tightening regulatory restrictions, industry specific quotas, tariffs, non-tariff barriers and taxes may have an adverse effect on our ability to procure the requisite components or services from suppliers located in the United States and/or its trading partners. For example, Huawei, one of our suppliers, is currently experiencing significant disruptions to its operations. Among other things, Huawei and its designated affiliates have been placed on the Entity List, an export control-related list, and Huawei has been designated as a "Communist Chinese military company" by the government of the United States, and the government of the United States has banned almost all American companies from utilizing information and communications technology supplied by Huawei. Our other suppliers and business associates are impacted by similar issues. Our approach will eventually have to be in-line with the approach of the GoI. Any additional export restrictions imposed by United States against Huawei and its designated affiliates, as well as any future sanctions the United States may impose against Huawei entities, as well as any damage to Huawei's image or reputation could potentially have an adverse effect on our business, prospects, results of operations and cash flows.

We also rely on third party vendors for building and maintaining our fiber network. In case they are unable to procure the necessary 'right of way' permissions in a timely fashion or at all, we may be unable to expand our network and consequently our services may be adversely affected. This may also affect our future profitability and revenue since we require extensive fiberization to successfully roll out our 5G services.

As a result, we are exposed to the supply and service capabilities of each of these vendors, which may be impacted by their ability to retain and attract appropriate personnel, their financial position and many other factors which are outside our control. If such a vendor fails to perform adequately or if we terminate the vendor, we may not be able to provide such services itself or find an alternative supplier without disruption to our services or incurring additional costs.

Furthermore, in December 2020, the GoI approved the National Security Directive on Telecommunication Sector and through an amendment in the UL, made it mandatory that licensee, shall only connect trusted products in their network and also seek permission from the designated authority for upgradation of existing network utilizing the telecommunication equipment not designated as a trusted product from June 15, 2021. This process would entail seeking approval from the designated authority and, since this process is new, there can be no assurances that such approvals would be received in a timely manner or at all which may adversely affect our ability to provide services to our customers.

23. We are increasingly dependent on revenue generated from data services and a failure to successfully compete in providing data services could have an adverse effect on our business.

Our business is increasingly dependent on revenue generated from data services. Various factors such as rising income levels, decline in prices of smartphones, increasing availability of mobile-based content, higher data demanding media including videos, games and other applications on smartphones and the rollout of long-term evolution ("LTE") networks have led to a rapid growth of data usage in the telecom sector in India. Equally, our dependence on voice revenues, which has traditionally been the mainstay of telecom companies is reducing. We cannot assure you that these trends will continue in the future and that it will continue to benefit from growth in data usage. We may also need to upgrade and expand our network infrastructure in order to remain competitive in the provision of data services, including 4G and potentially even 5G data services in the future, which will require us to incur additional capital expenditure. If we are unable to expand

or upgrade our networks and equipment for the provision of data services on a timely and cost-effective basis or at all, we may lose existing customers or fail to attract new customers.

Growth in our data revenues are dependent on the prices we are able to charge for various data offerings and the level of data usage by our customers. We cannot assure you that data usage growth will be adequate to compensate for any future reduction in data prices. Further, if our competitors are able to offer data services that are, or that are perceived to be, more affordable or of a higher quality than those offered by us, we may be required to reduce the price of our data offerings or risk losing market share. In recent times, we have reduced prices while increasing the amount of data which is offered to customers within each of our price brackets, due to various factors, including competitive pressure in relation to data offerings. If we are unable to remain competitive in providing data services in the future, our business, prospects, results of operations and financial condition may be adversely affected. See also “*We face intense competition that may reduce our market share and lower our profits.*”

24. We rely significantly on IT infrastructure and on outsourced personnel to develop and maintain our internal IT infrastructure.

We are dependent on effective IT/ engineering systems and platforms. These systems support key business functions such as recharges, digital care, customer care facilitation, business and customer insights, personalized information, research and development and billing capabilities, and are an important means of communication, internal and with customers and suppliers. Any significant disruption or failure of these IT/ engineering systems could materially and adversely affect our operations. We also have certain outsourcing arrangements in respect of critical processes, services and the support of IT infrastructure and our increasing dependency on these outsourcing providers could negatively impact our ability to deliver business targets and maintain compliance status and reputation. In particular, we outsource the Airtel Cloud and data center management to IBM, BSS/ OSS platforms to Amdocs and network management to Nokia Solutions and Huawei (for India, Sri Lanka and Africa). Any failure of our outsourcing providers to deliver services in accordance with our requirements or if we are unable to effectively manage our outsourcing arrangements or outsourcing providers, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

25. We depend on various tower companies for passive infrastructure needs and change in contracts may impact business.

We have entered into long term contracts for use of towers with various IPs. We cannot assure you that the agreements will always be entered on most favorable terms with such tower companies as compared to rates offered by other tower companies. Further, we cannot assure you that all of our Subsidiaries will be able to renew such agreements, at the terms beneficial to them. Further, ability to provide high quality and commercially viable mobile telecommunications services depends on robust network and infrastructure. Third party tower companies are responsible for running and maintenance of the network. We and our Subsidiaries have no direct control over the quality of the networks and the interconnections provided by such third-party tower companies. Any difficulties or delays in providing the reliable infrastructure services by such tower companies, or the failure of any operator to provide reliable services to our Subsidiaries on a consistent basis, could result in loss of subscribers or a decrease in traffic, which could adversely affect our business, prospects, financial condition, reputation, cash flows and results of operations. Third-party vendors may in future increase charges or renegotiate prices or we may not be able to renew contracts at terms commercially acceptable to us or at all. This could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

26. Our business relies on sophisticated billing, credit control systems, and any problems with these systems could interrupt our operations.

Sophisticated billing and credit control systems are critical to our ability to increase revenue streams, avoid revenue losses, monitor costs, potential credit problems, and bill customers properly and in a timely manner. New technologies and applications are expected to create increasing demands on billing and credit control systems. Any damage or interruptions in operation or failure of servers, which are used for our billing and credit control systems, could result in an interruption in our operations, and this in turn could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations.

We are dependent on several complex software packages that record minutes used, calculate the appropriate charge and then deduct the amount due from the account of the pre-paid subscriber or record the amount payable by the relevant post-paid subscriber. Any failure to properly capture the services provided or to charge the appropriate amount could have an adverse effect on our revenue. While no system or process can ensure total capture and some loss of income is common, if such leakages with respect to revenue determination increase, or are higher than those of our competitors, then our business and results of operations could be adversely affected.

Similarly, we are also dependent on several sophisticated processes for customer verification and activation services. Our customer verification and activation function ensures that all necessary documents are procured from pre-paid customers at the time of subscription in compliance with regulatory requirements in relation to verification of the identity of our customers. The DoT issues guidelines for the verification of customers, customer activation processes, disconnection and other related matters. There are outstanding proceedings initiated against us, by various Telecom Enforcement Resources Management Cells through separate petitions before the TDSAT/ High Courts for alleged non-compliance with subscriber verification guidelines and undertaking inadequate KYC, which may be adjudicated against us, resulting in us incurring penalties.

In the event regulatory agencies direct us to release certain customer data and records in accordance with applicable law and upon analyzing such information, it is alleged that we did not maintain acceptable internal processes for customer verification and activation, we may be subject to penalties and fines by DoT or TRAI. Further, weak internal processes could adversely affect our market position, especially if competitors have faster and better-coordinated systems for mobility subscriber activation.

27. Our ability to operate our business effectively could be impaired if we fail to attract and retain key personnel.

Our ability to operate our business and implement our strategy depends, in part, on the continued contributions of our executive officers and other key employees. The loss of any of our key senior executives could have an adverse effect on business unless and until a replacement is found. A limited number of persons exist with the requisite experience and skills to serve in our senior management positions. We may not be able to locate or employ qualified executives on acceptable terms. In addition, we believe that our future success will depend on our continued ability to attract and retain highly skilled personnel with experience in the key business areas in which we operate. Competition for such persons is intense and we may not be able to successfully recruit, train or retain qualified managerial personnel.

There can be no assurance that we will attract and retain skilled and experienced employees and, should we fail to do so, or lose any of our key personnel, our business and growth prospects may be harmed and our cash flows, results of operations and financial condition could be adversely affected.

Similarly, the success of the Airtel Africa Group relies on its central and local management team and other highly skilled personnel. The ability of the Airtel Africa Group to maintain its competitive position and to

implement its business strategy relies on the continued services of its executive officers and other members of senior management, both at the Airtel Africa Plc level and at its key operating subsidiaries. The inability of the Airtel Africa Group to successfully integrate, recruit, train, retain and motivate key skilled employees could have a material adverse effect on our business, results of operations, financial condition and prospects. The Airtel Africa Group depends on good relations with its employees, and any significant labor. Further our Company's and/or Subsidiaries' disputes or work stoppages may materially adversely affect our business, results of operations, financial condition and prospects.

28. Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up equity capital of our Company.

We have paid dividends in the past, however, the amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up equity capital of our Company.

29. A failure of our internal controls over financial reporting may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. In recent years, we have focused on improving the internal controls of the businesses. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report financial results accurately and in a timely manner, or to detect and prevent fraud, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

30. We may be unable to protect our rights to the land on which our active network infrastructure is placed.

To install our active network infrastructure, which is necessary for us to carry on our business, we obtain a substantial amount of space for physical infrastructural towers from Infrastructure Providers ("IPs") pursuant to commercial agreements. IPs take the right to use the land and property on which the towers are located under commercial contract with the landlord. In general, these lease arrangements are for periods ranging between 10 and 20 years.

A loss of any IP interests or right to use over the land / property, including an IP's actual non-compliance with the terms of these contracts, termination thereof, or the IP's inability to secure renewal thereof on commercially reasonable terms when they expire, could interfere with our ability to operate active network infrastructure and generate revenues.

Moreover, IPs may not own the land underlying their infrastructure towers, and any dispute between IPs and the owners of land on which infrastructure towers are located may force IPs to relocate certain towers. Any such change or disruption in the infrastructure portfolio may have an adverse effect on our ability to maintain our network and generate revenues. The cost to IPs of relocating our active network infrastructure is significant. IPs may not be able to pass these costs on to their customers and any such relocation could cause significant disruption to our customers. For various reasons, IPs may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to entering into contracts in respect of our sites, which may lead to litigation for eviction against certain IPs, and consequently us, from such lands and properties.

Indus Towers (including one of its predecessors, Bharti Infratel) has, from time to time, been named as a party to several litigation proceedings relating to the rentals of private land by it for its towers. Most of these proceedings pertain to disputes regarding the ownership of the lessors of these parcels of lands or the ability to use such land for installing towers, as well as suits for permanent and mandatory injunctions and determination of leases. Indus Towers' inability to protect its rights with respect to such lands and properties on which its active network infrastructure is located could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In Africa, disagreements with local communities with respect to existing or proposed tower sites in which the Airtel Africa Group operates could adversely impact the business and reputation of the Airtel Africa Group.

31. Our reputation and business may be harmed, and we may be subject to legal claims if there is loss, misappropriation of or access to our subscribers' or our own information or other breaches of information security.

We make extensive use of online services and centralized data processing services, including through third-party service providers. We and our third-party service providers process and maintain proprietary business information and personal data related to subscribers or suppliers. The secure maintenance and transmission of subscriber information is an important element of our operations. Our information technology and other systems, or those of service providers, that maintain and transmit subscriber information may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider, or impacted by advertent or inadvertent actions or inactions by our employees, or those of a third-party service provider. As a result of any of these risks, our business information, or subscriber or supplier data may be lost, disclosed, accessed or taken without consent.

Any major compromise of our data or network security, failure to prevent or mitigate the loss of our services or any subscriber information and delays in detecting any such compromise or loss could disrupt our operations, damage our reputation and subscribers' willingness to purchase our service and subject us to additional costs and liabilities, including litigation. For instance, we are, from time to time, involved in legal disputes initiated by customers alleging fraudulent access of their data by third parties without their consent and there can be no assurance that we will be successful in contesting any or all of these disputes. Should we be held liable in a large number of these disputes, our reputation, business and operations may be adversely affected.

The Airtel Africa Group could experience breaches in privacy laws and other information security requirements, which may materially adversely affect its reputation, lead to subscriber lawsuit or, loss of subscribers or hinder its ability to gain new subscribers. Further, if severe customer data security breaches are detected, the relevant regulatory authority could sanction one or more of our subsidiaries forming part of the Airtel Africa Group, and such sanctions could include a temporary suspension of operations. These factors, individually or in the aggregate, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Airtel Africa Group.

32. Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of service and unauthorized disclosure of data.

Our reputation and ability to attract, retain and serve our consumers is dependent upon the reliable performance and security of our computer systems and those of third parties that we utilize in our operations. These systems may be subject to damage or interruption from earthquakes, adverse weather conditions, other natural disasters, terrorist attacks, power loss, telecommunications failures, and cybersecurity risks. Interruptions or malfunctions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems) in these systems, or with the internet in general, could make our service unavailable or degraded or otherwise hinder our ability to deliver streaming content. Service interruptions, errors in our software or the unavailability of systems used in our operations could diminish the overall attractiveness of our service to existing and potential subscribers. Our systems and those of third parties we use in our operations can be vulnerable to cybersecurity risks, including cyber-attacks, both from state-sponsored and individual activity, such as denial of service attacks, physical or electronic break-ins and similar disruptions. These systems periodically experience directed attacks intended to lead to interruptions and delays in our service and operations as well as loss, misuse or theft of data or intellectual property. Any attempt by hackers to obtain our data, disrupt our service, or otherwise access our systems, or those of third parties that we use, if successful, could harm our business, be expensive to remedy and damage our reputation.

We have devoted and will continue to devote significant resources to the security of our systems and platforms using state-of-the-art technology; however, we cannot guarantee that we will not experience such malfunctions, attacks or interruptions in the future. Any malfunction or attack or interruption to our systems could adversely affect our operations.

33. Poor quality of network and information technology including redundancies and disaster recoveries can adversely affect our business, prospects and results of operations.

Our operations and assets are spread across wide geographies. The telecom networks are subject to risks of technical failures, partner failures, human errors, or willful 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, among others are few examples of how network failures happen. Our IT/ engineering systems are critical to running the customer facing and market-facing operations, besides running internal systems. In many geographies or telecom circles, the quality of IT connectivity or access through internet can occasionally be erratic or unreliable, which affects the delivery of services, such as, recharges, customer query, distributor servicing, customer activation, and billing. Natural calamities such as tropical cyclones “Tilli” in Odisha and Andhra Pradesh, heavy floods in Kerala and north eastern states in 2018, and in Maharashtra and Karnataka in 2019, have, in the past, disrupted telecommunications network and have resulted in network downtime. Further, such calamities have also led to increased costs and expenses being incurred on the repair and rework of the IT systems.

The systems landscape is ever changing due to newer versions, upgrades and 'patches' for innovations, price changes, among others. We make considerable efforts to ensure we mitigate any such risks by continuously upgrading our technology and using AI led operations to maximize auto-resolution of issues in a very timely manner where possible. We run only AI-led human-less engineering Network Operations Centre to monitor and manage our systems and data centers.

We have a technologically advanced Network Operations Centre for both India as well as Africa to monitor real time network activity and to take proactive and immediate action to ensure maximum uptime of network. Network planning is increasingly being done in-house, to ensure that intellectual control on architecture is retained with us. However, if we are unable to cope with the network failures effectively, it may materially adversely impact our business, prospects, financial condition, cash flows and results of operations.

34. We may not be able to adequately protect our intellectual property, which could harm the value of our brand and services.

Our business is dependent upon successfully protecting our intellectual property — including but not limited to our trademarks, copyright and patents. As part of our efforts towards ensuring their protection, we have successfully applied for and registered several trademarks including the word mark AIRTEL and its variations

and formatives including our various logo marks such as . As on the date of this Letter of Offer, we have over 420 registered trademarks including word marks, logos, device marks and slogans in various classes in India in addition to several trademark applications pending registration. We do not have any control over the registration of a trademark and a pending mark may not be granted registration for various reasons including being descriptive, non-distinctive, identical or similar to another mark. Furthermore, a trademark may also be opposed by third parties that claim to have prior or superior rights. Such actions are not within our control and can severely impact business and may result in requirement to undertake rebranding exercises, all of which result in additional costs for us and could also impact our reputation. A party could also proceed against a registered trademark and request for its cancellation on various grounds which include bad faith use and non-use for a continuous period of five years and three months from the date of entry into the register of trademarks.

Generating and maintaining recognition for our brand is critical to our business. The success of our business depends on our ability to use our trademarks in order to compete effectively in existing markets and increase penetration and awareness for our brand and further promote our business in newer markets. If we are unable to maintain or enhance subscriber awareness of our brand and generate demand in a cost-effective manner, it would adversely affect our ability to compete in the telecommunications industry and would have an adverse effect on our business and results of operations.

We routinely monitors third party trademarks, including domain names, by watching trademarks journals for advertised marks and keep a check on the use of our trademarks on the internet (including on application stores). However, it is possible that we are not aware of misuse of our trademarks as a domain or application name due to the sheer volume of domain names and applications. This could potentially cause loss of our reputation, which could impact our business and may even affect our goodwill.

While we have endeavored to register most of the trademarks that we use or have used in the past, even if these trademarks are not registered, those that have garnered a reputation over the years and are associated with us are protected under common law allowing us to prevent a third party from using a deceptively similar or identical mark and from any unauthorized use of the mark. This, however, is subject to us taking action against such a third party trademark and proving that the rights in our mark are superior. The use of a deceptively similar or identical third-party mark may result in a loss/injury to us. Such an action may also become a lengthy and costly exercise for us and may not always be in our favor. While for registered

trademarks, we have greater protection because of the statutory protection afforded against similar marks being used /registered for similar goods and services, we may not be able to adequately protect unregistered marks that are not as well recognized.

Our original works of authorship, which can be categorized into literary, dramatic, musical and artistic works, include our logos and software, and are protected under copyright laws. However, copyright may not provide adequate protection to artistic or literary works and we may not be able to protect our copyrighted works or prevent their infringement, misuse or unauthorized use solely on the basis of copyright. Additionally, we may be required to litigate to protect these works, which may increase our costs and operational expenditure. These events could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

We have also filed several patent applications, however, none of these patents have been granted registration yet and their registration is beyond our control. There is a possibility that registration of such patents might not be granted which could have a material adverse effect on our business, prospect and results of operations. In the event that a prior patent exists we may also be subject to patent infringement claims which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. We could also potentially face similar claims for design infringement in the event that it we use an industrial design that has already been registered by a third party.

While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations. Our intellectual property rights are fundamental to our brand and we believe that the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name, enhance our competitiveness and otherwise support our business goals and objectives. We cannot assure you that the steps we take to obtain, maintain and protect intellectual property rights will be adequate, which could in turn materially and adversely affect our business and prospects.

Additionally, we may not be aware of all intellectual property rights that our services or the products may potentially infringe or pass off under common law. Certain services, products, technology and other intellectual property is provided to us by third-party suppliers which may also utilize intellectual property belonging to other third-parties. We cannot assure you that our suppliers will not infringe the intellectual property of third-parties by supplying us with their services, products, technology etc., or that our use of such intellectual property including services, products or technology from these suppliers will not cause us to infringe the intellectual property rights of third-parties or otherwise give rise to any unforeseen liabilities or new claims towards these third parties or the suppliers. Therefore, there can be no assurance that our services or products will not infringe a third party's intellectual property or otherwise give rise to any liability or claim vis-à-vis the supplier or any other third party. While we may contest any claims brought forth against us, there can be no assurance that a court will conclude the matter in our favor. Further, there can be no assurance that we or our suppliers would be able to amicably settle the matter, obtain licenses from third-party owners of such intellectual property rights on commercially favorable terms or at all, and if we are unable to obtain such licenses, then we or our suppliers would be able to redesign our services or products to avoid infringement. Any imposed penalties relating to third-party intellectual property rights could have a material and adverse effect on our business, financial condition, results of operations and prospects.

35. We are exposed to the risk of violations of sanctions laws or other similar regulations.

We operate in jurisdictions that may expose us to heightened risks with respect to anti-bribery and sanctions laws and regulations. Violations of sanctions laws and regulations could expose us to potential civil or criminal penalties under the relevant applicable sanctions laws, which may have material adverse consequences on our business, financial condition, results of operations and prospects. There can be no assurance that other persons and entities with whom we now, or in the future may, engage in transactions and employ will not be subject to sanctions laws and regulations. For example, Huawei, one of our suppliers, has been placed on the Entity List, an export control-related list, and designated as a “Communist Chinese military company” by the government of the United States, and the United States has banned almost all American companies from utilizing information and communications technology supplied by Huawei. Our other suppliers and business associates are impacted by similar issues. Further, we derive a negligible portion of our revenues from roaming agreements with other telecom operators located in countries subject to sanctions. As a result, investors in the Equity Shares may incur reputational or other risk as a result of our dealings with sanctioned persons or countries.

36. Current and future antitrust and competition laws in the countries in which we operate may limit our growth and subject us to antitrust and other investigations or legal proceedings.

The antitrust and competition laws and related regulatory policies in many of the countries in which we operate generally favor increased competition in the telecommunications industry and may prohibit us from making further acquisitions or continuing to engage in particular practices to the extent that we hold a significant market share in such countries. Furthermore, in India, the Competition Act, 2002 also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

Antitrust and competition laws are subject to change and existing or future laws may be implemented or enforced in a manner that is materially detrimental to us. Regulators are particularly focused on establishing rules and a regulatory framework for interconnection between mobile networks and between fixed and mobile networks, including mobile termination (i.e., the ability of a telecommunications provider to terminate a call on another operator’s network or place a call between networks) and the related pricing mechanisms (i.e., mobile termination rates). Decisions by any of our relevant regulators requiring a user to provide mobile termination and interconnection services well below current rates, including the change in India’s mobile termination rates from fourteen (14) paise to six (6) paise that was made effective from October 1, 2017, and further to zero with effect from January 1, 2020. The Regulator has further amended this provision such that the mobile termination rates of six (6) paise would be effective only up to December 31, 2020, and would then be eliminated starting from January 1, 2021, the same is now implemented. The elimination of termination charges could prevent us from realizing a significant amount of revenue and can have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

In addition, violations of such laws and policies could expose us to administrative proceedings, civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive damages.

We cannot predict the effect that current or any future lawsuits, appeals or investigations by regulatory bodies or by any third party in any of the countries in which we operate will have on our business, prospects, financial condition and results of operations. For instance, Reliance Jio had approached the Competition Commission of India (“CCI”) alleging cartelization by COAI and certain telecom operators, i.e., being, our Company, Idea Cellular and Vodafone India. While the CCI directed investigation in the matter, the Bombay High Court and subsequently, the Supreme Court have quashed the order, reversed the findings of the CCI

ordering an investigation on the grounds that the CCI could exercise jurisdiction only after proceedings under the TRAI Act had concluded/ attained finality. However, the Supreme Court has upheld the powers of the CCI on adjudicating upon matters pertaining to the telecom industry, and held that in respect of contracts / licenses under the TRAI Act, the CCI would have the jurisdiction to decide questions of anti-competitive practice only after the determination of the respective rights and obligations under such licenses/contracts by the authorities under the TRAI Act.

There can be no assurance that we will not be involved in antitrust or competition related lawsuits in the future, which may cause us material losses and require us to incur significant expenses and significantly divert the time and attention of our management from operations. In addition, fines, or other penalties imposed on us, if any, by an antitrust or competition authority as a result of any such investigation, or any prohibition on us in engaging in certain types of business in one or more markets in which we operate, or any adverse publicity that may be generated due to scrutiny or prosecution by an antitrust or competition authority, could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

37. Compliance with subscriber verification norms, KYC regulations and data privacy norms may require us to incur significant expenditure.

Regulators are introducing stringent subscriber verification and KYC guidelines, including verification and quality of KYC documents. We are required to comply with KYC requirements and processes in relation to our customers as per applicable Indian law.

In recent years, we have observed greater regulatory focus on Know Your Customer (“KYC”) and anti-money laundering compliance due to initiatives to enhance national security. Strong emphasis on KYC may slow down customer uptake and may also increase the cost of customer acquisition. Non-compliance would result in significant penalties, and loss of revenues as a result of deactivation of customers who are not properly registered.

Additionally, a significant portion of our new subscribers are acquired through a KYC application. If the KYC application experiences technical disruptions for a substantial amount of time, it could result in loss of potential revenues, which could have a material and adverse effect on our business, results of operations and cash flows.

If we are unable to develop, maintain and update customer information in accordance with applicable KYC norms and the directions of the regulator/licensor or are unable to prevent the misuse of our services, we may be held liable for non-compliance with governmental regulations. In a judgment, the Supreme Court upheld the constitutional validity of ‘Aadhaar’ and has simultaneously restricted its use by private entities for verification of the identity of the mobile phone users and limited the use of Aadhaar for social welfare schemes of GoI. Telecom service operators like us had built their electronic KYC authentication systems around the biometric database of Aadhaar. Restrictions on usage of Aadhaar by the Supreme Court has led to us requiring to revamp and rework the process and infrastructure for verification of customers for ensuring KYC compliance, from online verification system based on Aadhaar to the alternate modes of verification, which has had substantial cost implications on our business and operations. Thereafter we built a new digital acquisition process (alternate) basis the directions of the Licensor (i.e. DoT) for the completion of the KYC and the acquisition of new customers. It is likely that the said digital process may undergo a change or may be scrapped and replaced with some new process in the future. In addition, the licensor conducts the audit of the Customer Application Form (“CAF”) on a periodic basis (0.1% for all circles except the services areas of Jammu & Kashmir/Assam/North East and 0.2% quarterly for the service areas of Jammu & Kashmir/Assam/North East) and the activation process is based on digital platform (app). Hence, there is

integration with multiple systems and applications and the KYC norms may not be fulfilled with 100% accuracy. PoS is point of sale who acts as the Company Representative and initiates the process of activation. CAF non-compliances are liable for slab-based penalties (there are five slabs of compliance > 95% compliance attracts penalty of Rs. 1,000 per CAF, 90% to 95% compliance attracts penalty of Rs. 5,000 per CAF and so on) ranging from 1,000 to 50,000 per case.

The Licensor (i.e., DoT) has approved new process for use of Aadhaar / Virtual ID (a 16-digit random number mapped to the AADHAAR number and is issued by UIDAI) based electronic KYC process, which is voluntary, however UIDAI has levied charges for user authentication @ Rs. 20 / Full KYC and Rs. 0.50 / Y or N verification. These are authentication mechanisms prescribed by UIDAI and approved by the Licensor for the purpose of activation. Current proposed cost per activation is Rs. 41 apart from other cost factors such as License Fees and BG, infrastructure cost. We (and all operators) have currently opposed the process owing to cost considerations and not implemented the newly approved electronic KYC process. If this process is mandated by the Licensor, the cost of acquisition could significantly go up.

Additionally, it is possible that once an electronic KYC process is rolled out as an alternate process, the Licensor may rollback the Digital KYC process, which is also an alternate process.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time in compliance efforts. The existing and emerging data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 (“PDP Bill”) which was cleared by the Union Cabinet on December 4, 2019 and introduced in Lok Sabha on December 11, 2019 and has currently been referred to a joint parliamentary committee, applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. In January 2020, a Joint Parliamentary Committee was constituted to study the PDP Bill, which remains under analysis as of the date of this Letter of Offer. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations. The cost and operational consequences of implementing further data protection measures could be significant and this may have a material adverse effect on our business, financial condition and results of operations.

38. We may be subject to additional regulations regarding net neutrality.

In September 2018, DoT amended the terms of Unified License (UL), UL (VNO) agreement, “Cellular Mobile Telephone Service” license agreement and UAS license agreement to include the regulatory framework on ‘Net Neutrality’. Pursuant to these amendments, the telecom licensees are not permitted to engage in discriminatory treatment of content, including any discrimination based on the sender or receiver or the user equipment. The licensees have been expressly prohibited from entering into any arrangement or agreement with any person that has the effect of discriminatory treatment of content. However, these provisions do not apply on specialized services provided by a licensee and required that specialized services are not usable or offered as a replacement for internet access services and provision of specialized services is not detrimental to availability and overall quality of internet access service. Restrictions contemplated under regime of net neutrality may be adverse to the telecommunication operators’ interests, and it may impair our ability to offer innovative services and products and could adversely affect our business and operations.

39. The Bharti Group and the STI Group will continue to have certain privileges, including the right to approve certain corporate actions.

By virtue of Our Company's Articles of Association, certain rights and privileges have been granted to the Bharti Group. Bharti Group as defined under our Articles of Association, collectively means (i) Bharti Infotel Private Limited and all of its indirect and direct Subsidiaries ("BIPL"), (ii) Bharti Overseas Private Limited and all of its indirect and direct Subsidiaries ("BOPL"), (iii) Bharti Enterprises ("BE"), (iv) Bharti Telecom Limited ("BTL") and (v) our Company. Further, "STI Group" means Singapore Telecom International Pte Ltd., Pastel Limited ("Pastel"), SingTel and any and all of SingTel's direct or indirect Subsidiaries, including the right to be considered a preferred partner in India, right of BTL and Pastel to appoint the nominee directors on our Company's Board of Directors, presence of nominee of Pastel to constitute quorum for our Company's Board meetings in which certain reserved matters are proposed to be approved, and the approval of Pastel for such reserved matters, which includes, among other things, any changes to our Company's Articles of Association or Memorandum of Association, approval of any merger or amalgamation of our Company or Subsidiaries, the creation, allotment, variation, reorganization or issue of our Company's share capital other than by way of public issue or rights issue, and/or grant of loan to our Company or Subsidiaries above a specific threshold, among others. There could be a possibility of a time lag in obtaining the requisite consents for such reserved matters thereby, at times, adversely impacting our ability to monetize a business opportunity in the event the requisite approvals are obtained with a delay or are not obtained. Also, the STI Group has a right of first refusal with respect to an opportunity, business or venture in which such entities of Bharti Group, which hold any equity interest in our Company, propose to procure or seek an investment from a telecom operator. Also, members of the Bharti Group and the STI Group have certain non-compete restrictions in connection with our domestic long-distance telecommunications operations, corporate data network service business, and mobile business.

While we have enjoyed a very productive partnership with the STI Group since their acquisition of certain equity interest in the year 2000, events in future cannot be predicted with any degree of certainty. In the event of a conflict of interest, in future, between Bharti Group and STI Group, there could be an adverse effect on our ability to execute our business strategy or operate business and may have a material adverse effect on our operations.

40. We have entered into, and may continue to enter into, certain related-party transactions.

We have entered into certain related party transactions, which have been disclosed in our Financial Statements, included in this Letter of Offer in accordance with Ind-AS 24 (related party transactions). While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that it could not have achieved more favorable terms had such transactions been entered into with unrelated parties. For details of our related party transactions as per Ind AS 24, see "*Financial Statements*" on page 165.

41. Bharti Telemedia Limited, our Subsidiary operates in an industry which is highly regulated, and it requires certain approvals, licenses, registrations and permissions to conduct digital TV business.

Bharti Telemedia Limited's business activity involves the provision of DTH services. The provision of such service in India is regulated and governed by the Ministry of Information and Broadcasting ("MIB") and the TRAI, in terms of the applicable statutory regulations. In terms of such regulations, Bharti Telemedia Limited is required to obtain a license from the MIB, for the provision of DTH services, and is required to comply with the conditions prescribed under such regulation and license. Additionally, TRAI may from time to time also prescribe new conditions and/or regulatory requirements for providing such services. If we fail or are unable to satisfy such conditions, comply with the terms of our license or conduct business activities in a manner contrary to or in violation of the prevailing statutory regulations, our license could be revoked. As of

today, there are regulations which affect our industry like obligations placed on us to ensure that no objectionable, obscene, unauthorized or illegal content, messages or communications are carried out on our network.

Set forth below are certain specific risks arising out of regulatory requirements applicable to our DTH operations.

DTH operations: TRAI has already mandated implementation of a revised regulatory framework for broadcasting and cable services, requiring DTH service providers to allow customers to purchase access to channels individually or alternatively as a combination of a-la-carte/ bouquet. This framework has been implemented and the migration of the entire customer base was completed on March 31, 2019.

Our existing license was valid until March 31, 2021. We have filed an application for renewal of the DTH license. Based on such application, on March 31, 2021, the MIB granted an in principle approval for grant of provisional license for providing DTH Broadcasting service in India with effect from April 1, 2021. On December 30, 2020, the GoI issued the Guidelines for obtaining a license for providing DTH Broadcasting services in India. These Guidelines shall come into effect immediately. The consolidated operational guidelines along with the amendments will be issued in due course by the GoI. As per the revised guidelines, the existing licensees are required to reapply for the license to provide DTH services. There can be no assurance that we will continue to be in compliance with the conditions stipulated under such new licensing conditions or that we will be successful in obtaining a license thereunder. If we fail to obtain such license and/or comply with any of the regulations applicable to us, we may not be able to continue to offer DTH services, which would affect our business, results of operations, financial condition and prospects.

Apart from Linear Channels, we also offer the Platform Services or the Value Added Services. Furthermore MIB, through its '*Amendment to Guidelines for obtaining License for providing Direct to Home Services in India*' dated December 30, 2020, has permitted DTH operators to operate Platform Services Channels to a maximum of 5% of its total channel carrying capacity and a one-time non-refundable fee of Rs. 10,000 per Platform Services channel shall be charged from such DTH Operator. In terms of DTH License, the STB used for providing services should be inter-operable but the complete DTH industry including us do not meet this requirement for technical reasons as well as commercial considerations. Once the regulatory framework has been finalized, it may result in significant compliance costs or obstacles for us, which could affect our business, results of operations, financial condition and prospects.

42. Our subsidiary, Airtel Payments Bank Limited ("APBL"), requires certain approvals, licenses and registrations and is required to comply with certain statutory regulations and guidelines issued by RBI to conduct the business of Payments Bank.

APBL obtained a payment banking license from RBI on April 11, 2016 and commenced its operation on November 23, 2016. APBL currently provides savings accounts, semi-closed prepaid payment instruments and remittance services to its customers. As per applicable RBI guidelines, APBL cannot directly undertake lending activities but can offer savings and current accounts, issue prepaid wallets, offer remittance products and distribute non-risk sharing financial products such as insurance and mutual funds. If APBL fails to meet such conditions, or to comply with the terms of the license or conducts its business activities in a manner contrary to or in violation of the prevailing statutory regulations and guidelines by RBI, the regulator may take any action against APBL including the imposition of financial penalties, which would materially and adversely affect our business, results of operations, financial condition and prospects. We have in the past been subject to restrictions and penalties imposed by the UIDAI and RBI alleging that we had opened bank accounts for customers without their specific consent. The RBI issued a show-cause notice in January 2018 alleging certain non-compliances by APBL, including opening of bank accounts without specific consent of

customers and inadequate KYC documentation in respect of various accounts opened by it. The RBI, by an order dated March 7, 2018, imposed an aggregate monetary penalty of Rs. 50 million on APBL, holding that APBL had contravened the Operating Guidelines for Payment Banks dated October 6, 2016 and directions contained in the Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016, and subsequently updated on July 8, 2016 and December 8, 2016, issued by RBI, and had prohibited APBL from opening accounts. Further, in December 2017, the UIDAI passed an interim order deactivating the e-KYC license key issued to APBL and us, alleging certain violations of applicable law and the Authentication User Agencies Agreement (“AUA Agreement”), including using the Aadhaar information submitted by multiple customers for obtaining mobile connection to open an Airtel Payments Bank account without specific consent of the customers. Further, the UIDAI, while observing that the AUA Agreement imposes a penalty of Rs. 0.10 million per day for such violation, directed each of APBL and us to deposit Rs. 12.70 million towards such penalty. While the prohibition on account opening was lifted by the RBI and the e-KYC license key was restored by the UIDAI with effect from July 9, 2018, APBL and us are under a duty to ensure continuous compliance with the applicable provisions of law and the AUA Agreement, failing which, we face the risk of an action by the regulator against APBL including suspension of our e-KYC license key or our banking license and/or imposition of further penalties, all of which could have a material adverse effect on our payments bank business. If the license of APBL is revoked or if APBL fails to comply with any of the regulations and guidelines applicable, it may not be able to continue to offer payments bank services, which would adversely affect our business, results of operations, financial condition and prospects.

43. Our ability to exercise control over our subsidiaries, associates and joint ventures is, in some cases, dependent upon the consent and cooperation of other participants who are not under our control.

We currently operate mobile telecommunications services in countries, including India, through subsidiaries, associates and joint ventures. Our level of ownership of each of these subsidiaries, associates and joint ventures varies from market to market, and we do not always have a majority interest. Although the terms of our investments vary, our business, prospects, financial condition, cash flows and results of operations may be materially and adversely affected if disagreements develop with our partners.

44. We are dependent on our subsidiaries, associates and joint ventures to distribute cash upstream, in the form of dividends, and in some cases, the ability of our subsidiaries to distribute cash upstream may be subject to various conditions and limitations.

To receive investment income from subsidiaries, associates and joint ventures, we are dependent on the distribution of funds from them which is typically in the form of a dividend payment, the declaration of which is beyond our control or influence, such as claims or other actions by a third party, including creditors, or by the law of the subsidiaries’, associates’ or joint ventures’ jurisdiction of incorporation which regulate the payment of dividends. For example, as a public limited company incorporated under English law, Airtel Africa Plc can pay dividends only to the extent that it has sufficient distributable reserves available or, in certain cases, the creation of distributable reserves by other means. Accordingly, if Airtel Africa Plc neither has, nor has the ability to create, distributable reserves, then it will be restricted from paying dividends to us. Consequently, the lack of distribution of funds from subsidiaries, associates and joint ventures could have a material and adverse effect on our business, prospects, financial condition and cash flows.

45. Our loss of control over certain subsidiaries which provide us with services deemed essential for business, or any failure by our Company to manage relationship with associates and joint venture partners which provide such services, could materially affect us.

Certain of our Company's subsidiaries, associates and joint ventures provide services that are material to our business, such as broadband and passive infrastructure services. If we fails to effectively manage the relationships with our associates and joint ventures either now or in the future or if we were to sell all or a majority of our stake in such a subsidiary, they may unilaterally terminate the services they supply us, or change the terms of the services in an unfavorable manner resulting in a higher cost or lower quality service provided to us, and ultimately, our customers.

For example, prior to the Indus Merger, we had master service agreements with each of Bharti Infratel and Indus Towers for the provision of passive infrastructure services. However, following the Indus Merger, our 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, we acquired an additional stake of 4.935180% and 0.064816%, respectively, in the merged Indus Towers entity, increasing our equity stake from 36.7% to 41.7%, as it currently stands on the date of this Letter of Offer. Accordingly, we currently no longer hold a controlling stake in Bharti Infratel and similarly do not control the post-merger, combined Indus Towers entity. If we fail to effectively manage our relationship with Indus Towers going forward, the master service agreement could be terminated, breached or reneged, and all service orders / agreements made under it could also be pre-terminated. In such a scenario, we cannot assure you that we would be able to find a suitable alternative supplier for these services in a timely manner on commercially acceptable terms, or at all.

If the loss of such essential services were to occur, we may be exposed to contractual penalties, lost revenue and additional costs which could adversely affect business, financial condition and results of operation. In such event, we may not be able to recover these penalties, lost revenues or additional costs from suppliers. In the event that we are unable to procure alternative vendors to provide such services to support our operations, our cost of revenues may increase, and our business, financial condition and results of operations may be materially and adversely affected.

We do not have any control over our associates or joint ventures. Any loss of control over our key subsidiaries, or adverse changes in our relationship with associates or joint ventures, could have an adverse impact on our business, results of operations and financial condition.

46. Since Airtel Africa Plc is a publicly listed company, we may be limited in our access to information derived from the Airtel Africa Group, especially information that is otherwise not publicly disclosed.

Airtel Africa Plc was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange and the Nigeria Stock Exchange on the Official Trading List of the Nigerian Stock Exchange in July 2019 and accordingly is a publicly listed company. Though still a Subsidiary of our Company, Airtel Africa Plc operates independently, with its own board of directors and management who are accountable to all of the shareholders of Airtel Africa Plc and not just us. As a publicly listed company, Airtel Africa Plc has an obligation to ensure equal access to information to all of its shareholders, and is prohibited from selectively disclosing information to certain shareholders. Accordingly, commercially valuable information that we were previously privy to may no longer be available to us, which could have a negative impact on our ability to operate effectively and make strategic decisions for the Airtel Africa Group as a whole, especially in the regions in which the Airtel Africa Group operates, which could have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

47. Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage.

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no conclusive

scientific evidence of harmful effects on health. However, we cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets or transmission infrastructure is not, or will not be found to be, a health risk.

Our costs could increase, and revenue could decrease due to perceived health risks from radio emissions, especially if these perceived risks are substantiated. Public perception of potential health risks associated with cellular and other wireless communications media could slow the growth of wireless companies such as ours. In particular, negative public perception of, and regulations regarding, these perceived health risks could slow the market acceptance of wireless communications services, which could materially restrict our ability to expand business. Such perception could also increase opposition to the development and expansion of tower infrastructure sites, which could compel us, to relocate existing sites, which could adversely impact our business, results of operations, cash flows and financial condition.

The potential connection between radio frequency emissions and certain negative health effects has been the subject of substantial study by the scientific community in recent years, and numerous health related lawsuits have been filed against wireless carriers and wireless device manufacturers in various jurisdictions. In the past in India, petitions have also been filed against the installation of towers near residential areas, schools, hospitals and playgrounds owing to concerns relating to the adverse effects of electromagnetic radiation. Beginning September 1, 2012 (and now superseded by regulations notified in June 2018), the DoT has implemented standards in relation to electromagnetic radiation emitted by towers as well as mobile handsets. The DoT has also issued new guidelines to all states in India with regard to clearance for installation of mobile towers. Further, the Rajasthan High Court had, pursuant to orders dated August 22, 2012 and November 27, 2012, directed the removal of mobile towers from school, college, and hospital premises and also ordered to remove mobile towers falling within 500 meters of jails, as they were suspected to be containing potentially hazardous radiation. Us and other telecommunication operators have challenged these orders before the Supreme Court of India. Similar orders could be passed against us in other such matters pending before other fora. Further, the DoT issued various demand notices to us and Bharti Hexacom for alleged violation of EMF radiation norms. For details, see “*Outstanding Litigation and Defaults*”. If a scientific study resulted in a finding that radio frequency emissions posed health risks to consumers, it could negatively impact the market for wireless communications services, which would adversely affect our business, prospects, results of operations, cash flows and financial condition.

Actual or perceived health risks or other problems relating to the use of mobile handsets or network transmissions or infrastructure could lead to litigation or decreased mobile communications usage. This could negatively impact the market for wireless services, as well as the wireless carrier customers of the Airtel Africa Group, which could materially and adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

48. The broadcasters who provide signal input to our DTH business for the provision of their programming may encounter technical failures.

In order to successfully operate our business, we depend on third-party broadcasters for the input of signals to provide it with their programming. If such broadcasters encounter technical failures in the provision of such input, we may be unable to provide uninterrupted programming offerings to our subscribers or the audio-visual quality of such programming may be reduced. If we are unable to provide our programming as a result of such technical failures, our business, financial condition and results of operations may be adversely affected.

49. Our business depends on the delivery of an adequate and uninterrupted supply of electrical power and fuel at a reasonable cost.

Our tower sites require an adequate and cost-effective supply of electrical power to function effectively. We principally depend on power supplied by regional and local electricity transmission grids operated by the various state electricity providers in which our sites are located. In order to ensure that the power supply to our sites is constant and uninterrupted, we also rely on batteries and diesel generators, the latter of which requires diesel fuel.

Our operating costs will increase if the price at which we purchase electrical power from the state electricity providers or fuel increases. While we believe that our current supply of electricity from third parties is sufficient to meet existing requirements, there is no assurance that we will have an adequate or cost effective supply of electrical power at our sites or fuel for the generation of captive power, lack of which could disrupt our and our customers' businesses, adversely affecting business, cash flows and results of operations. Further, any increase in the cost of electrical power, to the extent that we are not able to pass this through to customers, would also adversely affect our profitability and cash flows.

50. Our operations are subject to risks relating to fraud, bribery, theft and corruption.

While we maintain and regularly update IT and control systems, anti-corruption training program, codes of conduct, KYC procedures and other safeguards, it may not be possible for us to detect or prevent every instance of fraud, bribery, theft and corruption in every jurisdiction in which our employees, agents, sub-contractors or commercial partners are located. If adverse investigations or findings are made against us or our directors, officers, employees, commercial partners or third-party contractors are found to be involved in bribery or corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against us which could damage our reputation and business.

51. Environmental and health regulation imposes additional costs and may affect our results of the operations.

Our tower infrastructure and telecom business are subject to various national, state-level and municipal environmental laws and regulations in India concerning issues such as damage caused by air emissions, noise emissions and electromagnetic radiation. These laws can impose liability for non-compliance with applicable regulations and are becoming more stringent with enforcing service quality standards and levying related penalties and may in the future create substantial environmental compliance or remediation liabilities and costs. While we intend to comply with applicable environmental legislation and regulatory requirements and believe that we are materially in compliance with these as of today, it is possible that such compliance may become costly. In addition to potential clean-up liability, we may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on our operations. We may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with standards that are more rigorous or other requirements or incur capital and operating expenses for environmental compliance. In addition, third-parties may sue us for damages and costs resulting from environmental contamination emanating from our properties.

The discharge of materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the national governments or the state governments where our towers are located, including India, Sri Lanka and throughout our operations in Africa.

We, including the Airtel Africa Group, is subject to health, safety and environmental laws and regulations and industry standards related to the operations in each of countries in which we operate. The requirements of these laws and regulations are complex, change frequently and could become more stringent in the future, including new laws and regulations that may increase the cost of operating the real estate sites underlying the Airtel Africa Group towers above currently expected levels and require substantial future capital and other expenditures. The effect of any future laws and regulations or industry standards or any changes to existing laws and regulations or industry standards, or their current interpretation, could have a material adverse effect on the business, results of operation, financial condition and prospects of the Airtel Africa Group.

52. Industry and market data used in this Letter of Offer has been obtained or derived from publicly available information. There can be no assurance that such data is either complete or accurate.

We have obtained and derived certain industry and market data used in this Letter of Offer, from certain publicly available sources and the report titled “*Industry Report on Telecom Services Report*” dated July 2021 issued by CRISIL. These sources and reports are subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the industry information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer.

Risks Relating to India

53. A significant part of our business is located in India and as a result, the political and economic conditions in India could adversely affect our business.

As at June 30, 2021, 76.1% of our property, plant and equipment and intangible assets were located in India and 69.2% of our total revenue was derived from operations in India. As at March 31, 2021 74.7% of our property, plant and equipment and intangible assets were located in India and 70.9% of our total revenue was derived from operations in India. Consequently, our performance is significantly influenced by the political and economic situation and governmental policies in India.

54. A significant change in the GoI’s economic liberalization and deregulation policies could adversely affect general business and economic conditions in India and our business.

Since 1991, the GoI has pursued policies of economic liberalization, including significant relaxations of restrictions on the private sector. Nevertheless, the GoI continues to exercise a dominant influence on telecommunications companies, including us, and on market conditions and prices of Indian securities.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators have remained significant over the years. The GoI has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange.

While the GoI has announced several economic reforms initiatives during its term in office, there is no guarantee that the GoI will be able to enact an optimal set of reforms or that any such reforms would continue or succeed if there were a change in the current majority leadership in the GoI in the future. There is also no guarantee that the GoI will announce an optimal set of reforms or policies in the future. The rate of economic liberalization is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in our securities are continuously evolving as well. Other major reforms that have been implemented include the goods and services tax and the general anti-avoidance rules. Any significant change in the GoI's economic liberalization and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect our business, future financial performance and the trading price of the Equity Shares.

55. A prolonged slowdown in economic growth in India or in other countries could cause our business to suffer.

In July 2021, the IMF lowered India's gross domestic product ("GDP") forecast in financial year 2022 to 9.5% from their earlier prediction of 12.5% in April 2021. This was on account of the severe setback caused by the COVID-19 second wave. Further, the IMF also projects the growth forecast for financial year 2023 to be 8.5%. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to factors such as inflation, fiscal deficit and the GoI borrowing program. Any increase in inflation in the future, because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could materially and adversely impact our business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could influence the Indian economy and could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

56. Changing laws and regulations and legal uncertainties including their adverse application, may adversely affect our business.

Our operations, profitability and cash flows could be adversely affected by any unfavorable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax and/or by any unfavorable interpretation taken by the relevant taxation authorities and/or courts and tribunals.

The GST has increased administrative compliance for Indian companies, which is a consequence of increased registration and form filing requirements.

Currently, the goods and services tax ("GST") on telecom services is levied at the rate of 18%. If the GST rate were to increase, though we may be able to pass on the costs to its customers through higher pricing, there is no assurance that this will not have a negative effect on the public's demand for telecommunication services and potential lost revenue, which could have a material and adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The general anti-avoidance rules ("GAAR") have been introduced to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Income-tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i)

creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. Once it is established that the main purpose of any part or step of the arrangement is to obtain tax benefit, the onus will be on the taxpayer to establish that obtaining a tax benefit was not the main purpose of the entire arrangement.

If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including the ability to deny a tax benefit or deny a benefit under a tax treaty.

Further, the Government has amended the Income Tax Act, to provide a lower corporate tax rate of 25% for domestic companies whose annual turnover or gross receipts did not exceed Rs.4 billion in the fiscal year 2018 to fiscal year 2019. Additionally, the Income Tax Act has also been amended to reduce the minimum alternate tax to 15%.

The IT Act also provides an option to the domestic companies to pay a reduced statutory corporate income tax of 22% (exclusive of applicable health and education cess and surcharge), provided such companies do not claim certain specified deduction or exemptions. In case a company has opted to pay the reduced corporate tax rate of 22% (exclusive of applicable health and education cess and surcharge), in such circumstances, the minimum alternate tax provisions would not be applicable.

57. Any downgrading of India's credit rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

As of the date of this Letter of Offer, India was rated Baa3 (Negative) by Moody's, BBB- (Negative) by Fitch and BBB- (Stable) by S&P. These ratings reflect India's improved political setting which has offered an environment which is conducive to reforms and in turn, could boost growth prospects and improve fiscal management. Going forward, the sovereign ratings outlook will remain dependent on whether the GoI is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. In the event of a major economic slowdown, the ratings agencies may downgrade India's credit ratings.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, the rating of our existing debt and the terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business, cash flows and financial performance, and the trading price of the Equity Shares.

58. The Insolvency and Bankruptcy Code in India may adversely affect our ability to pay back creditors.

The Insolvency and Bankruptcy Code, 2016 (the "Bankruptcy Code") provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial service providers). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that facilitate a formal and time-bound insolvency resolution and liquidation process. The Bankruptcy Code enables a creditor to initiate a corporate insolvency resolution process ("CIRP") against the debtor, including on default in payment of debt by the debtor. Further, in the event the petition for the CIRP is admitted by the National

Company Law Tribunal against the debtor, the moratorium provisions under the Bankruptcy Code prohibits, among other things, the creation of encumbrances, disposing of assets of the debtor, any action to enforce the security interest of the debtor and the institution or continuation of legal proceedings against the debtor. If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

59. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Furthermore, economic developments globally can have a significant impact on our principal markets.

Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. In addition, following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital.

Further, a loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. For instance, recent outbreak of COVID-19 has significantly affected financial markets both in India and around the world. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets.

In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory

efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

60. Natural calamities, climate change and health epidemics could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years, including the tsunami that struck the coasts of India and other Asian countries in December 2004, the severe flooding in Mumbai in July 2005 and the earthquake that struck India in April 2006. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries.

Since April 2009, there have been outbreaks of swine flu, caused by H1N1 virus, in certain regions of the world, including India and several other countries in which we operate. The recent outbreak of novel coronavirus has resulted in numerous human deaths. The World Health Organization has recently issued warnings and advisories on the novel coronavirus. A worsening of the current outbreak of coronavirus, or any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

61. Terrorist attacks, civil disturbances and regional conflicts in India and South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. From May to July 1999, there were armed conflicts over parts of Kashmir involving the Indian army, resulting in a heightened state of hostilities, with significant loss of life and troop conflicts. Isolated troop conflicts and terrorist attacks continue to take place in such regions. The potential for hostilities between India and Pakistan could be particularly threatening because both India and Pakistan are nuclear power states. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, prospects, financial condition, cash flows and results of operations. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011, in Pathankot and Uri in 2016 and Pulwama in 2019. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

62. There may be less company information available in the Indian securities market than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, and that of markets and market participants in the United States and other more developed economies. The Securities and Exchange Board of

India (“SEBI”) is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be, however, less publicly available information about Indian companies than is regularly made available by public companies in more developed economies.

As a result, investors may have access to less information about our business, prospects, financial condition, cash flows and results of operations and our competitors that are listed on stock exchanges in India than companies subject to reporting requirements of other more developed countries.

63. Investors in the Rights Equity Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the “Civil Code”). Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment. See “*Enforcement of Civil Liabilities*” for further details.

64. Significant differences exist between IND-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with IND-AS contained in this Letter of Offer.

The Financial Statements for the fiscal years ended March 31, 2021 and for the three months ended June 30, 2021 presented in this Letter of Offer are prepared and presented in accordance with IND-AS. IND-AS differ from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between IND-AS, U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with IND-AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on the Investor’s familiarity with IND-AS and the Companies

Act. Any reliance by persons not familiar with IND-AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Additional Risk Factors Specific to the Airtel Africa Group

65. Certain of the operating subsidiaries of Airtel Africa Plc are loss-making.

The operating subsidiaries of Airtel Africa Plc in Democratic Republic of Congo, Chad, Congo Brazzaville, Niger and Gabon are regulated by the Organization for the Harmonization of Business Law in Africa (“OHADA”), a system of corporate law and implementing institutions adopted by 17 countries in west and central Africa. OHADA promulgated the Uniform Act on Commercial Companies and Economic Interest Groups in April 1997 and adopted a revised version thereof in January 2014 (together, the “Uniform Act”), which regulates the behavior of commercial companies with a registered office in any country that is party to the OHADA Treaty on the Harmonization of Business Law in Africa. Among other provisions, the Uniform Act requires companies to maintain shareholders’ equity levels corresponding to at least half of the registered share capital in order to limit the risk of bankruptcy. Where an entity is non-compliant with this requirement and fails to rectify any non-compliance within two years, any interested party can petition the relevant court to seek the winding up of the entity.

The primary operating subsidiaries of Airtel Africa Plc in each of these countries except Airtel Money Congo RDC S.A. in DRC, are not in compliance with this requirement. Although each of these entities has a shareholder loan in place, in each case except Airtel Gabon S.A. and Airtel Niger GSM which is in excess of the respective operating subsidiaries’ negative reserves and which is convertible into equity, and although the Airtel Africa Group has developed a strategy to effect the recapitalization of each non-compliant entity, there can be no assurance that the subsidiaries’ respective third-party creditors will not initiate winding up procedures, or that the shareholder loans can be converted into equity within the six-month curative period provided by the Uniform Act. In such event, the entity shall be given six months to proceed with the recapitalization.

66. Price regulations in certain of the operating countries of the Airtel Africa Group influence, and will continue in the future to influence, the margins of the Airtel Africa Group and impact return on investment.

The Airtel Africa Group is subject to price regulation with respect to retail price controls in certain countries in which it operates. In these countries, the relevant government or regulator restricts the price at which certain of the voice and data services of the Airtel Africa Group can be sold. If a government or regulator elects to introduce new or more restrictive pricing regulations in the markets in which the Airtel Africa Group operates, the business, results of operations and financial condition of the Airtel Africa Group could be materially adversely affected.

67. The imposition of exchange controls and limits on convertibility of funds in the countries in which the Airtel Africa Group operates may restrict the ability of the Airtel Africa Group to transfer and receive funds from within the Airtel Africa Group.

The introduction of new foreign exchange controls, new interpretations of existing foreign exchange controls or future shortages of foreign currency would subject local currency held by the operating subsidiaries of Airtel Africa Plc to variations in the exchange rate between the local currency and the relevant foreign currency and could also cause delays and impact on fungibility of cash. Further, if the Airtel Africa Group fails to adequately protect against currency exchange risk, the costs of servicing its foreign currency debt

obligations and import payables may increase, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

68. The operations of the Airtel Africa Group in Nigeria represent a large percentage of the operations of the Airtel Africa Group, and changes in demand for the services of the Airtel Africa Group in Nigeria or other factors could have a negative effect on the business of the Airtel Africa Group.

The operations of the Airtel Africa Group in Nigeria contribute a significant portion of the revenues of the Airtel Africa Group and profit from operating activities, and are likely to continue to account for a large portion of the business of the Airtel Africa Group in the future. There can be no assurance that the Airtel Africa Group can sustain these current levels or that demand in Nigeria for the services of the Airtel Africa Group will increase. In the event that there are adverse political, regulatory, competitive or other developments in Nigeria, revenues from these markets could decline and the business of the Airtel Africa Group may be adversely affected.

69. The Airtel Africa Group operates a large distribution and channel partner network and is exposed to various risks relating to its franchisees and other third-party distributors.

The Airtel Africa Group sells the majority of its services through physical locations across its footprint. As at March 31, 2021, the distribution network comprises of over 48,000 exclusive retail touchpoints (including minishops, kiosks and Airtel Money branches), more than 200,000 activating outlets, more than 1.8 million retail touchpoints and more than 440,000 Airtel Money agents. Thus, we significantly rely on third parties, such as distributors, SSOs and RSOs. If these third parties terminate their partnership with the Airtel Africa Group, this could negatively impact distribution potential and consequently, revenues of the Airtel Africa Group. Furthermore, if franchisees or third parties fail to perform according to the operational standards of the Airtel Africa Group, the Airtel Africa Group could be exposed to the risk of fraud and money laundering, imposition of fines or other penalties, which could result in potential reputational damage. The potential loss in revenues, fines, penalties and reputational damage could have a material and adverse effect on our business, prospect, financial condition, results of operation and prospects.

70. The Airtel Africa Group is dependent on interconnection with its competitors' networks and associated infrastructure as well as roaming arrangements with other international telecommunications operators.

Interconnection agreements allow the Airtel Africa Group to connect local, long distance and international calls that originate on its networks but terminate on other operators' networks, or vice versa. In the future, the Airtel Africa Group may not be able to maintain or renew its interconnection agreements on a timely basis or on terms that are commercially acceptable to it and any material increase in the interconnection expenses could have a material adverse effect on the Airtel Africa Group financial condition and the results of operations.

The Airtel Africa Group is also dependent, to a lesser extent, upon roaming agreements with other international telecommunications operators as a source of revenue when other telecommunications operators' customers roam on the networks of the Airtel Africa Group and when the customers of the Airtel Africa Group roam on other international telecommunications operators' networks. If these roaming agreements were to terminate, or if the other international telecommunications operators were to deploy technologies that are incompatible with the networks of Airtel Africa Plc, the roaming revenues and profits of the Airtel Africa Group may be materially reduced.

71. Mobile money services in Africa are subject to a new and evolving regulatory environment.

In markets in which the Airtel Africa Group has launched or intends to launch Airtel Money services, the regulations governing mobile money services are new and evolving and, as it develops, regulations could become more onerous, either by imposing additional licensing, reporting, pricing or control requirements or by limiting the flexibility of the Airtel Africa Group to design or implement new products, either of which may limit its ability to provide mobile money services efficiently or at all. Any need to obtain licenses, certifications or other regulatory approvals could impose substantial costs and involve considerable delay to the provision or development of Airtel Money services in a given market, or could require significant and costly operational changes or prevent the Airtel Africa Group from providing any services in a given market, which could materially adversely affect its business, results of operations, financial condition and prospects.

72. The Airtel Africa Group is subject to inflation risks, which might adversely affect its business, results of operations, financial condition and prospects.

The Airtel Africa Group operates in several countries, some of which have at times experienced relatively high and volatile rates of inflation. The volatility of the local currencies in those jurisdictions is a significant factor in reporting the costs of the Airtel Africa Group on a USD basis. High rates of inflation in some of the countries in which the Airtel Africa Group operates may also cause consumer purchasing power to decrease, which may reduce consumer demand for the services of the Airtel Africa Group, particularly in those markets with lower levels of disposable income. It is possible that significantly higher inflation in the future could have a material adverse effect on the business, results of operations, financial condition and prospects the Airtel Africa Group.

73. The operations of the Airtel Africa Group are partly dependent upon the economic cycles of the markets in which the Airtel Africa Group operates.

The Airtel Africa Group operates in countries with economies in various stages of development and structural reform, some of which are subject to rapid fluctuations in consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. Such fluctuations may impact the ability of customers to pay for the products and services of the Airtel Africa Group or the amount of disposable income otherwise available to consumers in the markets in which it operates, which could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

74. Several countries and regions in which the Airtel Africa Group operates have experienced economic, regulatory, political and civil instability that could adversely affect the economy in the markets of the Airtel Africa Group and, therefore, the business, results of operations, financial condition and prospects of the Airtel Africa Group.

Many of the countries in which the Airtel Africa Group operates can be affected by economic downturns attributable to factors such as commodity price fluctuations, reduced financial aid, capital inflows and

remittances, which can have an adverse effect on consumer spending which in turn could have a material adverse effect on the business of the Airtel Africa Group.

Further, governmental instability in one or more countries in which the Airtel Africa Group operates could in turn negatively impact the country's economy which could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group. The Airtel Africa Group may also be exposed to a lack of certainty with respect to the legal systems in a number of countries in which it operates, and, such legal systems may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law. The occurrence of such risks could have a material adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

75. Actions by governments, political events or instability or changes in public policy in the countries in which the Airtel Africa Group operates could have an adverse effect on the business of the Airtel Africa Group.

Governments in some of the countries in which the Airtel Africa Group operates may at times be influenced by political or commercial considerations outside of the control of the Airtel Africa Group. For example, in December 2017, the Tanzanian government, then a 40% shareholder in Airtel Tanzania plc, the primary Tanzanian operating subsidiary of Airtel Africa Plc ("Airtel Tanzania"), alleged that the initial privatization of Tanzania Telecommunications Company Limited, resulting in the creation of Celtel Tanzania B.V. (now Airtel Tanzania) in 2001 and certain divestments in 2005 were completed in violation of applicable law, and that the Tanzanian government was, therefore, entitled to sole ownership of Airtel Tanzania. Further, in March 2018, the Government of Tanzania raised tax claims of approximately U.S.\$874 million against Bharti Airtel International (Netherlands) B.V., primarily relating to capital gains on transfers of ownership of Airtel Tanzania in 2005 and in 2010 and has assessed various taxes against Airtel Tanzania totalling approximately U.S.\$47 million. In April 2018, the Government of Tanzania also issued a compliance decision alleging Airtel Tanzania failed to obtain the requisite approvals from the Tanzania Communications Regulatory Authority in connection with transfers of ownership that took place in 2005 and 2010 and levied a fine of approximately U.S.\$183 million. The Airtel Africa Group disputed the merits of each of these claims in its entirety and, in January 2019, the Government of Tanzania and the Airtel Africa Group entered into a comprehensive agreement to resolve these ownership disputes. Any similar actions in other markets in which the Airtel Africa Group operates could negatively impact our business, financial condition and results of operations.

76. Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business could have an adverse effect on the business, results of operations and financial condition of the Airtel Africa Group.

Underdeveloped infrastructure in certain of the countries in which the Airtel Africa Group does business can result in increased costs for the Airtel Africa Group as well as create situations that could negatively impact the ability of the Airtel Africa Group to conduct and grow its business, which could have an adverse effect on the business, results of operations and financial condition of the Airtel Africa Group. A lack of access to, or inadequate opportunities to expand the network capacity of the Airtel Africa Group in line with subscriber growth and increased usage per subscriber, could also negatively impact its ability to offer new services to customers or impede its ability to expand its operations into new markets.

77. It may be difficult for the Airtel Africa Group to obtain all licenses, permits, frequency allocations or other authorizations required to operate its existing network or to expand its operations or any other required licenses, permits or other authorizations, and once obtained they may be subject to

finite terms, ongoing review or periodic renewal, any of which may result in modification, suspension or early termination.

The operation of telecom networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and regulatory authorities in the countries where the Airtel Africa Group operates. The operating licenses or authorizations of the Airtel Africa Group specify the services it is permitted to offer. The operating licenses are subject to review, interpretation, modification or termination by the relevant authorities and the regulatory framework applicable to such licenses may be amended from time to time. There can be no assurance that the relevant authorities will not take any action that could materially adversely affect the operations of the Airtel Africa Group. In addition, the Airtel Africa Group may have difficulty obtaining the necessary licenses, permits, frequency allocations or authorizations to the extent it seeks to expand its existing operations, including by entering into new markets. There can be no assurance that the Airtel Africa Group will be successful in obtaining or funding these licenses or allocations, or, if such licenses or allocations are awarded, that they can be obtained on terms acceptable to the Airtel Africa Group.

While Airtel Africa Plc does not expect that it or any of its subsidiaries will be required to cease operations at the end of the term of their business arrangements or licenses, and while many of these licenses provide for terms on which they may be renewed, there can be no assurance that these business arrangements or licenses will in all cases be renewed on equivalent or satisfactory terms, or at all. A suspension or termination of the licenses or other necessary governmental authorizations of the Airtel Africa Group could have a material adverse effect on the reputation, business, results of operations, financial condition and prospects of the Airtel Africa Group.

- 78. Certain of the operating subsidiaries of Airtel Africa Plc are, or may in the future be, subject to local listing or ownership requirements, which may be difficult or costly to comply with in a timely manner, or at all, and which could make it harder for the Airtel Africa Group to achieve its strategic objectives or which could otherwise have an adverse effect on the Airtel Africa Group.**

In certain jurisdictions, the Airtel Africa Group may choose or be required due to legal requirements to undertake a listing of all or some of the shares of the operating subsidiaries of Airtel Africa Plc on a local stock exchange or be required to comply with local ownership requirements. Airtel Malawi Limited (“**Airtel Malawi**”), the primary operating subsidiary of Airtel Africa Plc in Malawi, must comply with a similar requirement of at least 20% Malawian citizenship ownership (the “**Malawian Citizenship Ownership Requirement**”) under the Communications Act of 2016 and the Communications (Telecommunications and Broadcasting Licensing) Regulations of 2016, which required compliance with the Malawian Citizenship Ownership Requirement by November 25, 2018. Airtel Malawi has taken all actions to list 20% of its ordinary shares on the Malawi Stock Exchange (“**MSE**”). In December 2019, the MSE and the Registrar of Financial Institutions granted their approval for the prospectus and listing of 20% of Airtel Malawi PLC ordinary shares on the MSE. The IPO opened on December 27, 2019 and closed on January 31, 2020. The shares of Airtel Malawi plc were listed on February 24, 2020. Malawi Tower Limited applied and obtained the individual facility service license for carrying on the tower business in Malawi. One of the terms of this license is that Airtel Malawi meets the Malawian Citizenship Ownership Requirement. More recently, by an amendment to the National Information Communications and Technology (“**ICT**”) Policy Guidelines 2020 of Kenya, our wholly owned subsidiaries in Kenya need to comply with the requirement to have a 30% local shareholding within a stipulated period of time. Under the amended ICT policy, a licensee may apply to the ICT Minister for an extension of time to comply with the requirement, or to obtain an exemption. We are currently evaluating these options.

Thus, if the Airtel Africa Group fails to comply in a timely manner with any of these requirements or in other jurisdictions into which a similar requirement is introduced, it could be subject to fines, penalties (including

criminal penalties), litigation and other enforcement actions, including, in extreme cases, withdrawal of the applicable network facilities license, which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Airtel Africa Group.

79. The tax laws of the countries in which the Airtel Africa Group operates or changes thereto or to the tax profile of the Airtel Africa Group could result in a higher tax expense or a higher effective tax rate on the earnings of the Airtel Africa Group.

A change in these tax laws, regulations or treaties or in the interpretation thereof, or in the valuation of the deferred tax assets of the Airtel Africa Group, which are beyond the control of the Airtel Africa Group, could result in a materially higher tax expense or a higher effective tax rate on the earnings of the Airtel Africa Group. Additionally, any expansion into new jurisdictions could adversely affect the tax profile of the Airtel Africa Group and significantly increase its future cash tax payments.

80. The Airtel Africa Group faces risks relating to its property and towers portfolio, including failure by the Airtel Africa Group to renew leases, which could lead to decreased revenue, reduce its network capacity and markets or raise its costs.

The Airtel Africa Group has to obtain the rights to construct and operate its towers and base stations (including broadband stations), distribution outlets and other premises on land owned by third parties and governmental agencies. The Airtel Africa Group is, as a result, subject to the possibility of more burdensome terms and increased costs to maintain necessary land use if its leases and rights-of-way lapse or terminate or it is determined that the Airtel Africa Group does not have valid leases or rights-of-way. The loss by the Airtel Africa Group of these rights, through its inability to renew contracts or otherwise, could have a material adverse effect on its business, results of operations and financial condition and prospects.

81. Two of our subsidiaries in Africa have not complied with applicable statutory requirements relating to the filing of financial statements.

The financial statements of two of our subsidiaries, Bharti Airtel Africa B.V. and Bharti Airtel International (Netherlands) B.V., for the fiscal years 2018, 2019 and 2020, are still under audit. Moreover, the audit of the financial statements for both these entities for the fiscal year 2021 has not yet commenced and may therefore also be overdue. Audited financial statements of these subsidiaries are required to be filed within seven months from the closing of the financial year, in the respective jurisdiction. While discussions with the auditors for the fiscal year 2018 and 2019 are approaching completion and the relevant registrar of companies has not issued any warning letters, nor has any fine been imposed, there can be no assurance that our subsidiaries, Bharti Airtel Africa B.V. and Bharti Airtel International (Netherlands) B.V. will not incur any fines or legal prosecution on account of these non-compliances.

82. The Airtel Africa Group is reliant on local management to provide accurate and timely reporting.

The business model of the Airtel Africa Group emphasizes local decision-making and responsibility through a decentralized organizational structure, in which local managing directors retain substantial autonomy regarding the management and oversight of operations in its local markets. As a result of such decentralization, the Airtel Africa Group relies on local management for financial and other reporting purposes. A failure of local management to report, a delay in reporting, or inaccurate reporting could lead the Airtel Africa Group to omit to take decisions, or to take decisions on an uninformed basis or to report inaccurate data.

External Risk Factors

83. Our operations are conducted across geographies and our results of operations are subject to fluctuations in exchange rates of currencies and the ability to hedge or convert against such fluctuations.

We maintain our accounts and report financial results in Indian Rupees. However, a number of our subsidiaries, associates and joint ventures operate in countries outside India, including in Sri Lanka and various countries in Africa where a substantial portion of their revenues are denominated in their respective local currencies. Our revenues from Mobile Services Africa and South Asia segment were Rs. 81,773 million and Rs. 952 million for three months ended June 30, 2021 respectively, which constituted 30.5% and 0.4% of our consolidated revenue from operations, respectively, for the corresponding periods. Additionally, we make significant purchases of services and equipment in foreign currencies. Furthermore, we have outstanding debt capital market instruments in multiple currencies — USD, INR and other borrowings in currencies such as XAF, XOF, LKR, RWF, UGX, ZMW and KES, as on June 30, 2021. As such, we are exposed to risks relating to exchange rate fluctuations, particularly in USD. The ability to convert certain currencies to USD may be limited, particularly in large amounts, or may be available at rates that are less favorable to us than published mid-market rates. We use various foreign exchange forwards and derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates. The availability of any such derivative/hedging instruments are subject to regulations, market conditions in the geographies in which we are present and thus may not be available at all points of time or at a price that is attractive to us, particularly for less traded currencies. Further, such derivative instruments may not fully mitigate the risk of fluctuations and we may continue to not fully cover our foreign exchange and interest rate exposure. Unfavorable movements in currency exchange and interest rates may materially adversely impact our business, results of operations, cash flows and financial condition.

Airtel Africa Plc prepares its financial statements in USD but derives revenue and incurs costs in the local currencies used in the different countries in which they have operations. Furthermore, extracting cash from certain countries in which the Airtel Africa Group operates can be challenging due to exchange controls, liquidity deficits and cash shortages in respect of international payments from time to time. Accordingly, movements in exchange rates between these currencies and the USD could have a negative effect on the results of operations and financial condition of the Airtel Africa Group to the extent there is a mismatch between its earnings in any foreign currency and its costs that are denominated in that currency.

Where possible, the Airtel Africa Group manages foreign currency risk by matching same currency revenue to same currency expenses, and by strategically denominating debt in certain functional currencies in order to match with projected functional currency revenues. Nonetheless, the Airtel Africa Group has a material amount of borrowings, operating and capital expenses in currencies other than those in which it derives revenue. Where appropriate, the Airtel Africa Group continues to enter into certain hedging and/or derivative instruments to mitigate foreign exchange risk. However, there is no guarantee that the Airtel Africa Group will be successful with this strategy as the hedging and/or derivative instruments may not be fully efficient due to the associated costs, illiquid markets and regulatory restrictions.

84. Economic uncertainties in the emerging and developing markets in which we operate could adversely affect our business, results of operations, cash flows and financial condition.

We have presence across 18 countries. Our strategy is to focus on growth opportunities in emerging and developing markets. These markets are characterized by low to medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. However, these markets fall within countries, which are more prone to economic uncertainties, such as capital controls,

varying inflation, volatile interest rates and currency fluctuations. These countries are also affected by economic downturns, primarily due to commodity price fluctuations, reduced financial aid, capital inflows and remittances. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in telecom sector.

We follow a prudent risk management policy, including hedging mechanisms to protect the cash flows, however, economic conditions may determine availability of efficacious hedging products/mechanism and depth of markets to provide adequate risk management solutions. We have spread our debt profile across local and overseas sources of funds however, availability of capital in various currencies may be limited and is affected by market conditions and single obligor limits of lenders in those geographies among other things. Further, we have adopted a pricing strategy for effective management of our business operations, however, economic uncertainties may materially adversely impact our business, results of operations and financial conditions.

85. Our infrastructure, including network equipment and systems may be vulnerable to natural disasters, security risks and other events that may disrupt our services and other unforeseen damage for which our insurance may not provide full coverage.

Our business depends on providing subscribers with service reliability, network capacity, security and account management. This, however, may be subject to disruptions resulting from numerous factors, including fire, flood or other natural disasters, signal jamming, power outages, acts of terrorism and vandalism, equipment or system failures and breaches of network or information technology security. Also, our network operations have been interrupted as a result of natural calamities such as the floods in Kerala in August 2018, Maharashtra and Karnataka in August 2019, floods and landslides in the North Indian state of Uttarakhand that occurred in June 2013, and the super cyclonic storms in the eastern and southern states of India that occurred in May 2020 and May 2021. Similarly, the recent lock down of communications services in Kashmir, Haryana and New Delhi where the networks have been switched off in the past due to security reasons as per the orders of the GoI led to reduction in the recharges and use of the services, which impacted our revenues during the lock down period. The Airtel Africa Group is also dependent on the uninterrupted operation of its telecommunications networks to provide its services. The network of the Airtel Africa Group, including its information systems, information technology and infrastructure, and the networks of other operators with which its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including power loss, equipment and technical failure, signal jamming, power outages, acts of terrorism and vandalism, breaches of network or information technology security network software flaws, aging infrastructure, human error, willful acts of destruction, transmission cable disruption or other similar events. Any interruption in our operations or the Airtel Africa Group or the provision of any service could damage its ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on our brand, business, results of operations, financial condition and prospects. The operations of the Airtel Africa Group could be adversely affected by natural disasters or other catastrophic events beyond its control. The occurrence of any of these events may cause disruptions to the operations of the Airtel Africa Group in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Airtel Africa Group to liability or impact its brands and reputation and may otherwise hinder the normal operation of the business of the Airtel Africa Group, which could materially adversely affect its business, results of operations, financial condition and prospects.

Although we believe that we have adequate levels of insurance coverage in place against the principal risks relating to our business, we may not have insurance against all risks, or our insurance may not be adequate to cover all losses from these events. If any of these events were to occur, it could cause limited or severe service

disruption, which could result in subscriber dissatisfaction, regulatory penalties and reduced revenues. In addition, we rely on manufacturers of telecommunications equipment for continued maintenance service and supply, and their continued cooperation is important for us to maintain operations without disruption. Any interruption in services could harm our business and reputation and reduce the confidence of our subscribers and consequently impair our ability to obtain and retain subscribers and could lead to a violation of the terms of our various licenses, each of which could materially or adversely affect business, financial condition, cash flows and results of operations.

The operations of the Airtel Africa Group subject it to various risks that are either not fully insured against or not insured against at all. Any future damage caused by its products or services that is not covered by insurance, is in excess of policy limits, or is not limited by contractual limitations of liability, could adversely affect the business, results of operations, financial condition and prospects of the Airtel Africa Group.

86. Hostilities, wars and other acts of violence or manmade disasters could adversely affect the financial markets and our business.

Wars, terrorism and other acts of violence or manmade disasters may adversely affect our business. These acts may result in a loss of business confidence and have other consequences that could have an adverse effect on our business. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

Risks relating to the Equity Shares

87. There is no public market for the Rights Equity Shares or Equity Shares outside India.

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

88. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is October 14, 2021), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

89. Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds.

The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Company's Board of Directors. The Calls may be revoked or postponed at the discretion of our Company's Board of Directors, from time to time. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 30 days' notice for the payment of the Calls. Our Company's Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For details, see "*Objects of the Issue*" on page 96.

90. Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoter or Promoter Group or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, including a preferential allotment, or through exercise of employee stock options may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of the Equity Shares by our Promoter or other major shareholders of our Company or a dilution of the post-Issue shareholding of our Promoter and Promoter Group, may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

91. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Issue*" on page 96.

92. Investment in Rights Equity Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Equity Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board at its sole discretion, from time to time. The holders of the Rights Equity Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Equity Shares, we may not be able to undertake certain forms of equity capital raising.

The Issue Price is Rs. 535/- per Rights Equity Share. Investors will have to pay Rs. 133.75 per Rights Equity Shares which constitutes 25% of the Issue Price on Application and the balance Rs. 401.25 per Rights Equity

Shares which constitutes 75% of the Issue Price on one or more subsequent Call(s), as determined by our Company's Board of Directors at its sole discretion, from time to time. The Rights Equity Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Equity Shares. This may affect the liquidity of the Rights Equity Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For details, see "*Terms of the Issue*" on page 434. Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up equity capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Equity Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Equity Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Equity Shares to fall and may limit ability of Investors to sell the Rights Equity Shares. There may also be a risk of the Rights Equity Shares not forming part of the index.

Further, until the subsistence of Rights Equity Shares, we cannot undertake further rights issues, further public offers or bonus issues. In terms of Regulations 62 and 104 of the SEBI ICDR Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI ICDR Regulations.

93. The Rights Entitlements and Rights Equity Shares cannot be freely resold in the United States.

The offering and delivery of the Rights Equity Shares to, and the offering and acquisition of the Rights Entitlements and Rights Equity Shares in the United States to and by certain persons who are U.S. QIBs, is being made pursuant to Section 4(a)(2) of the Securities Act and other exemptions from the registration requirements of the Securities Act. None of the Rights Entitlements or Rights Equity Shares has been, or will

be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors who are U.S. QIBs, and who are acquiring the Rights Entitlements and/or Rights Equity Shares in the Issue pursuant to an exemption from the registration requirements of the Securities Act, should note that the Rights Entitlements and Rights Equity Shares may not be freely resold or transferred in the United States. The Rights Entitlements and Rights Equity Shares may not be resold, renounced, pledged, or otherwise transferred or delivered except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

94. SEBI has recently streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the de-mat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars, and ensure completion of all necessary steps in relation to providing/updating their de-mat account details in a timely manner. Further, while in accordance with the SEBI circulars, the credit of Rights Entitlements shall be made into the de-mat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall be participating in the Issue only in accordance with the applicable laws in their respective jurisdictions. For details, see “*Terms of the Issue*” beginning on page 434.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the de-mat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a de-mat suspense escrow account (namely, “Bharti Airtel Rights Entitlement 2021 Suspense Escrow Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the de-mat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of de-mat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

95. No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may

not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Letter of Offer, Abridged Letter of Offer to overseas Shareholders who have not provided an address in India for service of documents.

We will dispatch the Letter of Offer, Abridged Letter of Offer (the “**Issue Materials**”) to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

96. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

97. The Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian telecommunications sector and changing perceptions in the market about investments in the Indian telecommunications sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalization and deregulation policies, inclusion or exclusion of our Company in indices, significant developments in India’s fiscal regulations and any other political or economic factors. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequently.

98. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares issued to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence, cause increased volatility in Indian securities markets, and indirectly affect the Indian economy in general. Further, the market price of the Equity Shares may be affected by fluctuations in the market price of the Equity Shares.

99. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if Securities Transaction Tax ("STT") was paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on long-term capital gains arising from sale of Equity Shares. However, where specified conditions are met, such long-term capital gains are only taxed to the extent they exceed Rs. 100,000 and unrealized capital gains earned up to January 31, 2018 continue to be exempt. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

100. You may not receive the Equity Shares that you subscribe in the Issue until 15 days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you may be allotted in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

101. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights

under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act read with the Articles of Association specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid. Therefore, the rights of holders of the Rights Equity Shares will not be pari passu with the rights of the other shareholders of our Company in case of non-payment of Call Money(ies).

102. SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

103. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

104. Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian

law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

105. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in the telecom services sector, of which, foreign investment up to 49% is permitted through the automatic route and beyond 49% is permitted subsequent to the approval of the Government, subject to satisfaction of certain conditions. The Union Cabinet has on September 15, 2021 introduced various structural reforms in the telecom sector, one of which includes allowing 100% foreign direct investment under the automatic route. The Government of India is yet to release legal notification in this regard.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

106. You will not, without prior RBI approval, be able to acquire Equity Shares if such acquisition would result in an individual or group holding 5% or more of our post-Issue issued and paid-up share capital.

The RBI has granted banking license dated April 11, 2016 to Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments Bank Limited stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended our Articles of Association by insertion of article number 42A, to state that *“No person / group of persons shall acquire any shares of our Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of our Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons”*. Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Equity Shares which would not take their total shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any application made by any Applicant exceeds such limits and an application for approval is made by such Applicant, the approval from the RBI may not be forthcoming. Further, in the event of receipt of such approval, such Applicant would be required to submit a copy of the approval obtained from the RBI with such application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue and the aggregate shareholding of such Applicant in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such Applicant to submit the RBI approval, our Company may at its sole discretion keep on hold the allotment to such Applicant until necessary approvals are received from such applicant or it may decide to allot such number of Equity Shares, that will limit the resultant aggregate shareholding of the applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on August 29, 2021, pursuant to Section 62 of the Companies Act. The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in “*Terms of the Issue*” on page 434.

Issue Details in Brief	
Rights Equity Shares being offered by our Company	Up to 392,287,662 Equity Shares
Rights Entitlement*	1 (one) Rights Equity Share for every 14 (fourteen) Equity Share(s) held on the Record Date
Record Date	Tuesday, September 28, 2021
Face value per Rights Equity Share	₹ 5 each
Issue Price	₹ 535 per fully paid-up Equity Share (including a premium of ₹ 530 per Equity Share) On Application, Investors will have to pay ₹ 133.75 per Rights Equity Share, which constitutes 25% of the Issue Price and the balance ₹ 401.25 per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on two more additional calls as may be decided by the Board/ Committee of the Board from time to time
Dividend	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law.
Issue Size	Up to ₹ 209,873.90 million* *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares
Equity Shares subscribed, paid-up and outstanding prior to the Issue	5,492,027,268 Equity Shares. For details, see “ <i>Capital Structure</i> ” on page 93
Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) and having made fully paid-up	5,884,314,930 Equity Shares
Security codes for the Equity Shares[#]	ISIN for Equity Shares: INE397D01024 BSE Code: 532454 NSE Code: BHARTIARTL ISIN for Rights Equity Shares: IN9397D01014 ISIN for Rights Entitlements: INE397D20024
Terms of the Issue	For details, see “ <i>Terms of the Issue</i> ” on page 434
Use of Issue Proceeds	For details, see “ <i>Objects of the Issue</i> ” on page 96

*For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 14 Equity Shares or is not in multiples of 14, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

#Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.

Terms of Payment

For issue of 392,287,662 Rights Equity Shares

Amount Payable per Rights Equity Share (Due Date)*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	1.25	132.50	133.75**
On two more additional calls as may be decided by the Board/ Committee of the Board from time to time	3.75	397.50	401.25***
Total	5.00	530	535

Amount Payable per Rights Equity Share (Due Date)*	Face Value (₹)	Premium (₹)	Total (₹)
*For further details on Payment Schedule, see “Terms of The Issue” on page 434. **Constitutes 25% of the Issue Price. *** Constitutes 75% of the Issue Price.			

GENERAL INFORMATION

Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Our Company received the certificate for commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on April 24, 2006. The Registered Office of our company changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India to Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram - 122 015, Haryana, India with effect from April 1, 2021, and was granted a certificate of registration of Regional Director order for change of state by the RoC on June 30, 2021.

Registered and Corporate Office, CIN and registration number of our Company

Registered Office:

Airtel Center, Plot No. 16
Udyog Vihar, Phase-IV
Gurugram - 122 015
Haryana, India
Telephone: +91 12 4422 2222
Website: www.airtel.in
Corporate Identity Number: L74899HR1995PLC095967
Registration number: 095967
E-mail: compliance.officer@bharti.in

Corporate Office:

Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase II, New Delhi 110 070
India
Tel: +91 11 4666 6100

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, National Capital Territory of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi - 110 019
India

Company Secretary

Mr. Pankaj Tewari

Company Secretary
Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase II, New Delhi 110 070
India
Telephone: +91 11 4666 6100
E-mail: company.secretary@bharti.in

Compliance Officer

Mr. Rohit Krishan Puri

Deputy Company Secretary and Compliance Officer
Bharti Crescent, 1, Nelson Mandela Road
Vasant Kunj, Phase II, New Delhi 110 070
India

Telephone: +91 11 4666 6100
E-mail: compliance.officer@bharti.in

Statutory Auditor to our Company
Deloitte Haskins & Sells LLP, Chartered Accountants

Tower B, 10th Floor, Building 10
DLF Cyber City, Phase 2
Gurugram, Haryana – 122 002
Tel: +91 124 679 2000
E-mail: nilahoti@deloitte.com
Firm Registration Number: 117366W/ W-100018
Peer Review Certificate Number: 013179

Lead Managers to the Issue

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E-mail: bal.rights@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Harish Patel/Akash Aggarwal
SEBI Registration Number: INM000012029

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Mumbai - 400098
Maharashtra, India
Telephone: +91 22 6157-3000
Email: bharti_rightsissue@jpmorgan.com
Investor Grievance Email:
Investorsmb.jpmypl@jpmorgan.com
Website: www.jpmypl.com
Contact Person: Saarthak Soni
SEBI Registration Number: INM000002970

Citigroup Global Markets India Private Limited

1202, 12th Floor, First International Finance Centre,
G-Block, C-54 & C-55, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 098,
Maharashtra, India
Telephone: +91 22 6175 9999
Email: BhartiAirtel.RightsIssue@citi.com
Investor Grievance Email: investors.cgmb@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen
1.htm
Contact Person: Nirmiti Varkanthe
SEBI Registration Number: INM000010718

Kotak Mahindra Capital Company Limited

27BKC, 1st Floor, Plot No. C-27,
“G” Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051,
Maharashtra, India
Telephone: +91 22 4336 0000
E-mail: bal.rights@kotak.com
Investor Grievance E-mail:
kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Mr. Ganesh Rane
SEBI Registration Number: INM000008704

BofA Securities India Limited

Ground Floor, “A” Wing, One BKC,
“G” Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Telephone: +9122 6632 8000
E-mail: dg.bharti_rights@bofa.com
Investor Grievance E-mail:
dg.india_merchantbanking@bofa.com
Contact Person: Deepa Salvi
Website: www.ml-india.com
SEBI Registration No.: INM000011625

BNP Paribas

BNP Paribas House, 1-North Avenue,
Maker Maxity, Bandra – Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India
Telephone: +91 22 3370 4000
E-mail: dl.bal.rights@asia.bnpparibas.com
Investor Grievance E-mail:
indiainvestors.care@asia.bnpparibas.com
Website: www.bnpparibas.co.in
Contact Person: Soumya Guha
SEBI Registration Number: INM000011534

Goldman Sachs (India) Securities Private Limited

951-A, Rational House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India
Telephone: +91 22 6616 9000
E-mail: bhartiairtelrights2021@gs.com
Investor Grievance E-mail: india-client-support@gs.com
Website: <http://www.goldmansachs.com>
Contact Person: Rishabh Garg
SEBI Registration No.: INM000011054

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg, Churchgate,
Mumbai, – 400 020,
Maharashtra, India
Telephone: +91 22 2288 2460
E-mail: bharti.rights2021@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Sameer Purohit / Akhil Mohod
SEBI Registration Number: INM000011179

Legal Advisor to our Company as to Indian law**AZB & Partners**

AZB House
Plot No. A8, Sector-4
Noida 201 301
India
Tel: +91 120 417 9999

HDFC Bank Limited

Investment Banking Group
Unit No. 401 & 402,
4th Floor, Tower B, Peninsula Business Park,
Lower Parel, Mumbai 400 013,
Maharashtra, India
Telephone: +91 22 3395 8233
E-mail: bal.rights@hdfcbank.com
Investor Grievance E-mail:
investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Harsh Thakkar / Ravi Sharma
SEBI Registration No.: INM000011252

JM Financial Limited

7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India
Telephone: +91 22 6630 3030; + 91 22 6630 3262
Email: airtel.rights@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

AZB & Partners

AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India
Tel: +91 22 6639 6880

Legal Advisor to the Lead Managers as to Indian law**Shardul Amarchand Mangaldas & Co**

Amarchand Towers
216, Okhla Industrial Estate, Phase-III
New Delhi 110 020
India
Tel: +91 11 4159 0700

International Legal Advisor**Linklaters Singapore Pte. Ltd.**

One George Street
#17-01, Singapore 049 145
Telephone: +65 6692 5700

Registrar to the Issue**KFin Technologies Private Limited**

(Formerly known as Karvy Fintech Private Limited)
Address: Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,

Hyderabad, Rangareddi 500 032
Telangana, India.
Telephone Number: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll free number: 18003094001
Website: www.kfintech.com
Email: bhartiairtel.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Investors may contact the Registrar to the Issue or our Company Secretary or our Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” on page 434.

Experts

Our Company has received a written consent dated September 22, 2021 from our Statutory Auditor, Deloitte Haskins & Sells LLP, Gurugram, to include its names in this Letter of Offer as an “expert”, as defined under applicable laws, to the extent and in their capacity as statutory auditor and Independent Chartered Accountant, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Banker to the Issue

Kotak Mahindra Bank Limited

Kotak Infiniti, 6th floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General, AK Vaidya Marg, Malad (E),
Mumbai -400 097, Maharashtra, India
Telephone: +91 22 6605 6588
Fax Number: +91 22 6713 2416
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Mr. Prashant Sawant
SEBI Registration Number: INB100000927

Banker to the Company

Axis Bank Limited

DLF City, Gurgaon Branch,
GL, 005 to 008’, Cross Point,
DLF Phase IV,
Gurugram - 122 009,
Haryana, India
Telephone: + 91 124 469 6591
E-mail: dlfgurgaon.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Amit Vishnoi

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	Monday, October 04, 2021
Issue Opening Date	Tuesday, October 05, 2021
Last date for On Market Renunciation of Rights Entitlements #	Thursday, October 14, 2021
Issue Closing Date*	Thursday, October 21, 2021
Finalization of Basis of Allotment (on or about)	Wednesday, October 27, 2021
Date of Allotment (on or about)	Thursday, October 28, 2021
Date of credit (on or about)	Friday, October 29, 2021
Date of listing (on or about)	Monday, November 01, 2021

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Monday, October 18, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Wednesday, October 20, 2021.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see “Terms of the Issue” on page 434.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.kfintech.com after keying in their respective details along with other security control measures implemented thereat. For further details, see “Terms of the Issue” on page 434.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Credit Rating

As this Issue is of Equity Shares, there is no requirement of credit rating for this Issue.

Debenture Trustee

As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed Axis Bank Limited as the Monitoring Agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, to monitor the utilization of Net Proceeds. The details of Monitoring Agency are as follows:

Axis Bank Limited

DLF City, Gurgaon Branch,
GL, 005 to 008', Cross Point,
DLF Phase IV,
Gurugram - 122 009,
Haryana, India
Telephone: + 91 124 469 6591
E-mail: dlfgurgaon.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Amit Vishnoi

Inter se allocation of responsibilities among the Lead Managers

The following table sets forth the responsibilities of the Lead Managers for various activities in relation to the Issue:

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	Lead Managers	Axis
2.	Coordination for drafting and design of the Letter of Offer as per the SEBI Regulations, Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.	Lead Managers	Axis
3.	Drafting, design and distribution of the Abridged Letter of Offer, CAF, Rights Entitlement Letter etc. and memorandum containing salient features of the Letter of Offer.	Lead Managers	Axis
4.	Selection of various agencies connected with the Issue, namely Registrar to the Issue, printers, escrow bank, advertisement agencies, and Monitoring Agency and coordination of execution of related agreements	Lead Managers	Axis
5.	Drafting and approval of all statutory advertisement	Lead Managers	Axis
6.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.	Lead Managers	J.P. Morgan
7.	Formulating and Coordination of International marketing strategy	Lead Managers	J.P. Morgan
8.	Formulating and Coordination of Domestic marketing strategy	Lead Managers	Axis
9.	Formulating retail strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors	Lead Managers	Axis
10.	Submission of 1% security deposit and formalities for use of online software with stock exchanges	Lead Managers	Axis
11.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, finalization of the Basis of Allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and coordination for underwriting arrangement, if any	Lead Managers	Axis

Minimum Subscription

The objects of the Issue involve pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT. Our Promoter, BTL, and members of our Promoter Group, have confirmed to (a) subscribe to the full extent of their Rights Entitlement and not renounce their Rights Entitlement, (except to the extent of renunciation within the Promoter Group, if applicable); and (b) subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, either individually or jointly and/ or severally with the Promoter or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Further, our Promoter, BTL, and/or Indian Continent Investment Limited, member of the Promoter Group, shall subscribe to the full extent of any

Rights Entitlement that may be renounced in their favour by the Promoter or any other members of the Promoter Group of our Company or that they may acquire separately, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/regulations. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable. Any participation by our Promoter, over and above its Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Underwriting Agreement

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer, and the details of the Equity Shares proposed to be issued in this Issue, and the issued, subscribed and paid up share capital after this Issue, are set forth below.

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
1	AUTHORISED SHARE CAPITAL		
	29,555,980,000 Equity Shares of face value of ₹ 5 each	147,779,900,000.00	N.A.
	1,000 Preference Shares of face value of ₹ 100 each	100,000.00	N.A.
	TOTAL	147,780,000,000.00	N.A.
2	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THIS ISSUE		
	5,492,027,268 Equity Shares of face value of ₹ 5 each	27,460,136,340.00	N.A.
3	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾		
	392,287,662 Rights Equity Shares, each at a premium of ₹ 530 per Rights Equity Shares, i.e., at a price of ₹ 535 per Rights Equity Share ⁽²⁾	1,961,438,310.00	209,873,899,170
4	ISSUED CAPITAL AFTER THIS ISSUE⁽³⁾		
	5,884,314,930 Equity Shares of ₹5 each	29,421,574,650.00	N.A.
	SUBSCRIBED AND PAID-UP CAPITAL AFTER THIS ISSUE		
	5,492,027,268 fully paid-up Equity Shares	27,460,136,340.00	N.A.
	392,287,662 partly paid-up Equity Shares	490,359,577.50	N.A.
5	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL POST CONVERSION⁽⁴⁾⁽⁵⁾	28,134,539,840.00	N.A.
SECURITIES PREMIUM ACCOUNT			
	Before the Issue (as on June 30, 2021)		530,018,151,450
	After all the Calls are made in respect of Rights Equity Shares ⁽³⁾		737,930,612,310*

⁽¹⁾ The Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on August 29, 2021, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

⁽²⁾ On Application, Investors will have to pay ₹ 133.75 per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ 401.25 per Rights Equity Share which constitutes 75% of the Issue Price, will have to be paid, on two more additional calls as may be decided by the Board/ Committee of the Board from time to time.

⁽³⁾ Assuming full subscription and receipt of all call Monies with respect to Rights Equity Shares.

⁽⁴⁾ Our Board, Shareholders and the Special Committee of Directors for Fund Raising have, pursuant to resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020 respectively, approved an issuance of foreign currency convertible bonds ("FCCBs") of an aggregate principal amount of US\$ 1,000 million of 1.50 per cent. due 2025 ("FCCB Issue").

⁽⁵⁾ Assuming full conversion of FCCBs

* Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to Capital Structure

1. Details of options and convertible securities outstanding as on the date of filing of this Letter of Offer

Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Letter of Offer.

Bharti Airtel Limited Employees Stock Option Schemes

Our Company has formulated two ESOP Schemes, namely, (i) ESOP 2001 pursuant to a Board resolution dated February 27, 2001 and a shareholders' resolution dated February 27, 2001 subsequently amended on several occasions including, amongst others, being amended in order to include certain key managerial personnel who were not covered under this scheme initially by a resolution passed by the Board of Directors at their meetings held on October 22, 2003, and (ii) ESOP 2005 pursuant to a Board resolution dated July 26, 2005 and a shareholders' resolution dated September 6, 2005 and subsequently amended on several occasions including, amongst others, its amendment pursuant to a Board resolution dated October 30, 2014

and shareholders' resolutions dated April 14, 2015 and July 24, 2017, for, among others, ensuring compliance with the *erstwhile* Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (collectively, the “**ESOP Schemes**”). The ESOP Schemes of our Company are in compliance with the SCSBSE Regulations, 2021. The objective of ESOP Schemes is designed to retain, motivate and attract employees who are contributing/ will contribute to the growth and long term success of our Company. ESOP Schemes also give employees who are performing well, a minimum opportunity to gain from our Company's performance thereby acting as a retention tool.

Presently, the ESOP Schemes are administered through the Bharti Airtel Employees' Welfare Trust (*erstwhile* Bharti Tele-Ventures Employees Welfare Trust), a trust created pursuant to a trust deed dated March 31, 2001 and implemented by a committee constituted by our Board (which shall deem to include any committee of our Board constituted for this purpose including the ESOP Compensation Committee (“**ESOP Compensation Committee**”)) for supervising the schemes and approving plans through which options are granted under the schemes.

The following table sets forth details in respect of the ESOP Schemes as on September 16, 2021:

Particulars	ESOP 2001	ESOP 2005
Total number of options	31,680,000	18,734,552
Options granted	123,354	10,932,259
Options vested	123,354	5,322,846
Options exercised	30,000	3,779,808
Options cancelled	-	3,187,646
Total options outstanding	93,354	3,964,805

Foreign Currency Convertible Bonds

Our Board, Shareholders and the Special Committee of Directors for Fund Raising have, pursuant to the resolutions dated December 4, 2019, January 3, 2020, and January 14, 2020, respectively, approved issuance of FCCBs of an aggregate principal amount of US\$ 1,000 million of 1.50 per cent. due on February 17, 2025, and the allotment of fully paid-up Equity Shares of face value of ₹ 5 each of our Company at a price of ₹ 534 per Equity Share in accordance with applicable laws. The proceeds of the FCCB Issue are to be used for (i) capital expenditure, (ii) repayment of existing indebtedness under the applicable laws in relation to external commercial borrowings, and/or (iii) any other use, each as permitted under applicable laws and regulations from time to time.

As on June 30, 2021, all the FCCBs issued by our Company are outstanding and their conversion will entitle the holders to 134,880,700 Equity Shares, assuming full conversion of the FCCBs. The right of the FCCB holders to convert their FCCBs into Equity Shares of our Company expires in 2025.

- As on date of this Letter of Offer, none of the Equity Shares held by our Promoter or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.
- No Equity Shares have been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of filing of this Letter of Offer.
- 4. Intention and extent of participation by our Promoter and Promoter Group**

Our Promoter, BTL, and members of our Promoter Group, have confirmed to (a) subscribe to the full extent of their Rights Entitlement and not renounce their Rights Entitlement, (except to the extent of renunciation within the Promoter Group, if applicable); and (b) subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, either individually or jointly and/ or severally with the Promoter or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. Further, our Promoter, BTL, and/or Indian Continent Investment Limited, member of the Promoter Group, shall subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by the Promoter or any other members of the Promoter Group of our Company or that they may acquire separately, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations. The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or

subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ 569.33 per Equity Share.

6. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

- (i) The shareholding pattern of our Company as on June 30, 2021, can be accessed on the websites of BSE at <https://www.bseindia.com/stock-share-price/bharti-airtel-ltd/bhartiartl/532454/shareholding-pattern/>; and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=BHARTIARTL, respectively.
 - (ii) The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2021, can be accessed on the websites of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=532454&qtrid=110.00&QtrName=June%202021> and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=BHARTIARTL, respectively.
 - (iii) The statement showing holding of securities of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2021, as well as details of shares which remain unclaimed for public can be accessed on the websites of BSE, at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=532454&qtrid=110.00&QtrName=June%202021> and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company¶m=BHARTIARTL, respectively.
7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
 8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be partly paid-up. For details on the terms of this Issue, see “Terms of the Issue” on page 434.

9. Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital:

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on June 30, 2021:

S. No.	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Bharti Telecom Limited	1,96,62,36,438	35.80
2.	Pastel Limited	75,90,06,862	13.82
3.	Indian Continent Investment Limited	33,14,36,443	6.03
4.	Life Insurance Corporation of India	19,96,30,117	3.63
5.	ICICI Prudential Value Discovery Fund	17,30,47,102	3.15
6.	SBI –ETF NIFTY 50	12,38,41,723	2.25
7.	HDFC Trustee Company Limited-HDFC Flexi Cap Fund	6,81,43,097	1.24
8.	Government of Singapore	6,76,92,096	1.23
9.	ICICI Prudential Life Insurance Company Limited	6,47,88,771	1.18

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards the following objects:

1. Pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT; and
2. General corporate purposes.

The objects as stated in the Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised by our Company through the Issue and the activities for which the borrowings proposed to be repaid from the Net Proceeds, were utilised.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

(In ₹ million)

Particulars	Amount
Gross Proceeds from the Issue*	2,09,873.90 [#]
Less: Estimated Issue related expenses	364.58 [#]
Net Proceeds	209,509.32 [#]

* Assuming full subscription and Allotment and receipt of all Call monies with respect to the Rights Equity Shares, and to be adjusted per the Rights Entitlement ratio.

[#] Rounded off to two decimal places.

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(In ₹ million)

Particulars	Amount
Pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT	1,59,254.16 [#]
General corporate purposes*	50,255.16 [#]
Total	209,509.32[#]

* Assuming full subscription in the Issue and receipt of all Call Monies with respect to the Rights Equity Shares in the Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted per the Rights Entitlement ratio. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

[#] Rounded off to two decimal places.

Means of Finance

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals. Further, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may require changes in making two more additional calls in the future, as may be decided by the Board / Committee of the Board from time to time, with respect to the Rights Equity Shares for the balance ₹ 401.25 per Rights Equity Share which constitutes 75% of the Issue Price. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

Details of the objects of the Issue

Our Company has comprehensively reviewed the industry scenario, business environment, financial / business strategy of the Company and to improve the leverage position for the Company and simultaneously, provide the impetus to accelerate (i) the roll-out of 5G network in key cities, (ii) investments in fast growing data centres business, and (iii) investments across several parts of our portfolio to drive for competitive and profitable

growth. The intent will be to capture new opportunities by preparing our Company for emerging technologies. This may include strengthening our networks with fiberisation and creation of 5G capacities, expansion of home passes for the home broadband services and setting up of data centers in order to cater increasing demand by hyperscalers. As an outcome, our Company will target to garner higher market share in mobile services and home broadband business, step up enterprise and global businesses initiatives, while backing everything with digital and data centre capabilities. In order to achieve these outcomes, we want to strengthen our financial position, create a balanced capital structure along with an adequate leverage headroom in the system. Improved leverage position will release capital which will be required going forward to fuel the next phase of growth. The details in relation to objects of the Issue are set forth herein below:

1. *Pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT*

Our Company proposes to utilize an aggregate amount of ₹ 1,59,254.16 million from the Net Proceeds towards full or partial pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) availed by our Company and Subsidiaries.

A. *Pre-payment or repayment, repurchase (including interest thereon) of all or a portion of certain term loans, working capital loans and commercial papers.*

Our Company and Subsidiaries have entered into various financing arrangements and incurred deferred payment liabilities with banks, financial institutions and DoT. Such arrangements entered into by our Company and our Subsidiaries include USD denominated bonds, term loans, working capital loans, commercial papers, non-convertible debentures and deferred spectrum liabilities.

The selection of borrowings proposed to be repaid and / or pre-paid, repurchased, in part or full, from our facilities set forth below shall be based on various factors, including but not limited to (i) cost of the borrowings to our Company and/or Subsidiaries, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfillment of, such requirements; (iii) receipt of consents for pre-payment from the respective lenders, if applicable; (iv) terms and conditions of any such consents and waivers; (v) levy of any pre-payment penalties and the quantum thereof; (vi) provisions of any law, rules, regulations governing such borrowings; and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. Given the nature of these borrowings and the terms of repayment or pre-payment or repurchase, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements, such as, by way of issuing commercial papers and draw down funds thereunder or undertake financing from banks and financial institutions. In such cases or in case any of the specified borrowings are repaid, re-financed or pre-paid or repurchased, in part or full, at discount, par or premium or through further drawn-down, and since our Company is raising only 25% of the Gross Proceeds on Application, we may utilize the Net Proceeds towards (a) repayment or pre-payment of the commercial papers issued or additional banks or financial institutions borrowings, overdrafts taken or drawn from time to time, (b) repurchase / buyback of bonds / commercial papers through market or negotiated offer, either at discount, premium or par, or (c) bonds to be held by the Company either as an investment or for extinguishment. In case of repurchase, pre-payment or repayment of loans availed by our Subsidiaries from the Net Proceeds, our Board will have the discretion to decide the mode of investment in such Subsidiaries which may be in the form of equity and/ or debt or a combination thereof or in any other manner as may be decided later.

The following table provides details of borrowings availed by our Company and Subsidiaries as on September 17, 2021, out of which we propose to prepay or repay, in full or in part, from the Net Proceeds:

(In ₹ million)

S. No.	Lender	Nature of Borrowing	Drawdown Date	Interest Rate (%)	Loan Availed (Draw Down) Amount as at September 17, 2021 (INR in Mn)	Outstanding Loan Amount as at September 17, 2021	Maturity Date	Purpose of Loan*
Bharti Airtel Limited								
1.	Note holders	USD denominated unsecured senior notes	10 th June 2015	4.375% per annum	63,973 ^{1#}	73,999	10 th June 2025	To fund capital expenditure in compliance with end-use guidelines set forth in the Master Circular and in compliance with the RBI approval and all other applicable Indian laws and regulations
2.	Note holders	USD denominated unsecured senior notes	3 rd March 2021	3.25% per annum	54,845 ^{2#}	55,215	3 rd June 2031	Capital expenditure, repayment of existing indebtedness and/or any other purpose in compliance with end-use guidelines set forth in the FEMA ECB Regulations and all other applicable laws and regulations
3.	Cisco Systems Capital (India) Private Limited	Uncommitted and non-revolving short-term loan	Multiple tranches	0% (Refer Note 1)	17,045	5,245	Multiple tranches till Financial Year 2024	To finance the products bought from Cisco Systems (India) Private Limited
4.	Commercial Paper holders	Commercial paper	17 September 2021	3.42% per annum	55,000	55,000	1 st November 2021	Repayment of debt, working capital, operating expenditures, capital expenditures and payments made to DoT
Telesonic Networks Limited								
5.	Debenture holders	Non-Convertible debentures	2 nd August 2021	5.35% per annum	30,000	30,000	28 th April 2023	To fund the capital expenditure, operating expenditure, working capital, reimbursement or payment of regulatory dues, re-financing or servicing of existing debt, payment of payables towards parent and repayment of loans from parent, costs or fees and expenses in relation to the issuance of the debentures and other purposes as permitted under the applicable laws.

¹ Exchange rate as on date of draw: INR/USD – 63.9728.

² Exchange rate as on date of draw: INR/USD – 73.1269

The reason for the loan availed amount being less than the outstanding loan amount is as a result of the exchange rate.

Note 1: To be decided by the parties at the time of each drawdown. The benchmark rate for the purpose of default interest shall be two-year government bond rate plus a spread of 50 bps.

**J.C. Bhalla & Co., Chartered Accountants (Firm Registration Number: 001111N) vide its certificate dated September 22, 2021 has confirmed the disclosure herein. Also, the borrowings have been utilised for the purposes for which they were sanctioned.*

B. Payment of deferred payment liabilities to the DoT.

Our Company has been allotted spectrum to offer telecom services across India, pursuant to auctions conducted by the DoT. For details on our existing licenses and spectrum, a brief description of the process of spectrum allocation and payments to be made towards licenses and spectrum, see “Our Business” on page 133.

Under the terms of the spectrum allotment letters, we are required to make, among others, annual equated instalment payments, inclusive of interest, to the DoT as a deferred payment liability towards spectrum payments, until such liabilities are repaid in full. As at September 17, 2021, our Company’s total deferred payment liabilities (exclusive of interest) to the DoT in connection with the frequencies acquired in the auction of spectrum held from 2012 until 2021 aggregated to ₹ 535,856 million (as per the certificate dated September 22, 2021 issued by J.C. Bhalla & Co., Chartered Accountants). We may utilize a portion of the Net Proceeds towards payment or prepayment of such deferred payment liabilities (including interest thereon) to the DoT which are due and payable in Financial Year from 2023 to 2039, in part or full, in accordance with the pre-payment guidelines (wherein it provided that pre-payments are permitted without seeking any further approvals in certain situations including at each annual anniversary date of the first upfront payment) as identified below.

S. No.	Year of Auction	Date of Upfront Payment Against Spectrum Auction	Tenure of Spectrum	Annual Instalment Amount Due (inclusive of interest*)				
				In Fiscal 2022	In Fiscal 2023	In Fiscal 2024	In Fiscal 2025	Beyond Fiscal 2025 till 2039
1.	2012	December 1, 2012	9 years	-	3,147	3,147	3,147	18,880
2.	2014	March 3, 2014	10 years	-	25,744	25,744	25,744	180,208
3.	2015	April 9, 2015	12 years	-	36,296	36,296	36,296	333,614
4.	2016	October 20, 2016	13 years	-	12,550	12,550	12,550	125,497
5.	2021	March 18, 2021	16 years	-	-	14,564	14,564	203,900

**J.C. Bhalla & Co., Chartered Accountants (Firm Registration Number: 001111N) vide its certificate dated September 22, 2021 has confirmed the disclosure herein.*

The Union Cabinet has approved a four-year moratorium on payment of the spectrum dues (excluding spectrum auctioned in the year 2021) by telecom service providers. The Government of India is yet to release / publish details / notification in this regard. This table reflects schedule that is presently applicable without the effect of this cabinet decision.

Please note that during the year ended March 31, 2018, the Government of India had provided a one-time option to elect higher number of annual instalments prospectively (up to a maximum of 16 instalments) towards the repayment of spectrum liability *vis-à-vis* the earlier allowed 10 instalments. Accordingly, our Company had then exercised the option to increase the remaining number of instalments by six 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 Fiscal 2021 and Fiscal 2022 and revised the remaining instalment amount. The revised instalment amounts are based on such amended deferred instalment repayment schedule and are to be equally spread over the remaining instalments to be paid, without any increase in the existing time period specified for making the instalment payment.

Further, the Union Cabinet approved a four-year moratorium on payment of the spectrum dues (excluding spectrum auctioned in the year 2021) by telecom service providers. The Government of India is yet to release / publish details / notification in this regard. The Company may apply proceeds towards payment of these liabilities on schedule as applicable (including, if any, the effect of the cabinet decision) or towards its pre-payment (including interest thereon in each case) at the discretion of the Company.

Please note that our Company will have the flexibility to utilize the Net Proceeds towards repurchase, pre-payment or repayment of borrowings (including refinanced or additional borrowings availed, if any), in part or full, and in any combination (including any interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT, as per our discretion. However, the utilization of Net Proceeds under object 1 would not exceed ₹ 1,59,254.16 million.

The repurchase, pre-payment or repayment of our borrowings will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business. The amounts outstanding against the loans disclosed above may vary from time to time, in accordance with the amounts drawn down and the prevailing interest rates. Some of the above-mentioned term loans can be re-borrowed / rolled over. Accordingly, the amounts proposed to be repurchased, prepaid and / or repaid against each facility is indicative and our Company may utilise the Net Proceeds to repurchase, prepay and / or repay the facilities and / or the deferred payment liabilities to the DoT, as disclosed above, in accordance with commercial considerations, including amounts outstanding at the time of repurchase, pre-payment and / or repayment. In the event that there are any pre-payment penalties required to be paid under the terms of the relevant financing agreements, the amount of such pre-payment penalties shall be paid by our Company out of our internal accruals.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ 50,255.16 million towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring tangible and intangible assets, such as plant and machinery, furniture and fixtures, radio and transmission equipment, spectrum, etc.; (c) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting our working capital requirements including payment of interest on borrowings; (e) meeting of exigencies which our Company may face in course of any business, (f) brand building and other marketing expenses; and (g) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object, i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Deployment of funds

As our Company is raising 25% of the Gross Proceeds on Application with balance monies being raised in two additional calls as may be decided by the Board / Committee of the Board from time to time, the following table provides for the proposed deployment of funds to be raised at Application after deducting Issue related expenses.

(In ₹ million)

S. No.	Particulars of Objects of Issue	Amount Proposed to be Funded from Net Proceeds at Application (Post adjustment of estimated issue expenses)	Proposed Schedule for Deployment of the Net Proceeds at Application*
			Fiscal 2022
1.	Pre-payment or repayment, repurchase of all or a portion of certain borrowings (including interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT	52,103.90	52,103.90
2.	General corporate purposes**	0.00	0.00
	Total***	52,103.90	52,103.90

* Any portion of the Net Proceeds may be utilized by the Company towards the objects of the Issue, ahead of the estimated schedule of deployment.

**** Subject to the finalization of the Basis of Allotment and the Allotment. While the amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.**

***** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.**

The Company will utilize the entire proceeds raised at Application towards payment or repayment, repurchase of all or a portion of certain borrowings (including any interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT. Utilization of Net Proceeds towards General Corporate Purposes will be from the residual Calls in the proportion decided by the Company at its discretion.

The above-stated fund requirements and the proposed deployment of funds for pre-payment and/or repayment, repurchase of all or a portion of certain borrowings (including any interest thereon) and other liabilities availed, as applicable, by our Company and our Subsidiaries, including deferred payment term liabilities to DoT and general corporate purposes from the Net Proceeds are based on internal management estimates based on current market conditions, payment schedule for borrowings and for the deferred payment liabilities prescribed by the DoT in terms of the spectrum allotment letters, the restructured deferred auction payment letters dated March 9, 2020 and March 8, 2021, respectively, and have not been appraised by any bank or financial institution or other independent agency. Our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. In the event, our Company does not utilize the monies stated herein above in the current Fiscal, the same would be utilized in the next Fiscal or at the time liability under object 1 come due. For details, see “Risk Factors –Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control” on page 77.

As and when our Company makes the two more additional calls for the balance monies with respect to the Rights Equity Shares, our Company shall endeavour to utilize the proceeds raised from such calls within the same Fiscal as the receipt of the said call monies, failing which our Company shall utilize the said call monies in the subsequent Fiscal or by the re-payment dates as described in the “Objects of the Issue”.

Estimated Issue Related Expenses

The total expenses of the Issue are estimated to be 364.58 million. The break-up of the estimated Issue expenses are as follows:

(unless otherwise specified, in ₹ million)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee of the financial and legal advisors	126.95	34.82%	0.06%
2.	Fee of Registrar to the Issue	15.34	4.21%	0.01%
3.	Advertising and marketing expenses	1.18	0.32%	0.00%
4.	Fees payable to regulators, including Stock Exchanges, and depositories	133.13	36.52%	0.06%
5.	Printing, stationery, and distribution of issue stationary, etc.	2.36	0.65%	0.00%
6.	Other expenses (including miscellaneous expenses)	85.62	23.48%	0.04%
Total estimated Issue related expenses*		364.58	100.00%	0.17%

*** Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of Application.**

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI.

Monitoring Utilization of Funds from the Issue

Our Company has appointed Axis Bank Limited, as the Monitoring Agency for the Issue. Our Board and the Monitoring Agency shall monitor the utilisation of the proceeds of the Issue and the Monitoring Agency shall submit a report to our Board as required under the relevant SEBI ICDR Regulations. Pursuant to Regulation 82(4) of the SEBI ICDR Regulations and Regulation 32 of the SEBI Listing Regulations, our Company shall, within 45 days from the end of each quarter, publicly disseminate the report of the Monitoring Agency on our website as well as submit the same to the Stock Exchange(s), including the statement indicating deviations, if any, in the use of proceeds from the objects stated above. Such statement of deviation shall be placed before the Audit Committee for review on an annual basis. Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if necessary.

Further, according to the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations and variations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. Our Company will disclose the utilization of the Net Proceeds under an appropriate separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the director's report.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised.

Other Confirmations

No part of the proceeds of the Issue will be paid by our Company to our Promoters, our Promoter Group, our Directors or Key Managerial Personnel.

There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Directors, Key Managerial Personnel and our Associate Company.

Our Company does not require any material government and regulatory approvals in relation to the objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BHARTI AIRTEL LIMITED (“THE COMPANY”) AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

September 22, 2021

To
The Board of Directors
Airtel Center, Plot no. 16,
Udyog Vihar, Phase IV,
Gurugram – 122015,
India

Dear Sirs,

Sub: Statement of possible Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws

We refer to the proposed right issue of equity shares (the “Offer”) of Bharti Airtel Limited (“the Company”). We enclose herewith the statement (the “Annexure”) showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the Letter of Offer (collectively referred to as “Offer Documents”) for the right issue of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the ICDR Regulations.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and its shareholders in the Offer Documents for the proposed right issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and the National Stock Exchange of India Limited and BSE Limited (the “Stock Exchanges”) where the equity shares of the Company are

proposed to be listed, as applicable, provided that the below statement of limitation is included in the Offer Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the right issue relying on the statement. This statement has been prepared solely in connection with the proposed right issue of equity shares of the Company under the ICDR Regulations.

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

Nilesh Lahoti
Partner
(Membership No. 130054)
UDIN: 21130054AAAAJG3439

Place: Gurugram
Date: September 22, 2021

ANNEXURE

The information provided below sets out the possible direct and indirect tax benefits available to Bharti Airtel Limited ('the Company') and holders of equity shares of the Company as per the provisions of Income Tax Act, 1961 ('the Act') and the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "**Taxation Laws**"). It may be noted the below direct and indirect tax benefits are provided in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of such shares under the current tax laws presently in force in India. Several of these benefits are dependent on the holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a holder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Shareholders are advised to consult their own tax consultants with respect to the tax implications of an investment in the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the proposed "Right Issue" under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT AND INDIRECT TAX BENEFITS UNDER THE ACT AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

I. Direct Tax

A. Special Tax benefits available to the Company

1. Deduction in respect of section 35ABA and 35ABB of the Act

The Company, being engaged in telecommunication business, is eligible to claim deduction under section 35ABA (capital expenditure on spectrum) and 35ABB (capital expenditure of telecom license). These sections allow a deduction (on a deferred basis) in computing the profits and gains of business over the period of spectrum/ license fees.

2. Lower corporate tax rate under section 115BAA of the Act

Section 115BAA was inserted vide the Taxation Laws (Amendment Act) 2019 w.e.f. 1 April 2020 i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus 10% surcharge and 4% cess), provided such companies do not avail specified exemptions/ incentives and comply with other conditions specified in section 115BAA of the Act. Further, the companies availing benefit of lower corporate tax rate under section 115BAA of the Act are not subject to the following:

- (a) The companies would not be required to pay Minimum Alternate Tax ('MAT') on its book profits under section 115JB of the Act;
- (b) The tax credit under section 115JAA of the Act for MAT paid by companies in the earlier years, shall not be available consequent to exercising the option under section 115BAA of the Act;
- (c) The companies shall not be allowed to claim set off of any brought forward loss on account of additional depreciation.

The tax expense is recognized in the Statement of Profit and Loss of the Company for the year ended 31 March 2021 by applying the tax rate as prescribed in Section 115BAA of the Act.

3. Concessional rate for dividend received from foreign company

As per section 115BBD of the Act, the dividend received from a specified foreign company (i.e. where Indian company holds 26% or more of the equity share capital) is taxable at a concessional rate of 15% [plus applicable surcharge and cess].

4. Deduction under section 80M

Where the Company receives dividend from another domestic company or a foreign company or a business trust, it is eligible to claim deduction under section 80M of the Act on the amount of dividend distributed by it from its dividend income on or before the due date. The said deduction is restricted to the amount of dividend distributed in turn by the Company and is allowable from the gross total income of the Company computed in accordance with the provisions of the Act. The 'due date' means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

5. Deduction under section 80JAA

Deduction under this section is available, while computing income under the head business and profession, in case of a company to whom section 44AB applies (i.e. tax audit). Section provides for additional deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business for three assessment years subject to fulfilment of the conditions specified therein.

B. Special Tax Benefits available to Shareholders

1. Dividend taxation

With respect to a resident corporate shareholder, deduction under section 80M of the Act is available to the extent of dividend received or distributed by the shareholder, whichever is lower from the shareholder's gross total income computed in accordance with the provisions of the Act

With respect to non-resident shareholder, the provision of the Agreement for Avoidance of Double Taxation (tax treaty) entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident. Accordingly, non-resident shareholder may, subject to conditions, be subject to tax at a concessional rate for divided income, if any, provided under the relevant tax treaty.

2. Shareholders may be subject to India taxes on the capital gains arising out of the sale of Right Shares and Right Entitlements ('REs')

As per section 112A of the Act, long-term capital gains (exceeding Rs. 1 lakhs) from sale of equity shares of a company listed on a recognized stock exchange is taxable at the rate of 10% (plus surcharge and cess) provided securities transaction tax ('STT') is paid on acquisition as well as transfer, while continuing to exempt the unrealized capital gains earned upto 31 January 2018. Long term capital gains to be taxed at aforesaid 10% without indexation benefit and without foreign currency fluctuation benefit. Further, as per section 111A of the Act, short-term capital gain (i.e. where the period of holding of shares is 12 months or less) on sale of aforesaid shares is taxable at the rate of 15%. STT will be levied on and collected by a recognized stock exchange on which such equity shares are transacted.

In case of transfer of shares where capital gains are not covered under section 112A and 111A above, long term capital gain is taxable at the rate of 20% with indexation (inflation adjustment) or 10% without indexation whichever is more beneficial. The aforesaid exemption of INR 1 lakhs shall not be available in such case. Short term capital gain arising in case of transfer of shares which are not chargeable to STT is taxable at applicable slab rates to individuals and in case of corporate shareholder at the applicable corporate tax rate.

In respect of REs, it is possible for the shareholders to either sell such REs, exercise REs or let the REs relapse. Therefore, REs being a separate 'security' traded on a stock exchange may be subject to short term capital gains on transfer.

II. Indirect tax

Special tax benefits available to the Company and its shareholders under indirect taxation

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

Note: For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain relevant benefits under the Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct and indirect tax laws relevant for the Assessment Year 2022-23 considering the amendments upto Finance Act 2021.
4. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic law.
5. Several of the above tax benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.
6. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this.

Certificate on Statement of Tax Benefits

The Board of Directors
Bharti Airtel Limited
Bharti Crescent 1, Nelson Mandela Marg
Vasant Kunj, Phase – II
New Delhi 110 070, India

Ladies and Gentlemen:

Subject: Statement of possible special tax benefits (the “Statement”) available to Bharti Airtel Limited’s (the “Company”) Material Subsidiaries, prepared in accordance with applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”)

This report is issued in accordance with the terms of our engagement letter dated **17 September 2021** with Airtel Networks Limited.

We hereby report that the accompanying Statement provides information on possible special tax benefits (if any) available to Airtel Networks Limited (i.e. subsidiaries of the Company determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Material Subsidiaries**")) under the Companies Income Tax Act and Capital Gains Tax Act presently in force in Nigeria (collectively referred to as the "**Tax Laws**"). The possible special tax benefits (if any) would generally be dependent on the Material Subsidiaries fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Material Subsidiaries to derive any possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Material Subsidiaries may face in the future and accordingly, Material Subsidiaries may or may not choose to fulfill.

Our comments on special tax benefits in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits (if any) available to the Material Subsidiaries. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

For the avoidance of doubt, the enclosed Annexure does not capture the general tax benefits available to the Material Subsidiaries.

We do not express any opinion or provide any assurance as to whether:

1. Material Subsidiaries will continue to obtain these possible special tax benefits in future; or
2. the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met



The contents of this Statement are based on the information, explanations and representations obtained from Airtel Networks Limited and on the basis of our understanding of the business activities and operations. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.

KPMG Advisory Services

Chartered Accountants

Firm Registration No.: BN 2145583

Tayo Ogungbenro

Partner, Tax, Regulatory & People Services

Membership No. **9014**

Place: Lagos, Nigeria

Date: 18 September 2021

Cc:

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J.P. Morgan India Private Limited

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Maharashtra, India

Shardul Amarchand Mangaldas & Co

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AZB & Partners

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Linklaters Singapore Pte. Ltd.

One George Street #17-01
Singapore 049145



**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE MATERIAL
SUBSIDIARIES**

There are no special tax benefits (direct or indirect) available to Airtel Networks Limited in Nigeria as a result of the additional shares issued by Bharti Airtel Limited (India) to its existing shareholders.

The Board of Directors
Bharti Airtel Limited
 Bharti Crescent 1, Nelson Mandela Marg
 Vasant Kunj, Phase – II
 New Delhi 110 070, India

Ladies and Gentlemen:

Subject: Statement of possible special tax benefits (the “Statement”) available to Bharti Airtel Limited’s the “Company” Material Subsidiaries, Airtel Africa Mauritius Limited, prepared in accordance with applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018, as amended (‘SEBI ICDR regulations’)

We hereby report that the accompanying Statement provides the possible special tax benefits available to Airtel Africa Mauritius Limited (i.e. subsidiary of the Company determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Material Subsidiaries**”)) under the Income Tax Act, 1995 presently in force in Mauritius (collectively referred to as the “**Tax Laws**”). These possible special tax benefits are dependent on the Material Subsidiaries fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Material Subsidiaries may face in the future and accordingly, Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Material Subsidiaries. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

The benefits discussed in this enclosed Annexure cover only the special tax benefits available to the Material Subsidiaries. Special tax benefits are benefits that are generally not available to all companies. For the avoidance of doubt, the enclosed Annexure does not capture the general tax benefits available to the Material Subsidiaries.

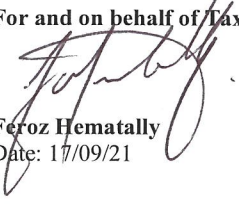
We do not express any opinion or provide any assurance as to whether:

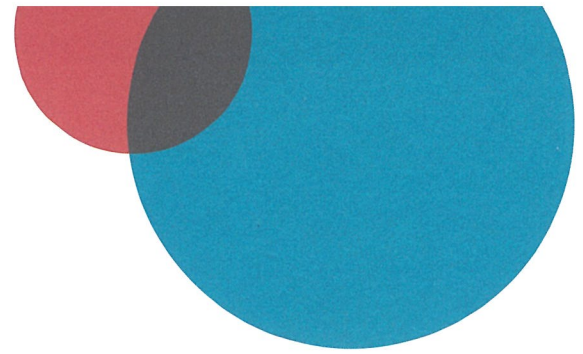
1. Material Subsidiaries will continue to obtain these possible special tax benefits in future; or
 - i) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanations and representations obtained from the Material Subsidiaries and on the basis of our understanding of the business activities and operations. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.

For and on behalf of Taxand Mauritius Limited


Feroz Hematally
 Date: 17/09/21



cc:

Axis Capital Limited

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C-2 Wadia International Centre
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Shardul Amarchand Mangaldas & Co

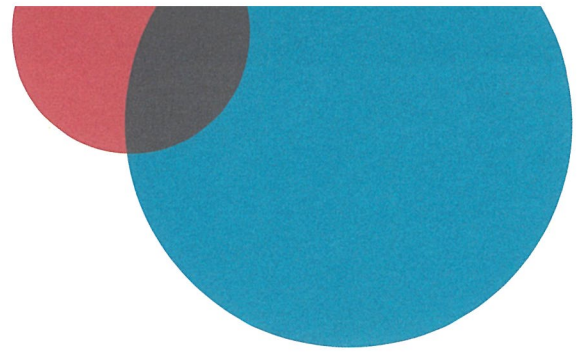
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AZB & Partners

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Singapore 049145



**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE MATERIAL
SUBSIDIARIES**

Airtel Africa Mauritius Limited is not entitled to special tax benefits in Mauritius. Airtel Africa Mauritius Limited holding Global Business License is entitled to regular tax provisions as defined in the Income Tax Act, 1995 of Mauritius. This act provides some general tax benefits, available to entity holding Global Business License such as:

Partial Exemption Regime:

Income such as foreign dividend, interest income, income derived from the leasing and provision of international fibre capacity, amongst others are subject to 80% partial exemption provided the company carry out their core income generating activities in/from Mauritius as defined under the Income Tax Regulation 1996 and meeting the prescribed conditions of central management and control as defined under the Financial Services Act.

The Board of Directors
Bharti Airtel Limited
 Bharti Crescent 1, Nelson Mandela Marg
 Vasant Kunj, Phase – II
 New Delhi 110 070, India

Ladies and Gentlemen:

Subject: Statement of possible special tax benefits (the “Statement”) available to Bharti Airtel Limited’s the “Company” Material Subsidiaries, Network i2i Limited, prepared in accordance with applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018, as amended (‘SEBI ICDR regulations’)

We hereby report that the accompanying Statement provides the possible special tax benefits available to Network i2i Limited (i.e. subsidiary of the Company determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Material Subsidiaries**”)) under the Income Tax Act, 1995 presently in force in Mauritius (collectively referred to as the “**Tax Laws**”). These possible special tax benefits are dependent on the Material Subsidiaries fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Material Subsidiaries may face in the future and accordingly, Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Material Subsidiaries. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

The benefits discussed in this enclosed Annexure cover only the special tax benefits available to the Material Subsidiaries. Special tax benefits are benefits that are generally not available to all companies. For the avoidance of doubt, the enclosed Annexure does not capture the general tax benefits available to the Material Subsidiaries.

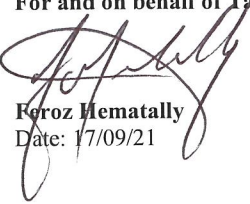
We do not express any opinion or provide any assurance as to whether:

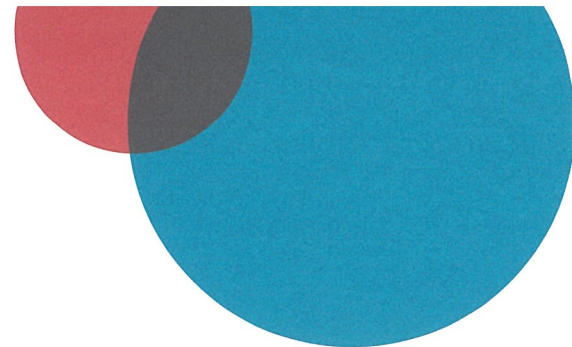
1. Material Subsidiaries will continue to obtain these possible special tax benefits in future; or
- i) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanations and representations obtained from the Material Subsidiaries and on the basis of our understanding of the business activities and operations. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.

For and on behalf of Taxand Mauritius Limited


Feroz Mematally
 Date: 17/09/21



cc:

Axis Capital Limited

1st floor, Axis House
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J.P. Morgan India Private Limited

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Maharashtra, India

Shardul Amarchand Mangaldas & Co

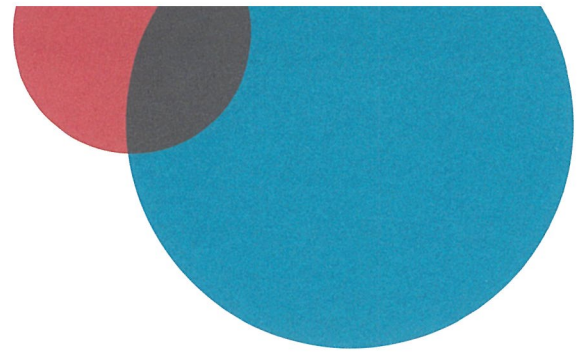
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**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE MATERIAL
SUBSIDIARIES**

Network i2i Limited is not entitled to special tax benefits in Mauritius. Network i2i Limited holding Global Business License is entitled to regular tax provisions as defined in the Income Tax Act, 1995 of Mauritius. This act provides some general tax benefits, available to entity holding Global Business License such as:

Partial Exemption Regime:

Income such as foreign dividend, interest income, income derived from the leasing and provision of international fibre capacity, amongst others are subject to 80% partial exemption provided the company carry out their core income generating activities in/from Mauritius as defined under the Income Tax Regulation 1996 and meeting the prescribed conditions of central management and control as defined under the Financial Services Act.

Private and Confidential

The Board of Directors
Bharti Airtel Limited
Bharti Crescent 1, Nelson Mandela Marg
Vasant Kunj, Phase - II
New Delhi 110 070
India

10 September 2021

Dear Madams/Sirs

Subject: Statement of possible special tax benefits (the 'Statement') available to Bharti Airtel Limited's (the 'Company') Material Subsidiaries, prepared in accordance with applicable requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations')

This report is issued in accordance with the terms of our engagement letter dated 30 November 2020 with Airtel Africa plc.

We hereby report that the accompanying Statement provides the possible special tax benefits available to Airtel Africa plc (ie subsidiaries of the Company determined to be material in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Material Subsidiaries')) under the Income and Corporation Taxes Acts, presently in force in the United Kingdom (collectively referred to as the 'Tax Laws'). These possible special tax benefits are dependent on the Material Subsidiaries fulfilling certain conditions prescribed under the relevant Tax Laws. Hence, the ability of the Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Material Subsidiaries may face in the future and accordingly, Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Material Subsidiaries. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

The benefits discussed in this enclosed Annexure cover only the special tax benefits available to the Material Subsidiaries. Special tax benefits are benefits that are generally not available to all companies. For the avoidance of doubt, the enclosed Annexure does not capture the general tax benefits available to the Material Subsidiaries.

We do not express any opinion or provide any assurance as to whether:

1. Material Subsidiaries will continue to obtain these possible special tax benefits in future or
2. The conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met.

The contents of this Statement are based on the information, explanations and representations obtained from the Material Subsidiaries and on the basis of our understanding of the business activities and operations. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.

For and on behalf of BDO LLP
Chartered Accountants
Firm Registration No.: C001055835



Cory Blackmore
Tax Partner

Place: 55 Baker Street, London, W1U 7EU
Date: 10 September 2021

cc:

Axis Capital Limited
1st floor, Axis House
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India

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Maharashtra
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Shardul Amarchand Mangaldas & Co
216, Amarchand Towers
Okhla Industrial Estate
Phase - III New Delhi 110
020
India



The Board of Directors
Bharti Airtel Limited
10 September 2021

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National Capital Region
India

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARIES

NIL



u adviseurs.

Bharti Airtel International (Netherlands) B.V. and
Bharti Airtel Africa B.V.
Overschiestraat 65
1062 XD AMSTERDAM

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W / www.uadvisers.nl

Overgoo 6, 4e etage
2266 JZ Leidschendam

Reference, 1151600 / ER / 090583
Leidschendam, 16 september 2021

Subject: Statement of possible tax benefits in the Netherlands available to Bharti Airtel International (Netherlands) B.V. and Bharti Airtel Africa B.V.

Ladies and Gentlemen:

We hereby state that both Netherlands entities mentioned in the subject of this statement are not entitled to special tax benefits in the Netherlands. The entities mentioned are subject to the regular tax arrangements officially established by law in the corporation tax act of 1969. This act provides some general tax benefits, available to each resident corporate tax payer in the Netherlands, such as:

Participation Exemption

Under the participation exemption (*deelnemingsvrijstelling*) regime, dividends and other profit distributions, currency gains (or losses) and capital gains (or losses) on the disposal of a qualifying participation or part thereof may be exempt from corporate income tax. Such distributions are also exempt from dividend withholding tax.

Fiscal Unity

Under the fiscal unity regime, the separately calculated profits and losses of companies forming a fiscal unity are aggregated, whereby intercorporate transactions within the fiscal unity are disregarded. Assets and liabilities of the subsidiaries are attributed for tax purposes to the parent company. Both the balance sheet and the profit and loss account are fiscally consolidated.

We hereby give consent to include this Statement in the letter of offer in connection with the proposed rights issue of the Company.



This statement is issued in accordance with the terms of our engagement letter dated 10 September 2021.

Yours sincerely,

E. Reijerse
Partner

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

THE TELECOMMUNICATIONS INDUSTRY

The following information relating to the Indian telecom industry has been provided for background purposes only. While the Directors believe the third-party information included herein to be reliable, we have not independently verified such third-party information. We confirm that all third-party data contained in this Letter of Offer has been accurately reproduced and, so far as we are aware and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Unless otherwise indicated, information contained in this Letter of Offer has been obtained or derived from publicly available information as well as various industry publications and sources. The industry and market data used in this Letter of Offer have not been independently verified by us, the Managers or any of their affiliates or advisors and therefore their accuracy and completeness are not guaranteed and their reliability cannot be assured. Data from these sources may also not be comparable. Accordingly, investment decisions should not be based solely on such information. Investors should read this Industry section in conjunction with the more detailed information contained in this Letter of Offer, including the 'Risk Factors' and Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Letter of Offer includes industry related information from a report published by CRISIL Research, a division of CRISIL Limited. CRISIL Research has consented to the use of such information in the Letter of Offer subject to the following disclaimer by CRISIL Research:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharti Airtel Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

OVERVIEW OF INDIA TELECOMMUNICATIONS INDUSTRY

Indian Telecom Industry

According to the Telecom Regulatory Authority of India ("TRAI") estimates, India had 1,202.57 million wireless and wireline subscribers as on June 30, 2021. Furthermore, TRAI estimates that the India's overall tele-density as of June 30, 2021 was 88.07%, while the rural and urban tele-density stood at 60.10% and 140.86%, respectively. As per TRAI, telecommunications operators in India earned gross revenues of Rs. 2,734.6 billion during the fiscal year ended March 31, 2021.

The telecommunications sector in India has witnessed exponential growth over the last few years due to factors such as affordable tariffs, wider service availability and increasing smartphone penetration that has been recently aided by pandemic led growth, particularly work from home for employees and online classes for students. Internet and

broadband penetration in the country has increased steadily. Smartphones have become the predominant gateway to the internet for customers across age groups and geographies, and rapidly proliferating 4G networks have helped accelerate the market's transformation. According to the GSMA Intelligence, as of June 30, 2021, India is the second largest telecommunication market in the world in terms of connections with the second largest smartphone markets and the largest based on minutes of use per connection. The number of broadband subscribers stood at 792.78 million as of June 30, 2021 as per TRAI.

The Indian Telecommunications Services industry can be broadly divided into the following segments:

- **Wireless services:** mobile calling, SMS, wireless broadband, video conferencing service and OTT
- **Wireline services:** traditional landline calling services and wired broadband service.
- **Enterprise services:** services that offer network connectivity across various locations and users in an organization and include fibre leasing, tower colocation, Virtual Private Network (VPN), VSAT, National Long Distance (NLD), International Long Distance (ILD), Domestic Leased Circuits (DLC), International Private Leased Circuit (IPLC), data centers
- **Cable TV, DTH and Radio Broadcasting Services:** Private satellite TV, Pay TV, FM radio, DTH

Evolution of telecommunications industry in India

In 1994, the Government initiated the process of opening up the telecommunications industry by inviting bids from private operators to provide cellular services in the four metropolitan cities. The cellular industry was initially envisaged as a duopoly and, thus, the government invited bids for two licenses for each of the circles. Metro cellular licenses were issued in November 1994 and operations were started in August 1995. The process of launching mobile services in the non-metro circles began in 1994-95. During January 1995, the government invited tenders from private operators to provide cellular services in 18 circles, excluding the four metropolitan areas.

In March 1999, the Government announced the National Telecom Policy (“NTP”) 1999 that brought about significant changes to the structure of the cellular industry. The major announcements of the NTP 1999 were as follows.

- Fixed-line and cellular service providers could migrate from a fixed license-fee regime to a revenue-sharing arrangement
- Third cellular operator license to be issued to BSNL and MTNL in the service areas where they were offering fixed-line services
- Entry of an additional private cellular operator in all the circles
- Extension of license period to 20 years for metros and non-metro circles

Furthermore, NTP 1999 envisaged the opening of National Long Distance (“NLD”) services and International Long Distance (“ILD”) services to private players. NLD were a state monopoly until mid-2002, with BSNL being the sole provider of NLD services. Subsequently, the government decided to open up the NLD segment to competition without any restriction on the number of players from August 2000. Until April 2002, only one player (VSNL, now Tata Communication) had the International Long Distance (“ILD”) license in India. The government later decided to open the ILD services without restrictions on the number of operators.

In November 2003, the government introduced the Unified Access Service License (“UASL”). A UASL operator was free to provide access services based on any technology. According to the guidelines of the UASL, a basic operator could migrate to UASL in any circle by paying the difference between the entry fees paid by the fourth cellular operator and the entry fees paid by him.

During 2008, 122 licenses were acquired by nine companies to roll-out services across India. However, in February 2012, the Supreme Court cancelled all 122 2G telecom allotted on or after January 2008, stating that there were irregularities in the process followed to allot such licenses. As a result, operators who secured such licenses were

compelled to wind down operations in these circles. Post the license cancellation, it was decided that all future allocation of spectrum was to happen through the process of auctions and not administratively.

The introduction of an auction process for spectrum allocation in 2010 represented an important milestone in spectrum management policies in India. For the first time, spectrum in the 2100 MHz and 2300 MHz bands was assigned through an online auction designed to discover a market price for 3G/ BWA spectrum. The auction was implemented to enable efficient use of spectrum, avoid hoarding, stimulate competition and promote the roll out of 3G and broadband services. The spectrum auction of 2012 and 2013 witnessed subdued response. However, the spectrum auction of 2014 and 2015 saw aggressive bidding mainly as operators bid for spectrum renewals predominantly in 900MHz bandwidth. The auction of 2016 saw moderate participation with operators bidding for capacity spectrum in 2300MHz and 2500MHz bands. By 2016, the spectrum management regime in India had become much more flexible compared to the past and to a large extent these measures helped address issues of transparency and scarcity in the market for spectrum in telecom. In 2021, a total quantity of 855.60 MHz of spectrum in 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, and 2300 MHz bands was acquired by Telecom Service Providers (TSPs) in the Spectrum Auction, 2021.

Finally, the National Telecom Policy, 2012 (“**NTP-2012**”) introduced a unified licensing regime, under which an operator having a license could provide any service (Fixed/Wireless/NLD/ILD/VSAT etc.). However, the license also delinked allocation of spectrum and had to be obtained by separate procedure. In India, allocating and managing spectrum has often been at the core of disputes between the operators and the state. India has, over time, moved away from the subjective administrative assignment to a market-based auction mechanism to assign spectrum under NTP-2012.

The reforms and liberalization after NTP-1999 have attracted a large inflow of foreign investments to India. The Government also increased the Foreign Direct Investment (“**FDI**”) limit from 74% to 100% in 2013.

Summary of important recent regulatory actions

Honorable Supreme court rejects incumbents’ plea of Recalculating AGR dues: July 2021

Telecom services companies pay license fees and spectrum usage charges at 8% and 3-5% of AGR, respectively. AGR, as defined by the Department of Telecommunications (DoT), includes telecom service revenue as well as non-core revenue. However, the Cellular Operators Association of India (COAI) challenged this definition in 2005. It argued that AGR was to include only revenue from core licensed telecom services. Over the years, telcos continued to pay license fees and spectrum usage charges as per their formulation (i.e., as a percentage of only core revenue AGR).

A ruling by the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) in 2015 reiterated that AGR must include revenue from non-core sources such as rent, profit on sale of fixed assets, dividend, and interest. However, it exempted a large number of streams from the definition, such as capital receipts, bad debt, forex fluctuations, sale of scrap, and waiver of late fee. Industry players and the COAI then moved the Honorable Supreme Court challenging this decision. In 2016, the Honorable Supreme Court ruled that the DoT could not enforce any demand until the final ruling was made.

The Honorable Supreme Court vide its judgment dated October 24, 2019 upheld the stand of the DoT and overturned the 2015 ruling of the TDSAT. With this, the telecom players were liable to pay the demands of the DoT which includes Interest, penalty and Interest on penalty. The Honorable Supreme Court, on September 1, 2020, granted a relief in form of 10 year timeline to the telecom operators for repaying AGR dues. It also ordered telcos to pay 10% of upfront dues within the current fiscal. The court also pronounced that the existing bank guarantees of the telcos will be valid until the last instalment is paid by the telcos.

Pronouncing its judgment on Bharti Airtel and Vodafone Idea’s pleas seeking direction for correction of errors in Adjusted Gross Revenue (AGR) calculation in July 2021, the Supreme Court dismissed the applications for the

recomputation of AGR dues. Bharti Airtel and Vodafone idea are required pay dues amounting to Rs. 34-45 billion and Rs.75-85 billion before March 2022 as a part of first AGR installment.

Spectrum Auctions: March 2021

Spectrum auctions concluded on March 2, 2021, with the Government garnering Rs.778.14 billion for a total of 855.60 MHz of spectrum, which represents approximately 37% of the total spectrum put for sale. Baring 700 MHz and 2500 MHz, all the other bands witnessed interest among the players. The 700MHz band, once again failed to receive any interest despite a 40-45% price reduction over last auctions.

Bill and Keep (“BAK”) replaced Interconnect Usage Charges (“IUC”) from January 1st, 2021

TRAI on September 19, 2017 reduced the IUC for wireless-to-wireless voice calls to 6 paisa per minute effective October 01, 2017 from 14 paisa per minute. It also announced that, effective January 1, 2020, IUC will be discontinued, and the industry will move to a “bill and keep” (BAK) regime. However, on December 18, 2019, TRAI decided to postpone implementation of Zero-IUC regime by one more year till December 2020 considering the persistence of asymmetric traffic. The same was implemented on January 1st, 2021

Deferred payment relief and relaxation of spectrum cap

In January 2018, the Telecom Commission (now Digital Communications Commission) increased the spectrum holding cap to 35% from 25% in a circle and removed the intra-band cap of 50% holding in a circle. It has also imposed a 50% cap on the combined spectrum holdings in the sub-1 GHz band (700, 800, and 900 MHz) per circle compared with the individual band cap earlier. In March 2018, the Telecom Commission approved the extension of spectrum payment period to 16 years from 10 years. The moratorium period for spectrum payment (for purchase of spectrum during the October 2016 auction) ended in FY2019. The Cabinet on November 20, 2019 approved the recommendation of the committee of secretaries to allow Telcos to have two-year moratorium on Spectrum related dues. The instalments for the Spectrum liabilities have been deferred for the FY21 and FY22 as chosen by the telcos. However, the deferred payments will be equally spread across the remaining years without increasing the time period such that NPV is protected.

International Termination Charges (ITC)

In February 2018, TRAI reduced the ITC payable by an international long-distance operator (ILDO) to the access provider on whose network the call terminates, from Rs. 0.53 per minute to Rs. 0.30 per minute. As per the CRISIL research, the high ITC is believed to have pushed customers to make video/voice calls through relatively cheaper over-the-top (“OTT”) apps such as WhatsApp, Facebook, Viber and Skype, negatively impacting national telecom players' topline. The /regulator's decision to slash ITC is expected to reduce calls made through OTT apps. In addition, it is expected to curb the grey route.

Penalty on call drop

In August 2017, the TRAI issued stringent guidelines to lessen call drops and devised a graded penalty scheme with a fine of up to Rs. 1 million in case operators fail to meet the benchmark. The financial disincentive imposed by the regulator ranges of Rs. 100,000 to Rs. 500,000. If an operator fails to meet the benchmark in consecutive quarters, the penalty amount is increased 1.5 times, and doubled in the third consecutive month. This increased the penalty on dropped calls, which was previously Rs. 50,000 per violation.

The methodology for assessment of call drop rate also changed to a percentile basis instead of the earlier methodology of average of call drop from all towers. In addition, the measurement was made more granular, from the circle level to mobile towers in a circle. The new guidelines required the rate of dropped calls handled by a network to be 2% or less. Similarly, during busy hours of the day, not more than 3% of call drops should be on 90% of mobile towers in a telecommunications circle.

KEY PERFORMANCE INDICATORS TRENDS

Subscriber base

The wireless subscriber base in India stood at approximately 1,181 million in March 2021, rising by approximately 24 million in the fiscal year, of which urban areas added approximately 7 million, while rural added approximately 17 million.

During the first wave of pandemic, the subscriber base declined by over approximately 15 million in the first quarter as the nationwide lockdown triggered a large-scale migration from urban to rural areas. In the quarter ended June 30, 2020, urban areas lost over approximately 18 million subscribers, while rural areas gained over 3 million subscribers as subscriber base dropped to 1,141 million, down by approximately 16 million from March 2020. However, as unlocking began in phases and laborers started to rejoin the workforce, subscriber base revived and reached approximately 1,158 million in December 2020, surpassing the March 2020 levels. However, in the last quarter, subscriber base jumped to approximately 1,181 million as the industry witnessed rising competition where top two players aggressively added subscribers and weaker player saw lowering of its churn rate.

According to the CRISIL Report, the number of wireline subscribers, for instance, has persistently fallen every quarter, from 22.81 million as of March 2018 to 20.0 million as of March 2020. However, in FY2021, de-growth in wireline subscriber base is seen to have been arrested owing to bundled offerings of landline connection with wired broadband from Jio, Bharti Airtel and Vodafone.

The table below sets out pan-India subscriber trends for the fiscal years indicated (wireless and wireline):

As on (in mm)	FY2017	FY2018	FY2019	FY2020	FY2021	Q1FY2022
Wireline	24.4	22.8	21.7	20.2	20.2	21.7
Wireless	1,170.2	1,183.4	1,161.8	1,157.8	1,181.0	1,180.8
Total	1,194.6	1,206.2	1,183.5	1,178.0	1,201.2	1,202.6

Source: CRISIL Research, TRAI

A majority of the subscriber base increase in FY2021, was driven by rural areas, where the teledensity improved from 58.5% in FY2020 to approximately 60% driven by increased usage of phones due to online classes and work from home. The sharp increase in FY2021 is likely to sustain due to increase in rural subscribers, where churn rate is traditionally lower, unlike urban areas. However, further sharp rise in subscriber base is unlikely due lower percentage of active subscribers.

The table below sets out wireless tele-density trends for the fiscal years indicated (Urban and Rural):

As on	FY2017	FY2018	FY2019	FY2020	FY2021
Urban	166.7%	161.2%	155.5%	138.4%	137.1%
Rural	56.5%	58.7%	57.1%	58.5%	60.1%
Total	91.1%	91.1%	88.5%	85.9%	86.7%

Source: TRAI

approximately

Voice usage

Price war in the telecom industry that started in late-2016 led to companies reducing data tariffs and making voice calls nearly free in order to retain customers, leading to a surge in voice usage in the industry post fiscal years ended 2017.

The table below sets out voice usage trend for the periods indicated (wireless minutes per user per month):

	4QFY2017	4QFY2018	4QFY2019	4QFY2020	4QFY2021
Minutes p.m.	405	584	692	750	818

GSM only for Q4FY2017 and Q4FY2018; Includes GSM, CDMA and LTE for Q4FY2019, Q4FY2020 and Q4FY2021

Source: TRAI

Internet subscribers

According to TRAI subscription report for March 2021, India's wireless broadband subscriber base stands at approximately 755 million, of which around 710-715 million are expected to be on 4G networks (and remaining on 3G). This leaves approximately 400 million subscribers as non-data users constituting over 35% of wireless subscriber base. Of this 400 million, around 250-300 million are expected to be active 2G subscribers from rural regions using legacy feature phones who the telcos are likely to focus on retaining/upgrading going forward.

The table below sets out pan-India internet subscriber trends for the fiscal years indicated (wired and wireless):

As on (in mm)	FY2017	FY2018	FY2019	FY2020	FY2021
Wired					
- Wired narrowband	3.3	3.3	3.3	3.2	3.3
- Wired broadband	18.2	18.0	18.4	19.2	22.8
Wireless					
- Wireless narrowband	142.3	78.1	70.2	52.5	44.0
- Wireless broadband	258.3	394.7	544.9	668.3	755.4
Total internet subscribers	422	494	637	743.2	825.3
Internet subs. per 100 population	32.9	38.0	48.5	55.1	60.7

Source: TRAI

Data usage

As a result of low mobile tariffs and an increase in digital literacy, mobile data consumption has seen a growth of 24 times in the last five years. The increasing popularity of OTT apps has caused widespread video based consumption resulting in much higher data consumption.

The table below sets out data consumption trend - Average Wireless Data Usage per wireless data subscriber per month for the periods indicated.

	4QFY2017	4QFY2018	4QFY2019	4QFY2020	4QFY2021
Wireless data usage (GB)	1.00	2.44	9.06	11.00	12.33

Includes data usage for GSM including LTE (2G+3G+4G) and CDMA

Source: TRAI

ARPU

After three years of decline the industry's average revenue per user ("ARPU") rebound by 11-12% on-year to reach Rs. 120 in fiscal 20 on account of increased 4G adoption and tariff hikes in the last quarter leading to a revenue growth of 11% on year. However, the full effect of the tariff hikes was seen in fiscal 2021 as ARPU jumped by 15% to reach Rs. 147.

Gross revenue

Following a 9% decline in FY2019, the industry's gross revenue had double digit revenue growth of 11% and 16% in FY2020 and FY2021 respectively, driven by higher ARPU, thanks to minimum recharge plans and tariff hikes.

The table below sets forth the industry gross revenue trends for the fiscal years indicated:

(in Rs. bn)	FY2017	FY2018	FY2019	FY2020	FY2021
Industry gross revenue	2,746	2,545	2,336	2,528	2,735

Source: TRAI

Profitability

The growth in operating profit can be attributed to ARPU improvement post December 2019 tariff hikes partially offset by removal of IUC charges in the last quarter FY2022. As a result, operating margins also expanded by approximately 550 bps to reach 42.5% in FY2021.

The table below sets forth industry operating margin trends for the fiscal years indicated:

	FY2017	FY2018	FY2019	FY2020	FY2021
EBITDA margins⁽¹⁾	32.5%	27.1%	24.0%	36.9%	42.5%

Source: CRISIL Research

Note:

(1) Industry operating margin is the volume weighted average margins of individual players.

Competitive landscape

The price wars in the telecom industry that started in late 2016 led to companies reducing data tariffs and making voice calls nearly free in order to retain customers. Small players were the worst hit, given their limited financial strength and spectrum holdings, thus forcing them to either exit or consolidate with large players. This resulted in an oligopolistic industry in line with the global scenario, similar to China, Germany and the United Kingdom.

As the industry consolidated into a 3+1 player market amidst pricing pressure, telcos implemented tariff hikes in Dec-19 as they raised prices across all plans by 30-40%. While this move came as a breather for industry, more tariff hikes are crucial to ensure long term sustainability of the industry. It was initially expected that more hikes would follow in FY2021 and FY2022. However, the onset of pandemic delayed the plans in FY2021.

Indian telecommunications operator landscape:

Indian telecommunication operators (Dec 2013)		Indian telecommunication operators (Jun 2021)
Bharti Airtel	Vodafone India	Bharti Airtel
Idea Cellular	BSNL/MTNL	Vodafone Idea
Loop Mobile	Virgin Mobile	Reliance Jio
Videocon Cellular	MTS India	BSNL/MTNL
Aircel Cellular	Telenor India	
Tata Teleservices	Reliance Communication	

Source: CRISIL Research

According to the TRAI, the three largest telecommunications operators in the country (Bharti Airtel, Reliance Jio and Vodafone Idea) accounted for approximately 89% of the subscriber market share as of March 31, 2021.

Subscriber market share

	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Bharti Airtel	29.4%	28.9%	28.0%	27.5%	27.9%	28.4%	28.3%	27.8%	28.4%

Vodafone Idea	37.2%	35.6%	34.0%	32.9%	31.7%	29.2%	27.7%	26.8%	25.7%
Reliance Jio	21.6%	23.8%	26.4%	28.4%	30.3%	32.1%	33.5%	34.9%	35.2%
Others	11.9%	11.6%	11.6%	11.2%	10.1%	10.2%	10.6%	10.5%	10.6%

Source: TRAI, CRISIL Research

Note:

- (1) Subscriber market share based on wireless subscriber data as reported by TRAI
- (2) The data may vary with company reports as the methodology of calculating Active/Inactive subscribers differs
- (3) Subscriber market share for Bharti Airtel includes subscribers of Telenor fiscal 2019 onwards

Active Subscriber market leadership across 22 circles

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bharti Airtel	12	13	11	12	12
Vodafone Idea	8	7	4	6	6
Reliance Jio	2	2	7	4	4

Source: TRAI, CRISIL Research

Revenue market share

	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Bharti Airtel	31.9%	31.2%	30.0%	30.5%	30.7%	32.1%	33.2%	31.8%	32.3%
Vodafone Idea	34.5%	32.3%	32.8%	30.6%	29.0%	28.8%	28.6%	25.0%	23.7%
Reliance Jio	27.0%	30.0%	31.6%	33.2%	34.7%	34.1%	33.2%	36.6%	37.2%
Others	6.6%	6.5%	5.6%	5.7%	5.5%	5.1%	5.0%	6.6%	6.8%

Source: TRAI, CRISIL Research

Note:

- (1) Revenue market share for Vodafone Idea for the period FY15-FY18 is cumulative subscribers for Vodafone and Idea
- (2) Data may vary with company reports as the methodology of calculating revenue market share differs across companies
- (3) Subscriber market share for Bharti Airtel includes subscribers of Telenor fiscal 2019 onwards

Growth drivers

Increasing smartphone penetration

According to International Data Corporation, India has seen a substantial rise in smartphone adoption over past decade and has registered a year-over-year (YoY) growth of over 86% between the fiscal quarters ended June 30, 2020 and 2021. As the smartphone adoption rate rises, people on legacy technologies upgrade to 4G or higher versions, leading to an increase in customer-pay-outs and resulting in higher revenues for telecommunications operators.

Low rural Tele-density

Indian telecommunications subscriber distribution is quite skewed and is characterized by high urban tele-density and low rural tele-density. Rising rural income provides a significant opportunity for the telecommunications industry. According to the CRISIL Report, a majority of the subscriber base increase in FY2021 was driven by rural areas, where the tele-density improved from 58.5% to approximately 60% driven by increased usage of phones due to online classes and work from home

Rise of OTT video applications

OTT apps such as Amazon Prime video, Netflix, Hotstar etc. have seen a widespread proliferation among the Indian audience creating a huge incremental demand for data. According to CRISIL report, data from operators show that videos contribute nearly 80% to total data traffic (direct and indirect) in India. Video, instant messaging, video calls, online gaming, music streaming, e-commerce and online news will support higher data usage.

Overview of DTH industry in India

Snapshot

The television value chain is comprised of content providers, broadcasters, distributors and subscribers. The content providers supply content either on a commissioned or sponsored basis. Broadcasters uplink content supplied by providers to a satellite for broadcasting into TV homes. = The Distributor Platform Operators (“DPOs”) links the broadcasters with end consumers. The DPOs include Direct to Home (“DTH”) and Multi-system Cable Operators (“MSOs”).

According to the TRAI report, there are 4 Pay DTH operators in India namely Airtel Digital TV, Tata Sky, Sun Direct and Dish TV India which together has a total subscriber base of 69.57 million as of March 31, 2021. This is in addition to the subscribers of the DD Free Dish – the free DTH services of Doordarshan.

According to the TRAI Report, there were 1,726 MSOs registered with MIB as of March 31, 2021. This is a highly fragmented and unorganised chain. MSOs, in turn, control a number of local cable operators (“LCOs”) and act as a link between the LCOs and broadcasters.

Subscribers

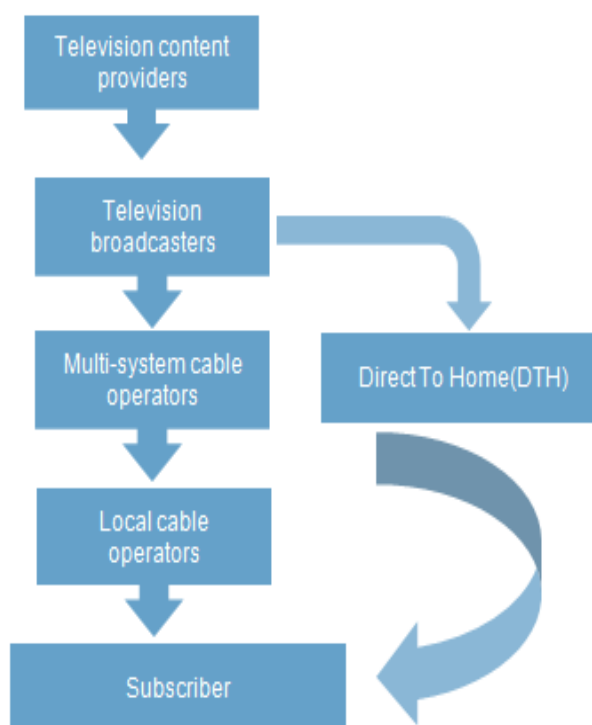
Since the introduction of DTH Sector in the year 2003, Indian DTH services have displayed significant growth. Furthermore, the digitization of the cable industry aided growth of DTH industry as cable operators struggled to set up high-cost network infrastructure. Rising penetration in rural markets and saturation in urban markets where MSOs and LCOs are more prevalent has helped DTH gain market share over the past five years. Furthermore, the market saw consolidation with (a) Videocon D2H merged with Dish TV and (b) Reliance DTH exiting the market.

The tables below set forth the Pay DTH industry subscriber growth and resultant subscriber market share in the last five fiscal years:

In Mn	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Total Active Subscriber base	63.61	67.53	72.44	70.26	69.57

DTH Subscriber Market share	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Tata Sky	23%	25%	25%	32%	33%
Airtel Digital TV	21%	21%	22%	24%	26%
Dish TV India	25%	43%	40%	29%	24%

Television value chain



Sun Direct	9%	10%	12%	15%	17%
Reliance	2%	1%	1%		
Videocon D2H	20%				

Source: TRAI report

AFRICA TELECOMMUNICATIONS INDUSTRY

Mobile market overview

As per GSMA Intelligence’s Sub-Saharan Africa, Q1 2021 Update, Sub-Saharan Africa had 899 million connections in total with a connections penetration of 82%, while the subscriber penetration (% of population) was 46%. Even now, the mobile usage gap is a major issue, with substantial population in the region remaining unconnected to mobile Internet despite living in areas covered by a mobile broadband network. Smartphone adoption continues to rise rapidly in the region, reaching approximately 50% of total connections in 2020, as cheaper devices have become available. Even post this, it still remains much lower than global average smartphone adoption of 69% (as per GSMA Intelligence). The high cost of smartphones, relative to average income levels, and limited digital skills among rural and less literate populations are the main barriers to mobile Internet adoption. According to GSMA Intelligence, 4G adoption in Sub-Saharan Africa is in double figures but trails global levels. Only 13% of the total connections in Sub-Saharan Africa are on 4G and 53% on 3G with 62% mobile internet users (% of total subscribers). According to GSMA Intelligence, with significant unused 4G capacity and 4G adoption still relatively low, the focus in the near term for operators and other stakeholders is to increase 4G uptake. This will involve strategies to make 4G devices more affordable and the provision of relevant digital content to drive demand for enhanced connectivity services.

In Sub-Saharan Africa, data and mobile money remain the prime revenue growth drivers, with adoption and usage of both services continuing to rise rapidly. Beyond that, according to GSMA Intelligence, operators are seeing strong demand for a wider range of digital services, reflecting a shift in consumer behaviours triggered by the pandemic. In Q1 2021, as per GSMA Intelligence, revenue growth remained in double-digits for leading operators in Sub-Saharan Africa, helped by the continued growth in mobile data subscriptions and usage. EBITDA margins in Sub-Saharan Africa remain above 40%. Revenue growth is a key driver, although cost rationalization remains an important focus for operators.

Mobile money market overview

As per Sub-Saharan Africa, Q1 2021 Revenue by GSMA Intelligence (“**GSMA 2021**”), digital financial services (DFS), with mobile money at the heart of them, will shape Africa’s post-pandemic economic landscape, helping to address inefficiencies in legacy financial systems, extend financial services to the region’s large and dispersed population. Investor interest in the fin-tech market is indicative of the growth outlook for DFS in the region.

Digital payments and broader financial services provide an opportunity for operators in Sub-Saharan Africa to diversify beyond connectivity, offset stagnating core revenues and grow their presence in the digital ecosystem. For many operators, mobile money provides a solid platform from which to leverage the opportunities in the digital payments ecosystem. As per GSMA 2021, the combined transactions value on the four leading mobile money platforms in Sub-Saharan Africa –M-Pesa, MTN MoMo, Airtel Money and Orange Money – has now reached \$50 billion/month. Growth was driven by the efforts of policymakers and service providers to reduce the reliance on cash during the Covid-19 pandemic. This included the easing of KYC requirements, simpler onboarding processes for new users, discounts on transaction fees and higher transfer limits. In the year to March 2021, monthly transactions value of M-Pesa, MTN MoMo and Airtel Money grew by 64%, 53.8% and 53.5% respectively.

OUR BUSINESS

In this section, unless the context otherwise indicates or implies, “we”, “us” and “our” refer to our Company together with our Subsidiaries, Joint Ventures and Associate Companies, and references to “our Company” are to Bharti Airtel Limited only.

Unless otherwise stated, the financial information used in this section is derived from the audited consolidated financial statements as at and for the year ended March 31, 2021 and 2020 and the audited consolidated financial statements of our Company as at and for the three-month period ended June 30, 2021 and 2020. References to “fiscal year” in this section is as at and for the year ended March 31.

Overview

We are the world’s second largest provider of telecommunications services, based on total mobile connections on sum of consolidated subsidiaries (Source: GSMA Intelligence) with operations in 18 countries across Asia and Africa. Based on TRAI Reported Revenue, for the three months ended June 30, 2021, we had a revenue market share of approximately 34.9% in India calculated on the basis of AGR (including national long distance) and this ranks us second in overall revenue market share in India. Furthermore, as at June 30, 2021, we served approximately 474 million customers globally.

Our retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that provides speeds up to 1 Gbps with convergence across various entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, we offer a wide range of solutions that includes secure connectivity, cloud and data centre services, cyber security, Internet of Things (“IoT”) and cloud-based communication. All these services are rendered under a unified brand “Airtel.” “Airtel Money” (known as “Airtel Payments Bank” in India) extends our product portfolio to further our financial inclusion agenda and offer convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. Globally, we operate a fibre network covering over 365,000 route km (“Rkm”) and in India, our national long-distance infrastructure provides a pan-India reach with 332,542 Rkms of optical fiber as at June 30, 2021.

For the fiscal years 2020 and 2021, and the three months ended June 30, 2020 and 2021, our revenue from operations was Rs. 846,765 million, Rs. 1,006,158 million, Rs. 232,903 million and Rs. 268,536 million, respectively. Our net income for the fiscal years 2020 and 2021, and the three months ended June 30, 2020 and 2021, was Rs. (336,180) million, Rs. (234,207) million, Rs. (158,115) million and Rs. 9,414 million, respectively. Our EBITDA for the fiscal years 2020 and 2021, and the three months ended June 30, 2020 and 2021 was Rs. 347,701 million, Rs. 461,385 million, Rs. 101,183 million and Rs. 131,895 million, respectively. Our EBITDA margin for the fiscal years ended March 31, 2020 and 2021, and the three months ended June 30, 2020 and 2021 was 41.1%, 45.9%, 43.4% and 49.1%, respectively.

As at March 31, 2020 and 2021 and June 30, 2021, our total assets were Rs. 3,607,790 million, Rs. 3,460,278 million and Rs. 3,558,593 million, respectively.

History

Our Company was originally incorporated as 'Bharti Tele-Ventures Limited' on July 7, 1995 at New Delhi, as a public limited company under the Companies Act, 1956 for the purpose of promoting telecommunications services and a certificate of incorporation was granted to our Company by the RoC. Our Company received the certificate of commencement of business from the RoC on January 18, 1996. Subsequently, the name of our Company was changed to 'Bharti Airtel Limited' pursuant to which a fresh certificate of incorporation was granted on April 24, 2006 by the RoC. The Registered Office of our company changed from Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India to Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram - 122 015, Haryana, India with effect from April 1, 2021, and was granted a certificate of registration of Regional Director order for change of state by the RoC on June 30, 2021.

We filed a prospectus dated February 7, 2002, in respect of an initial public offering of our equity shares of face value of Rs. 10 each. Such equity shares were listed on BSE, NSE and the Delhi Stock Exchange pursuant to the IPO, and were subsequently delisted from the Delhi Stock Exchange with effect from October 13, 2004.

Competitive Strengths

We believe that the following factors contribute to our strong competitive position:

Presence in large and attractive markets

We are present in 18 countries, including in the Indian, South Asian and African markets. These markets are in the midst of rapid digitization where demand for telecommunication services is expected to rise as these economies expand and penetration of telecommunication services increase.

Given India's population size of approximately 1.3 billion people, the telecommunication industry in India has experienced varying levels of growth in voice and data traffic respectively. According to TRAI, the total number of wireless and wireline subscribers in India region increased from 996.5 million for the year ended March 31, 2015 to 1,202.2 million for the year ended March 31, 2021. According to TRAI, the subscriber distribution is quite skewed in India and is characterised by high urban tele-density and low rural tele-density. Rising rural income provides a significant opportunity for the telecommunications industry and we believe that we benefit from strong growth potential in rural and semi-urban markets. According to the TRAI, the overall telecommunications penetration in India, represented by the number of telephones per 100 people, was 88.2%, of which urban penetration was 141.0% and rural penetration was 60.3% as at June 30, 2021. According to Omdia, India's mobile subscriber base has increased from 489 million subscribers in 2017 to 646 million subscribers in 2019, and is expected to reach 775 million subscribers by 2023. In addition, the number of mobile internet subscribers has increased from 402 million subscribers in 2017 to 671 million subscribers in 2019, and is expected to reach 896 million subscribers by 2023. Finally, the number of 4G subscribers has increased from 242 million subscribers in 2017 to 605 million subscribers in 2019, and is expected to reach 768 million subscribers by 2023. For the three months ended June 30, 2021, we ranked second in the telecommunications market in India, with a revenue market share of approximately 34.9%, compared to 32.2% for the three months ended June 30, 2020 according to TRAI data.

According to Omdia, Africa's mobile subscriber base has increased from 271 million subscribers in 2017 to 442 million subscribers in 2019, and is expected to reach 791 million subscribers by 2023. In addition, the number of mobile internet subscribers has increased from 423 million subscribers in 2017 to 641 million subscribers in 2019, and is expected to reach 988 million subscribers by 2023. Finally, the number of 4G

subscribers has increased from 40 million subscribers in 2017 to 123 million subscribers in 2019, and is expected to reach 376 million subscribers by 2023. For the three months ended June 30, 2021, approximately 40%, 35% and 24% of our revenue in Africa originated from Nigeria, East Africa and Francophone Africa, respectively.

Established leadership position and large subscriber base

We are the world's second largest provider of telecommunications services, based on total mobile connections on sum of consolidated subsidiaries (*Source: GSMA Intelligence*) with operations in 18 countries across Asia and Africa. Based on TRAI Reported Revenue, for the three months ended June 30, 2021, we had a revenue market share of approximately 34.9% in India, calculated on the basis of AGR (including national long distance) and ranked second in overall revenue market share in India. As at June 30, 2021, we had 352.1 million customers with a subscriber market share of 29.8% according to TRAI. Further, as at June 30, 2021, we had 184.4 million 4G customers and for the three months ended June 30, 2021, our customers consumed approximately 18.5 GB of data per subscriber per month.

According to TRAI, we were the largest operator in six telecommunication circles in terms of the number of mobile telecommunication subscribers as at June 30, 2021 – namely, Bihar, Jammu and Kashmir, Karnataka, North East, Tamil Nadu and Uttar Pradesh East – the second largest operator in seven telecommunication circles – namely, Andhra Pradesh, Assam, Delhi, Himachal Pradesh, Orissa, Punjab and Rajasthan – and the third largest operator in eight telecommunication circles – namely, Delhi, Gujarat, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, West Bengal and Uttar Pradesh West. According to TRAI, as at June 30, 2021, we were the second largest wired broadband service provider.

Furthermore, as per TRAI, we had the largest subscriber market share of 34.9% based on Visitor Location Register (VLR) as at June 30, 2021. We believe that our established leadership position allows us to capitalize on any growth opportunities in the future.

Extensive telecommunication infrastructure built out to support future growth

During the three months ended June 30, 2020 and June 30, 2021, customers spent 820.2 billion minutes and 1,002.3 billion minutes, respectively, on our network in India, and consumed 7,239,836 million megabytes and 10,771,051 million megabytes, respectively, from our network in India. We continue to invest in building data capabilities to provide an excellent network to our customers and attract new customers, and had increased our mobile base stations from approximately 503,883 at the end of fiscal year 2020 to 606,783 at the end of fiscal year 2021. The consolidated capital expenditure investment for the year ended March 31, 2021 was Rs. 297,786 million, which represented 29.6% of revenue for the year ended March 31, 2021.

We have built a substantial spectrum holding in India, and in the latest spectrum auction conducted by the DoT, we acquired 355.45 MHz spectrum across Sub GHz, mid-band and 2,300 MHz bands for a total consideration of Rs. 187,034 million. As at June 30, 2021, we had an aggregate of 2,107.1 MHz of unpaired spectrum across the 22 telecommunication circles. On August 10, 2021, we transferred 15 MHz (unpaired) spectrum to Reliance Jio.

We are addressing capacity at hotspots by deploying a combination of Massive Multiple-Input Multiple-Output (“MIMO”) technology and sector splitting. We are also deploying small cells in high traffic areas. We have largely reallocated our 900 MHz band spectrum in selected circles for use in 4G services, which we believe will provide deeper in-building 4G coverage for better VoLTE and data experience. We have further completed the reallocation of our 2,100 MHz band spectrum for use in 4G services.

In order to cater for the exponential growth in data demand, we have been investing in fiber, backhaul and transmission. Our optical fiber cable transmission network, both owned and through indefeasible rights of use

arrangements with other telecommunication operators, extends to approximately 332,542 Rkms in India as at June 30, 2021. Given the significant growth in data consumption, the need for more extensive fiber network is becoming critical. We have established a dedicated fiber company, Telesonic Networks Limited, through which we expect to provide the requisite India based fiber network. These investments resulted in us winning four awards in the Opensignal Report for September 2020 in the categories of video experience, games experience, voice application experience and download speed experience.

As at June 30, 2021, our global fiber network runs across 365,000 Rkms, covering 50 countries and five continents, which, while serving our enterprise solutions business, also enables us to bring data closer to India and reduce latency for our customers. At the Indian Mobile Congress 2019, we demonstrated live the 5G network. The ultra-low latency of the 5G network provides new opportunities for various industries, as it enables time and cost efficiency. In January 2021, we successfully tested, demonstrated and orchestrated a live 5G service over a commercial network. Using a spectrum sharing, we were able to operate 5G and 4G concurrently within the same spectrum block. In February 2021 we entered into a collaboration with Qualcomm for 5G network development by leveraging vRAN / O-RAN technologies to allow our customers to reap the possibilities of the hyperconnected world. In July 2021, we also recorded a speed of over one Gigabit per second during a 5G field trial in Mumbai and we continue to conduct such trials in other parts of the country. In June 2021, we entered into a strategic partnership with one of India's largest conglomerates for implementing 5G network solutions in India. Under this partnership, we will pilot and deploy an indigenous solution developed by such conglomerate as part of our 5G rollout plans in India and start the pilot in January 2022, as per the guidelines formulated by the GoI. Such initiatives, demonstrate the future readiness of our network across the radio, core and transport domains. In preparation of the commercial launch of 5G network over the next couple of years, we will further strengthen our fibre infrastructure by connecting towers with fibre and backhaul infrastructure.

As at June 30, 2021, we had 219,310 network towers in India, of which 218,328 towers are mobile broadband towers. In Africa, as at June 30, 2021, we had 26,104 network towers, of which 24,701 towers are mobile broadband towers.

Extensive distribution and service network

We maintain an extensive sales and distribution network covering both rural and urban geographies across India, with over 1.2 million retail outlets taking our range of product offerings to end consumers. These outlets are serviced by over 9,000 distribution partners. Retail outlets are digitally empowered to sell Airtel services to the customers using "*Mitra Application*."

We believe our exclusive retail footprint is a key differentiator, including for supporting high value subscribers and products such as mobile internet. Our exclusive retail footprint is an integral part of our customer acquisition and engagement strategy, designed to bring the Airtel brand closer to our customers.

We also have a growing digital distribution presence through the *Airtel Thanks* application which comprises of three different aspirational tiers, namely the silver, gold and platinum tiers. The digital distribution channel is cost-efficient compared to traditional channels and enhances customer experiences. Our distribution reach is further expanded by over 9,000 dedicated promoters who promote Airtel products in device selling outlets. As at June 30, 2021, *Airtel Thanks* application had over 73 million monthly active user.

Experienced management team with strong execution track record and backed by global investors

We believe that we benefit significantly from having an experienced management team, including Mr. Sunil Bharti Mittal, our Chairman, Mr. Gopal Vittal, our Managing Director and Chief Executive Officer (India and

South Asia) and Mr. Badal Bagri, our Chief Financial Officer (India and South Asia) and other management personnel.

Our management team has been involved in the telecommunication industry in India for a significant period. During this time, our management team has developed sector-specific knowledge and operational expertise and an in-depth understanding of the key opportunities and risks associated with our business. Their expertise in the industry is reflected in our ability to maintain our position as a leading telecommunication operator in India, despite significant competition and new entrants in the market. We have capitalized on the emerging opportunities and completed the acquisitions of Bharti Digital Networks Limited and Telenor India. On July 1, 2019, we successfully completed the merger of the consumer mobile businesses of Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited with our business. Further, we also successfully completed the merger of Bharti Infratel with Indus Towers on November 19, 2020. See “—Our Management” for further information. The combined company is named Indus Towers Limited and has remained listed on the Indian stock exchanges. We believe that the experience of our management provides us with an advantage in commercial negotiations with suppliers and customers, identifying cost and operational efficiencies, anticipating and avoiding potential execution roadblocks, completing expansion and roll out plans on time and within budget.

During the fiscal year 2020, we raised Rs. 215 billion of additional long term financing through a combination of a qualified institutional placement of equity shares and a foreign currency convertible bond offering to foreign investors. During the fiscal year 2021, we raised U.S.\$1.25 billion through the issuance of a dual-tranche U.S.\$ bond offering spread across senior and perpetual issuance.

We believe that the knowledge and expertise generated by the experience of our management team will prove to be a crucial advantage as we look to expand and develop our business. We also maintain strong corporate governance practices.

Strong brand presence

We offer our services under our flagship brand “*Airtel*” which is widely recognized in India, Sri Lanka and Africa, where we operate. We support the “*Airtel*” brand with extensive market research and a focused marketing strategy in India, Sri Lanka and Africa, including national and regional television advertisement campaigns as well as campaigns in mixed-media and over-the-top media platforms, including print, outdoor and digital. We believe that the strength of our brand “*Airtel*” and our advertising campaigns have contributed significantly to our strong market position, subscriber growth and loyalty and have helped us to further fortify the “*Airtel*” brand.

We believe that we have been able to strengthen our brand equity through our segmented marketing strategies that we create with the help of external marketing and advertising agencies across geographies and demographic variables. For instance, in 2018, we launched the campaign “*Sab Kuch Try Karo, Fir Sahi Chuno*” and in 2019, we launched “*Sahi Chuno, Quality Chuno*” campaign, both of which demonstrate our confidence in our product offerings. Furthermore, to demonstrate our commitment to delivering the highest quality to our customers we launched “Open to Questions” campaign in 2020. Through such initiatives, we invited our customers to raise questions about our services and we endeavoured to set a target of answering and resolving every customer query and ensure similar complaints are avoided in the future. In 2021, we also introduced a new brand campaign that showcased our customers’ strong preference for our robust network and differentiated services. We also strengthened our customer rewards program through the *Airtel Thanks* program that offers a range of rewards to customers based on ARPU. Further, our marketing strategy in India focusses on customers at a district level, which allows us to prioritize, track and develop performance on a micro level. We do so by dividing the Indian market into priority districts based on their economic potential

(4G market size of district), capital efficiency (revenue per tower of district) and brand affinity (Airtel 4G share in district).

In order to further elevate our customer experience, we launched Airtel Black, a new program for the discerning, quality-seeking customers. Under this, a customer can bundle two or more of Airtel services (Fiber, DTH, Mobile) together to become an Airtel Black customer, which entitles the customer to a single bill, one customer care number with a dedicated team of relationship managers, and priority resolution of faults and issues. This program is available without any switching or installation costs, and we also provide free service visits for the duration of the customer's time in the program.

The focus of our communication is to highlight the benefits of our products and services to our customers. Further, our strong brand presence is backed by an extensive distribution footprint in India and Africa across rural and urban areas. We also have a growing digital distribution presence through the *Airtel Thanks* application, which is a loyalty program for customers to have an incentive to upgrade to higher value plans by providing various exclusive offers and benefits. The loyalty platform feeds on real-time events in a customer's lifecycle. The analytics of the platform runs real time mapped to each customer profile backed with an open API that is tied to partnership with 3rd party service provider for any provisional billing. The platform is integrated with a scalable model of own subscription engine and provisional billing engine for prompt activation of any service. Further, our *Airtel Thanks* application was recognized as the most innovative mobile application in the mobile industry at the prestigious ET Telecom Awards 2020.

Our brand excellence has been widely recognized. We were honored in the categories of “*Best Brand Loyalty Marketing Campaign*” and “*Excellence in CSR – Best Organization Transformation*” at the “Asian Customer Engagement Forum and Awards” in 2017. We ranked second in the “*Brand Finance India 100 (2018)*”, an annual report on the most valuable Indian brands. We also ranked fourth in the “*BrandZ Top 75 Most Valuable Indian Brands 2018 and 2019*” reports. We have been consistently rated as the Indian telecom network with the fastest download speeds by multiple global platforms such as Opensignal, including best video experience, lower latency and highest downlink throughputs. We have also been recognised twice by Opensignal as the network providing India's best video and gaming experience. Through this, we have extended our network positioning from being the fastest network to providing best video experience, to differentiate us from our competition. Further, in June 2021, CRISIL has assigned its Governance and Value Creation rating “CRISIL GVC Level 1” to our corporate governance and value creation practices. We believe this rating reflects our commitment to our objective of value creation for all stakeholders while preserving high standards of ethics and governance.

Strategy

The key elements of our strategy is:

Grow our 4G subscriber market share in the mobile telecommunication industry

We operate in the highly competitive mobile telecommunication industry in India, which has grown significantly in recent years. According to TRAI, we were one of the leading mobile telecommunication operators in India in terms of number of mobile telecommunication subscribers as at June 30, 2021. We intend to leverage such position to increase our market share of the primary 4G SIM slot through attractive bundled pricing plans and partnerships with content companies for bundling their services. We are focused on implementing a well laid out strategy with an objective of improving customer experience and quality. We aim to achieve this through the following enablers; (i) digitising our core products and offerings to improve customer experience; (ii) modularising our capabilities to drive new revenue streams through new and

existing products and partnerships; (iii) bringing together the power of Airtel through a unified customer view and integrated channel approach; and (iv) conducting our business and operations through sustainable means.

Further, we have also adopted various measures to lock-in post-paid customers through initiatives such as free music and TV, free OTT membership, data roll-over, affordable financial services, among others, beyond the traditional services.

In Africa, we aim to increase our mobile revenue market share through increasing our smartphone network, data penetration, introduction of new products and addition of quality customers.

Invest in our telecommunication network to enhance user experience and deliver a differentiated value proposition to our customers

We are focused on delivering premium, high-speed and reliable telecommunication services to our customers. We have successfully grown our aggregate telecommunication customer base from approximately 357 million as of March 31, 2016 to approximately 474 million as at June 30, 2021 and intend to continue to retain our existing customer base and grow our market share by offering high speed and reliable mobile telecommunication services at competitive prices and providing high-quality customer support services. During the same period, our data customer base grew from approximately 58 million to over 193 million in India. Our capital expenditures amounted to Rs. 175,728 million for the three months ended June 30, 2021.

We intend to enhance our telecommunication network user experience by improving our network quality through digitization and using more self-healing and self-evolving networks using newer generation technologies. As a part of our strategy to offer high speed 4G across the country, we have phased out 3G services and are re-farming our 3G spectrum for 4G to ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, through our state-of-the-art L900 technology to further augment our 4G services to enhance the network's capacity in the 2100 MHz band to complement our services in the 2300 MHz and 1800 MHz bands. The re-farming of 3G spectrum for 4G will boost the network's capacity, ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, especially during intracity and intercity transit for 4G smartphone customers. To further enhance our spectrum holding, in March 2021, we acquired 355.45 MHz spectrum across Sub GHz, mid band and 2,300 MHz bands for a total consideration of Rs. 187,034 billion in the spectrum auction conducted by the DoT. The acquisition of a pan-India footprint of Sub GHz spectrum is expected to improve our deep indoor and in building coverage in every urban town.

We had renewed and enhanced our on-going relationship by signing a multi-year agreement with Nokia in 2020 to deploy Nokia's SRAN solution across 9 circles in India, helping to boost our network capacity, in particular 4G, and improve customer experience. The rollout, will also lay the foundation for providing 5G connectivity in the future and will see approximately 300,000 radio units deployed across several spectrum bands, including 900MHz, 1800MHz, 2100MHz and 2300MHz, and is expected to be completed by 2022. In January 2021, we successfully tested, demonstrated and orchestrated a live 5G service over a commercial network. Using a spectrum sharing, we were able to operate 5G and 4G concurrently within the same spectrum block. In July 2021, we recorded a speed of over one Gigabit per second during a 5G field trial in Mumbai and we continue to conduct such trials in other parts of the country. This has demonstrated the future readiness of our network across the radio, core and transport domains.

On August 10, 2020, we launched "Ultra-Fast 4G" services in Andaman and Nicobar with the inauguration of the fiber link between Chennai and Port Blair, integrating the Andaman and Nicobar archipelago into our 4G network.

We have commercially deployed a virtual RAN solution based on disaggregated and open architecture defined by the O-RAN ALLIANCE. We are committed to open RAN solutions further by supporting a number of disruptive and innovative partners, helping them develop solutions capable of addressing the scale and complexity of our network and that of other brownfield operators around the world.

In addition, we launched *Airtel Wi-Fi Calling*, a Voice-Over Wi-fi service, which is designed to enhance voice calling experience for Airtel smartphone customers while indoors. The service is currently live in all circles except Jammu & Kashmir and across all broadband providers. There will be no extra charge for Airtel Wi-Fi Calling. We believe that these investments would enable us to maintain our continued excellence in customer experience and network quality. As per the Opensignal October 2019 Report and Opensignal Report September 2020, Airtel has been rated as the network with the fastest download speed experience and also winner in terms of video experience on the network.

While we utilize various advanced technologies to deliver our services and operate our network, we intend to continue to invest in our network and technology infrastructure in order to improve our existing technology systems and implement advanced technology systems that may be developed. This will enable us to continue to deliver high quality, market leading and competitive service offerings, which will drive growth.

Focus on developing high growth revenue streams such as digital services, enterprise, broadband, digital TV and mobile payment bank (“MPS”) businesses, among others

We intend to rapidly grow the Homes Services business and to expand digital TV services business. Accordingly, we have been investing in increasing our subscribers to accelerate the broadband business. In our Homes Services business, we are pursuing a rapid expansion of our own coverage, acceleration of partnerships with Local Cable Operator (“LCO”) and leveraging the full suite of Airtel services as well as partner services to deliver a converged experience encompassing connectivity, entertainment and more. Pursuant to our existing partnerships with LCO’s, as at June 30, 2021, we provided homes services in 387 cities in India.

In our Digital TV Services business, innovations in paid TV services and migration from standard definition to high definition boxes have increased consumption of smart TVs and high definition services, offering more opportunities to service operators like us. We also intend on further expanding into rural areas where our market share is under-indexed while continuing to synergize between mobility and DTH distribution systems. For instance, through Airtel Black, we are aiming to capture higher value in this space.

Strong economic growth, aided by a shift to digital and on-demand business models with a growing need for anytime anywhere connectivity for enterprises and the GoI’s push for digitization, are fueling demand for telecommunication services from enterprises. Our enterprise strategy is to increase our share of wallet of existing customers and gain new customers by launching new enterprise platforms, thereby increasing our revenue market share. Small and medium-sized enterprises (“SMEs”) are increasing with digital India and start up India initiatives. We enable emerging enterprises and start-ups through understanding their business needs and offering specific vertical value propositions. We are committed to working toward strengthening our digital and technological offerings and capabilities, and intend to continue to adopt the ready business solution approach entitling SMEs to scale faster and enhance their operational efficiencies, making their business responsive to customers.

We also have a network of secure, scalable, and sustainable data centres in India offering services to leading enterprises, hyperscalers, start-ups, SMEs and governments. Being in the unique position of having a presence in both data centre and telecom industry, we provide a platform of hyper connected state-of-the art core and edge data centres in over 120 locations. We also continue to invest in multiple large data centre parks across key Indian metros of Chennai, Mumbai, Kolkata, Bangalore and Noida. Furthermore, we have

collaborated with The Carlyle Group (“**Carlyle**”), as our long-term partner in the data centre business. In the next few years, our data centre portfolio will be a mix of hyperscale offerings along with purpose built and edge locations to serve the increasing demand for fresh capacity as India’s digital economy gathers momentum.

In an increasing digitally connected world, enterprises are compelled to adopt digital transformation, however these come with various challenges. Businesses are constantly striving to keep low costs, engage digitally with their customers and gain insights from their data to drive growth while protecting information and data from cybersecurity risks. Through our innovative security solutions and robust connectivity, we strive to address these challenges and have created additional capacity in our network efficiently and also launched solutions that remove the hassles of having to deal with multiple partners while meeting the highest standards of security and reliability. To help our enterprise customers reduce costs, we have also upgraded our capacity and strengthened our customer service platform to support their devices and applications for enhanced enterprise productivity. We also partner with industry leaders to offer customised solutions to our enterprise customers.

Airtel Digital TV and Aakash Educational Services Limited (Aakash) launched dedicated TV channels for Indian medical and engineering entrance exams preparation. The initiative gives Airtel DTH customers affordable access to Aakash’s test preparation content on the TV screen in a highly interactive format. In particular, it benefits students in smaller towns and villages, who have limited access to broadband internet. Airtel Digital TV and Vedantu Innovations Private Limited announced an innovative partnership to make quality education accessible to students across India by leveraging the deep reach of Airtel. Under the partnership, two dedicated DTH channels – Vedantu Masterclasses – are available exclusively to millions of Airtel Digital TV customers, catering to students from classes 6 to 10 and classes 11 to 12, respectively, and covering both mathematics and science subjects.

Airtel Business announced the launch of its customer advisory board with the objective of making its customers equal stakeholders in its product development journey. The board will have representation from our Company’s main enterprise customers cutting across a diverse set of industries and sectors, and are expected to meet at regular intervals to deliberate and offer counsel on customer issues and emerging technology trends to help Airtel Business align its innovation roadmap to the strategic requirements of its customers and create the right solutions for the market. The advisory board will also provide our Company’s key enterprise customers an early view of the advanced capabilities that we may be building.

One of our digital endeavours is providing on demand wireless music streaming services through our application, Wynk Music. Wynk Music had 70 million monthly active users in June 2021 and we are constantly evaluating options to increase the value proposition of such services. For instance, during COVID-19 we hosted live online concerts on Navratri, Diwali, and New Year over our new platform Wynk Stage. This allowed users and India’s top artists to connect digitally and celebrate safely as India practices social distancing norms as part of its measures to mitigate the effects of the COVID-19 pandemic. These concerts set a new industry benchmark with more than 100,000 concurrent users.

To protect our customers from the growing incidents of online payment frauds, APBL launched “Airtel Safe Pay” – a safe mode for making digital payments. With “Airtel Safe Pay”, our customers are able to make UPI or Netbanking based payments through APBL. “Airtel Safe Pay” leverages our “telco exclusive” strength of network intelligence to provide an additional layer of payment validation compared to the industry norm of two-factor authentication. This offers a higher level of protection from potential frauds such as phishing, stolen credentials or passwords, and even phone cloning that catches customers unaware.

We launched the Gigabit Wi-Fi Experience. Our customers can enjoy 1 Gbps data speeds over Wi-Fi. The Airtel Xstream Fiber Rs 3,999 plan now comes with a complimentary 1 Gbps Wi-Fi router to go with unlimited data quota and massive bundled content. Our 4x4 Wi-Fi router enables 1 Gbps Wi-Fi coverage across homes and small offices. We believe this will unlock a great experience for online gaming and animation and for work or study from home with large number of concurrently connected devices.

We have made significant investments in the last few years to enhance our digital services. Such investments are yielding substantial results for our customers and us since we are playing a pivotal role in resolving business issues and delivering differentiated solutions to customers with minimal additional capital expenditure. For instance, in the last two years we have launched Airtel Secure, Airtel Cloud, Airtel IQ, Airtel Ads, and Airtel BlueJeans on these capabilities and the digital talent base that has been developed in-house. We intend to continue to leverage our inherent strengths across data, payments, distribution and network to provide unique solutions to our customers from an omni-channel perspective. Our deep understanding of our large high-value customer base, efficient and timely execution post engagement and ubiquitous network coverage provide enormous capability to create value for our business and that of our partners.

Focus on digitization and cost optimization

We are focused on disciplined investment and prudent cost controls. Cost optimization is an integral part of our growth strategy to deliver shareholder value. We aim to deliver savings in operating expenses through targeted cost saving programs with a range of initiatives across different functions. These include zero based budgeting with fresh look at all cost items to avoid redundant costs, focused initiatives on reducing low utilization sites, simplifications to reduce waste and drive efficiency in administrative costs. We also periodically negotiate appropriate contracts including outsourcing arrangements and annual maintenance contracts with our technology and equipment vendors. Among other elements of our optimized cost structure, we outsource various non-core supplies, service and support functions in discrete parcels to multiple specialized providers, while retaining a high-level of centralized reporting and control. We also engage in new requests for proposal processes at the end of such contract terms, to allow us to re-evaluate the cost and performance of each active network partner or vendor, and to form new partnerships or vendor relationships, as necessary. We also seek to minimize our dependence on any single network provider by working with multiple vendors.

In addition, we focus extensively on network cost optimization programs, such as indoor to outdoor conversions of sites leading to reduction in energy cost, and off-net to on-net link conversion for enterprise customers leading to lower bandwidth charges.

We use technology to drive down costs, including through infrastructure sharing, adopting disruptive technologies, use of increased automation, including customer service automation and the use of digital tools and interfaces such as chatbots and webchats with our customers (as well as executive dashboards for account summaries and individual products, including through our *Airtel Thanks* application), and digitization, which has resulted in lowering our billing costs, product and communication simplification, improved predictive analytics and reduced travel and outbound tele-calling. We expanded our 4G services and other technological investments aimed to enhance consumer experience to Andaman and Nicobar Islands as well as to Lakshadweep Islands.

In Africa, we aim to ensure cost optimization through ensuring greater utilization of assets that are already deployed and expenses that are already incurred. In addition, we also focus on controlling and saving costs through measures, such as moving away from offline channels to online distribution, and churn reduction. With high fixed costs, operating leverage will play out on new revenue streams and we aim to ensure that incremental EBITDA earned on incremental revenue generated is greater than the existing EBITDA margin.

Focus on deleveraging and maintaining financial flexibility

Our aggregate net debt (defined as the sum of current and non-current borrowings (including lease liabilities) less investments and cash & cash equivalents) amounted to Rs. 1,188,817 million, Rs. 1,505,835 million and Rs. 1,600,971 million as of March 31, 2020 and 2021 and June 30, 2021, respectively. As at March 31, 2021, our net debt to EBITDA ratio was 3.26, including lease obligations. Our debt profile is spread across local and overseas sources of funds to mitigate interest rate and currency fluctuation risks and to create natural hedges. We have a healthy currency mix of debt having issued U.S.\$ denominated bonds in the international debt capital markets as well as debt in local currencies including INR, XAF, UGX, RWF, ZMW, KES, LKR and XOF. Under our risk management policy that has been approved by the Board, we may continue to enter into hedging and derivative transactions to reduce the interest rate and current fluctuation risk. We remain focused on maintaining a healthy leverage ratio and deleveraging through a mix of strategic and organic initiatives.

As part of our strategic initiatives, we concluded a rights issue of approximately 1,134 million fully paid up equity shares that raised Rs. 249,390 million in May 2019 and utilized the proceeds materially towards deleveraging our balance sheet. In June 2019, we also concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and the Nigerian Stock Exchange and raised net proceed of approximately U.S.\$680 million. Prior to the initial public offering (“IPO”) of Airtel Africa plc, we raised U.S.\$1.45 billion through a pre-IPO placement to certain investors between October 2018 and January 2019. Between 2015 and 2018, we sold shares in Bharti Infratel for an aggregate amount of over U.S.\$2.1 billion. We realized approximately U.S.\$3 billion in Airtel Africa Plc through tower sale in eight countries and divestment of operations in two countries. In addition, in January 2020, we raised U.S.\$2 billion through a qualified institutional placement (“QIP”). We raised an additional U.S.\$ 1 billion through a perpetual issuance in October 2019 and February 2020, a further U.S.\$1 billion through an issue of foreign currency convertible bonds (“FCCB”) in January 2020, and raised U.S.\$1.25 billion through the issuance of a dual-tranche U.S.\$ bond offering spread across senior and perpetual issuance in March 2021. In March 2021, Airtel Africa announced minority stake sale in its mobile money business to The Rise Fund, the global impact investing platform of alternative investment firm TPG for U.S.\$ 200 million and this was followed by the announcement of sale of additional stakes in Airtel Africa’s mobile money business to Mastercard (April 2021) and Qatar Investment Authority (July 2021) for U.S.\$ 100 million and U.S.\$ 200 million, respectively. In March 2021, we also announced sale of our tower portfolio in Madagascar and Malawi for U.S.\$ 108 million and we announced sale of our Tanzania tower portfolio for U.S.\$ 175 million in June 2021. Thus, we have demonstrated successful monetization in the past and continue to remain committed towards monetization of our assets in the future at an appropriate time and on acceptable terms.

We aim to maintain an efficient capital structure with high balance sheet flexibility. We seek to continue to manage our borrowing costs with a focus on cost effective financing and refinancing structures, including our repayment tenors and the balance between our fixed and floating rate instruments.

Airtel Africa Plc maintains a reasonably conservative policy in respect of liquidity and leverage. In line with this principle, and as pursuant to its dividend policy in Africa, “surplus” cash is to be distributed to its respective shareholders, subject to leverage thresholds.

Recent Developments

Regulatory Update

The Union Cabinet unveiled a slew of structural and process reforms in the telecom sector on September 15, 2021 that are expected to boost investment interest, infuse liquidity, promote healthy competition, protect interests of consumers, and reduce regulatory burden. Set forth below are a list of the reforms proposed by the Union Cabinet.

Structural Reforms

- *Rationalization of AGR:* It has been proposed that non-telecom revenue will be excluded on prospective basis from the definition of AGR;
- *Rationalization of bank guarantees:* Partial reduction of bank guarantee requirements (80%) against licensed fees (“LF”) and other similar levies, and elimination of multiple bank guarantees in different licensed service areas (“LSAs”) has also been announced;
- *Rationalization of interest rates and removal of penalties:* The proposal state that delayed payments of LF / spectrum usage charge (“SUC”) will now attract interest rate of SBI’s MCLR plus 2% instead of MCLR plus 4%, interest would be compounded annually instead of on a monthly basis and penalty as well as the interest on penalty stand removed.
- *Future Auctions:*
 - o No bank guarantees will be required to secure instalment payments;
 - o In future Auctions, the tenure of spectrum has been increased from 20 years to 30 years;
 - o Surrender of spectrum will be permitted after 10 years; and
 - o No SUC to be paid.
- Additional SUC of 0.5% for spectrum sharing has been removed; and
- *FDI:* To encourage investment, 100% foreign direct investment under the automatic route is now permitted in the telecom sector.

Procedural Reforms

- Spectrum auctions to be normally held in the last quarter of every financial year;
- The cumbersome requirement of licenses under the 1953 Customs Notification for wireless equipment has been removed and it has now been replaced with self-declaration;
- Relaxed KYC requirements: self-KYC (App based) is now permitted. e-KYC rate has been revised to Rs. 1 only. Also shifting from prepaid plan to a post-paid plan or vice-versa will not require fresh KYC anymore;
- Paper based customer acquisition forms (“CAF”) will be replaced by digital storage of data; and
- SACFA clearance for telecom towers has been eased as the DoT will now accept the data on self-declaration basis.

Addressing Liquidity requirements of Telecom Service Providers

- A moratorium period up to four years has been announced on statutory payments including AGR dues and spectrum auction payments (excluding spectrum auctions in 2021) by protecting the net present value (“NPV”);
- An option has been provided to telecom service providers to pay interest amount arising due to deferment of payment through equity; and
- At the option of the GoI, the due amount arising out of deferment of payment can be converted into equity at the end of deferment period.

COVID-19

On March 11, 2020, the World Health Organization (“WHO”) declared COVID-19 as a global pandemic. In response, national, regional and local governmental authorities, including in India and other South Asian and African countries where we operate, have taken extraordinary and wide-ranging actions to contain and combat the outbreak and spread of COVID-19. These measures have included border controls and significant restrictions on movement and economic activity, such wide ranging restrictions on travel and public gatherings, including the closing of offices, businesses, schools, retail stores and other public venues, and by instituting curfews or quarantines. These restrictions, as well as the dangers posed by the novel coronavirus, produced a significant reduction in mobility during the first half of 2020 and again on the commencement of the second wave in India in April and May 2021. Such restrictions have caused disruption in both the Indian and global economic activity across a number of geographies and markets, including global supply chain disruptions and shortages.

Although the impacts of the COVID-19 pandemic on our operations have been isolated and limited, certain of these measures have, and are expected to continue to have, an indirect effect. The telecommunications industry in India was deemed an essential service and allowed to remain in operation through the lockdown periods, and we continued to provide telecommunications services to our customers during the COVID-19 pandemic. The telecommunications industry proved resilient and essential for companies and consumers, as the industry facilitated valuable activities such as remote working, e-schooling and virtual entertainment. The COVID-19 pandemic resulted in a considerable increase in internet traffic while gatherings were prohibited and residents were either required or advised to stay at home. As a result, COVID-19 positively impacted our business, as people worked remotely, leading to an increase in calls, data usage, video-conferencing and other services requested by business customers. We have also been able to capture increased demand for data services that we provide via our broadband and postpaid mobile connectivity businesses.

In addition, flight cancellations and travel restrictions reduced the mobility of our international and regional workforce, resulting in operational disruptions to our planned workforce rotations and delays in our ability to mobilize on sites of newly awarded contracts. Addressing the disruptions caused by COVID-19 has also required our senior management team and staff to devote time and resources to address the impact of the pandemic on our businesses.

The COVID-19 pandemic has created new challenges in maintaining the health and safety of our employees. One of our top priorities is the health and well-being of our employees, partners and customers. We established several measures to proactively identify and manage the challenges presented by the pandemic, with a focus on protecting our people, working closely with our key stakeholders to ensure operational continuity and preparing our business for future scenarios that may result from COVID-19. These measures have included, primarily:

- established a “war room” to closely supervise all developments relating to the COVID- 19 pandemic, with daily meetings chaired by the CEO to monitor safety of employees and review our network, customer service and business performance.
- sought to maintain our network and engineering operating centers as well as data centers operating with minimal workforce on-site, with most of the workforce working remotely.
- activated several new retail channels to provide customers with additional outlets to top-up their prepaid mobile phones during the lockdown, such as pharmacies, groceries, bank ATMs and post offices. We also carried out several marketing campaigns to educate and encourage our customers to use digital channels to top-up their prepaid mobile phones.

- extended COVID-19 insurance coverage to all our associates and partners.
- provided all sanitation essentials to our workforce on the field.
- covered the vaccination cost for employees and their dependent family members and also conducted multiple vaccination drives.
- set-up COVID-19 care facility and covered costs for COVID-19 and related tests, doctor consultations and home care packages for our employees. We also procured concentrators to provide employees and their dependents support with their oxygen requirements, especially during the second wave of COVID-19.
- undertook tie-ups with various hospitals across India, appointed a national health advisor, and empaneled a network of doctors and stress counsellors to ensure immediate medical consultation for our employees and their families.
- maintaining social distancing norms across our retail stores and restricting number of customers inside the store at any time.
- while we opened our offices, maintaining high levels of hygiene standards and precautions, we have kept the attendance as voluntary, enabling a large part of our workforce to continue operating from home.

While we currently cannot reasonably estimate the ultimate impact of the COVID-19 pandemic on our business, we believe that an increased need for data connectivity as a result of the COVID-19 pandemic has driven and will continue to drive increased data usage and, consequently, may result in the further growth of the telecommunications industry.

For more information, see “*Risk Factors—Risks Relating to Our Business—Our business and operations, and that of our customers and suppliers, have been and may continue to be adversely affected by the COVID-19 pandemic or other similar outbreaks, particularly if the economies of the countries in which we operate are affected for a significant amount of time.*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations and Financial Condition—COVID-19.*”

Proposed reorganization of our business and shareholding structure

On April 14, 2021, our Company announced a new corporate structure, which is expected to sharpen our focus in driving the rapidly unfolding digital opportunity in India. Under this new structure, our Subsidiary, Airtel Digital Limited, will be amalgamated into our Company. Thus, going forward, our Company will house all digital assets including Wynk Music, Airtel Xstream, Airtel Thanks, Mitra Payments platform, Airtel Ads, Airtel IQ, Airtel Secure, Airtel Cloud and all future digital products and services. Furthermore, our telecom businesses will be conducted through a newly created entity, Airtel Limited, which will be a wholly owned Subsidiary. Bharti Telemedia, our Digital TV Services business will exist alongside Airtel Limited for now, however it will eventually merge into Airtel Limited. Airtel Payments Bank will remain a separate entity under our Company providing payments and financial services. Our infrastructure businesses, such as Nxtra and Indus Towers, international subsidiaries and affiliates will remain as separate entities. The new structure is expected to provide agility, expertise and operational rigour to serve our customers effectively while providing flexibility to unlock value for our shareholders. The proposed reorganisation is subject to the applicable statutory and regulatory approvals.

Acquired 20% stake in Bharti Telemedia from Warburg Pincus' affiliate

Earlier this year, our Company acquired a Warburg Pincus affiliate's 20% equity stake in our DTH subsidiary, Bharti Telemedia to increase its shareholding to 100%. The consideration was substantially discharged by issuance of 36,469,913 equity shares of our Company on a preferential basis for price of Rs. 600 per share and a cash consideration of Rs. 9,378 million. We had also mutually agreed to pay a deferred consideration of Rs. 912.9 million and was paid by our Company in May 2021.

Business Operations

We are the world's second largest provider of telecommunications services, based on total mobile connections on sum of consolidated subsidiaries (*Source: GSMA Intelligence*) with operations in 18 countries across Asia and Africa. We served approximately 474 million customers globally as at June 30, 2021. We retain a diversified service portfolio which includes mobile, voice and data solutions, using 2G, 3G and 4G technologies, fixed line services, broadband services, digital TV services and an integrated suite of telecommunication solutions for our enterprise customers.

Our retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that provides speeds up to 1 Gbps with convergence across various 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 and cloud-based communication. All these services are rendered under a unified brand "airtel".

"Airtel Money" in Africa and "Airtel Payments Bank" in India aligns our product portfolio with our financial inclusion agenda, offering the convenience of banking services, payments and money transfers on mobile phones and through our banking correspondents over secure and stable platforms across all 14 countries in Africa and in India. As at June 30, 2020, Airtel Payments Bank had a total user base of 100 million and monthly transacting users in payments bank of 27 million.

India

B2C Services

- *Mobile Services (India):* These services include pre-paid and post-paid wireless voice services, international roaming and interconnect revenue paid to us by other telecommunications providers. It also includes data communications services, including 2G, 3G and 4G data services, and other VAS for mobile subscribers.
- *Homes Services:* We provide fixed line telephone and broadband services for homes in 387 cities across India as on June 30, 2021. These services include broadband internet and local, national and international long- distance telephone services provided through wire-line connectivity to the subscriber. The end-user equipment is connected through Fiber to the Home ("FTTH") and copper cables for Digital Subscriber Line ("DSL") from main network equipment (i.e., MSAN/OLT) to the subscriber's premises. Fixed telephone lines, broadband (via FTTH and DSL) services are provided to homes while fixed telephone line, internet leased line and multi-protocol label switching services are provided to offices.
- *Digital TV Services:* These services comprise television programming provided via a digital signal and received on a digital set top box and related services, which are provided under our DTH platform. Features include high-definition HD digital TV services with 3D capabilities and Dolby surround sound, choice of packages comprising different channels, interactive features such as on- demand

viewing, and a choice of set top boxes, including an HD recorder box, which may be instructed to record programs via a mobile handset or the internet.

Airtel B2B Services

Airtel Business: Airtel Business provides information communication technology services with a network spanning across India, USA, Europe, Africa, the Middle East, Asia Pacific and other South Asian countries. It offers a diverse portfolio of products and services covering voice, data, collaboration, work-from-home solutions, cloud, data centre, security, IoT, network integration, managed services, enterprise mobility and digital media. Through its diverse portfolio, we continue to enhance capabilities in digital service delivery capabilities, with a key focus on enhanced end-user experience, round-the-clock infrastructure availability and service quality.

Global Business: As part of our Global B2B portfolio, to enable and provide international telecommunication and managed services such as global voice (transit/wholesale), international bandwidth (International Multi-Protocol Label Switching (IMPLS) and International Private Leased Circuit (IPLC)) and internet, our Company (through its Subsidiaries) holds the telecom authorisations and Points of Presence (PoPs) in six countries.

South Asia (except India)

In Sri Lanka, we operate across 25 administrative districts with distribution network of over 41,000 retailers as on June 30, 2021. We have launched 4G service in all major cities in July 2021.

Africa

As on June 30, 2021, we operate in 14 countries across Africa, namely Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

In Africa, we offer a comprehensive offering targeting the full spectrum of subscribers, from high value to mass market. Our voice services include local, national and international calls made within our footprint and internationally. The mobile voice business line also includes interconnect revenue, which is paid to us by other telecommunications operators when their customers utilize our network for interconnection purposes. Mobile data services comprise 3G and 4G data services, messaging (SMS) and other VAS for mobile subscribers, which may be bundled with voice service offerings. Airtel Money offers mobile banking opportunities to customers in all of our 14 African countries of operation. Given the low penetration of traditional banking services in our countries of operation, Airtel Money provides an opportunity for us to extend financial services and products to underserved populations.

The following sets out certain metrics about our offerings in Africa:

	Three months ended June 30,					
	2020			2021		
	Voice	Data	Mobile Money	Voice	Data	Mobile Money
Airtel Africa						
Subscriber base (<i>millions</i>).....	111.5	37.0	18.5	120.8	42.4	23.1
ARPU (<i>U.S.\$</i>).....	1.3	2.4	1.5	1.6	2.9	1.8
Revenue (<i>U.S.\$ millions</i>).....	443	258	80	559	355	123

Further details relating to our business segments are provided below.

Mobile Services

Our mobile operations are at the core of our business. Our customer bases as of March 31, 2020 and March 2021, and June 30, 2020 and June 30, 2021 were 423 million, 471 million, 420 million and 474 million, respectively. Total minutes on network for the year ended March 31, 2020 and March 31, 2021 were 3,332 billion and 3,963 billion, respectively, and for the three months ended June 30, 2020 and June 30, 2021 were 903 billion and 1,099 billion. Further, the data consumed (in MB) by our customers for the year ended March 31, 2020 and March 31, 2021 was 21,789 billion and 33,857 billion, respectively, and for the three months June 30, 2020 and June 30, 2021 was 7,536 billion and 11,208 billion approximately.

India

We offer 2G, 3G and 4G wireless services in India. As at June 30, 2021, we had 352.1 million mobile subscribers, which represents a customer market share of 29.8%, according to TRAI. We have experienced sustained growth in our 4G subscriber base, representing 136.3 million, 179.3 million and 184.4 million subscribers as of March 31, 2020, March 31, 2021 and June 30, 2021, respectively. Our mobile services offerings include post-paid, pre-paid, roaming, internet and other value added services through our extensive sales and distribution network covering more than 1.2 million retail outlets.

As at June 30, 2021, our network covered 7,913 census towns and 793,350 non-census towns and villages in India, covering a geographic area in which approximately 95.5% of the country's population is located. As at June 30, 2021, we held spectrums across various spectrum bands (800MHz, 900MHz, 1800MHz, 2100MHz and 2300MHz) aggregating to the total of 2,107.1 MHz of unpaired spectrum across the 22 licensed service areas. On August 10, 2021, we transferred 15 MHz (unpaired) spectrum to Reliance Jio under the spectrum trading arrangement with them.

Our spectrum acquisition strategy aims at enhancing our position in India's fast growing data segment. In 2018, the Department of Telecommunications ("DoT") granted its approval for our acquisition of Telenor India and transferred all assets and liabilities belonging to the Indian unit of Norway's Telenor to us. The acquisition boosted our 4G spectrum holdings, fortified our network capacity and augmented our revenue.

In 2019, we also completed the amalgamation of Bharti Digital Networks Private Limited with our Company. Subsequently, the acquisition of the consumer mobile business operations was also completed which was effective from July 1, 2019. On February 6, 2020, we received final approval of the merger from the DoT. These acquisitions have strengthened our spectrum portfolio and are in line with our commitment to expanding our network.

Africa

As at June 30, 2021, we were active in 14 countries in Africa with a total subscriber base in Africa of approximately 120.8 million customers. In July 2019, we concluded the initial public offering of Airtel Africa Plc on the London Stock Exchange and a secondary listing on the Nigerian Stock Exchange and raised IPO proceeds of U.S.\$680 million. We established our Africa headquarters in the United Kingdom.

We are focused on the strategic divestment of our tower operations across our footprint in order to focus on our core subscriber-facing operations. As at June 30, 2021, we had a tower portfolio of over 26,000 towers.

As at June 30, 2021, the mobile services offering through Airtel Africa Plc included approximately 120.8 million customers across the 14 African countries in which we have operations. Africa Airtel Plc has also

launched mobile money commerce services including a new MyAirtel selfcare application. Airtel Nigeria is currently offering mobile money services in partnership with a licensed bank.

As part of our strategy to leverage the opportunity to extend banking services to underserved populations and increase non-voice revenue, we rolled out Airtel Money across 14 countries in Africa. We believe Airtel Money offers mobile banking opportunities to many customers in Africa who may not utilize traditional banking services and those in rural areas who may not have access to such services. We have undertaken marketing and educational campaigns in Africa to ensure customers are aware of and understand our Airtel Money service. Airtel Money, is growing its customer base across Africa and the total customer base using the Airtel Money platform increased by 24.6% to 23.1 million as at June 30, 2021 as compared to 18.5 million as at June 30, 2020. We also facilitate access to microloans from third-party loan providers in certain countries and intend to roll this service out across our footprint. Where available, Airtel Money subscribers can dial the Airtel Money USSD code for instant access to loans from our third-party partners. We provide our loan partners with certain permitted customer data, for use in assessing an applicant's creditworthiness and in ultimately making a lending decision. Airtel Kenya launched mobile money interoperability on April 10, 2018. Customers of the operator are now able to seamlessly transfer or receive money across networks for no extra charge.

On October 9, 2019, Africa Airtel announced a partnership with a major global payment and technology company, which will give Mobile Money customers the ability to make online payments globally with their Mobile Money virtual card. The partnership was further expanded in September 2020 with the launch of a pay-on-demand payment platform, aimed at driving the digital economy across Africa by enabling digital access to everyday products and services for under-served consumers and micro, small and medium enterprises.

In August 2020, Airtel Africa announced a strategic partnership with a multinational bank to co-create new, innovative products aimed at enhancing the accessibility of financial services for customers in Africa. Airtel Africa's Airtel Money customers will be able to make real-time online deposits and withdrawals from such multinational bank's accounts, receive international money transfers directly to their wallets, and access savings products, amongst other services.

Homes Services

Our homes services business segment offers a range of services including fixed line telephone services providing local, national and international long distance voice connectivity, as well as broadband internet access.

To extend our reach into Tier 2 and Tier 3 towns, we have entered into unique partnerships with LCOs to provide high speed broadband connections to residents. As at June 30, 2021, we provided homes services in 387 cities in India. The homes services business segment had 3.4 million customers as at June 30, 2021, representing a growth of 36.9% as compared to 2.4 million customers as at June 30, 2020.

In fiscal year 2020, we enhanced customer experience with the launch of the ultra-fast broadband offering – *Airtel Xstream Fibre*, which offered speeds up to 1 Gbps. It was combined with unlimited landline calling benefits along with exclusive access to *Airtel Thanks* offers. In the second quarter of fiscal year 2021, we launched Truly Unlimited plans which offered unlimited data to our customers across price plans. We also believe there is potential to grow the homes services business segment in smaller towns across India and have focused on investing in our partnerships with local cable operators in such towns. In July 2021, we launched Airtel Black – an all-in-one solution for homes services which brings various offerings under one recharge plan. Airtel Black had been launched to increase the convenience to our customers as they can bundle two or

more of our services (Fiber, DTH, Mobile) together for one single bill, one customer care number with a dedicated team of relationship managers and enjoy a priority resolution of faults and issues. This removes the inconvenience and frustration of paying multiple bills with different due dates.

The revenue from homes services business segment was Rs. 6,531 million for the three months ended June 30, 2021, Rs. 23,342 million for the fiscal year 2021 and Rs. 22,451 million for the fiscal year 2020.

Digital TV Services

Through our “Airtel Digital TV” service launched in October 2008, we are one of the operators to provide DTH services in India. In addition to offering both standard and high definition digital TV services with 3D capabilities and Dolby surround sound, we regularly release feature films on our digital TV platform. As at June 30, 2021, we offer a total of 667 channels including 86 HD channels, 60 SVOD services, six international channels and four interactive services.

As at June 30, 2021, Airtel Digital TV reached 18.0 million customers, an increase of 6.9% as compared to 16.8 million as on June 30, 2020. According to TRAI, as at March 31, 2021, we were the second largest operator in the digital TV service business, based on subscriber market share. We are focused on continuing to increase our DTH distribution presence across India, and have coverage in 639 districts in India as at June 30, 2021. We distribute the majority of our DTH service offerings through our mobile services retail outlets.

We have also invested in technologies to improve signal quality and consistency. In 2017, “*Airtel Internet TV*” won the “*Tech Peripheral of the Year*” award at the NEXA NDTV Gadget Guru Awards. In September 2019, we launched “*Airtel Xstream Fibre*” which is an ultra-fast broadband connection that will benefit both home and business establishments. We also launched our converged digital entertainment play: Airtel Xstream, which offers a range of connected devices, applications and services. As part of the Airtel Xstream device portfolio, we launched an android based OTT smart stick and an Android based 4k Hybrid Smart Box that offers satellite TV and OTT content. Airtel Xstream Fiber won the Best Broadband Service at the prestigious ET Telecom Awards 2020. Further, we also launched Airtel Xstream app, which is a revamped version of Airtel TV application (earlier Airtel Pocket TV). The revenue from digital TV services business segment was Rs. 8,094 million for the three months ended June 30, 2021, as compared to Rs. 30,562 million for the fiscal year 2021 and Rs. 29,239 million for the fiscal year 2020.

Airtel Business

Airtel Business is India’s leading provider of information communication technology services, with a network spanning across India, the USA, Europe, Africa, the Middle East, Asia Pacific and other countries in South Asia. Airtel Business offers a diverse portfolio of products and services covering voice, data, collaboration, work-from-home solutions, cloud, data centre, cyber security, IoT, network integration, managed services, enterprise mobility and digital media across a range of industries. To align more closely with its customer needs, Airtel Business also offers vertical-specific solutions across a range of industries in India. Through its diverse portfolio, we continue to enhance capabilities in digital service delivery capabilities, with a key focus on enhanced end-user experience, round-the-clock infrastructure availability and service quality.

Airtel Thanks for Business is a one-stop digital platform offering self-care services to enterprise and small and medium business customers. Airtel Business’ customers can seamlessly access services including bill payments and account management on a single interface with a single sign-in.

Global Business, the international business of Airtel Business, offers an integrated suite of global and local connectivity solutions, spanning voice and data to the carriers, telecommunication providers, OTTs, large

multinationals and content owners globally. Its international infrastructure includes the ownership of seven submarine cable systems and it also has a capacity of 26 other cables across various geographies.

Global Business's global network covers over 365,000 Rkms (including IRU) across 50 countries and five continents, seven international cables (33 including other cables) and 65 global points of presence as at June 30, 2021. It also provides direct terrestrial connectivity in South Asian countries, Myanmar and China, helping to accelerate India's emergence as a preferred transit hub.

Global Business leverages the direct presence of Airtel Mobile's operations in 16 countries across Asia and Africa, offering mobile solutions (international toll-free service, signalling hubs and messaging) along with managed services and SatCom solutions. Global Business also provides advanced consumer solutions such as IoT to global customers. Further, Airtel Business was recognized as Best Enterprise Service Provider at the prestigious ET Telecom Awards 2020.

The revenue from Airtel Business segment was Rs. 37,893 million for the three months ended June 30, 2021, as compared to Rs. 144,075 million for the fiscal year 2021 as compared to Rs. 132,331 million for the fiscal year 2020.

The Indus Merger

On April 25, 2018, Bharti Infratel and Indus Towers announced their intention to merge and create a pan-India tower company operating across all 22 telecom service areas (the "**Indus Merger**"). The Indus Merger received approval from the CCI, SEBI and the NCLT, Chandigarh Bench. The Department of Telecommunications' approval for foreign direct investment was received on February 21, 2020. On August 31, 2020, Bharti Infratel's Board of Directors provided its authorization to proceed with the Indus Merger. The certified copy of the NCLT order approving the Indus Merger was allowed for filing with the Registrar of Companies on October 22, 2020. Subsequent to the filing of the NCLT orders by the respective companies, the merger of Bharti Infratel and Indus Towers was completed effective on November 19, 2020. The merged entity, which fully owns the combined businesses of Bharti Infratel and Indus Towers, has changed its name on December 10, 2020 to Indus Towers and has continued to be listed on the NSE and BSE.

Immediately following the Indus Merger, our 53.5% shareholding in Bharti Infratel was reduced to 36.7% in the merged Indus Towers entity. Therefore, with effect from the effective date of the Indus Merger, November 19, 2020, we no longer hold a controlling stake in Bharti Infratel, and we began accounting for our equity interests in the post-merger, combined Indus Towers under the equity method of accounting rather than as a consolidated subsidiary. On December 2, 2020 and December 28, 2020, we acquired an additional stake of 4.935180% and 0.064816%, respectively, in the merged Indus Towers entity, increasing our equity stake from 36.7% to 41.7%, as it currently stands on the date of this Letter of Offer.

The post-merger Indus Towers entity is a leading provider of passive infrastructure and offer services, which include setting up, operating and maintaining wireless communication towers. Indus Towers provides these services on a non-discriminatory basis to all telecommunication service providers in India. See "*Risk Factors— We are exposed to risks associated with the passive infrastructure services business through our participation in the Indus Towers joint venture, including regulatory and market risks.*" for further information.

Engineering / IT Platforms

We are a highly digital organization with deep emphasis on using technology to provide a brilliant customer experience and deep insights for our businesses. We have over the years adopted a diversified approach towards developing and maintaining our business and enterprise IT and engineering systems. A large part of

Digital Airtel is based on deep technology platforms that are developed in-house by its diverse engineering talent in Airtel XLabs. Most of these are based on the latest open source technologies and built for our large scale and volumes. Airtel XLabs also leverages a lot of deep machine learning and AI technologies in order to build deep business and consumer insights and allow for a personalized experience for our customers.

Our digital platforms have extensive reach and are focused on both serving customers and building new technology-led revenue streams.

Network Partners and Joint Ventures

Strategic Equity Partners

Immediately following the Indus Merger, we held a 36.7% equity interest in Indus Towers (which merged with, and into, Bharti Infratel effective as of November 2020), a leading provider passive infrastructure and offer services. These services include setting up, operating and maintaining wireless communication towers. Towers comprise the non-active components of a wireless telecommunications infrastructure network, including the tower structure, shelters, industrial air conditioners, diesel generators, batteries, switch mode power supplies and voltage stabilizers. Indus Towers provides these services on a non-discriminatory basis to all telecommunication service providers in India. On December 2, 2020 and December 28, 2020, we acquired an additional stake of 4.935180% and 0.064816%, respectively, in the merged Indus Towers entity, increasing our equity stake from 36.7% to 41.7%, as it currently stands on the date of this Letter of Offer. As at June 30, 2021, Indus Towers operated 180,977 towers in 22 telecommunication circles, and had 325,355 co-locations for a sharing ratio of 1.80.

We have a strategic alliance with SingTel which has enabled us to further enhance and expand our telecommunications networks in India to provide quality service to our customers. As at June 30, 2021, SingTel held approximately 31.7% of our shares through direct and indirect ownership.

In addition, we continue to retain a strategic relationship with our subsidiary, Airtel Africa Plc, which was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange and the Nigeria Stock Exchange and on the Official Trading List of the Nigerian Stock Exchange in July 2019.

In March 2021, the Rise Fund, the global impact investing platform of leading alternative investment firm TPG, invested U.S.\$200 million in Airtel Mobile Commerce BV. In April 2021, Mastercard has invested U.S.\$100 million in Airtel Mobile Commerce BV. In July 2021, Qatar Holding LLC, an affiliate of the Qatar Investment Authority ("**QIA**"), had invested U.S.\$200 million in Airtel Mobile Commerce BV. Airtel Mobile Commerce BV is the holding company for several of Airtel Africa's mobile money operations, and we intend for this entity to ultimately own and operate the mobile money businesses across all of Airtel Africa's 14 operating countries.

In July 2020, we and Comfort Investments II, an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of Carlyle announced an agreement under which Comfort Investments II will invest U.S.\$235 million in Nxtra Data Limited ("**Nxtra**"), our wholly owned Subsidiary engaged in the data centre business. The post-money enterprise valuation of Nxtra is expected to be approximately U.S.\$1.2 billion, and Carlyle will hold a stake of approximately 25% in the business upon completion of the transaction, with our Company holding the remaining shareholding of approximately 75%.

Equipment and Technology Partners

We have strategic partnerships in all areas including equipment and technology, building upon the unique outsourcing business models that we have pioneered. We believe our business models have enabled us to

partner with global leaders who share our objective of co-creating innovative and tailor made solutions for the markets in which we operate.

Engineering/ IT Partners

We also use key partners to provide some telecom and technology products and services. We have deep partnerships with technology companies like Amdocs, Oracle, Ab Initio, IBM, etc. We engage with these partners on a need basis and on a shorter term contracts. This is in contrast to the earlier engagement model where there was a very high dependence on a select few system integrators and OEMs and avoids any lock-ins for a longer duration, giving the flexibility to change if needed. We also use a lot of open-source software which has allowed us to deploy and run, with agility and efficiency, our various engineering and IT systems including but not limited to, operations support systems (“OSS”), business support systems (“BSS”), financial systems, reporting and analytics across India and Sri Lanka.

Customer Care Partners

Our call center partners are Accenture, BPO convergence and Cogent, amongst others, providing a strong customer experience through dedicated contact center operations. Our existing call center technology partner is Avaya, which provides tech infrastructure, interactive voice response and call routing and handling technology.

Content and Value Added Partners

We work with globally recognized organizations such as Comviva, OnMobile and Spice Digital, among others, providing each of our customers with a unique experience in value added services. We have revenue sharing agreements in place with most of these content partners.

One of our key technological investments was the creation of a content provisioning platform that could provide our customers access to premium content from providers such as Disney+Hotstar and other subscription based video streaming services. We partnered with Disney+Hotstar in 2020 through which subscribers of select bundle plans, Airtel Postpaid and Xstream Fiber Home Broadband plans would receive a Disney+Hotstar subscription for one year. We have also entered into similar arrangements with other subscription based video streaming services providers.

Network Partners

Our network partners include active network partners, passive infrastructure services partners and IT partners. The active network partners supply, implement, integrate, deploy and maintain our mobile network. The passive infrastructure services partners provide and maintain passive infrastructure at sites such as towers, shelters and other equipment needed to provide energy to our mobile equipment. IT partners provide services related to our customer-facing and internal IT requirements.

We continue to expand network capacity and take actions for enhancing user experience. We have completed the conversion of 3G spectrum to 4G spectrum, and have split the sector technology for 4G to increase network capacity and improve the user experience. We are using four spectrum bands for 4G network. Further, we are also preparing our networks for the rollout of 5G by deploying new technologies, fiberizing our network, aligning with original equipment manufacturers and building device and partner ecosystems to efficiently deploy 5G, as and when we acquire the requisite spectrum.

Active Network Partners

The key agreements with the active network partners include equipment supply contracts and service contracts. The equipment supply contracts cover the supply of hardware, software and other electronic equipment required to set up and expand our mobile network. The service contracts provide for the designing, implementation, integration, deployment and maintenance of the equipment deployed under the equipment supply contracts.

We have minimized our dependence on any single network partner to provide critical network services by obtaining ownership of equipment deployed by our network partners under the equipment supply contracts and utilizing GSM, 3G or 4G technology that can be set up and maintained with standardized components, allowing equipment installed by one partner to be integrated, expanded and maintained by another competing partner. This enables us to enter into short-term, non-exclusive contracts with network partners and separate service contracts from equipment supply contracts. We engage in a new request-for-proposal process at the end of each contract term, which allows us to continually re-evaluate the cost and performance of each active network partner and form new partnerships as necessary.

We work with our network partners to purchase network equipment and capacity on an actual need basis, rather than at a box rate basis for installed equipment which set capacity amounts that may or may not reflect actual requirements.

Fiber Network Partners

For ongoing maintenance of our enterprise equipment, such as routers, we engage either the OEM or local market maintenance vendors with expertise in the relevant equipment. We believe that these partnerships allow us to efficiently access sufficient fiber capacity while leveraging the expertise of third-party vendors to maintain the relevant equipment and fiber, thereby allowing us to focus on customer facing activities in relation to our products and services.

Passive Infrastructure Partners

Passive infrastructure includes the telecommunication site to install the active network equipment, the passive infrastructure located at each such site, including but not limited to the tower, shelter, diesel generator sets, air conditioners and electrical power and civil works.

In India, passive infrastructure services for our mobile network are provided primarily by Indus Towers, as well as by ATC Telecom Infrastructure Private Limited, an independent provider of passive telecom infrastructure services in India. We have entered into master infrastructure service agreements with Indus Towers and ATC Telecom Infrastructure Private Limited. These master infrastructure service agreements are long term and are reviewed periodically. Infrastructure services at individual site are typically for a minimum period of five years and can be voluntarily terminated prior to expiration of their term for a pre-determined mutually agreed exit fee. If the master infrastructure service agreement is to be terminated, all service orders / agreements made under it should be pre-terminated. In relation to infrastructure services at the site, we pay monthly charges along with energy charges. If additional mobile network operator(s) share the same passive infrastructure services, our charges gets reduced according to the terms of the master infrastructure service agreement, based on the number of operators sharing the passive infrastructure services. As at June 30, 2021, we had contracted mainly with both ATC Telecom Infrastructure Private Limited and Indus Towers for passive infrastructure services to be provided in all telecommunication circles of India.

Licenses and Regulations

The operation of telecommunications networks and the provision of related services are regulated to varying degrees by national, state, regional or local governmental and/or regulatory authorities. Our operating licenses and our subsidiaries specify the services they can offer and the frequency spectrum they can utilize for wireless operations. These licenses are subject to review, interpretation, modification or termination by the relevant authorities. The operating licenses are generally renewable upon expiration. However, there is no assurance that they will be renewed or that any renewal on new terms will be commercially acceptable to our Company and its subsidiaries. See *“Risk Factors — Our telecommunication licenses, permits and frequency allocations are subject to finite terms and any failure or delay in renewal of licenses could adversely affect us”*.

We hold mobile network licenses and access spectrum in all 22 mobile telecommunication circles. The band wise spectrum holding (in unpaired terms) as at June 30, 2021 is as follows:

1. 800 & 900 MHz Band - 340.6 MHz
2. 1800 MHz Band - 606.5 MHz
3. 2100 MHz Band - 370.0 MHz
4. 2300 MHz Band - 790.0 MHz

The total quantum of spectrum as at June 30, 2021 was 2,107.1 MHz (includes 15 MHz (unpaired) spectrum in 800 MHz band which has been traded to Reliance Jio on August 10, 2021. It includes all the spectrum acquired in the March 2021 auction and excludes spectrum which has expired or is due to expire in September 2021)). On August 10, 2021, we transferred 15 MHz (unpaired) spectrum to Reliance Jio under the spectrum trading arrangement with them.

We inherited a number of licenses across our various African operations when we acquired Zain Africa B.V., primarily relating to authorization by local authorities to use frequency spectrum, operate public telecommunications networks and offer public telecom services. We currently holds multiple licenses in Africa, permitting us to offer telecom, broadband and mobile money services across our footprint in Africa.

Customers and Distribution Network

We serve customers across numerous constituencies through our Indian and international networks, including individuals, small and medium enterprises, large companies, other carriers and governments. As at June 30, 2021, we served an aggregate of over 474 million customers globally. In India, we have the second largest wireless services customer base, with approximately 352.1 million mobile subscribers as at June 30, 2021, as per TRAI. In Africa, our subscriber base comprised 120.8 million customers as at June 30, 2021.

We believe our strong distribution network is a critical part of our business and a key reason for our large customer base. As at June 30, 2021, we had over 1.2 million retail outlets in India and over 41,000 retail outlets in Sri Lanka offering our products, many of which have established relationships with us. As we have done in India, Airtel Africa is developing a wide distribution presence in Africa, introducing convenient services such as electronic recharge options as well as augmenting its distribution base to increase customer access to its services. As at June 30, 2021, our network in India covered 7,913 census towns and 793,350 non-census towns and villages in India, covering a geographic area in which approximately 95.5% of the country's population is located.

Employees

While we strive to provide our customers with a variety of services, we believe our employees across all segments and markets contribute to one Airtel. Our total number of employees in India was 14,553 as at June 30, 2021 (excluding the Indus Towers joint venture and other joint ventures). In Africa (excluding joint venture in Ghana) and South Asia (excluding India), our total number of employees as at June 30, 2021 was 3,776.

We seek to attract the highest quality engineering and management graduates. We enable our employees to participate in development training programs throughout their employment, with a strong mix of self-initiated learning and nominations for developmental work.

We continue to invest in our employees to upgrade their skills and competencies through our integrated digital learning solution which provides our employees with access to over 10,000 courses across platforms.

Trademarks and Domains

We own numerous trademarks and domains that have been registered across various territories according to our business objectives. The general policy adopted by us is to seek protection for all the trademarks and domains being used in furtherance of our business objectives and to ensure the sanctity of our rights. Furthermore, ensure the competitive advantage granted by these exclusive rights, we also regularly monitor and act against any third parties that may seek to adopt similar/ identical marks for similar/identical goods or services or against any infringing domains.

Our principal brand name AIRTEL, the Airtel logo and other formative marks are registered across various geographies, including in India. The trademark AIRTEL has also been recognized as a well-known mark by the courts in India, ensuring that the mark is granted a higher level of protection across all classes of goods and services including those which are considered dissimilar.

Competition

India

The Indian wireless industry is hyper competitive. Before consolidation, the sector consisted of eight value players (Aircel, Airtel, BSNL/ MTNL, Tata, Idea, Reliance Communications, Telenor and Vodafone). After the consolidation in the sector, our primary competitors are operators such as RJIO, Vodafone Idea and BSNL/MTNL. We compete with all these operators in the wireless market space. In addition, to facilitate greater competition, the regulator launched nationwide Mobile Number Portability (“MNP”) in January 2011.

We also operate in the international and national long-distance segments, where barriers to entry are low and licenses are available at relatively low prices. While a number of operators have been awarded licenses, our primary competitors in this segment include Tata Communications, BSNL and Reliance Jio, as well as specialized operators such as SIFY, with the other licensees using their long-distance licenses primarily to carry their own traffic. Smaller operators, however, do not own their own fibers to carry their traffic and continue to lease traffic capacity from the larger operators such as ours.

In the DTH segment, our current competitors include Dish TV Videocon Limited, Tata Sky and Sun Direct. While the entry barriers to this segment are relatively low, the constraining factor remains the availability of appropriate band transponder capacity in satellites with footprint over India.

We, along with our competitors, may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, Internet-based services, such as Google Voice, WhatsApp, Yahoo Voice and Skype, allow users to make calls, send Short Messaging Service (“SMS”) and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services.

International

Africa

The Sub-Saharan African mobile landscape is dominated by a few large multinational operators competing against smaller regional players across different markets. Key players include Airtel, MTN (competing with Airtel in Congo B, Nigeria, Rwanda, Uganda and Zambia), Vodacom (competing with Airtel in DRC, Kenya, and Tanzania), Orange (competing with Airtel in DRC, Madagascar and Niger), Tigo (competing with Airtel in Chad and Tanzania) and Maroc Telecom (competing with Airtel in Gabon and Niger).

South Asia

We compete with three key operators in Sri Lanka. Our total number of market subscribers in Sri Lanka was 2.8 million as at June 30, 2021 as compared to 2.9 million as at March 31, 2020 and 2.9 million as at March 31, 2021.

Our primary competitors in Sri Lanka are Dialog, Mobitel and Hutch.

African Regulations

We operate in 14 countries in Africa and are subject to various regulators in each of these jurisdictions, including country specific telecommunications, environmental, tax and corporate governance regulators. While there is some public discussion of harmonizing the telecommunications regulations of some neighbouring jurisdictions, the regulatory environment is highly fragmented and requires our subsidiaries to coordinate locally.

We believe that African regulators are becoming increasingly stringent in setting norms and requirements for coverage and quality of service. The telecommunications sector continues to face pressure for additional taxes and levies from regulators as the telecommunication sector is now increasingly being perceived as a source of revenue for these economies.

OUR MANAGEMENT

Board of Directors

Our Articles of Association provide that the minimum number of Directors shall be 10 and the maximum number of Directors shall be 18 unless otherwise determined by our Company in a general meeting. As on the date of this Letter of Offer, our Company has 11 Directors, of which two Directors are Executive Directors and nine Directors are Non-Executive Directors, including six Independent Directors (including three woman Directors). Our Board is compliant with the corporate governance requirements of the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of filing this Letter of Offer:

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
1.	Mr. Sunil Bharti Mittal Designation: Chairman and Whole-time Director Date of Birth: October 23, 1957 Term: Fixed term for a period of five years with effect from October 1, 2016 until September 30, 2021.[#] Period of Directorship: Director since July 7, 1995 DIN: 00042491 Occupation: Businessman Address: 19, Amrita Shergil Marg, New Delhi – 110 003, India	63	<i>Indian Companies:</i> 1. Bharti Telecom Limited; 2. Airtel Payments Bank Limited; 3. Bharti (SBM) Holdings Private Limited; 4. Bharti Overseas Private Limited; 5. Bharti (SBM) Resources Private Limited; 6. Bharti Enterprises (Holding) Private Limited; 7. Bharti (Satya) Trustees Private Limited; 8. Bharti SBM Trustees II Private Limited; 9. Bharti (SBM) Services Private Limited; 10. Bharti (SBM) Trustees Private Limited; 11. Satya Bharti Foundation; 12. Bharti SBM Trustees S2 Private Limited; 13. Bharti SBM Trustees D1 Private Limited; and 14. Bharti SBM Trustees S1 Private Limited. <i>Foreign Companies:</i> 1. Qatar Endowment; 2. Airtel Africa plc; 3. Network i2i (UK) Limited; and 4. Oneweb Holdings Limited (formerly known as Bidco 100 Limited).
2.	Mr. Gopal Vittal Designation: Managing Director & CEO (India & South Asia) Date of Birth: June 18, 1966 Term: Liable to retire by rotation in addition to a fixed term of five years with effect from February 1, 2018 until January 31, 2023 Period of Directorship: Director since February 1, 2013 DIN: 02291778 Occupation: Professional Address: A2/1202, World SPA East, Sector – 30, Gurgaon – 122 001, Haryana, India	55	<i>Indian Companies:</i> 1. Satya Bharti Foundation; 2. Airtel Payments Bank Limited; and 3. Indus Towers Limited. <i>Foreign Companies:</i> None.
3.	Ms. Chua Sock Koong	64	<i>Indian Companies:</i> 1. Bharti Telecom Limited.

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Designation: Non-Executive Director Date of Birth: September 14, 1957 Term: Liable to retire by rotation Period of Directorship: Director since May 7, 2001 DIN: 00047851 Occupation: Professional Address: 15A, Oei Tiong Ham Park, Singapore 268302		Foreign Companies: 1. Defence Science and Technology Agency; 2. Cap Vista Pte Ltd; and 3. Prudential Plc
4.	Mr. Rakesh Bharti Mittal Designation: Non-Executive Director Date of Birth: September 18, 1955 Term: Liable to retire by rotation Period of Directorship: Director since July 7, 1995 until September 26, 2012 and re-appointed as Director since January 7, 2016 DIN: 00042494 Occupation: Businessman Address: 4, Pearl Lane, DLF Chhattarpur Farms, New Delhi – 110 074, India	66	Indian Companies: 1. Fieldfresh Foods Private Limited; 2. DM Buildwell Private Limited; 3. Bharti Realty Limited; 4. Bharti (RM) Holdings Private Limited; 5. Bharti AXA Life Insurance Company Limited; 6. Bharti AXA General Insurance Company Limited; 7. Bharti Overseas Private Limited; 8. Bharti (RM) Resources Private Limited; 9. Bharti (RM) Services Private Limited; 10. Bharti Enterprises (Holding) Private Limited; 11. Bharti (RM) Trustees Private Limited; 12. Bharti (Satya) Trustees Private Limited; 13. Indian School of Business; 14. Satya Bharti Foundation; 15. Bharti RM Trustees S2 Private Limited; 16. Bharti RM Trustees S1 Private Limited; and 17. Bharti RM Trustees II Private Limited. Foreign Companies: None.
5.	Mr. Tao Yih Arthur Lang Designation: Non-Executive Director Date of Birth: January 6, 1972 Term: Liable to retire by rotation Period of Directorship: Director since October 27, 2020 DIN: 07798156 Occupation: Professional Address: 63 Eng Kong Terrace, Singapore 599017	49	Indian Companies: 1. Bharti Telecom Limited. Foreign Companies: 1. Singtel Asian Investments Pte Ltd; 2. Singtel Strategic Investments Pte Ltd; 3. Singasat Pte Ltd; 4. Singtel Global Investment Pte Ltd; 5. ST Dynamo Holdings Pte Ltd; 6. Singapore Telecom International Pte Ltd; 7. Singtel International Investments Private Limited; 8. Singtel Consultancy Pte Ltd; 9. Singtel Alpha Investments Pte Ltd; 10. Magenta Investments Limited; 11. Pastel Limited (and branch in Singapore); 12. Singtel Pakistan Investments Ltd.; 13. ST Dynamo SG Pte. Ltd.;

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
			14. Singtel FinGroup Investment Pte. Ltd.; 15. SFG FinTech Investment Pte. Ltd.; 16. SingCash Pte. Ltd.; 17. SFG Digibank Investment Pte. Ltd.; 18. Digital Games International Pte. Ltd.; 19. Intouch Holdings Public Company Limited; 20. Dataspark Pte. Ltd.; 21. Singtel Digital Life Pte. Ltd.; 22. Singtel Group Treasury Pte. Ltd.; 23. Singtel ICT Pte. Ltd.; 24. Singtel Enterprise Security Pte. Ltd.; 25. Singtel Cyber Security (Asia Pacific) Pte. Ltd.; 26. Singtel Mobile Singapore Pte. Ltd.; 27. Singtel Singapore Pte. Ltd.; 28. Singtel Cyber Security (Singapore) Pte. Ltd.; and 29. SingNet Pte. Ltd.
6.	Mr. Dinesh Kumar Mittal Designation: Independent Director Date of Birth: January 25, 1953 Term: Fixed term of five years with effect from March 13, 2019 until March 12, 2024 Period of Directorship: Director since March 13, 2014 DIN: 00040000 Occupation: Professional Address: B – 71, Sector – 44, Noida – 201 301, Uttar Pradesh, India	68	<i>Indian Companies:</i> 1. Max Financial Services Limited; 2. Balrampur Chini Mills Limited; 3. Max Ventures and Industries Limited; 4. Trident Limited; 5. Niva Bupa Health Insurance Company Limited; 6. Business Strategy Advisory Services Private Limited; 7. HSBC Asset Management (India) Private Limited; 8. Arohan Financial Services Limited; and 9. Ergos Business Solutions Private Limited. <i>Foreign Companies:</i> None.
7.	Mr. Manish Santoshkumar Kejriwal Designation: Independent Director Date of Birth: November 8, 1968 Term: Fixed term of five years with effect from September 26, 2017 until September 25, 2022 Period of Directorship: Director since September 26, 2012 DIN: 00040055 Occupation: Professional Address: 3703 B, 37th and 38th Floor, Vivarea Building B Wing, Sane Guruji Marg, Jacob Circle, Mumbai – 400 011, Maharashtra, India	52	<i>Indian Companies:</i> 1. Bajaj Holdings & Investment Limited; 2. Bajaj Finserv Limited; 3. International Foundation for Research and Education; and 4. Parksons Packaging Limited. <i>Foreign Companies:</i> None.
8.	Mr. Shishir Priyadarshi Designation: Independent Director	63	<i>Indian Companies:</i> None.

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Date of Birth: October 23, 1957 Term: Fixed term of five years with effect from February 4, 2020 until February 3, 2025 Period of Directorship: Director since February 4, 2015 DIN: 03459204 Occupation: Professional Address: A-1/6, Panchsheel Enclave, New Delhi – 110 017, India		Foreign Companies: None.
9.	Mr. Vegulaparanan Kasi Viswanathan Designation: Independent Director Date of Birth: November 20, 1950 Term: Fixed term of five years with effect from January 14, 2019 until January 13, 2024 Period of Directorship: Director since January 14, 2014 DIN: 01782934 Occupation: Professional Address: F-01, 1 st Floor, Legacy Caldera, 56 SRT Road, Cunningham Road, Bengaluru – 560 052, Karnataka, India	70	Indian Companies: 1. KSB Limited; 2. United Spirits Limited; 3. ABB India Limited; 4. HDFC Life Insurance Company Limited; 5. Magma HDI General Insurance Company Limited; and 6. TransUnion CIBIL Limited. Foreign Companies: None.
10.	Ms. Kimsuka Narasimhan Designation: Independent Director Date of Birth: May 3, 1964 Term: Fixed term of five years with effect from March 30, 2019 until March 29, 2024 Period of Directorship: Director since March 30, 2019 DIN: 02102783 Occupation: Professional Address: No. 12, Marina Boulevard No.31-03, Marina Bay Financial Centre Tower 3, Singapore 018982	57	Indian Companies: 1. Astrazeneca Pharma India Limited. Foreign Companies: None.
11.	Ms. Nisaba Godrej Designation: Independent Director Date of Birth: February 12, 1978	43	Indian Companies: 1. Godrej Agrovet Limited; 2. Godrej Consumer Products Limited; 3. VIP Industries Limited; 4. Mahindra and Mahindra Limited; 5. Godrej Seeds & Genetics Limited; and

S. No.	Name, Designation, Date of Birth, Term, Period of Directorship, DIN, Occupation and Address	Age (in years)	Other Directorships
	Term: Fixed term of five years with effect from August 4, 2021 until August 3, 2026 Period of Directorship: Director since August 4, 2021 DIN: 00591503 Occupation: Industrialist Address: 4501, Strata, Planet Godrej, K K Marg, Mahalaxmi East, Mumbai 400011, Maharashtra, India		6. Innovia Mutliventures Private Limited. Foreign Companies: None.

Sunil Bharti Mittal has been reappointed as a Chairman in the 26th Annual General Meeting 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 Regulations.

Confirmations

1. None of our Directors is or was a director of any listed company during the last five years immediately preceding the date of filing of this Letter of Offer, whose shares are or were suspended from being traded on any stock exchanges, during the term of their directorship in such company.
2. None of our Directors is or was a director of any listed company whose share are or were delisted from the stock exchanges, during the term of their directorship in such company, in the last 10 years immediately preceding the date of filing of this Letter of Offer.

Details of senior management and key management of our Company

The following table sets forth the details of our senior management and key management, i.e., our Key Managerial Personnel (“**Senior Management**”), other than our Chairman and Whole-time Director and Managing Director & CEO (India and South Asia):

Name of the Senior Management	Designation
Mr. Adarsh Sreekumar Nair	Chief Product & Experience Officer
Mr. Ajai Puri	Chief Operating Officer (India & South Asia)
Mr. Ajay Chitkara	Director & Chief Executive Officer – Airtel Business
Ms. Amrita Padda*	Chief People Officer
Mr. Anil Jeet Singh Riat	Head – Internal Audit
Mr. Badal Bagri	Chief Financial Officer (India & South Asia)
Mr. Devendra Khanna	Group Director – Chairman’s Office
Mr. Harjeet Kohli	Group Director – Strategy and Business Development
Mr. Pankaj Miglani	Director - Supply Chain Management
Mr. Pankaj Tewari	Company Secretary
Mr. Pradipt Kapoor	Chief Information Officer
Mr. Rahul Vatts	Chief Regulatory Officer
Mr. Randeep Singh Sekhon	Chief Technology Officer
Mr. Samit Deb*	Chief Human Resource Officer
Mr. Shashwat Sharma	Director - Marketing and Communications
Mr. Sunil Taldar	Chief Executive Officer – Homes
Ms. Vidyut Gulati	General Counsel & Director - Legal

***Note:** Mr. Samit Deb has resigned from the Company which will be effective from September 30, 2021 and the resignation was noted in the meeting of HR and Nomination Committee dated August 3, 2021. Further, Company has appointed Ms. Amrita Padda as Chief People Officer w.e.f. September 21, 2021, pursuant to the approval of HR and Nomination Committee granted in its meeting dated August 3, 2021.

Current Organisational Structure

Chairman	
Mr. Sunil Bharti Mittal	
Managing Director & CEO (India and South Asia)	
Mr. Gopal Vittal	
Senior Management	
Mr. Adarsh Sreekumar Nair	Chief Product & Experience Officer
Mr. Ajai Puri	Chief Operating Officer (India & South Asia)
Mr. Ajay Chitkara	Director & Chief Executive Officer – Airtel Business
Ms. Amrita Padda*	Chief People Officer
Mr. Anil Jeet Singh Riat	Head – Internal Audit
Mr. Badal Bagri	Chief Financial Officer (India & South Asia)
Mr. Devendra Khanna	Group Director – Chairman’s Office
Mr. Harjeet Kohli	Group Director – Strategy and Business Development
Mr. Pankaj Miglani	Director – Supply Chain Management
Mr. Pankaj Tewari	Company Secretary
Mr. Pradipt Kapoor	Chief Information Officer
Mr. Rahul Vatts	Chief Regulatory Officer
Mr. Randeep Singh Sekhon	Chief Technology Officer
Mr. Samit Deb*	Chief Human Resource Officer
Mr. Shashwat Sharma	Director – Marketing and Communications
Mr. Sunil Taldar	Chief Executive Officer – Homes
Ms. Vidyut Gulati	General Counsel & Director – Legal

***Note:** Mr. Samit Deb has resigned from the Company which will be effective from September 30, 2021 and the resignation was noted in the meeting of HR and Nomination Committee dated August 3, 2021. Further, Company has appointed Ms. Amrita Padda as Chief People Officer w.e.f. September 21, 2021, pursuant to the approval of HR and Nomination Committee granted in its meeting dated August 3, 2021.

SECTION V: FINANCIAL INFORMATION**FINANCIAL STATEMENTS**

Sr. No.	Particulars	Page Nos.
1.	Audited consolidated financial statements as at and for the year ended March 31, 2021	166
2.	Audited interim condensed consolidated financial statements as at and for the three month period ended June 30, 2021	321

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INDEPENDENT AUDITOR'S REPORT

To The Members of BHARTI AIRTEL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of net 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(I) 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 up to Rs. 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 judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Auditor's Response
1	Revenue from operations: 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. 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 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. 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. We made test calls to determine the accuracy of revenue recorded and tested the rating validation. 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.



Sr. No	Key Audit Matters	Auditor's Response
2	Assessment of recoverability relating to Deferred tax assets('DTA') recognized on carry forward losses: The DTA balance as at March 31, 2021 of Rs. 200,864 million primarily relates to DTA on carry forward losses. 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 year period, as applicable. 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. 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 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 judgments used in the projections of future taxable income and tax projections. 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. 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.
3	Provisions and contingencies relating to regulatory and tax matters: 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. 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.	Principal Audit Procedures: We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to: (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; (2) completeness and accuracy of the underlying data/information used in the assessment. 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



Sr. No	Key Audit Matters	Auditor's Response
	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. 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.	obtained by the component management from its external tax advisors, where applicable. 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. We also evaluated the disclosures provided in the notes to the consolidated financial statements concerning these matters.
4	Goodwill – Impairment Assessment 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. Management performs Goodwill impairment testing as at December 31 (the annual impairment testing date) or more frequently when there are indicators of impairment. 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. Management's methodology in determining the discount rate is set out in note 6 "Intangible assets" to the consolidated financial statements.	Principal Audit Procedures 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. 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. We also assessed the sensitivity of each of such CGUs to key assumptions and testing the integrity and mathematical accuracy of the impairment models. 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



Sr. No	Key Audit Matters	Auditor's Response
	These assumptions are sensitive to reasonable possible changes including economic uncertainties due to COVID 19 and therefore considered as a key audit matter. 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.	assumptions like discount rate and long term growth rates. We also evaluated the impairment disclosures against the requirements of Ind AS 36 – Impairment of Assets.
5	Accounting for Loss of control in Bharti Infratel Limited (renamed now as Indus Towers Limited): 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. On loss of control, the Group de-recognised 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 Rs. 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. 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.	Principal Audit Procedures: 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). 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. 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. 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. We also audited the disclosures provided in the notes to the consolidated financial statements concerning these matters.



Sr. No	Key Audit Matters	Auditor's Response
	Refer note 2.25 for policy on discontinued operations and note 4(b) in 'Significant transactions / new developments' to the consolidated financial statements.	

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to



going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the



financial statements of such 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 Rs. 7,835 million and total comprehensive income of Rs. 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

		As of	
	Notes	March 31, 2021	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

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	Notes	As of	
		March 31, 2021	March 31, 2020
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

For and on behalf of the Board of Directors of Bharti Airtel Limited

Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Sd/-
Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram, India

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram, India

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Sd/-
Pankaj Tewari
Company Secretary
Place: Gurugram, India

Date: May 17, 2021

Bharti Airtel Limited
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	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)

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Bharti Airtel Limited
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	March 31, 2020#
Loss for the year (continued from previous page)		(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:			
Re-measurement 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: Rs. 5 each)			
Basic	32	(46.50)	(66.48)
Diluted	32	(46.50)	(66.48)
Earnings per share from discontinued operation (Face value: Rs. 5 each)			
Basic		18.85	3.07
Diluted		18.85	3.07
Loss per share from continuing and discontinued operations (Face value: Rs. 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)

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sd/-
Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram, India

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram, India

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Sd/-
Pankaj Tewari
Company Secretary
Place: Gurugram, India

Date: May 17, 2021

Bharti Airtel Limited
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										
	No. of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debt 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)
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)

Sd/-
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

Sd/-
Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram, India

Sd/-
Pankaj Tewari
Company Secretary
Place: Gurugram, India

Bharti Airtel Limited
Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupee)



	For the year ended	
	March 31, 2021	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 flow 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)

.....Continued

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	For the year ended	
	March 31, 2021	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

Sd/-
Sunil Bharti Mittal
Chairman
DIN: 00042491
Place: London, England

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram, India

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram, India

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram, India

Sd/-
Pankaj Tewari
Company Secretary
Place: Gurugram, India

Date: May 17, 2021

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 – 122015, 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 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the 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 re-grouped or reclassified, to confirm to such current period's grouping / classifications. There is no impact on equity or net loss due to these re-groupings / 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.

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 re-assesses 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 de-consolidated 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 de-consolidated entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are reclassified to the statement of profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in statement of profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to 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.

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 re-measured 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').

b. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Foreign operations

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognised in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

2.6 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

2.7 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.17 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is 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.

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
Buildings	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 & fixture 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 up to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

c. Other acquired intangible assets

Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement, which ranges upto five years

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.

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 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 re-measured. Interest related to the financial liability is recognised in profit or loss under finance cost. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

c. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through

profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss.

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 for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in profit or loss if the

carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the balance sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies Ind AS 115 'Revenue from Contracts with Customers' to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the balance sheet.

2.12 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective Group entities' income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Group considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Group concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Group concludes it is not probable that the taxation authority will accept

an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax 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 re-issued, any difference between its carrying amount and consideration received is recognised in share-based-payment reserve.

2.16 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Group employees. Short-term employee benefits are recognised in statement of profit and loss at undiscounted amounts during the period in which the related services are rendered.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula. Some of the entities outside India has defined benefit plans in form of 'Retirement Benefits' and 'Severance Pay'.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using appropriate discount rate.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations. The net interest income / (expense) on the net defined benefit obligation is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit obligation are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not reclassified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

d. Share-based payments

The Group operates equity-settled and cash-settled employee share-based compensation plans, under which the Group receives services from employees as consideration for stock options either towards shares of the Company or cash settled units.

In case of equity-settled awards, the fair value of stock options (at grant date) is recognised as an expense in the statement of profit and loss within employee benefits as employee share-based payment expenses over the vesting period, with a corresponding increase in share-based payment reserve (a component of equity).

However, in case of cash-settled awards, the credit is recognised as a liability within other non-financial liabilities over the vesting period. Subsequently, at each reporting period, until the liability is settled, and at the date of settlement, liability is re-measured at fair value through statement of profit and loss.

The total amount so expensed is determined by reference to the grant date fair value of the stock options granted, which includes the impact of any market performance conditions and non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. However, the non-market performance vesting and service conditions are considered in the assumption as to the number of options that are expected to vest. The forfeitures are estimated at the time of grant and reduce the said expense rateably over the vesting period.

The expense so determined is recognised over the requisite vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. As at each reporting date, the Group revises its estimates of the number of options that are expected to vest, if required.

It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance / non-vesting condition. These are treated as vested irrespective of whether or not the market / non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled (including due to non-vesting conditions not being met), it is treated as if it is vested thereon, and any un-recognised expense for the award is recognised immediately. In case of cancellation of cash-settled award, change in the value of the liability, if any, is recognised in statement of profit and loss.

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.

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 stand-alone selling prices are determined based on the list prices at which the Company sells equipment and network services separately.

c. Equipment sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not a distinct performance obligation, revenue is recognised over the customer relationship period.

d. Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.10.

e. Costs to obtain or fulfil a contract with a customer

The Group incurs certain costs to obtain or fulfill contracts with customers viz. intermediary commission, etc. Where based on Group's estimate of historic average customer life derived from customer churn rate is longer than 12 months, such costs are deferred and are 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.

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.

c. Property, plant and equipment

As described at note 2.7 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Group determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges. Refer note 2.7 and 5 for the estimated useful life and carrying value of property, plant and equipment respectively.

d. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances

e. Contingent liabilities and provisions

The Group is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Group. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

3.2 Critical judgements in applying the Group's accounting policies

The critical judgements, which the management has made in the process of applying the Group's accounting policies and have the most significant impact on the amounts recognised in the said financial statements, are discussed below:

a. Revenue recognition and presentation

The Group assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Separating lease and non-lease components

The consideration paid by the Group in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy etc. services. Therefore, in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Group performs analysis of cost split to arrive at relative stand-alone prices of each of the components. The bifurcation of the consideration paid (excluding energy) between lease versus non-lease component across the Group has been accordingly considered at 55-78% as lease component on an overall basis.

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.

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.

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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 Rs. 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 Rs. 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 Rs. 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 Rs. 7,417 including the impact of fair value adjustment arising from provisional purchase price allocation of Rs. 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.

(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#	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.

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(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 Rs. 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 Rs. 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

- c) On October 24, 2019, the Hon'ble Supreme Court of India delivered a judgment 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 Judgment').

Subsequent to the Court Judgment, 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 Judgment. Accordingly, in February 2020, the Group based on its interpretation and assessment of the guidelines / clarifications, and the principles laid down in the Court Judgment, made payments aggregating Rs. 127,490 to the DoT, and an

additional Rs. 50,000 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 Group provided for Rs. 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 re-assessment 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 Rs. 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 Judgment') 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 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 Rs. 5 each fully paid share including a premium of Rs. 595 per equity share) and cash consideration of Rs. 9,378, resulting in total consideration of Rs. 31,260. Additionally, the Company has considered contingent consideration (not exceeding Rs. 1,000), which will be mutually agreed. The excess of consideration paid to NCI over the carrying value of interest acquired Rs. 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 consideration of Rs. 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 Rs. 63,240 on March 18, 2021 out of the total upfront payment of Rs. 69,874. An additional amount of Rs. 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 Rs. 5,061 will be paid in the coming months depending on the date of allocation of spectrum by DoT. The balance amount of Rs. 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 (Rs. 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 (Rs. 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 Rs. 1,000, and 10 equity shares, each at Rs. 5,780 (including securities premium of Rs. 5,770), of Nxtra Data Limited for an aggregate consideration of Rs. 17,880 in three separate tranches. During the year ended March 31, 2021, Nxtra Data Limited has received the first tranche of Rs. 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 Rs. 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 Rs. 10 Lakhs each, at a coupon rate of 6% per annum payable annually, at par aggregating to Rs. 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 up to Rs. 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 Rs. 24,000 to the JVC towards its future obligations under MSA. The JVC has been adjusting the prepayment of Rs. 24,000 towards undisputed dues and amounts falling due after subsequent dispute.

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 up to a maximum of Rs. 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 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 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 Rs. 1,312, and net deferred tax charge of Rs. 68,442 (including provision against MAT credit of Rs. 48,081) aggregating to Rs. 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 Mn (Rs. 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 (Rs. 14,677) in Airtel Mobile Commerce BV ("AMC BV"), a wholly owned 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 (Rs. 11,008) at first close and USD 50 Mn (Rs. 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 (Rs. 7,339) in Airtel Mobile Commerce B.V. ('AMC BV'), a wholly owned 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 (Rs. 5,504) at first close and USD 25 Mn (Rs. 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 (Rs. 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.

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 (Rs. 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 (Rs. 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 (Rs. 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 (Rs. 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 (Rs. 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 Rs. 215,017 of additional long-term financing through a combination of Rs. 144,000 in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid-up equity shares of face value Rs. 5 each were issued and allotted at a price of Rs. 445 per equity share) and Rs. 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 Rs. 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.

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 Rs. 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
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Non-current liabilities

Borrowings	3,859
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Current liabilities

Borrowings	45,680
Provisions^	43,085
Others\$	31,163

Total Liabilities (b)	123,787
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Net assets acquired (a-b)	13,512
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* 970,668 equity shares of Rs. 5 each and 957 redeemable preference shares of Rs. 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 Rs. 2,865 and 'land and building' included in 'ROU' (refer note 35) amounting to Rs. 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 Rs. 4,195 in statement of profit and loss and a charge of Rs. 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 Rs. 5 each at the price of Rs. 220 per equity share (including a premium of Rs. 215 per share) amounting to Rs. 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 licences 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 (Rs. 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 re-assessed 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 licence 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.

- 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 Rs. 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 Rs. 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 Rs. 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.

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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 Rs. 8,553 (March 31, 2020 Rs. 13,591) on account of exceptional item with respect to plant and equipment (refer note 31 (i) (d) and (ii) (b)) and Rs. 437 (March 31, 2020 Rs. 440) on account of court approved scheme / arrangements.

The Company has capitalised borrowing cost of Rs. 111 and Rs. 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 Rs. 43,665 and Rs. 39,972 respectively, which mainly pertains to plant and equipment.

For details towards pledge of the above assets refer note 19.2.

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
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	end of life
Impact on depreciation charge	8,345	(731)	(2,404)	(2,880)	(2,330)

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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:

	Goodwill #	Other intangible assets			Total
		Software	Licenses (including spectrum)	Other acquired intangibles	
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 Rs. 2,637 and Rs. 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 Rs. 13,600 and Rs. 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 Rs. 151 and Rs. 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.

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	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 (Rs. 98,996), USD 1,836 Mn (Rs. 134,735) and USD 730 Mn (Rs. 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 licences 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.

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 required 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 (Rs. 126,149) for Nigeria (69%), USD 4,811 Mn (Rs. 353,055) for East Africa (155%) and USD 1,811 Mn (Rs. 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.

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 Rs. 618,103 (39.3%) as of December 31, 2020 and Rs. 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.

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7. Investment in joint ventures and associates

The amounts recognised in the balance sheet are as follows:

	As of	
	March 31, 2021	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	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)

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The summarised financial information of joint venture and associate that are material to the Group are as follows:

Summarised balance sheet

	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 (including 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 compulsorily convertible non redeemable preference shares amount to Rs. 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)

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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
	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
Depreciation and amortisation	20,877	24,909	39,895	19,307	16,772	135
Finance income	813	356	630	62	70	19
Finance cost	6,662	8,027	12,601	4,153	3,955	134
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)
OCI / loss for the year	31	(17)	(22)	(371)	74	(1)
Total comprehensive income / (loss) for the year	19,324	20,610	32,847	1,124	585	(4,333)
Percentage of Group's ownership interest	41.73%	42.00%	42.00%	28.18%	25.00%	80.10%
Group's share in profit / (loss) for the year	7,977	8,663	13,805	438	128	(3,470)
Group's share in OCI / (loss) for the year	14	(7)	(9)	(113)	18	(1)
Consolidation adjustments / accounting policy alignment	(560)	(828)	(654)	-	-	(638)
Group's share in profit / (loss)	7,417	7,835	13,151	438	128	(4,108)
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	March 31, 2020
Carrying amount of investments	108	108
Group's share in joint ventures		
For the year ended		
	March 31, 2021	March 31, 2020
Net profit	(4,712)	(2,082)
Total comprehensive income	(4,712)	(2,082)

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The aggregate information of associates that are individually immaterial is as follows:

	As of	
	March 31, 2021	March 31, 2020
Carrying amount of investments	412	368

Group's share in associates	For the year ended	
	March 31, 2021	March 31, 2020
Net profit	37	11
Total comprehensive income	37	11

Details of joint ventures:

S.no.	Name of joint ventures #	Principal place of business	Principal activities	Ownership interest	
				% As of	
				March 31, 2021	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:

S.no.	Name of associates #	Principal place of business	Principal activities	Ownership interest	
				% As of	
				March 31, 2021	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:

S. no.	Principal activity	Principal place of business	Number of wholly-owned subsidiaries	
			As of	
			March 31, 2021	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

S. no.	Principal activity	Principal place of business	Number of non-wholly-owned subsidiaries	
			As of	
			March 31, 2021	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:

S. 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

Principle place of business	Indus Tower Limited*§	Bharti Hexacom Limited		Airtel Africa Plc.*#	
	India	India		Africa	
	As of	As of		As of	As of
	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	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 Rs. (3,770) as of March 31, 2021 and Rs. (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		For the year ended		For the year ended	
	March 31, 2021^	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	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.

Summarised statement of cash flows

	Indus Tower Limited*§		Bharti Hexacom Limited		Airtel Africa Plc.*	
	For the year ended		For the year ended		For the year ended	
	March 31, 2021^	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	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	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

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	-	-

10. Derivative financial instruments

	As of	
	March 31, 2021	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	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	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	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.

13. Income tax

The major components of the income tax expense are:

	For the year ended	
	March 31, 2021	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

Deferred tax related to items charged or credited to other comprehensive income during the year:

	For the year ended	
	March 31, 2021	March 31, 2020
Tax (charged) / credited on fair value changes of financial assets of FVTOCI	(13)	13
Net (losses) / gains on net investments hedge	(83)	2,870
Re-measurement gains / (losses) on defined benefit plans	42	(41)
Deferred Tax (charged) / credited recorded in other comprehensive income	(54)	2,842

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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	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)

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The analysis of deferred tax assets and liabilities is as follows:

	As of	
	March 31, 2021	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 amnesty 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	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

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	For the year ended	
	March 31, 2021	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 amnesty 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

The movement in deferred tax assets and liabilities during the year is as follows:

	For the year ended	
	March 31, 2021	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 recognized 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 utilized 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 Rs. 874,530 and Rs. 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, Rs. 191,767 and Rs. 154,605 respectively have an indefinite carry forward period and the balance amount expires, if unutilised, as follows:

Expiry date	As of	
	March 31, 2021	March 31, 2020
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 Rs. 79,800 and Rs. 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 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	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.

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Current

	As of	
	March 31, 2021	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 Rs. 3,107 and Rs. 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	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.

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The movement in allowances for doubtful debts is as follows:

	For the year ended	
	March 31, 2021	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.

16. Cash and bank balances

Cash and cash equivalents

	As of	
	March 31, 2021	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

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	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	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.

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17. Equity Share capital

	As of	
	March 31, 2021	March 31, 2020
Authorised shares		
29,555,980,000 (March 31, 2020 - 29,555,980,000) equity shares of Rs. 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 Rs. 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		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 Rs. 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		March 31, 2020	
	No. of shares '000	% holding	No. of shares '000	% holding
Equity shares of Rs. 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 Rs. 5 each were issued on preferential basis to Lion Meadow 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 Rs. 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 Rs. 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		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)
Closing balance	3,332	1,547	2,219	788

f. Dividend

	For the year ended	
	March 31, 2021	March 31, 2020
Declared and paid during the year:		
Final dividend for 2019-20: Rs. 2 per share	10,907	-
Dividend on treasury shares	4	-
	10,911	-
Proposed dividend		
Final dividend for 2020-21: Rs. Nil per share (2019-20 : Rs. 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.

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18. Other equity

- a. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Group, re-measurement differences on defined benefit plans, any transfer from general reserve and the reserves arising due to court scheme accounting and adjustments thereto (as explained below for significant Scheme of Arrangements).

The Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for transfer of all assets and liabilities at their respective fair values from Bharti Infratel Ventures Limited (erstwhile subsidiary company), Vodafone Infrastructure Limited, Idea Cellular Tower Infrastructure Limited to its joint venture Indus Towers Limited, was approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 and filed with the Registrar of Companies on June 11, 2013 with appointed date April 1, 2009 and hence was accounted retrospectively with effect from April 1, 2009. Similarly, pursuant to the Scheme of Arrangement of the Company under sections 391 to 394 of the Companies Act, 1956, the telecom infrastructure undertaking of the Company was transferred to one of its subsidiary Bharti Infratel Limited during the year ended March 31, 2008.

Further, pursuant to the said schemes, mainly the excess of the fair 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.

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)

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19. Borrowings

Non-current

	As of	
	March 31, 2021	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

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Current

	As of	
	March 31, 2021	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 re-borrowable term loans of Rs. Nil and Rs. 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 (Rs. 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.

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As of March 31, 2020							
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years	Over five years
Vehicle loans	8% - 9.5%	Monthly	4 - 6	1	-	-	-
Term loans	6% - 15%	Monthly	1 - 16	16,584	199	252	-
	4.2% - 9%	Quarterly	2 - 12	12,410	15,667	9,552	-
	7.8% - 9.2%	Half - yearly	3 - 6	9,719	46,300	45,653	1,090
	1.9% - 12.9%	One time	1	159,301	9,152	10,204	-
Liability component of a foreign currency convertible bond	1.5%	One time	1	-	-	77,688	-
Non-convertible bonds	3.4% - 5.4%	One time	1	-	62,420	113,902	75,372
Non-convertible debentures	8.3% - 8.4%	One time	1	15,000	15,000	-	-
Deferred payment liabilities 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 floating assets
Airtel Tanzania plc	Bank Overdraft	-	280	Pledge of all fixed and floating assets
		3,669	281	

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- passu 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.

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20. Financial liabilities - others

Non-current

	As of	
	March 31, 2021	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 Rs. 34,055 and Rs. 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.

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Current

	As of	
	March 31, 2021	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 Rs. 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	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

Current

	As of	
	March 31, 2021	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 Rs. Nil towards AGR pursuant to merger with TTSL / TTML and provision of Rs. 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 Rs. 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

22. Other liabilities

Non-current

	As of	
	March 31, 2021	March 31, 2020
Income received in advance	1,720	2,189
	1,720	2,189

Current

	As of	
	March 31, 2021	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.

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23. Contingencies and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	March 31, 2021	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 Rs. 55,208 and Rs. 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.

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 judgment in favour of BSNL. The said judgment has been challenged by the private operators in Hon'ble Supreme Court. Pending disposal of the said appeal, in the interim, private operators were allowed to continue paying BSNL as per the revised rates i.e. TRAI regulation issued in 2007, subject to the bank guarantee being provided for the disputed amount. The rates were further reduced by TRAI in 2012 which was challenged by BSNL before the Hon'ble Delhi High Court. The Hon'ble Delhi High Court, in the interim, without staying the rate revision, directed the private operators to secure the difference between TRAI regulation of 2007 and 2012 rates by way of bank guarantee pending final disposal of appeal. 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 Rs. 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 judgment 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 up-to 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 judgment 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 Judgment dated March 16, 2020. The review petition is pending adjudication.

Out of prudence, of the total demands of Rs. 84,140, the Company had recorded a charge of Rs. 18,075 for the year ended March 31, 2020 and along with interest thereon of Rs. 38,345, the aggregate of Rs. 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 Rs. 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 Judgment 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 judgment 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 judgment, wherein the Supreme Court has stayed the TDSAT judgment vide order dated November 8, 2019. The appeals are pending 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 Rs. 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 Rs. 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 Licence of the Company expired in March, 2014 and therefore, it had to renew its license under Unified Licence regime, wherein DoT imposed the condition of levy of licence fee on the revenue earned from pure Internet services. The Company via an industry petition challenged the discriminatory stand of DoT, wherein the Tribunal vide 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, the TDSAT, vide its judgment & orders dated October 18, 2019 (ISPAI Judgment), December 12, 2019 and January 21, 2020, allowed the said petitions and set aside the decision to include revenue from pure internet service in the AGR for levy of license fee on the ISPs under UL regime, accordingly all the impugned demands of license fee were set aside with a direction to raise revised demands for licence fee on the basis of same concept of AGR as is being done in respect of ISPs holding licences under the old regime. Further, the ISPs are

allowed to pay such revised demand forthwith after deducting payments, if any, made in the meantime towards licence fee by way of ad-hoc payments as per understating.

TDSAT, following ISPAI judgment, 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 Judgment 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 judgment 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 Rs. 16,931 until September 30, 2019 for the period from FY 2015-16 to FY 2019-20. Subsequently, basis the recent judgment and order the matter 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 Rs. 252,257 and Rs. 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 Rs. 4,389 and Rs. 3,031 as of March 31, 2021 and March 31, 2020 respectively.

24. Revenue from operations

	For the year ended	
	March 31, 2021	March 31, 2020
Service revenue	1,001,880	842,514
Sale of products	4,278	4,251
	1,006,158	846,765

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Bharti Airtel Limited
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(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.

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Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of	
	March 31, 2021	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	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

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25. Network operating expenses

	For the year ended	
	March 31, 2021	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	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.

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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)
<u>Equity settled Plans</u>			
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
<u>Cash settled Plans</u>			
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

*up to 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.

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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		March 31, 2020	
	Number of share options ('000)	Weighted average exercise price (Rs.)	Number of share options ('000)	Weighted average exercise price (Rs.)
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
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	-
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	March 31, 2020
Risk free interest rates	.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	.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.

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)	0 to 8	1 to 9
Fair value for the options granted during the year ended (Rs.)	50.54 to 548.7	0.0 to 409.7
Share price for the options exercised during the year ended (Rs.)	33.33 to 590.2	247.6 to 412.4

The carrying value of cash settled plans liability is Rs. 51 and Rs. 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 Rs. 532.

Amount recognised in other comprehensive income for the above plans

	For the year ended	
	March 31, 2021	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.

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	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.

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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	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	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	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

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28. Depreciation and amortisation expense

	For the year ended	
	March 31, 2021	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	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 Rs. 150 and Rs. 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	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 Rs. 107,444 as detailed in note 4(c).
- b. charge on account of re-assessment of contractual / regulatory levies and taxes of Rs. 32,513.
- c. charge on account of royalty charge of MWA and MWB Rs. 10,175 as detailed in note 23(i)(g)(v)
- d. charge on account of re-assessment of the useful life of certain categories of network assets due to technological advancements and impairment of intangible assets of Rs. 8,920.
- e. charge of Rs. 447 pertaining to restructuring cost in one of Group's subsidiary under a one-time right fitting exercise.
- f. credit of Rs. 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 Rs. 192.

(ii) For the year ended March 31, 2020:

- a. charge on account of license fee and Spectrum Usage Charges (SUC) aggregating Rs. 303,687 as detailed in note 4(c).
- b. charge of Rs. 13,757 towards accelerated depreciation on 3G network equipments / operating costs on network re-farming and up-gradation program.
- c. charge of Rs. 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 Rs. 1,681 on account of licence fees and interest based on a recent judgment on a similar matter.
- e. provision of Rs. 18,633 on account of rates and taxes including aged balances.
- f. charge of Rs. 766 on other miscellaneous items.
- g. deferment of customer acquisition cost of Rs. 1,911 following reassessment of customer life for some of the subsidiaries of Airtel Africa plc.
- h. an incremental provision Rs. 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 Rs. 15,540 pertaining to re-assessment of levies based on a recent judgement.
- j. net charge of Rs. 216 due to adjustments towards certain indemnity assets / liabilities pertaining to past transactions.
- k. net credit of Rs. 2,812 due to re-assessment of levies based on ex-parte judgement.

Tax expense / (credit) include:

- Net charge of Rs. 73,502 (including net charge on adoption of 'Vivad se Vishwas Scheme 2020 and re-assessment 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 Rs. 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 Rs. 1,117 and charge of Rs. 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	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 Rs. 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 Rs. 5 per share		
1) Basic (B/C)	18.85	3.07
2) Diluted (B/D)	18.85	3.07

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	March 31, 2020
	In thousands	
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.

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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.

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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.

Geographical information*:

(a) Revenue from external customers:

	For the year ended	
	March 31, 2021	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	March 31, 2020
India (including discontinued 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.

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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)

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

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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:

Relationship	For the year ended							
	March 31, 2021				March 31, 2020			
	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

The significant related party transactions are summarised below:

		For the year ended	
		March 31, 2021	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	-	

		For the year ended	
		March 31, 2021	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)

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(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, Rs. 449 and Rs. 714 donation has been given to Satya Bharti Foundation and Bharti Foundation during the year ended March 31, 2021 and March 31, 2020 respectively.

(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	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 Rs. 209 and Rs. 205 respectively and one-time special performance incentive of Rs. Nil and Rs. 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, Rs. 2 and Rs. 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)

- 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	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	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	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

Group as a lessor- operating lease

Amounts recognised in profit or loss

	For the year ended	
	March 31, 2021	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	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.

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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 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.

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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 (Rs. 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	-	-	-	-

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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.

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 finance 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)
		2,166
USD -borrowings	+25	(161)
		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 Rs. Nil and Rs. 44 as on March 31, 2021 and March 31, 2020 respectively.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Group to potential financial losses.

The Group is exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

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.

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.

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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.

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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					March 31, 2021
				Interest expense	Foreign exchange	Fair value changes	FCTR	Others	
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.

The Group monitors capital using a gearing ratio calculated as below:

	As of	
	March 31, 2021	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	Level 1	40,884	154,682	40,884	154,682
Investments	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:

- 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.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- 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.
- 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⁾	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.

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The disposal Groups were stated at their carrying value and comprised the following assets and liabilities:

	As of	
	March 31, 2021	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 Rs. 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 Rs. 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.

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 Rs. 10,380 from Jio for the proposed transfer and Jio will assume future liabilities of Rs. 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 (Rs. 36,692).

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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

S. No.	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								
1	- Telecommunication services 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 (up to 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) (up to 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 ⁽ⁱ⁾	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)
	- 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%	-

Bharti Airtel Limited
Notes to Consolidated Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)



S. No.	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					
				Net Assets ('N A'), i.e.,		Share in profit or loss		Share in total	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
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%	-
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

Bharti Airtel Limited
Notes to Consolidated Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)



S.No.	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					
				Net Assets ('N A'), i.e.,		Share in profit or loss		Share in total	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
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 IZI Limited	100.00%	Mauritius	27.40%	222,533	-4.84%	7,300	-4.67%	7,300
2	Network IZI (Kenya) Limited	100.00%	Kenya	0.00%	(0)	0.00%	(0)	0.00%	(0)
	- Management Service								
1	Network IZI (UK) Limited (Incorporated w.e.f. May 19, 2020)	100.00%	United Kingdom	0.00%	14	-0.01%	14	-0.01%	14
	- 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% ^(vi)	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% ^(iv)	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
	- 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%	-

Bharti Airtel Limited
Notes to Consolidated Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)



S.No.	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					
				Net Assets ('N A'), i.e.,		Share in profit or loss		Share in total	
				As % of consolidated N A	Amount	As % of consolidated P&L	Amount	As % of TCI	Amount
	Joint Ventures (Investment as per the equity method)								
	A. Indian								
	- Passive infrastructure services								
1	Indus Towers Limited (up to 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)

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Table 2 - Details pertaining to share in other comprehensive income.

S. No.	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				
1	Telecommunication services				
	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% ⁽¹⁾	India	0.05%	(3)
	- Infrastructure sharing services				
1	Indus Towers Limited (Formerly known as Bharti Infratel Limited) (up to 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 (up to 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.

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INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF
BHARTI AIRTEL LIMITED**

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying Interim Condensed Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of net profit in its associates and joint ventures, which comprise the Interim Condensed Consolidated Balance Sheet as at June 30, 2021, and the Interim Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Interim Condensed Consolidated Statement of Changes in Equity and the Interim Condensed Consolidated Statement of Cash Flows for the quarter then ended and a summary of other explanatory notes (hereinafter referred to as "the Interim Condensed 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 interim financial information of the associate referred to in the Other Matter section below, the aforesaid Interim Condensed Consolidated Financial Statements give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS 34") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at June 30, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the quarter then ended.

Basis for Opinion

We conducted our audit of the Interim Condensed 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 Interim Condensed 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 Interim Condensed 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 Interim Condensed 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(i) of the Interim Condensed Consolidated Financial Statements, which describes the impact 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 financial condition and its ability to continue as a going concern.

The customer's assumption of going concern is essentially dependent on its ability to raise additional funds up to Rs. 250,000 millions, as required in line with the approval by the Joint Venture Company's board of directors in its meeting on September 4, 2020, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, impact of the modification application rejected by the Hon'ble Supreme Court on AGR judgement, acceptance of its deferment request by DoT for spectrum instalment payment, clarity on payment of the next instalment amounts and generation of cash flow from its operations that it needs to settle / renew its liabilities / guarantees as they fall due.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Interim Condensed Consolidated Financial Statements

The Parent's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive Income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective interim financial information / 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 Interim Condensed Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Interim Condensed 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.

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Auditor's Responsibility for the Audit of the Interim Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Interim Condensed 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 Interim Condensed Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Interim Condensed 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, but not for the purpose of expressing an opinion on the effectiveness of the internal financial controls of Group, its associates and joint ventures.
- 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 Interim Condensed Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Condensed Consolidated Financial Statements, including the disclosures, and whether the Interim Condensed 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 Interim Condensed Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the interim financial information / financial statements of such entities included in the Interim Condensed Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Interim Condensed 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 Interim Condensed Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Interim Condensed 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 Interim Condensed Consolidated Financial Statements.

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We communicate with those charged with governance of the Parent and such other entities included in the Interim Condensed 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.

Other Matter

The Interim Condensed Consolidated Financial Statements also includes the Group's share of net loss after tax of Rs. 355 million and total comprehensive loss of Rs. 361 million for the quarter ended June 30, 2021 as considered in the Interim Condensed Consolidated Financial Statements, in respect of associate whose interim financial information has not been audited by us. Certain specified account balance relating to interim financial information of the associate have been audited by other auditor and our opinion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor.

Our opinion on the Interim Condensed Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

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



Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 21094468AAAAGV5782

Place: Gurugram
Date: August 3, 2021

Bharti Airtel Limited
Interim Condensed Consolidated Balance Sheet
(All amounts are in millions of Indian Rupee)



		As of	
	Notes	June 30, 2021	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	868,115	858,046
Capital work-in-progress	5	55,005	43,665
Right-of-use assets	6	290,594	288,117
Goodwill	7	334,118	329,064
Other intangible assets	7	845,734	759,569
Intangible assets under development	7	81,347	13,600
Investment in joint ventures and associates		239,222	234,346
Financial assets			
- Investments		471	377
- Derivative instruments		168	473
- Others		23,254	22,929
Income tax assets (net)		21,449	21,239
Deferred tax assets (net)		201,044	200,864
Other non-current assets		82,147	140,460
		3,042,668	2,912,749
Current assets			
Inventories		2,867	2,660
Financial assets			
- Investments		1,970	40,781
- Derivative instruments		530	501
- Trade receivables		47,707	36,377
- Cash and cash equivalents		84,917	80,859
- Other bank balances		42,444	53,802
- Others		197,585	191,947
Other current assets		134,248	138,358
Assets of disposal group classified as held for sale	16	3,657	2,244
		515,925	547,529
Total assets		3,558,593	3,460,278

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	As of	
	June 30, 2021	March 31, 2021
Equity and liabilities		
Equity		
Equity share capital	27,460	27,460
Other equity	564,574	562,067
Equity attributable to owners of the Parent	592,034	589,527
Non-controlling interests ('NCI')	228,909	222,739
	820,943	812,266
Non-current liabilities		
Financial liabilities		
- Borrowings	1,240,909	1,105,603
- Lease liabilities	252,171	251,086
- Derivative instruments	552	586
- Others	92,615	121,807
Deferred revenue	30,689	29,724
Provisions	5,024	5,020
Deferred tax liabilities (net)	16,709	16,107
Other non-current liabilities	1,638	1,720
	1,640,307	1,531,653
Current liabilities		
Financial liabilities		
- Borrowings	116,315	192,296
- Lease liabilities	78,934	78,867
- Derivative instruments	702	1,055
- Trade payables	304,919	278,721
- Others	241,828	201,132
Deferred revenue	69,272	63,135
Provisions	240,191	235,160
Current tax liabilities (net)	10,547	15,199
Other current liabilities	32,489	49,415
Liabilities of disposal group classified as held for sale	16	2,146
	1,097,343	1,116,359
Total liabilities	2,737,650	2,648,012
Total equity and liabilities	3,558,593	3,460,278

The accompanying notes 1 to 17 form an integral part of these interim condensed 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

Sd/-
Rakesh Bharti Mittal
Director

DIN: 00042494
Place: New Delhi

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

Date: August 3, 2021

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)



	Notes	For the three months ended	
		June 30, 2021	June 30, 2020#
Income			
Revenue from operations	12	268,536	232,903
Other income		2,098	4,066
		270,634	236,969
Expenses			
Network operating expenses		57,973	50,963
Access charges		16,166	28,011
License fee / Spectrum charges		26,455	20,766
Employee benefits expense		10,345	10,726
Sales and marketing expenses		10,613	7,278
Other expenses		17,181	15,989
		138,733	133,733
Profit before depreciation, amortisation, finance costs, share of profit / loss of associates and joint ventures, exceptional items and tax		131,901	103,236
Depreciation and amortisation expense	5, 6, 7	77,137	71,131
Finance costs		42,257	34,671
Share of (profit) / loss of associates and joint ventures (net)		(4,947)	1,070
Profit / (loss) before exceptional items and tax		17,454	(3,636)
Exceptional items (net)	11	(305)	117,457
Profit / (loss) before tax from continuing operations		17,759	(121,093)
Tax expense			
Current tax		7,274	3,583
Deferred tax		1,071	33,439
		8,345	37,022
Profit / (loss) for the period from continuing operations		9,414	(158,115)
Profit from discontinued operation before tax		-	7,356
Tax expense of discontinued operation		-	1,153
Profit for the period from discontinued operation#		-	6,203
Profit / (loss) for the period		9,414	(151,912)

.....Continued

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	For the three months ended	
	June 30, 2021	June 30, 2020#
Profit / (loss) for the period (continued from previous page)	9,414	(151,912)
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss:		
Net gain / (loss) due to foreign currency translation differences	4,620	(863)
Net loss on net investment hedge	(2,536)	(212)
Net loss on fair value through OCI investments	-	(189)
Tax credit / (charge) on above	548	(12)
	2,632	(1,276)
Items not to be reclassified to profit or loss:		
Re-measurement loss on defined benefit plans	(126)	(17)
Tax credit / (charge) on above	14	(6)
Share of other comprehensive income / (loss) of associates and joint ventures	1	(73)
	(111)	(96)
Other comprehensive income / (loss) for the period	2,521	(1,372)
Total comprehensive income / (loss) for the period	11,935	(153,284)
Profit / (loss) for the period attributable to:	9,414	(151,912)
Owners of the Parent	2,835	(159,331)
Non-controlling interests	6,579	7,419
Other comprehensive income / (loss) for the period attributable to:	2,521	(1,372)
Owners of the Parent	(302)	(704)
Non-controlling interests	2,823	(668)
Total comprehensive income / (loss) for the period attributable to:	11,935	(153,284)
Owners of the Parent	2,533	(160,035)
Non-controlling interests	9,402	6,751
Earning / (loss) per share from continuing operations (Face value: Rs. 5 each)		
Basic	0.52	(29.81)
Diluted	0.52	(29.81)
Earnings per share from discontinued operation (Face value: Rs. 5 each)		
Basic	-	0.59
Diluted	-	0.59
Earning / (loss) per share from continuing and discontinued operations (Face value: Rs. 5 each)		
Basic	0.52	(29.22)
Diluted	0.52	(29.22)

#Refer note 4(j)

The accompanying notes 1 to 17 form an integral part of these interim condensed 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

Sd/-

Rakesh Bharti Mittal
DirectorDIN: 00042494
Place: New Delhi

Sd/-

Gopal Vittal
Managing Director & CEO
(India and South Asia)DIN: 02291778
Place: Gurugram

Sd/-

Vijay Agarwal
PartnerMembership No: 094468
Place: Gurugram

Sd/-

Badal Bagri
Chief Financial Officer

Place: Gurugram

Sd/-

Pankaj Tewari
Company Secretary

Place: New Delhi

Date: August 3, 2021

Bharti Airtel Limited
Interim Condensed 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								Other components of equity (refer note 9)	Total			
No. of shares (In '000)	Amount	Securities premium	Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve						
As of April 1, 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 period	-	-	-	(159,331)	-	-	-	-	-	-	(159,331)	7,419	(151,912)	
Other comprehensive loss	-	-	-	(78)	-	-	-	-	-	(626)	(704)	(668)	(1,372)	
Total comprehensive (loss) / income	-	-	-	(159,409)	-	-	-	-	-	(626)	(160,035)	6,751	(153,284)	
Transaction with owners of equity														
Employee share-based payment expense	-	-	-	-	-	-	-	78	-	-	78	6	84	
Exercise of share options	-	-	-	-	(28)	-	-	(15)	-	17	(26)	(43)	(30)	
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	-	90	-	90	-	-	
Dividend to NCI	-	-	-	(1,512)	-	-	-	-	-	-	(1,512)	(7,917)	(9,429)	
Movement on account of court approved schemes	-	-	-	(141)	-	-	-	-	-	-	(141)	(126)	(267)	
As of June 30, 2020	5,455,557	27,278	508,319	(48,661)	23,157	7,500	18,227	736	167,250	(93,904)	582,624	248,544	858,446	
Profit for the period	-	-	-	8,496	-	-	-	-	-	-	8,496	19,776	28,272	
Other comprehensive loss	-	-	-	(51)	-	-	-	-	-	(4,892)	(4,943)	(10,179)	(15,122)	
Total comprehensive income / (loss)	-	-	-	8,445	-	-	-	-	-	(4,892)	3,553	9,597	13,150	
Transaction with owners of equity														
Issue of equity shares on preferential basis (refer note 4(c))	36,470	182	21,700	-	-	-	-	-	-	-	21,700	-	21,882	
Employee share-based payment expense	-	-	-	-	-	-	-	635	-	-	635	14	649	
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(1,111)	(1,111)	-	(1,111)	
Exercise of share options	-	-	-	-	75	-	-	(477)	-	333	(69)	(12)	(81)	
Issue of perpetual securities (refer note 4 (k))	-	-	-	-	-	-	-	-	-	-	-	36,048	36,048	
Transaction with NCI (net of expenses) (refer note 4(c))	-	-	-	-	-	-	-	-	(33,598)	-	(33,598)	642	(32,956)	
Dividend to Company's shareholders	-	-	-	(10,907)	-	-	-	-	-	-	(10,907)	-	(10,907)	
Dividend to NCI	-	-	-	-	-	-	-	-	-	-	-	(6,874)	(6,874)	
Adjustment on account of Indus-Infratel merger (refer note 4(j))	-	-	-	-	-	-	-	(17)	-	-	(17)	(65,022)	(65,039)	
Transfer to retained earnings	-	-	-	7,500	-	(7,500)	-	-	-	-	-	-	-	
Movement on account of court approved schemes	-	-	-	(743)	-	-	-	-	-	-	(743)	(198)	(941)	
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	
Profit for the period	-	-	-	2,835	-	-	-	-	-	-	2,835	6,579	9,414	
Other comprehensive (loss) / income	-	-	-	(84)	-	-	-	-	-	(218)	(302)	2,823	2,521	
Total comprehensive income / (loss)	-	-	-	2,751	-	-	-	-	-	(218)	2,533	9,402	11,935	
Transaction with owners of equity														
Employee share-based payment expense	-	-	-	-	-	-	-	19	-	-	19	7	26	
Exercise of share options	-	-	-	-	(30)	-	-	(47)	-	27	(50)	(7)	(57)	
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	-	97	-	97	48	145	
Dividend to NCI	-	-	-	-	-	-	-	-	-	-	-	(3,280)	(3,280)	
Movement on account of court approved schemes	-	-	-	(92)	-	-	-	-	-	-	(92)	-	(92)	
As of June 30, 2021	5,492,027	27,460	530,019	(41,707)	23,202	-	18,227	849	133,749	(99,765)	564,574	228,909	820,943	

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements

As per our report of even date
For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Date: August 3, 2021

For and on behalf of the Board of Directors of Bharti Airtel Limited

Sd/-
Rakesh Bharti Mittal
Director
DIN: 00042494
Place: New Delhi

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

Bharti Airtel Limited
Interim Condensed Consolidated Statement of Cash Flows
(All amounts are in millions of Indian Rupee)



	For the three months ended	
	June 30, 2021	June 30, 2020
Cash flows from operating activities		
Profit / (loss) before tax (including discontinued operation)	17,759	(113,737)
Adjustments for :		
Depreciation and amortisation expenses	77,137	72,268
Finance costs	42,047	33,758
Net gain on FVTPL instruments	(242)	(2,840)
Interest income	(343)	(1,758)
Net (gain) / loss on derivative financial instruments	(853)	715
Net gain on fair value of financial instruments	-	(180)
Share of profit of joint ventures and associates (net)	(4,947)	(1,666)
Exceptional items (net)	(305)	117,457
Employee share-based payment expense	22	66
Loss on sale of property, plant and equipment	4	0
Other non-cash items	2,814	2,707
Operating cash flow before changes in working capital	133,093	106,790
Changes in working capital		
Trade receivables	(13,228)	(14,737)
Trade payables	25,267	11,085
Inventories	(226)	72
Provisions	292	(30,406)
Other financial and non-financial liabilities	(8,150)	11,889
Other financial and non-financial assets	(2,302)	41,625
Net cash generated from operations before tax	134,746	126,318
Income tax paid - net	(12,526)	(10,079)
Net cash generated from operating activities (a)	122,220	116,239
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(72,462)	(53,365)
Proceeds from sale of property, plant and equipment	910	27
Purchase of intangible assets	(2,192)	(1,764)
Payment towards spectrum (including deferred payment liability)*	(1,573)	-
Proceeds from sale / (purchase) of current investments (net)	54,972	(832)
Proceeds from sale of non-current investments	-	3,645
Purchase of non-current investments	(75)	(84)
Investment in associates / joint ventures	-	(3,317)
Dividend received	-	4,200
Interest received	392	2,240
Net cash used in investing activities (b)	(20,028)	(49,250)
Cash flows from financing activities		
Proceeds from borrowings	49,072	99,244
Repayment of borrowings	(110,493)	(103,537)
Payment of lease liabilities	(17,623)	(13,868)
Repayment of short-term borrowings (net)	4,097	(22,460)
Purchase of treasury shares	-	(21)
Interest and other finance charges paid	(18,727)	(21,335)
Proceeds from exercise of share options	0	0
Dividend paid (including tax)	(2,998)	(5,678)
Payment of bond / share issue expenses	-	(15)
Purchase of shares from NCI	(913)	-
Proceeds on maturity of derivative (net)	1,124	-
Net cash used in financing activities (c)	(96,461)	(67,670)
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	5,731	(681)
Effect of exchange rate on cash and cash equivalents	711	(364)
Cash and cash equivalents as at beginning of the period	90,630	130,539
Cash and cash equivalents as at end of the period (refer note 8)	97,072	129,494

*Cash flows towards spectrum acquisition are based on the timing of payouts to Department of Telecom ('DoT') (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'.

The accompanying notes 1 to 17 form an integral part of these interim condensed 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

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Date: August 3, 2021

Sd/-
Rakesh Bharti Mittal
Director
DIN: 00042494
Place: New Delhi

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

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 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 – 122015, 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 12.

2. Basis of preparation

These Interim Condensed Consolidated Financial Statements ('financial statements') include Interim Condensed Consolidated Balance Sheet ('Balance Sheet'), Interim Condensed Consolidated Statement of Profit and Loss ('Statement of Profit and Loss'), Interim Condensed Consolidated Statement of Changes in Equity, Interim Condensed Consolidated Statement of Cash Flows and accompanying notes. These financial statements have been prepared in accordance with Ind AS 34 'Interim Financial Reporting' 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. Accordingly, the said financial statements do not include all the information required for a complete set of Ind AS financial statements and should be read in conjunction with the Group's latest Annual Consolidated Financial Statements for the year ended March 31, 2021. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest Annual Consolidated Financial Statements.

The financial statements are approved for issue by the Company's Board of Directors on August 3, 2021.

All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded off to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

New amendments adopted during the period

MCA vide notification no. G.S.R. 419(E) dated June 18, 2021 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 which amends following Ind AS:

- Ind AS 102, Share-based Payments
- Ind AS 116, Leases

- Ind AS 103, Business Combinations
- Ind AS 105, Non-Current Assets Held for Sale and Discontinued Operations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38, Intangible Assets
- Ind AS 111, Joint Arrangements
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12, Income Taxes
- Ind AS 16, Property, Plant and Equipment
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 34, Interim Financial Reporting

The amendments are applicable for annual periods beginning on or after the April 1, 2021, however, these do not have material impact on the financial statements of the Company.

3. Significant accounting policies and key sources of estimation uncertainties and critical judgements

a. Significant accounting policies

The accounting policies adopted in preparation of these financial statements are consistent with those followed in preparation of the Group's latest Annual Consolidated Financial Statements.

b. Key sources of estimation uncertainties and critical judgements

The preparation of the said financial statements requires 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 judgements and estimates are significant to the financial statements or areas involving a higher degree of judgement or complexity are the same as those applied to the Group's latest Annual Consolidated Financial Statements.

4. Significant transactions / new developments

- 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. The agreement is subject to requisite statutory approvals.
- b) 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 consideration of Rs. 187,034 in the auction conducted by the DoT, Government of India. The Group has opted for the deferred payment option and has paid an upfront amount of Rs. 64,813 out of the total upfront payment of Rs. 69,874 for the allocation of 339.85 MHz of spectrum. The balance upfront amount of Rs. 5,061 will be paid during the quarter ending on September 30, 2021. The deferred payment amount of Rs. 117,160 is payable along with interest of 7.3% per annum in 16 equal installments after a moratorium of two years.
- c) 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 Rs. 5 each fully paid share including a premium of Rs. 595 per equity share) and cash consideration of Rs. 9,378, resulting in total consideration of Rs. 31,260 and during the quarter ended June 30, 2021, the Company has paid additional consideration of Rs. 913 and the excess of consideration paid to NCI over the carrying value of interest acquired has been recognised in NCI reserve, a component of equity.
- d) On October 24, 2019, the Supreme Court of India delivered a judgment 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'). Further, in its judgement dated, September 1, 2020 ('AGR September Judgment') the Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final. In addition, Supreme Court directed that the Telecom Service Providers ('TSPs') 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. Considering the above Supreme Court's judgement, the Group accounted for provision for license fee and spectrum charges based on the demand raised by the DoT and paid part dues in the previous years. On July 19, 2021, the Group confirmed its compliance to the Supreme Court with the directions to pay 10% of total dues by March 31, 2021. The matter is pending adjudication before the Supreme Court. Further on July 23, 2021, the Supreme Court pronounced its Judgment, whereby the applications filed by the TSPs for correction of errors in the computation of demand amount by DoT were dismissed.
- e) 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,

as approved by the Board of Directors on April 14, 2021, for (a) amalgamation of Nettle Infrastructure Investments Limited, Airtel Digital Limited and Telesonic Networks Limited, wholly-owned subsidiaries with and into Company; and (b) demerger of the Telecom Business Undertaking of Company 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, is subject to the applicable statutory / regulatory approvals as on the date of these financial statement. The effect of the Scheme will be accounted when the Scheme becomes effective.

- f) 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.
- g) 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.
- h) 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 re-assessed 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 licence 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.

- i) On July 29, 2021, Indus Towers Limited, a Joint Venture Company ('JVC') of the Company, in its financial results for the quarter ended June 30, 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 June 30, 2021. It also reported that the JVC's said customer in its declared results for the quarter and year ended March 31, 2021, had stated existence of material uncertainty relating to its ability to continue as going concern to be dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, outcome of the modification application filed with the Supreme Court and clarity of the next instalment amount, acceptance of its deferment request by DoT and generation of cash flow from its operations that it needs to settle / renew its liabilities / guarantees as they fall due. The said customer has disclosed that they have met all its debt obligation till that date in their financial statements for the year March 31, 2021. The said customer in the Board of Directors meeting held on September 4, 2020 has approved the fund-raising plan up to Rs. 250,000.

Subsequently, on July 23, 2021, the Hon'ble Supreme Court rejected the modification applications filed by the JVC's said customer (amongst others) which requested that the Supreme Court allow the DoT to correct manifest / clerical / arithmetic errors in the computation of AGR demands and carry out the corrections in accordance with law within a reasonable period of time.

By virtue of merger between Indus Towers Limited (formerly known as Bharti Infratel Limited) and erstwhile Indus Tower Limited, the payment obligations of the said customer are secured through a share pledge agreement whereby, subject to terms of the agreement, the JVC has created a primary pledge over 190,657,769 shares held in the JVC's company by one of the promoters who is also the promoter of the said customer.

In addition, the JVC will have a secondary pledge, subject to the 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 up to a maximum of Rs. 42,500. Pursuant to such security and the guarantee by the promoter group of such customer, uncertainty in regard to recovery of trade receivables has been mitigated to such extent. Basis the security package, The JVC has recognized contractual exit charges as and when it gets due.

However, the loss of a 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.

- j) (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 Rs. 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 Rs. 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 Rs. 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 Rs. 5,178 including the impact of fair value adjustment arising from provisional purchase price allocation of Rs. 772.

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.

(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 three months ended June 30, 2020
Income	7,224
Expenses	2,604
Share of profit of joint ventures	2,736
Profit before tax	7,356
Tax expense	1,153
Profit after tax	6,203
Gain on deemed disposal of subsidiary after tax	-
Profit from discontinued operation	6,203
Other comprehensive loss from discontinued operation	(6)
Total comprehensive income / (loss) attributable to owners of the Parent arises from:	(160,035)
Continuing operations	(163,285)
Discontinued operation	3,250
Net cash generated from operating activities	3,159
Net cash generated from investing activities	13,903
Net cash used in financing activities	(18,663)
Net decrease in cash and cash equivalents from discontinued operation	(1,601)

(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 Rs. 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 Rs. 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

- k) During the year ended March 31, 2021, the Company issued unsubordinated, direct, unconditional and unsecured senior notes of USD 750 Mn (Rs. 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) issued subordinated perpetual securities of USD 500 Mn (Rs. 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.

- l) 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 Rs. 1,000, and 10 equity shares, each at Rs. 5,780 (including securities premium of Rs. 5,770), of Nxtra Data Limited for an aggregate consideration of Rs. 17,880 in three separate tranches. During the year ended March 31, 2021, Nxtra Data

Limited has received the first tranche of Rs. 7,000 and has allotted 7,000,000 CCPS and 10 equity shares to the investor. The same has been classified as liability.

- m) 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 Rs. 10 Lakhs each, at a coupon rate of 6% per annum payable annually, at par aggregating to Rs. 15,000 on private placement basis. These NCDs will be due for maturity on January 19, 2024.
- n) 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 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 Rs. 1,312, and net deferred tax charge of Rs. 68,442 (including provision against MAT credit of Rs. 48,081) aggregating to Rs. 67,130.

- o) 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 Mn (Rs. 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%.
- p) On June 2, 2021, the Group signed an agreement to sell approximately 1,400 telecommunications tower assets and related liabilities in Tanzania at a consideration of USD 175 Mn (Rs. 12,989) to a joint venture company owned by a wholly-owned subsidiary of SBA Communications Corporation (a leading global independent owner and operator of wireless communications infrastructure) as majority owner, and by Paradigm Infrastructure Limited under a sale and leaseback arrangement. The completion of such sale is considered highly probable and is only subject to conditions that are usual and customary. Consequently, the Group has classified such assets and liabilities as held for sale as of June 30, 2021. For disclosures on Group's assets held for sale, refer note 16.
- q) The completion of the sale of a subsidiary holding 735 towers in Malawi (agreement entered in March 2021), continues to be subject to a non-customary condition which is beyond the Group's control. As of

June 30, 2021, the Group cannot ascertain the likelihood of this condition as being highly probable and consequently has not classified the assets of the Malawian tower company as held for sale.

- r) 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. Such sale has been completed during the three months ended June 30, 2021 and consideration of USD 10 Mn (Rs. 742) has been received. The resultant upfront gain has been recorded as 'non-operating income' and is presented as exceptional item (refer to Note 11(i)(a)). The Group has recognized Right of Use assets and Lease Liabilities for the portion of towers leased back by the Group.

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5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the three months ended June 30, 2021 and June 30, 2020:

	Land and building	Plant and equipment	Other PPE	Total
Gross carrying value				
As of April 1, 2020	27,419	1,893,843	105,070	2,026,332
Additions	38	33,156	1,831	35,025
Disposals / adjustments	(7)	(1,598)	(0)	(1,605)
Exchange differences	(15)	(252)	(185)	(452)
As of June 30, 2020	27,435	1,925,149	106,716	2,059,300
As of April 1, 2021	26,931	1,926,716	107,765	2,061,412
Additions	60	51,849	1,832	53,741
Disposals / adjustments	(11)	(5,378)	(13)	(5,402)
Transferred to assets held for sale	-	(10,380)	-	(10,380)
Exchange differences	144	4,272	1,074	5,490
As of June 30, 2021	27,124	1,967,079	110,658	2,104,861
Accumulated depreciation				
As of April 1, 2020	12,790	1,044,080	91,889	1,148,759
Depreciation#	249	41,117	2,000	43,366
Disposals / adjustments	(3)	(1,396)	66	(1,333)
Exchange differences	11	(13)	(87)	(89)
As of June 30, 2020	13,047	1,083,788	93,868	1,190,703
As of April 1, 2021	13,263	1,094,375	95,728	1,203,366
Depreciation#	216	42,788	1,856	44,860
Disposals / adjustments	(1)	(5,077)	(44)	(5,122)
Transferred to assets held for sale	-	(9,480)	-	(9,480)
Exchange differences	57	2,127	938	3,122
As of June 30, 2021	13,535	1,124,733	98,478	1,236,746
Net carrying value				
As of April 1, 2020	14,629	849,763	13,181	877,573
As of June 30, 2020	14,388	841,361	12,848	868,597
As of April 1, 2021	13,668	832,341	12,037	858,046
As of June 30, 2021	13,589	842,346	12,180	868,115

#It includes Rs. Nil (June 30, 2020 Rs. 98) on account of court approved scheme / arrangements.

The carrying value of capital work-in-progress (CWIP) as of June 30, 2021 and March 31, 2021 is Rs. 55,005 and Rs. 43,665 respectively, which mainly pertains to plant and equipment.

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6. Right-of-use assets ('ROU')

The following table presents the reconciliation of changes in the carrying value of ROU assets for the three months ended June 30, 2021 and June 30, 2020:

	Bandwidth	Plant and equipment	Building	Land	Transponder	Vehicle	Total
Balance at April 1, 2020	39,832	189,610	12,169	16,544	869	25	259,049
Additions	256	15,047	309	4,312	395	-	20,319
Depreciation	(803)	(9,359)	(737)	(886)	(292)	(12)	(12,089)
Termination / other adjustments	-	(4,961)	(104)	(1,538)	(260)	-	(6,863)
Exchange differences	64	148	18	-	-	2	232
Balance at June 30, 2020	39,349	190,485	11,655	18,432	712	15	260,648
Balance at April 1, 2021	45,463	213,995	10,155	18,117	320	67	288,117
Additions	1,491	16,970	962	2,189	(0)	21	21,633
Depreciation	(999)	(12,075)	(769)	(826)	(42)	(11)	(14,722)
Termination / other adjustments	(75)	(3,143)	(184)	(1,294)	-	-	(4,696)
Transferred to assets held for sale	-	(594)	-	-	-	-	(594)
Exchange differences	41	797	80	-	-	(62)	856
Balance at June 30, 2021	45,921	215,950	10,244	18,186	278	15	290,594

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the three months ended June 30, 2021 and June 30, 2020:

	Goodwill #	Other intangible assets			Total
		Software	Licenses (including spectrum)	Other acquired intangibles	
Gross carrying value					
As of April 1, 2020	348,829	27,586	1,081,989	12,201	1,121,776
Additions	-	1,060	99	-	1,159
Disposals / adjustments	-	(155)	0	-	(155)
Exchange differences	(683)	(15)	92	(7)	70
As of June 30, 2020	348,146	28,476	1,082,180	12,194	1,122,850
As of April 1, 2021	331,701	31,024	1,099,397	12,029	1,142,450
Additions	-	1,624	101,378	-	103,002
Disposals / adjustments	-	(9)	(87)	(31)	(127)
Exchange differences	5,054	(1)	1,142	43	1,184
As of June 30, 2021	336,755	32,638	1,201,830	12,041	1,246,509
Accumulated amortisation					
As of April 1, 2020	-	22,302	279,539	10,194	312,035
Amortisation	-	852	15,706	353	16,911
Disposals / adjustments	-	(133)	-	-	(133)
Exchange differences	-	(0)	92	(3)	89
As of June 30, 2020	-	23,021	295,337	10,544	328,902
As of April 1, 2021	-	24,967	346,473	11,441	382,881
Amortisation	-	959	16,359	237	17,555
Disposals / adjustments	-	-	(99)	(31)	(130)
Exchange differences	-	9	378	82	469
As of June 30, 2021	-	25,935	363,111	11,729	400,775
Net carrying value					
As of April 1, 2020	346,192	5,284	802,450	2,007	809,741
As of June 30, 2020	345,509	5,455	786,843	1,650	793,948
As of April 1, 2021	329,064	6,057	752,924	588	759,569
As of June 30, 2021	334,118	6,703	838,719	312	845,734

#Net carrying value of goodwill is adjusted for accumulated impairment of Rs. 2,637 as of June 30, 2021, April 1, 2021, June 30, 2020 and April 1, 2020.

The carrying value of intangible assets under development as of June 30, 2021 and March 31, 2021 is Rs. 81,347 and Rs. 13,600 respectively, which mainly pertains to spectrum and software / IT platform.

8. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents are as follows:

	As of	
	June 30, 2021	June 30, 2020
Cash and cash equivalents as per balance sheet	84,917	129,213
Balance held under mobile money trust*	36,839	26,481
Bank overdraft	(24,684)	(26,200)
	97,072	129,494

*It represents cash received from subscribers of mobile commerce services relating to Group's subsidiaries in Africa and the same is not available for general use by the Group.

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9. Other components of equity

	Foreign currency translation reserve	Fair value through OCI reserve	Treasury shares	Equity component of foreign currency convertible bond	Total
As of April 1, 2020	(96,174)	125	(788)	3,542	(93,295)
Net loss due to foreign currency translation differences	(372)	-	-	-	(372)
Net loss on net investment hedge	(42)	-	-	-	(42)
Net loss on fair value through OCI investments	-	(212)	-	-	(212)
Exercise of share options	-	-	17	-	17
As of June 30, 2020	(96,588)	(87)	(771)	3,542	(93,904)
Net loss due to foreign currency translation differences	(6,160)	-	-	-	(6,160)
Net gain on net investment hedge	1,212	-	-	-	1,212
Net loss on fair value through OCI investments	-	56	-	-	56
Purchase of treasury shares	-	-	(1,111)	-	(1,111)
Exercise of share options	-	-	333	-	333
As of March 31, 2021	(101,536)	(31)	(1,549)	3,542	(99,574)
Net gain due to foreign currency translation differences	1,548	-	-	-	1,548
Net loss on net investment hedge	(1,766)	-	-	-	(1,766)
Exercise of share options	-	-	27	-	27
As of June 30, 2021	(101,754)	(31)	(1,522)	3,542	(99,765)

The income tax credit relating to components of OCI for the Group is as follows:

	For the three months ended	
	June 30, 2021	June 30, 2020
Net gain on net investment hedge	548	1
Net loss on fair value through OCI investments	-	(13)
	548	(12)

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10. Contingencies and commitments

(i) Contingent liabilities

Claims against the Group not acknowledged as debt:

	As of	
	June 30, 2021	March 31, 2021
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales Tax, Service Tax and GST	14,092	13,994
- Income Tax	9,009	9,254
- Customs Duty	1,598	1,659
- Entry Tax	2,937	2,937
- Stamp Duty	352	351
- Municipal Taxes	-	1
- DoT demands	57,018	55,427
- Entertainment Tax	7,891	7,733
- Other miscellaneous demands	807	813
(ii) Claims under legal cases including arbitration matters		
- Access charges / Port charges	299	299
- Others	7,017	6,806
	101,020	99,274

In addition to the above, the Group's share of joint ventures' and associates' contingent liabilities is Rs. 55,289 and Rs. 55,208 as of June 30, 2021 and March 31, 2021 respectively.

DoT demands mainly includes:

- (i) DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Group had challenged the matter in TDSAT and it has set aside the respective circulars of DoT vide its Judgment dated April 22, 2010. Thereafter, DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is pending for adjudication. An amount of Rs. 19,992 which pertains to pre-migration to Unified License ('UL') / Unified access Service Licence ('UASL') is disclosed as contingent liability as of June 30, 2021.
- (ii) In 2013, DoT introduced Unified License ('UL') Regime and notified guidelines which mandates migration to new UL regime upon expiry of existing licenses. Accordingly, the Company migrated to UL regime in 2014. The Company and ISP Association challenged the Guidelines and provisions of UL on the ground that DoT has discriminated amongst ISP Licensees in violation of principle of level playing field amongst ISPs. TDSAT stayed the payment of license fee on revenue from Pure Internet Service. In October 2019, TDSAT delivered its judgment in the ISP Association case (ISPAI Judgment) and set aside the provision to pay license fee on the revenue from pure internet service under UL. TDSAT, following ISPAI judgment, allowed the petition filed by Airtel and set aside the demand notices.

DoT has filed appeal against ISPAI judgment before Supreme Court. On January 5, 2021, the Supreme Court admitted DoT's appeal, and also allowed Company's intervention application, with a direction that DoT shall not be required to refund any amounts pursuant to TDSAT judgment and parties shall be bound by the final directions as may be passed by the Supreme Court.

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 (April 1, 2021). Amongst others, DoT included the revenue from pure internet services in the AGR for the purposes of license fees in such contracts (which was earlier allowed as permissible deduction under old regime). Accordingly, demand up to March 31, 2021 has been assessed to be a contingent liability (June 30, 2021: Rs. 27,848 and March 31, 2021: Rs. 26,950).

In addition to the amounts disclosed in the table above, the contingent liability on DoT matters includes the following:

- (i) In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Group in January 2013. In the opinion of the Group, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Group 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 has issued revised demands on the Group aggregating to Rs. 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 Group intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its judgment 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 up-to 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 judgment 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 Judgment dated March 16, 2020. The review petition is pending adjudication.

Out of prudence, of the total demands of Rs. 84,140, the Group had recorded a charge of Rs. 18,075 during the year ended March 31, 2020 and interest charge thereon till June 30, 2021 amounting to Rs. 49,692. Balance demand amount of Rs. 66,065 has continued to be contingent liability.

- (ii) 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 Rs. 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.

Considering the nature of above disputes / litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

(ii) Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 137,347 (including Rs. 16,101 towards spectrum) and Rs. 252,257 (including Rs. 123,794 toward spectrum) as of June 30, 2021 and March 31, 2021 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 6,367 and Rs. 4,389 as of June 30, 2021 and March 31, 2021 respectively.

11. Exceptional items

Exceptional items comprise of the following:

- (i) For the three months ended June 30, 2021:

- a. gain of Rs. 305 pertaining to sale of telecommunication tower in one of the subsidiary.

- (ii) For the three months ended June 30, 2020

- a. charge on account of incremental provision and interest on license fees and spectrum usage charges (SUC) of Rs. 107,444.
b. charge on account of royalty charges of MWA and MWB of Rs. 10,175.
c. gain of Rs. 162 pertaining to settlement of levies of entry tax.

Tax expense include:

- Net charge of Rs. 36,432 (including net charge on adoption of 'Vivad se Vishwas Scheme 2020 and re-assessment of deferred tax assets and credit of deferred tax asset pertaining to one of the subsidiaries recognised) during the three months ended June 30, 2020.

The net impact to non-controlling interests is charge of Rs. 133 and charge of Rs. 1,080 during the three months ended June 30, 2021 and June 30, 2020 respectively, relating to above exceptional items.

12. 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 (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 / alignment of accounting policies of the Group and are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, ROU, PPE, CWIP, 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, 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.

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Bharti Airtel Limited
Notes to Interim Condensed Consolidated Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)



Summary of the segmental information for the three months ended as of June 30, 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
Revenue from external customers	139,248	80,501	919	33,260	-	6,522	8,086	-	-	-	268,536
Inter-segment revenue	3,808	1,272	33	4,633	-	9	8	85	-	(9,848)	-
Total revenue	143,056	81,773	952	37,893	-	6,531	8,094	85	-	(9,848)	268,536
Share of results of joint ventures and associates	1	7	-	-	5,178	3	-	(242)	-	-	4,947
Segment results	15,708	25,943	(518)	10,474	5,178	952	3,015	(233)	(444)	(370)	59,705
Less:											
Net finance costs*											40,819
Non-operating expense (net)											1,045
Charity and donation											387
Exceptional items (net) (refer note 11)											(305)
Profit before tax											17,759
Other segment items											
Capital expenditure	153,969	7,817	1,091	6,030	-	3,889	2,932	-	-	-	175,728
Addition to ROU	12,029	8,033	235	208	-	744	384	-	-	-	21,633
Depreciation and amortisation expense	54,628	13,337	407	4,211	-	2,281	2,406	-	251	(384)	77,137
As of June 30, 2021											
Segment assets	2,149,489	693,084	11,490	219,544	205,867	38,702	37,770	33,977	245,200	(76,530)	3,558,593
Segment liabilities	917,789	227,464	5,082	160,108	-	29,698	47,264	602	1,425,859	(76,216)	2,737,650
Investment in joint ventures and associates (included in segment assets above)	69	391	-	-	205,867	43	-	32,852	-	-	239,222

*This is net of income / gain from dividend, interest, FVTPL investments and derivative financial instruments.

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Summary of the segmental information for the three months ended June 30, 2020 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	Discontinuing operation: Tower Infrastructure Services#	Total from continuing and discontinuing operation
Revenue from external customers	124,659	63,568	1,050	30,404	-	5,774	7,448	-	-	-	232,903	6,484	239,387
Inter-segment revenue	4,113	945	38	4,615	-	11	-	4	-	(9,726)	-	-	-
Total revenue	128,772	64,513	1,088	35,019	-	5,785	7,448	4	-	(9,726)	232,903	6,484	239,387
Share of results of joint ventures and associates	3	8	-	-	-	1	-	(1,082)	-	-	(1,070)	2,736	1,666
Segment results	1,657	16,210	(280)	8,908	-	1,592	2,762	(1,085)	(421)	(361)	28,982	6,808	35,790
Less:													
Net finance costs*											31,299	(799)	30,500
Non-operating expense (net)											727	-	727
Charity and donation											592	251	843
Exceptional items (net) (refer note 11)											117,457	-	117,457
Loss before tax											(121,093)	7,356	(113,737)
Other segment items													
Capital expenditure	24,808	5,004	334	3,693	-	1,189	2,457	-	-	-	37,485	1,004	38,489
Addition to ROU	10,561	7,446	11	19	-	574	394	-	-	-	19,005	1,314	20,319
Depreciation and amortisation expense	50,574	12,223	378	3,803	-	1,923	2,279	-	318	(367)	71,131	1,137	72,268
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.

Disaggregation of revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition. Disaggregation of revenue from contracts with customer for the three months ended June 30, 2021 and June 30, 2020 is as follows:

	Mobile Services		Airtel Business		Homes Services		Digital TV Services		Total (Continuing operations)		Tower Infrastructure Services (Discontinued operation)		Total (Continuing and discontinued operations)	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Geographical markets*														
India	139,248	124,659	24,085	23,184	6,522	5,774	8,086	7,448	177,941	161,065	-	6,484	177,941	167,549
South Asia	919	1,050	-	-	-	-	-	-	919	1,050	-	-	919	1,050
Africa	80,501	63,568	-	-	-	-	-	-	80,501	63,568	-	-	80,501	63,568
Others	-	-	9,175	7,220	-	-	-	-	9,175	7,220	-	-	9,175	7,220
	220,668	189,277	33,260	30,404	6,522	5,774	8,086	7,448	268,536	232,903	-	6,484	268,536	239,387
Major products / services lines														
Data and voice services	183,407	155,645	27,891	25,959	6,331	5,584	-	-	217,629	187,188	-	-	217,629	187,188
Setting up, operating and maintaining towers	-	-	-	-	-	-	-	-	-	-	-	6,484	-	6,484
Others	37,261	33,632	5,369	4,445	191	190	8,086	7,448	50,907	45,715	-	-	50,907	45,715
	220,668	189,277	33,260	30,404	6,522	5,774	8,086	7,448	268,536	232,903	-	6,484	268,536	239,387
Timing of revenue recognition														
Products and services transferred at a point in time	642	1,044	801	754	57	3	-	-	1,500	1,801	-	-	1,500	1,801
Products and services transferred over time	220,026	188,233	32,459	29,650	6,465	5,771	8,086	7,448	267,036	231,102	-	6,484	267,036	237,586
	220,668	189,277	33,260	30,404	6,522	5,774	8,086	7,448	268,536	232,903	-	6,484	268,536	239,387

*Basis location of entity

13. Related party disclosures

The details of significant transactions with the related parties for the three months ended June 30, 2021 and June 30, 2020 respectively, are provided below:

	For the three months ended	
	June 30, 2021	June 30, 2020
1. Receiving of services#		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)\$	-	4,635
Indus Towers Limited (w.e.f. November 19, 2020)\$ (formerly known as Bharti Infratel Limited)	8,444	-
Associates		
Airtel Payments Bank Limited	832	99
2. Purchase of assets		
Other related parties		
Brightstar Telecommunication India Limited	712	179
3. Reimbursement of energy expenses		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)\$	-	8,229
Indus Towers Limited (w.e.f. November 19, 2020)\$ (formerly known as Bharti Infratel Limited)	12,228	-
4. Dividend received		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)\$	-	4,200
Associates		
Robi Axiata Limited	383	-
5. Receiving / (termination) of assets (ROU)#*		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)\$	-	449
Indus Towers Limited (w.e.f. November 19, 2020)\$^ (formerly known as Bharti Infratel Limited)	3,614	-
Other related parties		
Bharti Realty Limited	384	-
6. Investments made		
Associate		
Airtel Payments Bank Limited	-	2,403
Robi Axiata Limited	-	907

#Amount does not include GST

\$Refer note 4(j)

*Amount disclosed above is net of termination.

^During the quarter ended June 30, 2021, the Group has made payment of Rs. 9,871 in respect of the lease liabilities.

14. 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:

		Carrying value as of		Fair value as of	
	Level	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021
Financial assets					
Fair value through profit and loss					
Derivatives					
-Forward and option contracts	Level 2	530	926	530	926
-Cross currency swap	Level 3	168	48	168	48
Investments - quoted	Level 1	2,091	40,884	2,091	40,884
Investments - unquoted	Level 2	350	274	350	274
Amortised cost					
Trade receivables		47,707	36,377	47,707	36,377
Cash and cash equivalents		84,917	80,859	84,917	80,859
Other bank balances		42,444	53,802	42,444	53,802
Other financial assets		220,839	214,876	220,839	214,876
		399,046	428,046	399,046	428,046
Financial liabilities					
Fair value through profit and loss					
Derivatives					
-Currency swaps, forward and option contracts	Level 2	493	999	493	999
-Interest rate swaps / others	Level 2	147	157	147	157
-Cross currency swap	Level 3	405	249	405	249
-Embedded derivatives	Level 2	209	236	209	236
Amortised cost					
Borrowings - fixed rate	Level 1	337,399	417,229	358,459	435,206
Borrowings - fixed rate	Level 2	795,825	704,277	839,056	754,776
Borrowings - fixed rate		19,125	20,893	19,125	20,893
Borrowings - floating rate		204,875	155,500	204,875	155,500
Trade payables		304,919	278,721	304,919	278,721
Other financial liabilities		334,443	322,939	334,443	322,939
		1,997,840	1,901,200	2,062,131	1,969,676

The following methods / assumptions were used to estimate the fair values:

- The carrying value of other bank balances, trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- 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.
- 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.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of June 30, 2021 and March 31, 2021:

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

During the three months ended June 30, 2021 and year ended March 31, 2021, 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.

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 three months / year ended	
	June 30, 2021	March 31, 2021
Opening balance	201	-
Issuance: recognised in finance costs / other income ⁽¹⁾	-	-
Increase in fair value (net): recognised in finance costs / other income ⁽²⁾	36	201
Closing balance	237	201

(1) During the year ended March 31, 2021, the Group had 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) These amounts represent the amounts recognised in the financial statements during the period.

15. 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 three months ended June 30, 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 June 30, 2021 and there is no material impact on the financial statements for the three months ended June 30, 2021.

16. Assets and Liabilities held for sale

Assets and liabilities of disposal groups held for sale at June 30, 2021 relate to our telecommunication tower subsidiary in Madagascar (part of Francophone Africa segment) consequent to agreement entered in March 2021, and approximately 1,400 telecommunications tower assets and related liabilities in Tanzania (part of Francophone Africa segment). These disposals did not meet the definition of a discontinued operation per Ind AS 105.

For these disposals, the Group had agreed a selling price with the prospective purchaser which was used as the fair value for the impairment test and the same was classified as Level 3 on the fair value hierarchy. The disposals are expected to result in profits and therefore no impairment was recognized on classification as held for sale.

During the three months ended June 30, 2021, the sale of 162 towers in Rwanda has been completed and thus the related assets and liabilities held for sale have been derecognised.

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The disposal groups were stated at their carrying values and comprised the following assets and liabilities:

	As of	
	June 30, 2021	March 31, 2021
Assets of disposal group classified as held for sale		
Property, plant and equipment	2,269	1,428
Capital work-in-progress	11	2
Right of use assets	891	380
Other intangible assets	-	14
Income tax assets	34	3
Deferred tax assets	153	177
Trade receivables	17	25
Cash and cash equivalents	10	46
Loans and security deposits	5	3
Other current assets	267	166
	3,657	2,244
Liabilities of disposal group classified as held for sale		
Lease liabilities	1,064	549
Provisions	347	101
Deferred tax liabilities	63	65
Trade payables	137	128
Other current liabilities	535	536
	2,146	1,379

The cumulative other comprehensive loss relating to the disposal group classified as held for sale is USD 5 Mn (Rs. 371) and USD 4 Mn (Rs. 321) as of June 30, 2021 and March 31, 2021 respectively.

17. Events after the reporting period

Subsequent to the quarter end, on August 2, 2021, the Company's subsidiary, Telesonic Networks Limited has issued 30,000 listed, unsecured, rated, redeemable, Non-Convertible Debentures ('NCDs'), of face value of Rs. 1 Mn each at a coupon rate of 5.35% per annum payable annually, at par aggregating to Rs. 30,000 on private placement basis which have been guaranteed by the Company. These NCDs will be due for maturity on April 28, 2023.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of the Financial Statements included in the section “Financial Statements” on page 165.

Accounting Ratios

Ratio	Consolidated	
	As at and for the three month period ended June 30, 2021*	As at and for the Fiscal 2021 ⁽¹⁾
Basic and diluted EPS (in ₹)	0.52	(27.65)
Return on net worth (in %)	0.50	(26.57)
Net asset value per Equity Share (in ₹)	149.48	147.90
EBITDA (In ₹ million)	1,31,895	4,61,385

⁽¹⁾ Based on Annual Audited Financial Statements

* Not annualised

The ratios have been computed as below:

Ratios	Computation
Basic and diluted earnings per Equity Share	$\frac{\text{Profit / (Loss) attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding at the end of year/period}}$
Return on net worth (%)	$\frac{\text{Profit / (Loss) for the year/period attributable to owners of the parent}}{\text{Net worth at the end of the year/period}}$ Net worth is the aggregate of total issued and subscribed share capital, share premium, retained earnings, share based payment reserve, debenture redemption reserve, NCI Reserve, general reserve and other components of equity (excluding equity component of FCCB) as per the audited consolidated financial statements of respective years/period
Net asset value per Equity Share	Net asset value per Equity Share is computed by dividing the difference between Total assets and Total liabilities (as presented in the Financial Statements) with the number of issued, subscribed and fully paid-up Equity Shares outstanding as at respective year/period end
EBITDA	Profit from operating activities before depreciation, amortisation, finance cost, share of profit/loss of associate and joint venture, exceptional items and tax as presented in the statement of profit and loss in the Annual Audited Financial Statements and Interim Audited Financial Statements, as the case may be

Capitalisation Statement

The following table sets forth the capitalisation statement of our Company based on (i) the Interim Audited Financial Statements as at and for the three month period ended June 30, 2021, and (ii) as adjusted for the Issue:

(in ₹ million)			
Particulars	As at June 30, 2021	Proceeds from the Issue	As adjusted for the Issue [#]
Share Capital			
Equity Share capital	27,460	1,961	29,421
Other equity	564,574	2,07,912	7,72,486
Equity attributable to shareholders of our Company	592,034	2,09,874	8,01,907
Non-controlling interest	228,909	-	2,28,909
Total equity	820,943	-	1,030,816
Debt			
Long term borrowings (including current maturities of long term borrowings)	1,273,842	-	1,273,842
Short term borrowings	83,382	-	83,382
Total Debt	1,357,224	-	1,357,224
Total debt/ equity ratio	1.65		1.32
Long term debt/equity ratio	1.55		1.24

[#] The figures for the respective financial statements line items under ‘As adjusted for the Issue’ column are derived after considering the proceeds of Rights Equity Shares (assuming full subscription) and it does not consider any other transactions or movements for such financial statements line items after June 30, 2021. The actual numbers post the Issue would depend on the actual position on the deemed date of Allotment.

The ratios have been computed as under:

1. Total Debt / Equity Ratio = Total Debt / Total equity
2. Long-term debt / Equity Ratio = Long-term borrowings/ Total equity
3. Other Equity is as presented in the Interim Audited Financial Statements

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our financial condition and results of operations is intended to convey management's perspective of our operating performance and financial condition as at and for the fiscal year ended March 31, 2020 and 2021 and the three months ended June 30, 2020 and 2021 on a consolidated basis. Unless the context otherwise requires, (i) all financial information provided as at or for fiscal year 2020 has been derived from the comparatives presented in the audited consolidated financial statements as at and for fiscal year 2021; and (iv) all financial information provided as at or for the three months ended June 30, 2020 has been derived from the comparatives presented in the audited interim condensed consolidated financial statements as at and for the three months ended June 30, 2021. The financial information provided in this section is presented on the basis of our continuing operations only and does not discuss our discontinued operations. This disclosure is intended to assist in understanding and interpreting our financial statements included in this Letter of Offer.

The following discussion contains certain forward-looking statements. These statements are based on management's current projections and expectations about future events. Our actual results may differ materially from those anticipated in these forward- looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Letter of Offer. See "Forward-Looking Statements".

Overview

We are the world's second largest provider of telecommunications services, based on total mobile connections on sum of consolidated subsidiaries (*Source: GSMA Intelligence*) with operations in 18 countries across Asia and Africa. Based on TRAI reported revenue, for the three months ended June 30, 2021, we had a revenue market share of approximately 34.9% in India calculated on the basis of AGR (including national long distance) and this ranks us second in overall revenue market share in India. Furthermore, as at June 30, 2021, we served approximately 474 million customers globally.

Our retail portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that provides speeds up to 1 Gbps with convergence across various entertainment, streaming services spanning music and video, digital payments and financial services. For enterprise customers, we offer a wide range of solutions that includes secure connectivity, cloud and data centre services, cyber security, Internet of Things ("IoT") and cloud-based communication. All these services are rendered under a unified brand "Airtel." "Airtel Money" (known as "Airtel Payments Bank" in India) extends our product portfolio to further our financial inclusion agenda and offer convenience of payments and money transfers through mobile phones over secure and stable platforms in India and across all 14 countries in Africa. Globally, we operate a fibre network covering over 365,000 route km ("Rkm") and in India, our national long-distance infrastructure provides a pan-India reach with 332,542 Rkms of optical fiber as at June 30, 2021.

Factors Affecting our Results of Operations and Financial Condition

Our results of operations and financial condition have been affected and will continue to be affected by a number of factors, including the following:

COVID-19

On March 11, 2020, the World Health Organization (“WHO”) declared COVID-19 as a global pandemic. In response, national, regional and local governmental authorities, including in India and other South Asian and African countries where we operate, have taken extraordinary and wide-ranging actions to contain and combat the outbreak and spread of COVID-19. These measures have included border controls and significant restrictions on movement and economic activity, such wide ranging restrictions on travel and public gatherings, including the closing of offices, businesses, schools, retail stores and other public venues, and by instituting curfews or quarantines. These restrictions, as well as the dangers posed by the novel coronavirus, produced a significant reduction in mobility during the first half of 2020 and similar restrictions were imposed again in India during the second wave of the pandemic in April and May 2021. Such restrictions caused disruption in global economic activity across a number of geographies and markets, including global supply chain disruptions and shortages.

Although the impacts of the COVID-19 pandemic on our operations have been isolated and limited, certain of these measures have, and are expected to continue to have, an indirect effect on our business. We continued to provide telecommunications services to allow our customers to remain connected during the COVID-19 pandemic, and the telecommunications industry proved resilient and essential for companies and consumers, as the industry has facilitated valuable activities such as remote working, e-schooling and virtual entertainment. The COVID-19 pandemic resulted in a considerable increase in internet traffic and a correlated increase in mobile services usage as a means of overcoming connectivity challenges while gatherings were prohibited and residents were either required or advised to stay at home. As a result, COVID-19 positively impacted our business, as people worked remotely, leading to an increase in calls, data usage, video-conferencing and other services requested by business customers which has driven our revenue in financial year ended March 31, 2021 and three months ended June 30, 2021.

To the extent that our business was adversely impacted, such impacts were limited and primarily resulted from a decline in handsets sales due to store closures, a decrease in prepaid plans, a decrease in roaming revenue and a decline in advertising revenue. Although the telecommunications industry in India was deemed an essential service and allowed to remain in operation through the lockdown periods, many of our stores and distribution channels were forced to close temporarily and a majority of our markets experienced very sharp reductions in mobility during the first half of 2020 and in April and May, 2021. One key customer grievance was the inability to access their regular retailers to top-up their prepaid mobiles in light of widespread lockdowns. These lockdowns immediately impacted our prepaid mobile business, which suffered a sharp decline, followed by a gradual recovery as the lockdowns and restrictions eased. In our subscription businesses, the revenue erosion in postpaid mobile has been more gradual than in mobile prepaid, but so has the recovery; while our residential cable business has been the most resilient. Finally, revenue from our B2B services has eroded gradually since the onset of the pandemic, as many small and mid-sized businesses struggle to cope with the health and economic crises. However, we were able to capture the increased demand for data via broadband and postpaid mobile connectivity, thus effectively offsetting such revenue losses. This resilience has contributed to a lower-than-expected commercial impact of the COVID-19 pandemic on our business, and we believe that we remain poised to take advantage of continued increased demand in telecommunications services in the near-term.

In addition, flight cancellations and travel restrictions reduced the mobility of our international and regional workforce, resulting in operational disruptions to our planned workforce rotations and delays in our ability to mobilize on sites of newly awarded contracts. Addressing the disruptions caused by COVID-19 has also required our senior management team and staff to devote time and resources to address the impact of the pandemic on our businesses.

Although we currently cannot reasonably estimate the ultimate impact of the COVID-19 pandemic on our business, we believe that an increased need for data connectivity as a result of the COVID-19 pandemic has driven and will continue to drive increased data usage and, consequently, may result in the further growth of the telecommunications industry.

Mobile Subscriber Base and Usage Patterns and Increasing Capital Expenditure Requirements

Our number of mobile subscribers and their usage of our cellular services directly affected our mobile services operating revenues as well as operating expenses, including access charges, network operations costs, employee costs and selling, general and administrative expenses.

According to Omdia, India's mobile subscriber base has increased from 489 million subscribers in 2017 to 646 million subscribers in 2019 and is expected to reach 775 million subscribers by 2023. In addition, the number of mobile internet subscribers has increased from 402 million subscribers in 2017 to 671 million subscribers in 2019 and is expected to reach 896 million subscribers by 2023. Finally, the number of 4G subscribers has increased from 242 million subscribers in 2017 to 605 million subscribers in 2019 and is expected to reach 768 million subscribers by 2023.

In Africa, according to Omdia, the mobile subscriber base has increased from 271 million subscribers in 2017 to 442 million subscribers in 2019 and is expected to reach 791 million subscribers by 2023. In addition, the number of mobile internet subscribers has increased from 423 million subscribers in 2017 to 641 million subscribers in 2019 and is expected to reach 988 million subscribers by 2023. Further, the number of 4G subscribers has increased from 40 million subscribers in 2017 to 123 million subscribers in 2019 and is expected to reach 376 million subscribers by 2023. With respect to our Africa operations, we had 26,104 network sites as at June 30, 2021, an increase of 11.2 % as compared to 23,471 network sites as at June 30, 2020.

As we continue to grow our operations, we may be required to expand our mobile network coverage and capacity to accommodate subscriber base growth and increases in usage, which may require the purchase of additional spectrum and other capital expenditures. Increases in our capital expenditures affect cash flows, interest expense (to the extent they are funded by debt) and depreciation and amortization expense.

Competition

The Indian wireless industry continues to remain competitive. Our primary competitors are operators such as Reliance Jio, Vodafone Idea, BSNL and MTNL. Despite the initial turmoil in the sector post the entry of Reliance Jio in 2016, we continued to hold onto our market share.

We also face substantial competition in operations outside India. Across Africa, we face various levels of competition, including intense competition in a number of larger markets, such as Nigeria. In Sri Lanka, we compete with several larger service providers that have been operating in Sri Lanka for much longer than us, and we expect to face intense competition from these providers in our attempt to expand further. With the merger of the telecom operators Vodafone Idea, the telecommunications industry in India is consolidated and has a limited number of wireless telecommunications service providers. This has led to a substantial percentage of tower companies revenues being attributable to a small number of customers.

Competition may affect our subscriber growth and profitability by causing our subscriber base to decline and cause both a decrease in tariff rates and ARPU as well as an increase in customer churn and selling and promotional expenses. Further, mobile number portability enables subscribers to switch their mobile telecommunication service providers without changing their phone numbers and is available across all 22 service areas. This could lead to greater churn among providers of mobile telecommunications services. Furthermore, churn in mobile networks in India is high especially among pre-paid customers.

There are also an increasing number of players offering various forms of data products. We, along with our competitors, may also be subject to competition from providers of new telecommunication services as a result of technological developments and the convergence of various telecommunication services. For example, Internet-based services, such as Google Voice, Yahoo Voice, WhatsApp and Skype, allow users to make calls, send SMS and offer other advanced features such as the ability to route calls to multiple handsets and access to Internet services.

For more information on the competitive landscape of our various operations, see “*Risk Factors—Risks Relating to Our Business—We face intense competition that may reduce our market share and lower our profits*”, “*Our Business—Competition*” and “*Risk Factors—Risks Relating to Our Business—The telecommunications market is highly regulated and subject to change in laws, regulations or governmental policy*.”

Tariff and Pricing Levels

Over the past few years, there has been an explosion of data and voice usage with increased smartphone shipments and lower pricing due to competition. Telecom products are now bundled into voice and data and focus has shifted to total customer’s ARPU. Now, an average Indian smartphone customer is spending approximately four hours on its smartphone, and devices are moving away from being pure connectivity tools to lifestyle facilitators. Recently, there has been an increasing interest in digital content including OTT apps, movies, music streaming and social media applications.

Our ARPU in the Indian market for the years ended March 31, 2020 and 2021 was Rs. 137 and Rs. 157, respectively. Our ARPU in the Indian market for the three months ended June 30, 2020 and June 30, 2021 was Rs. 157 and Rs. 146, respectively, this decrease was primarily on account of elimination of inbound mobile termination charges. For further details, see “*Changes in Interconnection Usage Charges*”.

We focus on producing attractive product propositions through simple, user-friendly tariff plans with features such as pre-paid plans with electronic top-ups at different denominations across the value chain. Equally, we have been expanding our product suite to offer innovative bundling through third party tie ups for content and financial services such as insurance. We have also launched a loyalty program called Airtel Thanks with a view to retain and upgrade customers.

Each of our potential products or service offerings is vetted through a structured internal process which assesses the potential product’s cost, performance and features, value and time-to-market of the potential product, with the ultimate aim of minimizing operating and capital expenditures and increasing market share. This business model has enabled us to expand our customer base in highly competitive markets, particularly in India, and thereby increase our sales.

Any change in our pricing structure, either as a result of governmental or regulatory tariff policies or in response to competition, could affect our business, results of operations, cash flows and financial condition.

Changes in Interconnection Usage Charges

Under the Interconnection Usage Charges (“IUC”) regulatory regime, a telecom operator was required to pay an interconnection charge to another telecom operator on whose network a subscriber’s voice call was completed. Effective January 1, 2021, the TRAI changed the mobile termination charges for mobile to mobile calls from 6p/ min to zero and moved to the bill and keep regime. Under the earlier regulations, we recorded income generated from mobile termination charges whenever an out-of-network caller called into our network, and we recorded expenses incurred from mobile termination charges whenever an in-network caller called outside of our network. As a result of the reduction of mobile termination charges down to zero, gross revenue has decreased as we no longer generate income from mobile termination charges. Also there is a simultaneous decrease in expenses as we no longer incur expenses towards mobile termination charges. Although there is an impact in both revenue and access charges, we do not have any material impact on our EBITDA or net income.

Expansion of 3G and 4G networks, onset of 5G networks and increasing margins from data usage

We have made significant investments in our network and spectrum for our data services through the increase of 4G sites in the past few years, both in India and Africa.

In India, we launched our 4G network in India in Kolkata on April 10, 2012. Subsequent to the 2014 and 2015 auctions, Bharti had pan-India 3G (with the exception of one circle) and 4G coverage based on a combination of 1800 MHz and 2300 MHz spectrum bands. These strategic initiatives have in part been driven by the rapid growth of data usage by our customer base and our belief in the growing importance of data in the telecommunications industry. As part of our strategy to offer high speed 4G across the country, we have phased out our 3G services in India.

In India, mobile data customers represented 60.1 % of our mobile subscriber base as at June 30, 2021, compared to 53.3 % as at June 30, 2020. We have phased out our 3G services completely, for re-farming of 3G spectrum for 4G to ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, through our state-of-the-art L900 technology and further augment our 4G service to boost our network’s capacity in the 2100 MHz band to complement our services in the 2300 MHz and 1800 MHz bands.

The spectrum utilized earlier for providing 3G services have now been re-farmed and used for providing 4G services which will boost the network’s capacity, ensure wider availability of Airtel 4G and significantly improve coverage inside buildings and outdoors, especially during intracity and intercity transit for 4G smartphone customer. On January 28, 2021, we became India’s first telecom provider to successfully test, demonstrate and orchestrate a live 5G service over a commercial network. Using a spectrum sharing, we were able to operate 5G and 4G concurrently within the same spectrum block. This has demonstrated the future readiness of our network across the radio, core and transport domains.

In Africa, we have launched 4G services across all 14 countries. With the additional spectrum, we aim to launch high speed 4G networks in various Circles using Frequency-Division Long-Term Evolution (“**FD-LTE**”) technology in the 1,800 MHz band in addition to our existing Time-Division Long-Term Evolution (“**TD-LTE**”) services, thereby gaining 4G capabilities. We also plan to augment our data service offerings through the use of 900 MHz band in select circles.

Our ability to secure additional spectrum and 3G, 4G and 5G licenses, fund necessary capital expenditures for network expansion, increase the percentage of non-voice revenue as a percentage of our total revenue and increase operating margins on 3G, 4G and future 5G data services will continue to have a significant effect on business, prospects, financial condition and results of operations going forward.

Supreme Court litigation in relation to the payment of license and spectrum usage claims

Our Company and subsidiary, Bharti Hexacom, had challenged the Government's introduction of a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license. The dispute has arisen around the constituent of revenue – namely, gross revenue and adjusted gross revenue.

The Supreme Court, by its judgment dated October 24, 2019, among other things, allowed the appeal filed by Union of India and dismissed the appeal filed by the TSPs. The Supreme Court also directed that payments of amounts due be made within three months' time. In accordance with the DoT's direction to the telecom service providers to pay the dues on the basis of self-assessment, our Company and Bharti Hexacom have paid a total amount of Rs. 177,490 million (comprising of Rs. 127,490 million basis self-assessment and an additional amount of Rs. 50,000 million as an ad-hoc payment to cover the differences, if any, after reconciliation/re- verification) and have filed an affidavit of compliance before the Supreme Court recording the details of the payments made. Thereafter, pursuant to the order dated July 20, 2020, the Supreme Court upheld the demands raised by the DoT in its modification application. In addition, on September 1, 2020, the Supreme Court, among other things, directed telecom operators to pay 10% of the total dues as demanded by the DoT by March 31, 2021, and pay the remainder of the dues in yearly instalments commencing from April 1, 2021 to March 31, 2031. We filed a modification application before the Supreme Court, among other things, highlighting arithmetical, clerical and computational errors in the DoT demand. On July 23, 2021, the Supreme Court announced its judgment, whereby the applications filed by the TSPs for correction of errors were dismissed. As per the above orders, the Supreme Court has affirmed that there is no scope for any recalculation/re-computation of AGR dues. The Company and Bharti Hexacom have filed a review petition against the order/judgment dated July 23, 2021 before the Supreme Court. The review petition is pending adjudication.

We have made provisions of Rs. 368,322 million for the periods up to 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. During the three months ended June 30, 2020 we further recorded an incremental provision of Rs. 107,444 million (including net interest on total provisions) in relation to this matter, and since then have continued to make additional provisions for our adjusted gross revenue-related obligations.

As such, future developments relating to the Supreme Court's adjusted gross revenue ruling are expected to have significant financial implications on us. For further details, see "*Outstanding Litigation and Defaults*". See also note 4 to our Interim Condensed Financial Statements for the three months ended June 30, 2021, included elsewhere in this Letter of Offer.

Exchange Rates

We conduct most of our operations in India and the functional currency of our financial statements is Indian rupees. We also conduct business in South Asia and 14 countries in Africa, where transactions are generally denominated in the respective entity's functional currency.

The financial condition, cash flows and results of operations of each of our Subsidiaries operating in a jurisdiction outside of India is reported in the relevant functional currency and then translated to the rupee at the applicable currency exchange rates for inclusion in our financial statements. Exchange rates between some of these currencies and the rupee in recent years have fluctuated significantly and may do so in the

future, thereby impacting our results of operations and cash flows in Rupee terms. In the fiscal year ended March 31, 2021 and in the three months ended June 30, 2021, 29.1% and 30.8%, respectively, of our consolidated revenue came from entities located outside India, mainly in Africa and South Asia. Significant changes in the value of certain currencies relative to the U.S. dollar and other currencies could also have an adverse effect on our financial condition, cash flows and results of operations and our ability to meet interest and principal payments on foreign-currency denominated debt, including borrowings under our existing debt. In addition, we incur currency transaction risk whenever we enter into either a purchase or a sales transaction using a different currency from the currency in which we receive revenues. Accordingly, volatility in currency exchange rates may have a significant effect on our financial condition, cash flows or results of operations. See “Risk Factors—Risks Relating to Our Business—We have incurred significant indebtedness, and we must service this debt and comply with our covenants to avoid defaulting on our borrowings and refinancing risk. Further, we are subject to risks arising from interest rate fluctuations, currency fluctuation and regulatory changes.”

Fluctuations in exchange rates have also materially impacted our other comprehensive income over the past two years, with exchange differences on translation of foreign operations accounting for a loss of Rs. 16,499 million in the fiscal year ended March 31, 2021 and a gain of Rs. 4,814 million in the fiscal year ended March 31, 2020.

The Indus Merger – Discontinued Operations

On April 25, 2018, Bharti Infratel and Indus Towers announced their intention to merge and create a pan-India tower company operating across all 22 telecom service areas (the “**Indus Merger**”). The Indus Merger received approval from the Competition Commission of India, Securities and Exchange Board of India and the NCLT. The Department of Telecommunications’ approval for foreign direct investment was received on February 21, 2020. On August 31, 2020, Bharti Infratel’s Board of Directors provided its authorization to proceed with the Indus Merger. The certified copy of the NCLT order approving the Indus Merger was allowed for filing with the Registrar of Companies on October 22, 2020. Subsequent to the filing of the NCLT orders by the respective companies, the merger of Bharti Infratel and Indus Towers was completed effective on November 19, 2020. The merged entity, which fully owns the combined businesses of Bharti Infratel and Indus Towers, has changed its name to Indus Towers and will continue to be listed on the NSE and BSE stock exchanges.

Following the Indus Merger, our 53.5% shareholding in Bharti Infratel was reduced to 36.7% in the merged Indus Towers entity. Therefore, starting from the effective date of the Indus Merger, November 19, 2020, we no longer held a controlling stake in Bharti Infratel. Accordingly, Bharti Infratel has been deconsolidated from our financial statements and will no longer be consolidated on a line-by-line basis in our financial statements. For periods after November 19, 2020, we began accounting for our equity interests in the post-merger, combined Indus Towers under the equity method of accounting. For periods prior to November 19, 2020, we have reflected our equity interests in Bharti Infratel as a discontinued operation. Moreover, our “Tower Infrastructure Services” business segment has henceforth been eliminated and presented separately as a “Discontinued Operations: Tower Infrastructure Services” category in our business segments presentation.

On December 2, 2020 and December 28, 2020, we acquired an additional stake of 4.935180% and 0.064816%, respectively, in the merged Indus Towers entity, increasing our equity stake from 36.7% to 41.7%, as it currently stands on the date of this Letter of Offer.

Consolidated Statement of Profit and Loss

The table below sets forth our consolidated statements of profit and loss.

	Fiscal year ended March 31,		Three months ended June 30,	
	2020	2021	2020	2021
	(Rs. in millions)			
Income				
Revenue from operations	846,765	1,006,158	232,903	268,536
Other income	15,357	6,428	4,066	2,098
Total	862,122	1,012,586	236,969	270,634
Expenses				
Network operating expenses	196,305	219,819	50,963	57,973
Access charges	107,395	103,521	28,011	16,166
License fee / spectrum charges	73,826	91,084	20,766	26,455
Employee benefits expense	35,137	41,146	10,726	10,345
Sales and marketing expenses	34,236	38,009	7,278	10,613
Other expenses	57,332	58,862	15,989	17,181
Total	504,231	552,441	133,733	138,733
Profit before depreciation, amortisation, finance costs, share of profit of associates and joint ventures, exceptional items and tax	357,891	460,145	103,236	131,901
Depreciation and amortization	270,944	294,044	71,131	77,137
Finance costs	140,732	150,910	34,671	42,257
Share of (loss) / profit of associates and Joint Venture	6,627	928	1,070	(4,947)
(Loss) / Profit before exceptional items and tax	(60,412)	14,263	(3,636)	17,454
Exceptional items (net)	400,892	159,145	117,457	(305)
(Loss) / Profit before tax from continuing operations	(461,304)	(144,882)	(121,093)	17,759
Tax (credit) / expense:				
Current tax	17,932	20,584	3,583	7,274
Deferred tax	(143,056)	68,741	33,439	1,071
(Loss) / Profit for the period from continuing operations	(336,180)	(234,207)	(158,115)	9,414
Profit from discontinued operations before tax	32,839	113,698	7,356	-
Tax expense of discontinued operations	3,301	3,131	1,153	-

Profit for the period from discontinued operations	29,538	110,567	6,203	-
(Loss) / Profit for the period	(306,642)	(123,640)	(151,912)	9,414
Other comprehensive income ('OCI')				
Items to be reclassified to profit or loss:				
Net gain / (losses) due to foreign currency translation differences	4,814	(16,499)	(863)	4,620
Net gain / (losses) on net investment hedge	(10,856)	367	(212)	(2,536)
Net loss on fair value through OCI investments	(108)	(124)	(189)	-
Net (losses) / net gains on cash flow hedge	(109)	-	-	-
Tax credit/ (charge) on above	2,883	(96)	(12)	548
Items not to be reclassified to profit or loss:				
Re-measurement loss on defined benefit plans	(76)	(77)	(17)	(126)
Tax (charge)/ credit on above	(41)	42	(6)	14
Share of other comprehensive income / (loss) of associates and joint ventures	15	(107)	(73)	1
Other comprehensive (loss) / income for the period	(3,478)	(16,494)	(1,372)	2,521
Total comprehensive (loss) / profit for the period	(310,120)	(140,134)	(153,284)	11,935

Our results of operations by segment

The following tables set forth our total revenues and EBITDA by product segment for the three months ended June 30, 2020 and 2021 and the fiscal years ended March 31, 2020 and 2021.

	Total Revenue		EBITDA ⁽¹⁾	
	Three months ended June 30,			
	(Rs. in millions)			
	2020	2021	2020	2021
Mobile Services India	128,772	143,056	52,228	70,335
Mobile Services Africa	64,513	81,773	28,425	39,273
Mobile Services South Asia	1,088	952	98	(111)

Airtel Business	35,019	37,893	12,711	14,685
Homes Services	5,785	6,531	3,514	3,230
Digital TV Services	7,448	8,094	5,041	5,421
Others	4	85	(106)	(184)
Total segment revenue/EBITDA	242,629	278,384	101,911	132,649
Less: Inter Segment eliminations	(9,726)	(9,848)	(728)	(754)
Total segment revenue/EBITDA of continuing operations	232,903	268,536	101,183	131,385
Discontinued operation: Tower Infrastructure Services	6,484	-	5,209	-
Total revenue/EBITDA	239,387	268,536	106,392	131,385

Notes:

- (1) EBITDA unless otherwise specified, is defined as earnings / (loss) before interest, taxation, depreciation and amortization. It is not an IND-AS measure and is defined as profit from operating activities before depreciation, amortization, exceptional items, taxation and interest.

	Total Revenue		EBITDA ⁽¹⁾	
	Fiscal year ended March 31,			
	(Rs. in millions)			
	2020	2021	2020	2021
Mobile Services India	459,663	555,677	169,542	242,642
Mobile Services Africa	242,173	288,633	107,261	132,979
Mobile Services South Asia	4,552	4,246	430	131
Airtel Business	132,331	144,075	42,663	54,973
Homes Services	22,451	23,342	11,307	13,434
Digital TV Services	29,239	30,562	19,959	20,788
Others	50	123	(1,652)	(624)
Total segment revenue/EBITDA	890,459	1,046,658	349,510	464,323
Less: Eliminations/Adjustments	(43,694)	(40,500)	(1,809)	2,938
Total segment revenue/EBITDA of continuing operations	846,765	1,006,158	347,701	461,385
Discontinued operation: Tower Infrastructure Services	28,625	17,563	23,355	13,440
Total revenue/EBITDA	875,390	1,023,721	371,056	474,825

Notes:

- (1) EBITDA unless otherwise specified, is defined as earnings / (loss) before interest, taxation, depreciation and amortization. It is not an IND-AS measure and is defined as profit from operating activities before depreciation, amortization, exceptional items, taxation and interest.

Description of Principal Income Statement Items

Revenue from operations comprises revenue from the rendering of various services and the sale of goods to customers and is shown net of inter-segmental transactions, discounts, process waiver, and applicable taxes.

Other income, comprise of miscellaneous income, lease rentals, interest income on fixed and time deposits, gains on derivative financial instruments.

Network operating expenses primarily comprises costs relating to access charges, including interconnection traffic for calls originating but not terminating on our network and roaming costs relating to services provided by other network operators to our customers in areas where we do not provide service; network operation costs, including site lease, rental, fuel and security costs; employee costs; and selling, general and administrative expenses, which include customer acquisition costs, advertising and promotional costs and IT and customer care costs.

Other expenses majorly comprise of cost of goods sold, content cost, legal and professional charges, IT expense and other miscellaneous expenses.

Depreciation and amortization comprise depreciation of property, plant and equipment and the amortization of intangible assets. Depreciation is charged to the consolidated income statement on a straight-line basis over the useful lives of items of property and equipment. Amortization of intangible assets mainly includes the amortization of intangible assets such as license fees (including spectrum) and software on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use.

Finance costs primarily comprises interest and other costs incurred in connection with the borrowing of funds, and losses on derivative financial instruments and hedges and foreign exchange losses/gains on reinstatements of foreign currency denominated assets and liabilities.

Share of results of joint ventures and associates comprises the results of the associates and joint ventures incorporated in our consolidated financials using the equity method of accounting.

Exceptional items comprises items of income or expense within the consolidated statement of income from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain our performance.

Tax expense / (credit) includes tax payable on current period profit and income tax deferred on account of timing differences.

Net losses due to foreign currency translation differences comprises, adjustments resulting from the translation of the assets and liabilities of foreign operations into the reporting currency at the rate of exchange prevailing at the reporting date and translation of statement of comprehensive income at average exchange rates prevailing during the period.

Three months ended June 30, 2021 compared to three months ended June 30, 2020

Revenue from operations

Our revenue from operations increased by Rs. 35,633 million, or 15.3%, to Rs. 268,536 million in the three months ended June 30, 2021 from Rs. 232,903 million in the three months ended June 30, 2020. This increase was primarily due to an increase in consolidated subscribers by 13.0% to 474 million as at the end of the three months ended June 30, 2021 from 420 million as at the end of the three months ended June 30, 2020. The consolidated network usage grew by 21.8% to 1,099.2 billion minutes in the three months ended June 30,

2021 from 902.7 billion minutes in the three months ended June 30, 2020 and an increase in consolidated mobile data traffic by 48.7 % to 11,208 billion MBs in the three months ended June 30, 2021 from 7,536 billion MBs in the three months ended June 30, 2020.

B2C services:

- *Mobile Services – India:* Our mobile services operations in India contributed total revenue of Rs. 143,056 million in the three months ended June 30, 2021, an increase of 11.1% from Rs. 128,772 million for the three months ended June 30, 2020. This increase was primarily due to an increase in subscriber base to 321 million as at the end of June 30, 2021 from 280 million at the end of June 30, 2020 and growth in monthly mobile data usage per customer by 13.7% to 18.5 GBs in the three months ended June 30, 2021 from 16.3 GBs in the three months ended June 30, 2020. Further, our 4G data customers also increased by 33.4% to 184 million as at the end of June 30, 2021 from 138 million as at the end of June 30, 2020. This led to an increase in mobile data traffic by 48.8% to 10,771 billion MBs in the three months ended June 30, 2021 from 7,240 billion MBs in the three months ended June 30, 2020 and increase in volume of voice minutes by 22.2%.
- *Mobile Services – Africa:* Our mobile services operations in Africa contributed total revenue of Rs. 81,773 million in the three months ended June 30, 2021, an increase of 26.8% from Rs. 64,513 million for the three months ended June 30, 2020. This increase was primarily due to an increase in customer base by 8.4% to 120.8 million in the three months ended June 30, 2021 from 111.5 million in the three months ended June 30, 2020, an increase in network usage by 23.8 % to 89.0 billion minutes in the three months ended June 30, 2021 from 71.9 billion minutes in the three months ended June 30, 2020 and an increase in monthly mobile data usage per customer by 26.7% to 3,302 MBs in the three months ended June 30, 2021 from 2,607 MBs in the three months ended June 30, 2020.
- *Mobile Services – South Asia:* Our mobile services operations in South Asia contributed total revenue of Rs. 952 million in the three months ended June 30, 2021, a decrease of 12.5% from Rs. 1,088 million for the three months ended June 30, 2020. This resulted primarily from a decrease in customer base of 1.5%.
- *Home Services:* Our home services segment contributed total revenue of Rs. 6,531 million in the three months ended June 30, 2021, an increase of 12.9% from Rs. 5,785 million for the three months ended June 30, 2020. This increase was primarily due to increase of 36.9% in customer base to 3.4 million as on June 30, 2021 from 2.4 million as on June 30, 2020, which was partially offset by a decrease of 15.1% in ARPU to Rs. 681 per customer per month for the three months ended June 30, 2021 from Rs. 802 per customer per month for the three months ended June 30, 2020.
- *Digital TV Services:* Our digital TV services segment contributed total revenue of Rs. 8,094 million in the three months ended June 30, 2021, an increase of 8.7% from Rs. 7,448 million for the three months ended June 30, 2020 due to the growth in the customer base by 6.9%.

B2B services:

- *Airtel Business:* Our Airtel Business segment contributed total revenue of Rs. 37,893 million in the three months ended June 30, 2021, an increase of 8.2% from Rs. 35,019 million for the three months ended June 30, 2020. This increase was primarily due to an increase in global business and data revenue.

Network operating expenses

Our network operating expenses increased by Rs. 7,010 million, or 13.8%, to Rs. 57,973 million in the three months ended June 30, 2021 from Rs. 50,963 million in the three months ended June 30, 2020. This increase was primarily due to deployment of new sites resulting from the increase in investments incurred to strengthen our network to cater for the growing customer base.

EBITDA

Our EBITDA increased by Rs. 30,712 million, or 30.4%, to Rs. 131,895 million in the three months ended June 30, 2021 from Rs. 101,183 million in the three months ended June 30, 2020, while our EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 49.1% in the three months ended June 30, 2021 from 43.4% in the three months ended June 30, 2020. This increase was primarily due to the factors set forth below:

B2C services:

- *Mobile Services – India:* EBITDA related to our mobile services operations in India increased by Rs. 18,107 million, or 34.7%, to Rs. 70,335 million in the three months ended June 30, 2021 from Rs. 52,228 million in the three months ended June 30, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 49.2% in the three months ended June 30, 2021 from 40.6% in the three months ended June 30, 2020 primarily due to an increase in revenue led by an increase in customer base. This led to increased volumes of voice and data traffic driving greater network utilization. We were also disciplined in spending, including in customer service expense, marketing and advertising spend which was partially offset by an increase in customer churn to 2.8% from 2.2% increasing our customer acquisition cost.
- *Mobile Services – Africa:* EBITDA related to our mobile services operation in Africa increased by Rs. 10,848 million, or 38.2%, to Rs. 39,273 million in the three months ended June 30, 2021 from Rs. 28,425 million in the three months ended June 30, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 48.0% in the three months ended June 30, 2021 from 44.1% in the three months ended June 30, 2020 primarily due to an increase in revenue led by an increase in customer base by 8.4% to 120.8 million which in turn propelled higher voice minutes and greater data traffic resulting in an increase in network usage. Network and other operating cost had increased due to increased volume but not in the same proportion as revenue growth. In addition, we had seen savings in IT and customer service expense due to controlled spending.
- *Mobile Services - South Asia:* EBITDA related to our mobile services operations in Sri Lanka decreased by Rs. 209 million, or 213.3%, to Rs. (111) million in the three months ended June 30, 2021 from Rs. 98 million in the three months ended June 30, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased to (11.7)% in the three months ended June 30, 2021 from 9.0% in the three months ended June 30, 2020 primarily due to a reduction in revenue flow due to a reduction in customer base and higher network expenses.
- *Home Services:* EBITDA related to our home services segment decreased by Rs. 284 million, or 8.1%, to Rs. 3,230 million in the three months ended June 30, 2021 from Rs. 3,514 million in the three months ended June 30, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased to 49.5% in the three months ended June 30, 2021 from 60.7% in the three months ended June 30, 2020 primarily on account of increase in regulatory charges led by amendment issued by DoT for imposition of license fees on pure internet service and increase in

network expense on account of expansion. These increase in expenses were partly offset by an increase in revenue due to significant growth in customer base by 0.9 million.

- *Digital TV Services:* EBITDA related to our digital TV services segment increased by Rs. 380 million, or 7.5%, to Rs. 5,421 million in the three months ended June 30, 2021 from Rs. 5,041 million in the three months ended June 30, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased to 67.0% in the three months ended June 30, 2021 from 67.7% in the three months ended June 30, 2020, primarily on account of an increase in revenue due to the growth in the subscriber base, partly offset by higher network operating expenses and greater selling and distribution expenses.

B2B services:

- *Airtel Business:* EBITDA related to our Airtel Business segment increased by Rs. 1,974 million, or 15.5%, to Rs. 14,685 million in the three months ended June 30, 2021 from Rs. 12,711 million in the three months ended June 30, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 38.8% in the three months ended June 30, 2021 from 36.3% in the three months ended June 30, 2020 primarily on account of an increase in revenue, particularly data revenue, together with an improvement in operational productivity from lower network costs and improved realization from customers.

Depreciation and amortization

Our depreciation and amortization increased by 8.4% to Rs. 77,137 million in the three months ended June 30, 2021 from Rs. 71,131 million in the three months ended June 30, 2020. This increase was primarily due to the impact of sustained capital expenditure spending aimed at enhancing our 4G capacities, and amortization on new spectrum acquired in April 2021.

Finance costs

Our finance cost increased by 21.9% to Rs. 42,257 million in the three months ended June 30, 2021 from Rs. 34,671 million in the three months ended June 30, 2020. This increase was primarily due to an increase in interest expense led by higher regulatory borrowings and lower investment income due to utilization of surplus funds to repay external debt.

Share of results of joint ventures and associates

We had a profit from share of results of joint ventures and associates of Rs. 4,947 million in the three months ended June 30, 2021 compared to a loss from share of results of joint ventures and associates of Rs. 1,070 million in the three months ended June 30, 2020. This was primarily on account of profits recognized from Indus Towers Limited subsequent to the merger becoming effective. In the comparative period of the previous year, our tower business (conducted through our erstwhile entity Bharti Infratel Limited) had been classified as a discontinued operations.

Exceptional items, net

We recorded net exceptional income of Rs. 305 million in the three months ended June 30, 2021 due to gain on sale of telecommunication tower by our subsidiary in Africa as compared to a net exceptional cost of Rs. 117,457 million in the three months ended June 30, 2020 primarily due to charge on account of incremental provision and interest on licence fee and Spectrum Usage Charge (SUC) of Rs 107,444 million.

Tax expense / (credit)

We experienced a net income tax expense of Rs. 8,345 million in the three months ended June 30, 2021, a Rs. 28,677 million, or 77.5%, variation as compared net income tax expense of Rs. 37,022 million in the three months ended June 30, 2020. The variation is mainly attributable to one-time charge in deferred taxes in the three months ended June 30, 2020 due to changes in taxation laws i.e. adoption of lower income tax rate and of amnesty scheme by our Company.

Net gains/ losses due to foreign currency translation differences

We recorded a gain from exchange differences on translation of foreign operations of Rs. 4,620 million in the three months ended June 30, 2021, a Rs. 5,483 million variation compared to a loss of Rs. 863 million in the three months ended June 30, 2020. This gain was primarily due to an appreciation of the U.S. dollar against the Indian Rupee during the period. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see note 2 of the Financial Statements for the year ended March 31, 2021 included elsewhere in this Letter of Offer.

Fiscal year ended March 31, 2021 compared to fiscal year ended March 31, 2020**Revenue from operations**

Our revenue from operations increased by Rs. 159,393 million, or 18.8%, to Rs. 1,006,158 million in the fiscal year ended March 31, 2021 from Rs. 846,765 million in the fiscal year ended March 31, 2020. This increase was primarily due to an increase in network usage by 19.0% to 3,963 billion minutes in the fiscal year ended March 31, 2021 from 3,332 billion minutes in the fiscal year ended March 31, 2020, an increase in customer base by 11.4% to 471 million customers in the fiscal year ended March 31, 2021 from 423 million customers in the fiscal year ended March 31, 2020.

B2C services:

- *Mobile Services – India:* Our mobile services operations in India contributed total revenue of Rs. 555,677 million in the fiscal year ended March 31, 2021, an increase of 20.9% from Rs. 459,663 million for the fiscal year ended March 31, 2020. This increase was primarily due to an increase in mobile data usage per customer by 22.9% to 16.3 GBs in the fiscal year ended March 31, 2021 from 13.3 GBs in the fiscal year ended March 31, 2020, an increase in customer base by 13.3% to 321 million customers in the fiscal year ended March 31, 2021 from 284 million customers in the fiscal year ended March 31, 2020, and an increase in mobile data traffic by 54.8% to 32,541 billion MBs in the fiscal year ended March 31, 2021 from 21,020 billion MBs in the fiscal year ended March 31, 2020 as 4G data customers increased to 179 million as at March 31, 2021 from 136 million as at the end of March 31, 2020.
- *Mobile Services – Africa:* Our mobile services operations in Africa contributed total revenue of Rs. 288,633 million in the fiscal year ended March 31, 2021, an increase of 19.2% from Rs. 242,173 million for the fiscal year ended March 31, 2020. This increase was primarily due to an increase in customer base by 6.9% to 118 million in the fiscal year ended March 31, 2021 from 111 million in the fiscal year ended March 31, 2020, an increase in network usage by 29.1% to 323 billion minutes in the fiscal year ended March 31, 2021 from 250 billion minutes in the fiscal year ended March 31, 2020 and an increase in mobile data usage per customer by 74.8% to 1,242 billion MBs in the fiscal year ended March 31, 2021 from 711 billion MBs in the fiscal year ended March 31, 2020.
- *Mobile Services – South Asia:* Our mobile services operations in South Asia contributed total revenue of Rs. 4,246 million in the fiscal year ended March 31, 2021, a decrease of 6.7% from Rs. 4,552

million for the fiscal year ended March 31, 2020. This resulted primarily from a decrease in customer base of 2.2%.

- *Home Services:* Our home services segment contributed total revenue of Rs. 23,342 million in the fiscal year ended March 31, 2021, an increase of 4.0% from Rs. 22,451 million for the fiscal year ended March 31, 2020. This increase was primarily due to increase in customer base of 27.0%.
- *Digital TV Services:* Our digital TV services segment contributed total revenue of Rs. 30,562 million in the fiscal year ended March 31, 2021, an increase of 4.5% from Rs. 29,239 million for the fiscal year ended March 31, 2020 due to an increase in subscriber base of 6.6%.

B2B services:

- *Airtel Business:* Our Airtel Business segment contributed total revenue of Rs. 144,075 million in the fiscal year ended March 31, 2021, an increase of 8.9% from Rs. 132,331 million for the fiscal year ended March 31, 2020. This increase was primarily due to increase in data revenue from our customers.

Network operating expenses

Our network operating expenses increased by Rs. 23,514 million, or 12.0%, to Rs. 219,819 million in the fiscal year ended March 31, 2021 from Rs. 196,305 million in the fiscal year ended March 31, 2020. This increase is in line with the growth in the customer base and increased demand for data services. Voice minutes for the fiscal year ending March 31, 2021 also increased by 19.0% and data traffic increased by 55.4%.

EBITDA

Our EBITDA increased by Rs. 113,684 million, or 32.7%, to Rs. 461,385 million in the fiscal year ended March 31, 2021 from Rs. 347,701 million in the fiscal year ended March 31, 2020, while our EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 45.9% in the fiscal year ended March 31, 2021 from 41.1% in the fiscal year ended March 31, 2020. This increase was primarily due to the factors set forth below:

B2C services:

- *Mobile Services – India:* EBITDA related to our mobile services operations in India increased by Rs. 73,100 million, or 43.1%, to Rs. 242,642 million in the fiscal year ended March 31, 2021 from Rs. 169,542 million in the fiscal year ended March 31, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 43.7% in the fiscal year ended March 31, 2021 from 36.9% in the fiscal year ended March 31, 2020. The increase was primarily on account of an increase in revenue due to a growth in the customer base by 13.3% and an increase in data consumption per customer by 22.9%. Our operational productivity also improved and that had a positive impact on our EBITDA margin by controlling customer service expenses and improved payment realisation from customers.
- *Mobile Services – Africa:* EBITDA related to our mobile services operation in Africa increased by Rs. 25,718 million, or 24.0%, to Rs. 132,979 million in the fiscal year ended March 31, 2021 from Rs. 107,261 million in the fiscal year ended March 31, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 46.1% in the fiscal year ended March 31, 2021 from 44.3% in the fiscal year ended March 31, 2020. This increase is primarily due to an increase in customer base by 6.9% and enhanced operational productivity and efficiency, especially in respect of network cost and marketing and advertisement expenses.

- *Mobile Services - South Asia:* EBITDA related to our mobile services operations in Sri Lanka decreased by Rs. 299 million, or 69.5%, to Rs. 131 million in the fiscal year ended March 31, 2021 from Rs. 430 million in the fiscal year ended March 31, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased to 3.1% in the fiscal year ended March 31, 2021 from 9.4% in the fiscal year ended March 31, 2020 due to a decrease in revenue on account of reduction in customer base by 2.2%.
- *Home Services:* EBITDA related to our home services segment increased by Rs. 2,127 million, or 18.8%, to Rs. 13,434 million in the fiscal year ended March 31, 2021 from Rs. 11,307 million in the fiscal year ended March 31, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 57.6% in the fiscal year ended March 31, 2021 from 50.4% in the fiscal year ended March 31, 2020. The increase is primarily due to an increase in revenue on account of an increase in customer base of 27.0% and lower network operating costs.
- *Digital TV Services:* EBITDA related to our digital TV services segment increased by Rs. 829 million, or 4.2%, to Rs. 20,788 million in the fiscal year ended March 31, 2021 from Rs. 19,959 million in the fiscal year ended March 31, 2019, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) decreased to 68.0% in the fiscal year ended March 31, 2021 from 68.3% in the fiscal year ended March 31, 2020. The increase in EBITDA was due to an increase in revenue and optimization of operating expenses and controlled spending on consumer service expense and marketing and advertisement expenses.

B2B services:

- *Airtel Business:* EBITDA related to our Airtel Business segment increased by Rs. 12,310 million, or 28.9%, to Rs. 54,973 million in the fiscal year ended March 31, 2021 from Rs. 42,663 million in the fiscal year ended March 31, 2020, while EBITDA Margin (i.e. EBITDA for the period divided by total revenue for that period) increased to 38.2% in the fiscal year ended March 31, 2021 from 32.2% in the fiscal year ended March 31, 2020. The increase was primarily on account of an increase in revenue and reduction in operating expenses due to lower provision for doubtful debt as there was greater realization from customers and lower network operating expense.

Depreciation and amortization

Our depreciation and amortization increased by 8.5% to Rs. 294,044 million in the fiscal year ended March 31, 2021 from Rs. 270,944 million in the fiscal year ended March 31, 2020. This increase was primarily due to the impact of sustained capital expenditure spending aimed at enhancing our 4G capacities.

Depreciation and amortization expenses associated with our operations in Africa increased by 18.2% to Rs. 50,561 million in the fiscal year ended March 31, 2021 from Rs. 42,786 million in the fiscal year ended March 31, 2020. This increase was primarily due to the impact of capital expenditure additions during the period.

Depreciation and amortization expenses associated with our operations in South Asia decreased by 2.2% to Rs. 1,452 million in the fiscal year ended March 31, 2021 from Rs. 1,485 million in the fiscal year ended March 31, 2020.

Depreciation and amortization expenses associated with our operations in India increased by 6.8% to Rs. 242,031 million in the fiscal year ended March 31, 2021 from Rs. 226,673 million in the fiscal year ended March 31, 2020. This increase was primarily due to the impact of continued capex investment.

Finance costs

Our finance cost increased by 7.2% to Rs. 150,910 million in the fiscal year ended March 31, 2021 from Rs. 140,732 million in the fiscal year ended March 31, 2020. This increase was primarily due an increase in interest expense on account of higher regulatory borrowings.

Share of results of joint ventures and associates

Our loss from share of results of joint ventures and associates decreased by Rs. 5,699 million, or 86.0%, to Rs. 928 million in the fiscal year ended March 31, 2021 from Rs. 6,627 million in the fiscal year ended March 31, 2020. This decrease was primarily due to profits recognized from Indus Towers Limited subsequent to the merger becoming effective w.e.f. November 19, 2020.

Exceptional items

We recorded net exceptional costs of Rs. 159,145 million in the fiscal year ended March 31, 2021 relating primarily due to creation of charge on account of incremental provision and interest on license fees and SUC of Rs. 107,444 million and charge on account of reassessment of contractual/ regulatory levies and taxes of Rs. 32,513 million, a Rs. 241,747 million, or 60.3%, decrease as compared to net exceptional costs of Rs. 400,892 in the fiscal year ended March 31, 2020 relating primarily due to creation of charge on account of licence fee and SUC of Rs. 303,687 million, charge on account of reassessment of regulatory cost and provision on account of rates of Rs. 56,420 million.

Tax expense / (credit)

We experienced a net income tax expense of Rs. 89,325 million in the fiscal year ended March 31, 2021, as compared to a net income tax credit of Rs. 125,124 million in the fiscal year ended March 31, 2020. The variation was mainly attributable to a profit in fiscal year ended March 31, 2021 as compared to a loss in fiscal year ended March 31, 2020. In addition, there were certain deferred tax reversals based on revised projections.

Net losses/ gains due to foreign currency translation differences

We recorded a loss from exchange differences on translation of foreign operations of Rs. 16,499 million in the fiscal year ended March 31, 2021 as compared to a gain from exchange differences on translation of foreign operations of Rs. 4,814 million in the fiscal year ended March 31, 2020. The loss in fiscal year ended March 31, 2021 was primarily due to depreciation of the U.S. dollar against the Indian Rupee during the period on positive U.S. dollar- denominated net assets. For more information on our accounting policies with respect to translation of foreign operations' financial statements, see note 2 of the Financial Statements for the year ended March 31, 2021 included elsewhere in this Letter of Offer.

Liquidity and Capital Resources

We believe that liquidity is our most important financial risk to manage, particularly in light of the capital intensive nature of our operations. Our principal source of funding has been, and is expected to continue to be, cash generated from operations, supported by funding from bank borrowings and the capital markets. In the fiscal years ended March 31, 2020 and 2021 and the three months ended June 30, 2021, we met our funding requirements, including capital expenditures, satisfaction of debt obligations, investments, taxes, other working capital requirements, dividends and other cash outlays, principally with funds generated from operations, equity issuances and proceeds from bond issuances in the capital markets as well as credit facility agreements with bank lenders.

We focus on ensuring that we have sufficient committed loan facilities to meet short-term business requirements, after taking into account cash flows from operations and our holding of cash and cash

equivalents, as well as any existing restrictions on distributions. Our management believes that our committed loan facilities and cash generation will be sufficient to cover our likely short-term cash requirements.

We have an extensive capital expenditure program related to all aspects of our business, which we expect to fund through a combination of cash flow from operations and external borrowings. We may also consider further issuances of equity or debt instruments or convertible securities or other equity linked securities as a means to fund our capital expenditure program. See “—*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditure.*”

Our principal sources of external financing include both secured and unsecured short-term and long-term facilities (in both rupees and other currencies), as well as proceeds from the issuance of our debt securities. See “*Description of Other Indebtedness.*” We are required to secure certain of our domestic borrowings, in line with established market practices in India. As at March 31, 2021, we had total debt (without lease liability) of Rs. 1,297,899 million, Rs. 3,669 million of this was secured debt and Rs. 1,294,230 million was unsecured debt.

Due to the international nature of our operations and the multitude of currencies in which we earn revenue and cash flow, a significant portion of our debt is denominated in currencies other than the Indian rupee. These include debt denominated in the respective local currencies of various geographies in which we have operations (e.g., Nigerian Naira for our operations in Nigeria). As at March 31, 2021, 34.4% of our total debt was denominated in currencies other than Indian Rupee, principally in U.S. dollars and Euros. As at March 31, 2021, we had total overdraft outstanding of Rs. 22,507 million. See “—*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt and Debt Funding*” below.

In addition, we had a negative working capital position as at June 30, 2021, and as at March 31, 2021. Working capital is defined as current assets minus current liabilities.

As at June 30, 2021, we had cash and cash equivalent of Rs. 84,917 million. We seek, in normal circumstances, to maintain a substantial cash and cash equivalents balances to provide us with financial and operational flexibility. Our cash is placed in bank fixed deposits, certificates of deposit, GoI securities, bonds issued by corporates with high credit ratings and debt mutual funds.

In our principal place of operations, India, exchange controls restrict the conversion of rupees into and from other currencies, primarily for capital account convertibility. The restrictions are not expected to have any material effect on our ability to meet on-going obligations in respect of the Equity Shares.

Cash Flow Analysis

The following table sets forth our cash flow data for the periods indicated.

	Three months ended June 30,	
	2020	2021
	<i>(Rs. in millions)</i>	
Net cash inflow from operating activities	116,239	122,220
Net cash (outflow) from investing activities	(49,250)	(20,028)
Net cash (outflow) from financing activities	(67,670)	(96,461)
Net (decrease)/ increase in cash and cash equivalents during the	(681)	5,731

period

Balance as at the beginning of the period	130,539	90,630
Effect of exchange rate changes on cash and cash equivalents	(364)	711
Balance as at the end of the period	129,494	97,072

For the fiscal year ended March 31,

	2020	2021
	<i>(Rs. in millions)</i>	
Net cash inflow from operating activities	181,287	482,050
Net cash (outflow) from investing activities	(304,919)	(268,884)
Net cash inflow/(outflow) from financing activities	191,444	(249,103)
Net increase/(decrease) in cash and cash equivalents during the period	67,812	(35,937)
Balance as at the beginning of the year	53,739	130,539
Effect of exchange rate changes on cash and cash equivalents	8,934	(3,972)
Balance as at the end of the year	130,539	90,630

Operating Activities

Net cash inflow from operating activities was Rs. 122,220 million for the three months ended June 30, 2021 compared to Rs. 116,239 million for the three months ended June 30, 2020, representing a Rs. 5,981 million positive net cash variation. This net cash variation was primarily due to increased cash flow contributed by our overall operations, which experienced increased cash flow generated by continued increases in our overall subscriber base and an increase in operating profits.

Net cash inflow from operating activities was Rs. 482,050 million for the fiscal year ended March 31, 2021 compared to Rs. 181,287 million for the fiscal year ended March 31, 2020, representing a Rs. 300,763 million positive net cash variation. This net cash variation was primarily due to increased cash flow contributed by our overall operations, which experienced increased cash flow generated by continued increases in our overall subscriber base and an increase in operating profits and working capital.

Investing Activities

Net cash outflow from investing activities was Rs. 20,028 million for the three months ended June 30, 2021 compared to Rs. 49,250 million for the three months ended June 30, 2020, representing a Rs. 29,222 million positive net cash variation. This net cash variation was primarily due to proceeds from sale of current investments (net) in the current period.

Net cash outflow from investing activities was Rs. 268,884 million for the fiscal year ended March 31, 2021 compared to Rs. 304,919 million for the fiscal year ended March 31, 2020, representing a Rs. 36,035 million positive net cash variation. This net cash variation was primarily due to higher proceeds from sale of current investments (net) which was partially offset by higher cash used for purchase of property, plant and equipment and capital work-in-progress and higher spectrum payment in fiscal year ended March 31, 2020 compared to fiscal year ended March 31, 2021.

Financing Activities

Net cash outflow from financing activities was Rs. 96,461 million for the three months ended June 30, 2021 compared to Rs. 67,670 million for the three months ended June 30, 2020, representing a Rs. 28,791 million negative net cash variation. This net cash variation was primarily due to a decrease in proceeds from borrowings.

Net cash outflow from financing activities was Rs. 249,103 million for the fiscal year ended March 31, 2021 compared to net cash inflow of Rs. 191,444 million for the fiscal year ended March 31, 2020, representing a Rs. 440,547 million negative net cash variation. This net cash variation was primarily due to various capital raising activities in fiscal year ended March 31, 2020 which included issuance of right shares, issue of shares on qualified institutions placement and issuance of FCCBs. There were no such capital raising activities in the fiscal year ended March 31, 2021.

Capital Expenditure

Our operations are capital intensive and we require significant maintenance capital expenditure as well as additional capital spending to support our growth and development strategy.

The table below sets forth our capital expenditures, including for intangible assets such as licenses, spectrum bandwidth and software, for the periods stated.

	Capital Expenditures
	<i>(Rs. in millions)</i>
Year ended March 31, 2020.....	197,462
Year ended March 31, 2021.....	297,786
Three months ended June 30, 2021.....	175,728

The following tables summarize our capital expenditures, including for intangible assets, by segment for the fiscal years ended March 31, 2020 and 2021 and the three months ended June 30, 2020 and June 30, 2021.

	For the fiscal year ended March 31,		For the three months ended June 30,	
	2020	2021	2020	2021
	<i>(Rs. in millions)</i>			
Mobile Services – India	108,373	205,496	24,808	153,969
Mobile Services – South Asia.....	1,513	3,966	334	1,091
Mobile Services – Africa.....	45,417	45,429	5,004	7,817
Homes Services	5,589	10,995	1,189	3,889
Airtel Business.....	26,058	19,128	3,693	6,030
Digital TV Services	10,512	12,843	2,457	2,932
Tower Infrastructure Services	—	—	—	—

	For the fiscal year ended March 31,		For the three months ended June 30,	
	2020	2021	2020	2021
	<i>(Rs. in millions)</i>			
Others	—	—	—	—
Unallocated.....	—	—	—	—
Eliminations/ adjustments	—	(71)	—	—
Total from continuing operations	197,462	297,786	37,485	175,728
Tower Infrastructure	8,720	4,472	1,004	—
Total.....	206,182	302,258	38,489	175,728

We expect to fund our budgeted capital expenditures principally through a combination of cash from operations and external borrowings. Our capital expenditure plans are based on management's estimates and have not been appraised by an independent organization. Since capital commitments that have been approved but not committed to contract may be subject to change, and because we may from time to time determine to undertake additional capital projects, actual capital expenditures in future years may be more or less than the amounts shown above. There can be no assurance that we will execute our capital expenditure plans as contemplated at or below estimated costs.

Contractual Obligation for Spectrum

We are an active participant in the periodic spectrum auctions held in India.

The following table shows our contractual payment obligations by maturity for the spectrum licenses we won in the March 2021, October 2016, April 2015 and March 2014 auctions.

March 2021 auction

	As of June 30, 2021				
	Less than 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
	<i>(Rs. in millions)</i>				
Annual payment.....	-	-	39,575	171,492	211,067
Interest.....	-	-	39,575	65,373	104,948
Principal.....	-	-	-	106,119	106,119

October 2016 auction

As of June 30, 2021

	Less than 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
	(Rs. in millions)				
Annual payment.....	-	12,550	37,649	112,939	163,138
Interest	-	12,550	34,572	38,613	85,735
Principal.....	-	-	3,077	74,326	77,403

April 2015 auction

As of June 30, 2021

	Less than 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
	(Rs. in millions)				
Annual payment.....	35,921	35,921	107,764	251,451	431,057
Interest	35,921	35,921	80,366	76,570	228,778
Principal.....	-	-	27,398	174,881	202,279

March 2014 auction

As of June 30, 2021

	Less than 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
	(Rs. in millions)				
Annual payment.....	-	24,709	74,127	148,250	247,086
Interest	-	24,709	56,264	40,638	121,611
Principal.....	-	-	17,863	107,612	125,475

As of March 31, 2021, we had total spectrum deferred payment liability of Rs. 504,440 million. For more information relating to our contingent liabilities in relation to the Supreme Court's adjusted gross revenue judgment, see "Risk Factors—Factors Affecting our Results of Operations and Financial Condition—Supreme Court litigation in relation to the payment of license and spectrum usage claims."

Debt and Debt Funding

We run a centralized treasury function. We have stable relationships with a large variety of debt providers, principally commercial banks. In addition, we raise money in the capital markets through the issue of debt securities.

As at March 31, 2021, after taking into account the effect of interest rate swaps, 89.5% of our total debt carried a fixed interest rate. As at March 31, 2021, the proportion of our total debt that was short-term debt was 14.8% and the ratio of secured debt to unsecured debt was less than 0.3%. Our debt obligations as at March 31, 2021 and March 31, 2020 are set forth below:

Non-Current Borrowings

	As at March 31, 2021	As at March 31, 2020
	<i>(Rs. in millions)</i>	
Secured		
Term loans	3,669	-
Vehicle loans	-	1
Total	3,669	1
Less: current portion	(3,669)	(1)
Less: Interest accrued but not due	-	-
Total secured loans, net of current portion debt	-	-
Unsecured		
Liability component of a foreign currency convertible bond	69,132	69,856
Term loans	127,562	222,746
Non-convertible bonds	309,886	259,486
Non-convertible debenture	31,320	32,342
Deferred payment liability	785,393	458,892
Finance Lease obligation	-	-
Total	1,323,293	1,043,322
Less: current portion	(107,804)	(98,363)
Less: interest accrued but not due	(109,886)	(34,167)
Total unsecured loans, net of current portion debt	1,105,603	910,792
Total	1,105,603	910,792

Current borrowings and current maturities of long-term borrowings

	As at March 31, 2021	As at March 31, 2020
	<i>(Rs. in millions)</i>	
Secured		
Term loans	-	-

Bank overdraft	-	280
Total	-	280
Add: current portion of long term debt	3,669	1
Total secured loans, including current portion debt	3,669	281
Unsecured		
Term loans	30,575	114,692
Commercial paper	27,781	25,173
Bank overdraft	22,507	27,018
Add: current portion of long term debt	107,804	98,363
Less: interest accrued but not due	(40)	(129)
Total	192,296	265,398

Our secured loans are secured by pledge of various fixed and floating assets.

We had total overdraft outstanding of Rs. 22,507 million as at March 31, 2021.

The following table sets forth information with regard to our total debt by currency, in terms of fixed or floating rate as at March 31, 2021. The details below are gross of debt origination costs and fair value adjustments with respect to the hedged risk:

Currency of borrowings as at March 31, 2021			
	Total Borrowings	Floating rate borrowings	Fixed rate borrowings
	<i>(Rs. in millions)</i>		
Indian rupee	850,141	94,018	756,123
U.S. Dollar	351,810	30,127	321,683
Euro.....	70,062	5,531	64,531
Central African CFA Franc.....	7,174	-	7,174
West African CFA Franc	4,975	-	4,975
Others.....	11,687	6,152	5,535
Total.....	1,295,849	135,828	1,160,021

Our loan agreements and other debt arrangements contain a number of covenants that could potentially affect our ability to draw down funds, grant security interests and effect other transactions. These covenants are generally similar to covenants contained in loan agreements and debt arrangements of similarly situated issuers, and include cross-default provisions, negative pledge provisions and limitations on certain sale- and-leaseback transactions.

Maturity of Borrowings

The table below summarizes the maturity profile of our borrowings based on contractual undiscounted payments. The details given below are gross of debt origination cost and fair value adjustments with respect to the hedged risk.

Maturity	As at March 31, 2021
	<i>(Rs. in millions)</i>
Within one year	184,173
Between one and two years	100,514
Between two and five years	393,842
Over five years	624,190
Total	1,302,719

Hedge of net investment in foreign operations and cash flows

Some of our entities use derivative financial instruments (e.g., foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, we designate certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to a recognised item ('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 foreign exchange gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income, net of income taxes, to offset the change in the value of the net investment being hedged.

During the fiscal year ended March 31, 2021, we formally designated, for accounting purposes, certain Euro borrowings as a hedge against net investments in subsidiaries in four African countries where the local currency is pegged to the Euro. A foreign exchange loss of Rs. 16,499 million was recognized against other comprehensive income in the fiscal year ended March 31, 2021, compared to a gain of Rs. 4,814 million in the fiscal year ended March 31, 2020. A foreign exchange gain of Rs. 4,620 million was recognized against other comprehensive income during the three months ended June 30, 2021, compared to loss of Rs. 863 million in the three months ended June 30, 2020 pertaining to such hedges.

Off Balance Sheet Arrangements and Contingent Liabilities

We have disclosed certain contingent liabilities as per Ind AS 37 in our Financial Statements. Our total amount of contingent liabilities as of June 30, 2021 was Rs. 156,309 million including the share of our joint ventures' and associates' contingent liabilities of Rs. 55,289 million. In addition to the above, the contingent liability on DoT matters includes one-time spectrum charges for Rs. 66,065 million and penalty for 3G Intra Circle Roaming on our Company as disclosed in Note 10 to our condensed consolidated financial statements for the period ended June 30, 2021. We had no other contingent liabilities or off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Financial Risk

Our business activities expose us 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. Our risk management strategies focus on

the unpredictability of these elements and seek to minimise the potential adverse effects on our financial performance. Further, we use certain derivative financial instruments to mitigate some of these risk exposures.

Our financial risk management is driven by our senior management, in close co-ordination with the operating entities and internal/ external experts subject to necessary supervision. We do not undertake any speculative transactions either through derivatives or otherwise. Our senior management are accountable to the Board of Directors and Audit Committee. They ensure that our financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The Board of Directors of the respective operating entities periodically review the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

Our 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. We use prospective effectiveness assessment (dollar offset/ hypothetical derivative method) to ensure that an economic relationship exists between the hedged item and hedging instrument.

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 our transacting entity. We, through the Company, several intermediary entities and subsidiaries; operate across multiple geographies in the Africa and Asia continent. Accordingly, we are exposed to translation risk on the net investment in foreign subsidiaries. We have 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, we are 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).

Our foreign exchange risk management policy requires us to manage the foreign exchange risk either through derivatives or reducing the exposure by transacting as far as possible in the functional currency. Moreover, we monitor 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.

As per our hedging policy certain foreign currency liability, highly probable forecast transactions and our material net investment 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.

Cash flow hedge

	March 31, 2021	March 31, 2020
Currency exchange risk hedged	-	CHF to USD ⁽¹⁾
Nominal amount of hedging instruments	-	CHF 350 million
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 Profit and Loss	-	109

Note:

- (1) During the year ended March 31, 2020, Bharti Airtel International (Netherlands) B.V., a subsidiary of our Company, redeemed CHF 350 Mn (Rs. 26,486) bonds on maturity. Consequently, the cash flow hedges on these bonds have been discontinued.

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 million	USD 1,885 million	Euro 160 million	USD 1,883 million
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	-	-	-	-

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profits of the year and other comprehensive income is given in table below.

**Currency of borrowings as at
March 31, 2021**

	Change in currency exchange rate	Effect on profit before tax	Effect on Equity (OCI)
		<i>(Rs. in millions)</i>	
U.S. 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	-

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, our management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

Interest Rate Risk

As we do not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, our interest income and related cash inflows are not affected by changes in market interest rates. Consequently, our interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose us to cash flow and fair value interest rate risk respectively. However, our short-term borrowings 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 our senior management in a manner which enables us to achieve an optimum debt-mix basis our overall objectives and future market expectations. We monitor the interest rate movement and manage the interest rate risk based on our risk management policies, which inter-alia include entering into interest swaps contracts - as considered appropriate and whenever necessary.

We have designated the interest rate components (which is separately identifiable from other components) of certain fixed interest rate bonds under the hedge relationship since historically they account for substantial portion of the total fair value change of the bonds. The following table analyses the financial impact of fair value hedge and details thereto.

March 31, March 31, 2020

2021

	USD	USD
Interest rate risk covered for currency		
Nominal amount of Hedging instruments	-	U.S.\$ 2,200 million ⁽¹⁾
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)

Note:

(1) During the year ended March 31, 2020, the derivatives designated for fair value hedges had been cancelled.

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on profit before tax is given in the table below:

	Currency of borrowings as at March 31, 2021	
	Increase/ decrease in basis points	Effect on profit before tax
	<i>(Rs. in millions)</i>	
Indian Rupee	+100	(940)
	-100	940
U.S. Dollar	+25	(75)
	-25	75
Others	+100	(117)
	-100	117

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 our 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, our management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

Price Risk

We invest our 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 the price risk arising from investments, we diversify our portfolio in accordance with the limits set by the risk management policies. We have 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 Rs. Nil and Rs. 44 as on March 31, 2021 and March 31, 2020 respectively.

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 us to potential financial losses. We are exposed to credit risk mainly with respect to trade receivables, investment in bank deposits, debt securities, mutual funds and derivative financial instruments.

Trade Receivables

Our trade receivables 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 us, our management reviews the credit-worthiness of 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 our 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 us to customers generally ranges from 14-30 days except Airtel Business segment wherein it ranges from 7-90 days.

We use a provision matrix to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Based on the industry practices and the business environment in which we operate, our 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				
		Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
			(Rs in millions)			
Trade Receivables as at March 31, 2021..	9,139	12,657	4,902	4,201	5,478	36,377
Trade Receivables as at March 31, 2020..	11,891	16,860	7,128	6,402	3,777	46,058

We perform on-going credit evaluations of our customers' financial condition and monitor the credit worthiness of customers to whom we grant credit in the 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 we determine 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, we continue 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

Our treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds and 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 our other receivables carry either no or very minimal credit risk. Further, we review 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.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, we closely monitor our liquidity position and deploys a robust cash management system. We maintain adequate sources of financing including bilateral loans, debt, and overdraft from both domestic and international banks at an optimised cost. We also enjoy strong access to domestic and international capital markets across debt and equity.

Moreover, our senior management regularly monitors the rolling forecasts of our liquidity reserve (comprising of the amount of available undrawn credit facilities and cash and cash equivalents) and the related requirements, to ensure they we have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on our available undrawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of our borrowings.

Based on past performance and current expectations, we believe that the cash and cash equivalents, cash generated from operations and available undrawn credit facilities, will satisfy our working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with our existing operations, through at least the next twelve months.

The table below summarizes the maturity profile of our financial liabilities based on contractual undiscounted payments as at March 31, 2020 and 2021:

As of March 31, 2020	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	More than 2 years	Total
<i>Rs. in millions)</i>							
Interest bearing borrowings ⁽¹⁾⁽²⁾	1,210,204	20,406	161,520	115,322	168,813	1,263,802	1,729,863
Lease liabilities ⁽¹⁾	306,091	—	36,827	49,520	74,869	246,008	407,224
Other financial liabilities ⁽²⁾	208,270	29,238	99,798	37,460	39,553	2,872	208,921

As of March 31, 2020	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	More than 2 years	Total
<i>(Rs. in millions)</i>							
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
Total.....	1,969,093	49,644	542,133	202,541	283,235	1,512,984	2,590,536

Notes:

- (1) Includes contractual interest payment based on the interest rate prevailing at the end of the reporting period and adjustment for the impact of interest rate swaps over the tenor of the borrowings.
- (2) Interest accrued has been included in interest bearing borrowings and excluded from other financial liabilities.

As of March 31, 2021	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	More than 2 years	Total
<i>(Rs. in millions)</i>							
Interest bearing borrowings ⁽¹⁾⁽²⁾	1,407,825	13,873	155,762	75,943	247,050	1,627,895	2,120,523
Lease Liabilities ⁽¹⁾	329,953	-	60,994	45,879	70,562	253,235	430,670
Other financial liabilities ⁽²⁾⁽³⁾	206,194	43,454	116,223	3,027	38,556	9,226	210,486
Trade payables ⁽²⁾	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
Total.....	2,224,153	57,327	612,638	124,966	356,417	1,890,512	3,041,860

Notes:

- (1) Includes contractual interest payment based on the interest rate prevailing at the end of the reporting period and adjustment for the impact of interest rate swaps over the tenor of the borrowings.
- (2) Interest accrued has been included in interest bearing borrowings and excluded from other financial liabilities.
- (3) Compulsorily convertible preference shares are excluded from other financial liabilities.

Seasonality

Our revenue from operations in India and South Asia are typically lower during the monsoon season, which usually falls in the second quarter of the fiscal year. Our revenue from operations in Africa are typically lower during the fourth quarter of the fiscal year, during which there are fewer festivals and holidays as well as fewer reporting days overall compared to the third quarter.

Summary of Significant Accounting Policies, Estimates and New Developments

Our summary of significant accounting policies, estimates and forthcoming changes is set out in notes 2, 3 and 4 of the Financial Statements for the year ended March 31, 2021 included elsewhere in this Letter of Offer.

Key Performance Indicators

The following table sets forth our key performance indicators as at and for the three months ended June 30, 2021:

	As at and for three months ended June 30, 2021
Mobile Services India	
Voice	
Minutes on the network (<i>in millions</i>).....	1,002,263
Data	
Data Customer Base (<i>in thousands</i>).....	192,935
Of which 4G data customers (<i>in thousands</i>).....	184,427
Total MBs on the network (<i>million MBs</i>)	10,771,051
Data usage per customer (<i>MBs</i>)	18,932
Homes Services	
Homes Customers (<i>in thousands</i>)	3,352
Net additions (<i>in thousands</i>).....	285
Digital TV Services	
Digital TV Customers (<i>in thousands</i>)	17,999
Net additions (<i>in thousands</i>).....	282
Monthly Churn (%)	1.4%
Network and Coverage of Mobile Services in India	
Census Towns (<i>numbers</i>)	7,913
Non-census Towns and Villages (<i>numbers</i>)	793,350
Population Coverage (%).....	95.5%
Optic Fibre Network (<i>R KMs</i>)	332,542
Network and Coverage of Homes Services	
Homes Services- Cities covered (<i>numbers</i>).....	387
Network and Coverage of Airtel Business	
Airtel Business – Submarine cable systems (<i>numbers</i>).....	7
Network and Coverage of Digital TV Services	
Districts Covered (<i>numbers</i>).....	639
Coverage (%).....	99.8%

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there is no outstanding litigation involving our Company and/or our Subsidiaries with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (iv) any pending matters against our Company and/or our Subsidiaries, which if they result in an adverse outcome would materially and adversely affect our operations or our financial position and (v) involving an amount in excess of the materiality threshold (as set forth below).

In this regard, please note the following:

- 1. In determining whether any outstanding litigation against our Company and/or our Subsidiaries other than litigation involving moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences, the materiality threshold has been determined by our Company in accordance with the requirements under the Listing Regulations to be 2% of the consolidated total revenues of our Company for Fiscal 2021. Accordingly, the materiality threshold considered for disclosure in this section is ₹ 20,123 million and only such proceedings other than those set forth above wherein the monetary amount of claim made against our Company and/or our Subsidiaries or the financial implications exceed this materiality threshold shall be disclosed in this section. Further, while our Company and our Subsidiaries are party to a number of civil as well as direct and indirect tax proceedings the disclosures made with respect to civil, direct and indirect tax proceedings are restricted to such cases which on a standalone basis exceed the aforementioned materiality threshold.*
- 2. Notices received by our Company and/or our Subsidiaries from third parties (excluding notices pertaining to any offence involving moral turpitude, notices threatening criminal liability or notices relating to economic offences) shall not be evaluated for materiality until such time that our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.*
- 3. Except as disclosed below, neither our Company nor our Subsidiaries are aware of any litigation against them, involving moral turpitude or criminal liability, material violations of statutory regulations or proceedings relating to economic offenses, pending matters which if they result in an adverse outcome would materially and adversely affect our operations or our financial position or involving an amount above ₹ 20,123 million.*

In addition to the cases set out below, our Company and/or our Subsidiaries, from time to time, have been and continue to be involved in legal proceedings, mostly arising in the ordinary course of their respective businesses.

These legal proceedings are initiated by us and also by customers, distributors and other parties.

All terms defined herein in a particular litigation disclosure pertain to that litigation only.

Litigation involving our Company

Proceedings involving material violations of the statutory regulations by our Company

- 1. The Government published its approval of TRAI's recommendation on "Spectrum Management and Licensing Framework" in relation to spectrum pricing on November 8, 2012. Subsequently, the DoT issued an order dated December 28, 2012 levying a one-time spectrum charge on for GSM/CDMA spectrum held by existing telecom operators, in accordance with the rates provided for in the schedule of the decision dated December 28, 2012 on entities holding GSM spectrum beyond 6.2 MHz for the period from July 1, 2008 to December 31, 2012. Additionally, a one-time charge for holding spectrum beyond 4.4 MHz prospectively from January 1, 2013 until expiry of license was levied upon existing operators in accordance with the rates provided in the schedule of the decision dated December 28, 2012. Thereafter, on January 8, 2013, DoT issued a demand notice raising a demand of ₹ 52,012 million against our Company and Bharti Hexacom Limited ("**Bharti Hexacom**") as one-time spectrum charges,*

out of which, ₹ 17,580.70 million was required to be paid within 21 days from the date of issue of such demand notice. Our Company and Bharti Hexacom challenged the demand notice by filing a writ petition before the Bombay High Court, which by its order dated January 28, 2013 has stayed the enforcement of the impugned demand and directed the DoT not to adopt any coercive action for recovery until the final outcome of the matter. The matter is currently pending for final hearing.

The DoT revised its demand of one-time spectrum charge to ₹ 84,140 million *vide* its letter dated June 27, 2018. Our Company and Bharti Hexacom submitted a response against the said demand on August 29, 2018 requesting the DoT to withdraw the revised demand order and await the final outcome of the matter pending before the Bombay High Court.

On August 19, 2019, our Company filed an affidavit before the Bombay High Court seeking clarification that the revised demand, being a mere re-calculation of the earlier demand and issued in furtherance to the impugned decisions, is covered by scope of the interim order passed by Bombay High Court on January 28, 2013, wherein the Bombay High Court *vide* its order dated October 4, 2019 has: (i) taken on record a copy of the DoT letter dated September 30, 2019 stating that the revised demand is subject to the decision of the Bombay High Court; and (ii) accepted the statement of the Union of India that no coercive steps are contemplated pursuant to aforesaid revised demand.

Transfer petitions by DoT: DoT had filed two transfer petitions (one each in 2015 and 2019) before the Supreme Court seeking transfer of outstanding one-time spectrum charge matters from Bombay High Court to the Supreme Court, which were dismissed by the Supreme Court *vide* orders dated February 2, 2015 and September 27, 2019, respectively.

Further, in a similar matter on a petition filed by another telecom service provider, the TDSAT, *vide* its judgment dated July 4, 2019 (“**TDSAT Order**”), set aside the order of the DoT whereby one-time spectrum charges were levied with retrospective effect, and directed the DoT to revise its demands in accordance with the order. The TDSAT also held that in respect of the spectrum beyond 6.2 MHz allotted after July 1, 2008, the DoT is entitled to levy one-time spectrum charges only from the date of allotment of such spectrum, and in case of spectrum beyond 6.2 MHz allotted before July 1, 2008, one-time spectrum charges can be levied only prospectively *i.e.* with effect from January 1, 2013. The TDSAT has further set aside the demand for one-time spectrum charges on spectrum allotted beyond the start-up and up-to the contracted limit of 6.2 MHz. In the matter, the telecom service provider concerned had filed an appeal before the Supreme Court of India against the TDSAT Order, which was dismissed by the Supreme Court *vide* its order dated March 16, 2020. A review petition has been filed by the said telecom operator against the order dated March 16, 2020 before the Supreme Court, which is presently pending.

The DoT has also filed an appeal against the TDSAT Order which is presently pending. The Supreme Court *vide* its order dated December 7, 2020 has directed that status quo be maintained regarding the demands.

2. The DoT, *vide* its order dated February 25, 2010, revised the 2G spectrum charges applicable on telecom service providers with effect from April 1, 2010. Our Company and Bharti Hexacom challenged the DoT order dated February 25, 2010 before the TDSAT. In its order dated September 1, 2010, the TDSAT ruled in favor of the DoT upholding its aforesaid order. Our Company and Bharti Hexacom challenged the decision of the TDSAT before the Supreme Court. The Supreme Court, in its order dated October 22, 2010, stayed the operation of the aforesaid order of the DoT, imposing the following conditions: (i) our Company and Bharti Hexacom were to deposit 50% of the disputed outstanding principal amount of the spectrum charges payable net of interest in its registry within a period of two weeks; (ii) the balance 50% of the disputed outstanding amount net of interest be secured by way of bank guarantee of a nationalized bank to be provided within a period of two weeks; and (iii) the managing director of our Company and Bharti Hexacom to give an affidavit to the effect that, in the event the appeal before the Supreme Court is dismissed; our Company and Bharti Hexacom would pay the balance amount with interest at the rate which may be fixed by the Supreme Court at the appropriate stage. The Supreme Court also stated that in case of a breach of the aforementioned conditions, the impugned DoT order will come into force with immediate effect. All the conditions as stated herein above have been fulfilled and the stay has been maintained. The matters are currently pending before the Supreme Court.

3. Our Company's license to maintain and operate cellular services in the telecom circle of Punjab was terminated on July 15, 1999 by the DoT on account of alleged non-payment of license fee and dues, for the period April 18, 1996 to March 10, 1998 ("**Black-out Period**"), including interest and penalty accrued due to such alleged delay. Our Company deposited the entire license fee, interest and penalty amount of approximately ₹ 4,855.80 million on account of an understanding between the parties that in case the outcome of the dispute was in favour of our Company, the entire amount shall be refunded back with interest. On accepting such condition, the DoT offered the migration package to our Company for restoration of license on September 27, 2001, and along with our Company referred this case to arbitration in 2001. The arbitrator passed an order dated December 20, 2002 rejecting the claim of our Company for refund of license fee and interest for the Black-Out Period aggregating to ₹ 3,992.90 million (after adjusting the balance amount in a separate matter). Our Company challenged the award of the arbitrator before the Delhi High Court which set aside the award on merit through its judgment dated September 14, 2012. However, the Delhi High Court did not grant consequential relief of refund of such amount and observed that our Company was entitled to take appropriate legal recourse under law for the recovery of such amounts. A letter for recovery of the claim (including interest until September 14, 2012) has been filed with the DoT on November 6, 2012 seeking refunds and in case of failure to refund for adjustment with the future license fee payments made by our Company to the DoT. The DoT had replied *vide* letter dated December 26, 2012, directing the Company not to adjust any dues arising out of any court order from the license fee.

The DoT filed an appeal against the order dated September 14, 2012 before the Division Bench of the Delhi High Court, praying for the setting aside of the judgement of the Single Bench of the Delhi High Court to the limited extent and to allow the said writ petition filed in the Delhi High Court. Our Company filed a writ petition before the Delhi High Court seeking refund of the amount with interest up to the date of payment made. The Delhi High Court *vide* its judgment dated May 11, 2016 dismissed the writ petition filed by our Company for the refund of the license fee paid for the 'Black-Out Period'. Our Company filed an appeal against the judgment dated May 11, 2016 before the Division Bench of the Delhi High Court. Both the appeals, filed by our Company and the DoT, respectively have been tagged together and are pending for final hearing.

4. The DoT issued various demand notices to our Company and Bharti Hexacom for alleged violation of electromagnetic fields ("**EMF**") radiation norms which, *inter alia*, included non-compliance or delay in submission of self-certificates, missing signage, self-certificate not provided in the format prescribed by telecommunication engineering centre and measurement of EMF radiation in base transmission stations. These demand notices have been challenged by our Company and Bharti Hexacom before the TDSAT which has granted interim stay in these matters. The matters are currently pending for adjudication.
5. The port charges payable by private operators, including by our Company, to BSNL, were modified by Telecommunication Interconnect (Port Charges) Amendment Regulations, 2007 ("**Port Charges Regulations**"). The Port Charges Regulations were challenged by BSNL before the TDSAT. The TDSAT *vide* its order dated May 28, 2010 set aside the Port Charges Regulations and directed the TRAI to look into port charges as afresh. Thereafter, the TRAI filed an appeal before the Supreme Court, which passed an interim order dated December 15, 2010, wherein it held that in respect of each additional port, the private operators have to provide a bank guarantee on the difference between the rate applicable between the 2001 and 2007 per port. The matter is pending before the Supreme Court.

The TRAI issued Telecommunication Interconnection (Port Charges) (Second Amendment) Regulations, 2012 to be effective from October 1, 2012. The said regulations were challenged before the Delhi High Court by way of a writ petition. The Delhi High Court passed an interim order dated February 28, 2014 directing that BSNL shall raise bills as per the Telecommunications Interconnection (Port Charges) (Second Amendment) Regulation, 2012. For the existing ports, our Company, Bharti Hexacom and Telenor (India) Communications Private Limited ("**Telenor**") gave an undertaking that in case the Delhi High Court decides in favour of BSNL, our Company, Bharti Hexacom and Telenor shall pay the differential amount to BSNL along with the stipulated interest of 9% per annum. The matter is to pending for adjudication.

6. The Company and Bharti Hexacom have challenged penalty demand notices issued by various Telecom Enforcement Resource Monitoring Cells through separate petitions before the TDSAT/High Courts for alleged non-compliance with subscriber verification guidelines due to identity / address mismatch, forgery, sale of pre-activated SIMs, incomplete information etc. The total amount of demand of

penalties across various circles was approximately ₹2,269.83 million. The Company and Bharti Hexacom have obtained stay from the TDSAT/ High Court against various demand notices and the matters are pending for adjudication.

7. The DoT through its order dated August 12, 2016 (“**SUC Office Order**”), *inter alia*, prescribed Spectrum Usage Charges (“**SUC**”) to be calculated at a rate based on weighted average for the spectrum held by telecom service providers across all access spectrum bands, including the Broadband Wireless Access (“**BWA**”) spectrum in 2300 MHz/2500 MHz band acquired during the 2010 auction, subject to minimum of 3% of adjusted gross revenue (“**AGR**”) excluding revenue from wireline services.

In terms of clause (iii) of the SUC Office Order, the SUC payable by the telecom service providers during Fiscal 2016 at the weighted average rate derived after taking into consideration the spectrum acquired through auctions in pursuance of Notice Inviting Application No. 1000/06/2016-WF and excluding the spectrum in 2300 MHz / 2500 MHz band acquired/allocated prior to Fiscal 2016, would be treated as the floor amount of SUC to be paid by the telecom service providers. Further, as per the SUC Office Order, in case there is reduction in AGR of the service provider, the floor amount of SUC will be reduced proportionately.

Our Company and Bharti Hexacom have challenged the clause (iii) of the SUC Office Order where BWA spectrum is excluded, before the TDSAT through telecommunications petition dated February 13, 2017 and sought (i) setting aside and quashing of the aforesaid clause; and (ii) passing an ad-interim order staying the operation of the aforesaid clause. The TDSAT *vide* its interim order dated March 21, 2017, *inter alia*, stayed the operation of the aforesaid clause. This matter is currently pending.

8. The DoT issued a ₹ 500 million penalty notice on November 11, 2011 in relation to violation of terms and conditions of International Long Distance (“**ILD**”) service license by providing ILD services to a non-licensed entity SingTel by entering into agreement dated December 20, 2007. Our Company challenged the penalty notice before the TDSAT and the TDSAT quashed the penalty notice. The DoT, however, was granted liberty to proceed afresh. The DoT constituted a committee to grant hearing to our Company albeit without issuing any fresh show cause notice. This committee granted the hearing to our Company. Our Company filed a written submission dated December 29, 2014 requesting the DoT to withdraw all the proceedings since the earlier show cause notice served was quashed by the TDSAT (and as such there was no existing show cause notice that survived).

In February, 2013, the DoT also filed a criminal complaint with the CBI alleging that an estimated loss of ₹ 482.29 million had been caused to the exchequer on account of raising of bills on Indian customers without obtaining the requisite ILD license from the DoT. The CBI, after investigations, filed a closure report stating that no offence under the IPC has taken place. The closure report is under consideration by the jurisdictional court and is currently pending.

With reference to the TDSAT judgment dated September 28, 2012 the DoT issued a fresh show cause notice dated July 21, 2015 alleging violation of the terms and conditions of ILD license. Our Company submitted its response to the DoT on August 28, 2015 submitting, *inter alia*, that the fresh notice was also based on the similar ground, falls foul of the judgment of the TDSAT dated September 28, 2012 and should be withdrawn. The DoT, however, did not withdraw the notice and issued a notice for oral hearing. Our Company challenged the show cause notice before the TDSAT. The TDSAT *vide* its order dated August 8, 2017 permitted the DoT to proceed with oral hearing subject to the condition that no order will be passed. Accordingly, our Company appeared before the DoT’s committee and was heard on the show cause notice on August 10, 2017. Pursuant to said hearing, a written representation was also made to the DoT on August 31, 2017. In the meanwhile, the TDSAT dismissed the petition on August 22, 2017 without going into the merits and granted liberty to our Company to challenge the final order of the DoT. The DoT, through order dated November 14, 2018, imposed penalty of ₹ 500 million on our Company and issued a demand for the alleged violation of the license. Our Company challenged the order of the DoT before the TDSAT by filing a petition under Sections 14 and 14A of the TRAI Act on November 27, 2018. The TDSAT, *vide* its interim order dated November 29, 2018 stayed the demand notice. The DoT issued a fresh demand notice dated March 8, 2019 alleging that it is in continuation of the earlier demand dated November 14, 2018. The notice has been challenged by our Company before the TDSAT. The TDSAT *vide* order dated March 15, 2019 stayed the fresh demand dated March 8, 2019 issued by the DoT. The matter is pending before the TDSAT.

9. The DoT through circular dated June 29, 2012 imposed annual license fee on internet service providers and amended the definition of AGR in the ISP-IT license agreements to provisionally include all types of revenue from internet services for payment of license fee. The said circular of the DoT was challenged before the TDSAT in the matter titled Internet Service Providers Association of India and others vs. Union of India and another (Petition No. 429 of 2012) (“**ISPAI Matter**”) and paragraph 2 of the said circular was set aside by the TDSAT *vide* its judgment dated October 12, 2012 thereby disallowing the Government from levying license fee on pure internet service revenues. Thereafter, the DoT released its guideline document ‘Guidelines for Grant of Unified License’ dated August 19, 2013 and an amendment dated December 8, 2013 by which it permitted the existing ISP license holders to continue with their existing licenses without migration to new UL regime, but mandated migration of the licenses which are due for renewal to the UL regime. As our Company’s ISP license was nearing its expiry, our Company applied for the UL, which was duly granted by the DoT. The TDSAT *vide* its interim order dated March 25, 2014 ordered that if the petitioner files an undertaking by March 27, 2014 that in case the petition fails, it would pay the full amount demanded by the DoT along with the interest as may be directed by the TDSAT, the petitioner’s license will be provisionally extended until the disposal of the petition and therefore, such petitioners were protected against the arbitrary and unlawful demand of the DoT of adding revenue earned from pure internet services in the AGR. However, our Company was not a party to this petition.

The UL License was signed by the Company on October 16, 2014 with ISP Category “A” Authorization which was effective from March 03, 2014. However, the new UL regime also mandated for payment of license fee on pure internet services. This was challenged by the CJ Online Private Limited and the Company (“**Petitioners**”) on the ground that the GoI has created a distinction between the existing ISP licensees and the licensees migrating to the UL regime as a result of the renewal, forcing upon the latter category to pay license fee, thereby discriminating them and disturbing the level playing field within the industry. The TDSAT *vide* its order dated October 13, 2015 stayed the demand of license fee with respect to pure internet services, subject to submission of an undertaking within fifteen days, that in case the petition fails, the Petitioners would pay the full amount demanded by the DoT along with interest as may be directed by the TDSAT. Accordingly, the Company submitted the undertaking.

Internet Service Providers Association of India (“**ISPAI**”), an industry association of ISPs, had also filed a similar petition before TDSAT, which was allowed by TDSAT *vide* judgment dated October 18, 2019 (ISPAI Judgment), wherein the TDSAT set aside the decision to include revenue from pure internet service in the adjusted gross revenue for levy of license fee on the ISPs under UL. TDSAT had also set aside all demands of license fee with a direction to DoT to raise revised demands on the basis of same concept of adjusted gross revenue, as is being done in respect of ISPs with licences under the old regime. Further, the Petitioners were allowed to pay such revised demand forthwith after deducting payments, if any, made in the meantime towards licence fee by way of ad hoc payments as per their understanding. The TDSAT, on June 12, 2020, following ISPAI judgment, allowed the petition filed by the Company and set aside the demand notices.

DoT has filed an appeal against the ISPAI Judgment before the Supreme Court. The Company has filed an intervention application in the appeal. The Supreme Court *vide* order dated January 5, 2021 admitted the appeal and also allowed the Company’s intervention application. The matter is pending adjudication.

10. The terms of the licenses granted to telecom operators for maintaining and operating the cellular mobile services in 1994 required the operators to pay license fees and spectrum charges. However, such licenses did not contain any clause whereby the licensor was entitled to enhance the royalty/license fee *inter alia* for microwave spectrum. The DoT *vide* letter dated July 20, 1995 fixed royalty rates both for GSM cellular mobile telephone service and for microwave links. By another letter of the same date the rates of license fee were also levied. Cellular Operators Association of India (“**COAI**”), an industry association of telecommunications service providers of which our Company is also a member, filed a petition before the TDSAT on February 24, 2001 questioning the legality thereof. The DoT through its order dated September 22, 2001 made an offer to the licensees to accept royalty charges and withdraw the aforesaid petition pending before the TDSAT which the COAI agreed to and withdrew the said petition. In continuation of the order dated September 22, 2001, the DoT *vide* their order dated April 18, 2002 introduced the frequency based micro wave access and backbone rates.

Further, the DoT had enhanced the micro wave charges by introducing the slab-wise rates based on the number of carriers in circulars dated November 3, 2006 and November 10, 2008 (earlier it was based on the allocated frequency). The COAI challenged the aforesaid DoT circulars in the TDSAT by filing the petition dated May 28, 2007. The TDSAT *vide* its order dated July 12, 2007 refused to pass any interim order and listed the matter for final hearing while allowing COAI to adjust the excess payments made in case the matter was decided in their favour. The TDSAT *vide* its order dated April 22, 2010 set aside the DoT circulars dated November 3, 2006 and November 10, 2008 and the petition was allowed. Thereafter the DoT challenged the order of the TDSAT through a special leave petition filed before the Supreme Court, which is currently pending.

11. *AGR matters:* The Government introduced a new package with effect from August 1, 1999, being the 'Migration Package' pursuant to the 'New Telecom Policy 1999' regime which required the licensees to migrate from fixed license fee to revenue sharing fee, under which the licensee would be required to pay one-time entry fee and license fee as a percentage share of gross revenue under the license. However, disputes arose in relation to the constituent of the revenue (*i.e.* Gross Revenue and AGR) and, *inter alia*, pertaining to:

- Inclusion of non-telecom revenue (such as interest, dividend, profit on sale of assets, IP1, etc.);
- Inclusion of items which are either not revenue primarily (such as insurance claim, forex gain, etc.) or are not revenue for our Company (such as principal to principal issue);
- Exclusion of items which reduces the revenue (such as bad debts, goodwill waiver, etc.); and
- Allowable deduction of pass through on paid basis (even though revenue is to be considered on accrual).

The definition of AGR was challenged by our Company along with certain other telecommunication service providers and the COAI before the TDSAT. The TDSAT *vide* orders dated July 7, 2006 and August 30, 2007 ("**Orders**") held that the license fee would be payable only on the revenues arising out of 'licensed activities' and not revenue arising out of activities outside the license. Thereafter, the DoT filed an appeal before the Supreme Court which by an order dated October 11, 2011 ("**AUSPI judgment**"), set aside the Orders and held that the TDSAT had no power to get into the validity of the definition and remitted the matter back to the TDSAT to decide by interpreting the terms and conditions of the license agreement and disputes relating to demands raised by the DoT. Subsequently, our Company filed a writ petition before the Kerala High Court and Bharti Hexacom before the Tripura High Court, challenging the validity of the inclusion of the non telecom heads for the purposes of calculating the AGR and was granted favorable stays by the respective High Courts.

Simultaneously, in the matter remanded to the TDSAT by the Supreme Court for interpreting the terms and conditions of the license agreement, the TDSAT *vide* judgment dated April 23, 2015, adjudicated the matters by interpreting the terms and conditions of license. Per the order the definition of 'Revenue' as provided in Accounting Standard AS-9 issued by the Institute of Chartered Accountant of India, is not in conflict with Clauses 19.1 and 19.2 of the license agreement defining gross revenue and adjusted gross revenue. The TDSAT also enunciated certain principles which need to be applied for inclusion and exclusion of any items to revenue for the purpose of license fees. Accordingly, the TDSAT set aside all demands for fresh computation in light of the findings, observations and directions made in the judgment of the TDSAT. While the DoT challenged the TDSAT's judgment before the Supreme Court, our Company filed an appeal dated July 21, 2015 on limited grounds (challenging specific heads of revenue on the grounds that principles of AS 9 have not been applied uniformly). Telenor filed an application in March, 2016 to be impleaded as a necessary party in this appeal before the Supreme Court. The Supreme Court granted liberty to the DoT to file its response to the application filed by Telenor. The Supreme Court *vide* its interim order dated February 29, 2016 allowed the DoT to raise the demand as per their understanding with the condition that the demands raised will not be enforced until the final decision of the matters pending before the Supreme Court. Subsequently, the DoT continued to raise demands.

The Supreme Court heard the matter and *vide* its judgment and order dated October 24, 2019, (i) allowed the appeal filed by the DoT and dismissed the appeals filed by the telecom service providers; and (ii) directed the payments of the amounts due within three months' time to pay the applicable dues and report compliance. Our Company and Bharti Hexacom have filed review petitions before the Supreme Court, *inter alia*, seeking recall and review of the judgment dated October 24, 2019 and the levy of interest, penalty and interest on penalty on us. The review petitions were dismissed by the

Supreme Court through its order dated January 16, 2020. Thereafter, the Company filed a modification application seeking the modification of the judgment and order dated October 24, 2019 by permitting the Company and DoT to conduct a mutual exercise for ascertaining the amounts due pursuant to the judgment dated October 24, 2019 and time and methodology for discharge of the same.

Pursuant to an order dated February 14, 2020, the Supreme Court, raised questions on compliance of the order dated October 24, 2019 and directed the managing directors / directors of the telecom service providers to show cause as to why contempt proceedings should not be initiated against them for violating the order dated October 24, 2019 by not depositing the specified amounts. In accordance with the DoT's direction to the telecom service providers to pay the dues on the basis of self-assessment, the Company and Bharti Hexacom paid a total amount of ₹ 180,040 million, including towards AGR pertaining to Telenor (comprising of ₹ 130,040 million basis self-assessment and an additional amount of ₹ 50,000 million as an ad-hoc payment to cover the differences, if any, after reconciliation/re-verification) and filed an affidavit of compliance before the Supreme Court in response to the show cause notice issued by the Supreme Court on February 14, 2020, recording the details of the payments made.

On March 16, 2020, the DoT filed a modification application seeking permission of the Supreme Court to recover the unpaid amounts due through annual instalments spread over 20 years as specified in the modification application. The Supreme Court *vide* its order dated March 18, 2020, among others, held that no exercise of self-assessment/re-assessment is to be done and the dues that were placed before the Supreme Court are final and are to be paid, including interests, penalty and interest on penalty, as specified in the order dated October 24, 2019. Thereafter, Supreme Court *vide* its order dated July 20, 2020, upheld the amounts stated as payable in the modification application filed by the DoT.

The Supreme Court *vide* its judgment dated September 1, 2020, held that except for the modifications concerning time schedule for making payment of arrears, the rest of the decisions taken by DoT shall stand and issued following directions: (i) that for the demand raised by the DoT in respect of the adjusted gross revenue dues based on the judgment of Supreme Court, there shall not be any dispute raised by any of the telecom operators and there shall be no re-assessment, (ii) that, at the first instance, the respective telecom operators shall make the payment of 10% of the total dues as demanded by the DoT by March 31, 2021, (iii) telecom operators have to make payment in yearly instalments commencing from April 1, 2021 to March 31, 2031 payable by March 31 of every succeeding financial year, (iv) various companies, through their managing directors / chairman or other authorized officer, shall furnish an undertaking within four weeks to make payment of arrears, (v) the existing bank guarantees that have been submitted regarding the spectrum shall be kept alive by the telecom operators until the payment is made, (vi) in the event of any default in making payment of annual instalments, interest would become payable as per the agreement along with penalty and interest on penalty automatically without reference to the Supreme Court, and any such default would be punishable for contempt of court, (vii) compliance of the judgment shall be reported by all telecom operators and the DoT every year by April 7 of each succeeding year.

On October 7, 2020 & February 24, 2021 the DoT issued letters to the Company (“**DoT Letter**”) directing the Company to pay outstanding adjusted gross revenue dues of Videocon Telecommunications Limited in compliance of the Supreme Court judgment dated September 1, 2020. The Company, through its response dated October 16, 2020 & March 04, 2021, has stated that the assertions made in the DoT Letter are impermissible and the DoT Letter has no basis in law, and further that the DoT Letter does not disclose the facts or rationale for the demand. The Company and Bharti Hexacom had filed clarification/ modification/recall applications before the Supreme Court for correction of demands, inter-alia, highlighting basic arithmetical, clerical and computational errors such as double counting (addition of same revenue twice), amounts paid not accounted for and approved DVRs not given effect to. The Company & Bharti Hexacom have filed a compliance affidavit confirming compliance with the requirement to pay 10% of the Total Dues by March 31, 2021 in accordance with AGR September Judgment. Further, DoT filed an affidavit before Supreme Court in compliance with AGR September Judgment. Additionally, DoT, in its affidavit, stated AGR dues of Videocon were sought from the Company, however, the Company has disputed the same and payment has not been made. The Company has filed its reply affidavit to DoT's demand for Videocon's dues from the Company before the Supreme Court. Thereafter, DoT *vide* its letter dated August 17, 2021 issued the Demand Letter to the Company, inter-alia seeking payment of AGR dues of Videocon from the Company within a week, failing which the DoT threatened to invoke the financial Bank Guarantees submitted by the Company securing license fees and other dues under its licenses. In view of the

threatened invocation of the Company's financial bank guarantees in the DoT's Demand Letter, on August 18, 2021, the Company approach the Hon'ble Supreme Court of India by way of an application seeking directions to be issued to the DoT to withdraw its Demand. The Hon'ble Supreme Court *vide* order dated August 24, 2021 was pleased to grant liberty to the Company to approach the TDSAT and further directed the DoT to refrain from invoking the bank guarantees for a period of three (3) weeks. Subsequently, the Company has filed a petition challenging the DoT's demand dated August 17, 2021 before the TDSAT. The TDSAT *vide* its *Interim Order* dated September 16, 2021 stated that until further orders DOT will not give effect to the impugned notice dated August 17, 2021 and shall also not invoke the financial bank guarantee of Videocon for realization of the impugned demand. The TDSAT further directed the DoT to refrain from invoking the bank guarantee. The matter is pending adjudication.

On July 19, 2021, the Company and Bharti Hexacom confirmed its compliance to the Supreme Court with the directions to pay 10% of total dues by 31.03.2021. Further, the Supreme Court directed DoT to file its response to the compliance affidavit filed by the Telecom Service Providers. The matter is pending adjudication.

On July 23, 2021, the Supreme Court pronounced its order/judgment, whereby the applications filed by the TSPs for correction of errors were dismissed. The Company and Bharti Hexacom have filed a review petition against the order/judgment dated July 23, 2021 before the Supreme Court. The review petition is pending adjudication.

High Court of Kerala

The Single Judge of Kerala High Court, on March 28, 2018, dismissed the writ petition filed by our Company. The Single Judge held that the license was not a statutory contract and the terms and conditions of an agreement could not be questioned on the basis that the same are arbitrary in violation of Article 14 of the Constitution of India as doctrine of fairness cannot be used for judging the contractual terms. The Single Judge further held that there was no law that prevented the state from making a bargain in a commercial contract. Accordingly, the Single Judge dismissed the batch writ petition. While dismissing the writ petition, the Single Judge directed the Government not to take any coercive steps for a period of one month or until the filing of appeal, whichever is earlier. Aggrieved by the judgment passed by the Single Judge of the Kerala High Court, our Company filed an appeal before the Division Bench of the Kerala High Court. The Division Bench of the Kerala High Court *vide* its order dated May 29, 2018 granted interim stay of the judgment appealed against and further allowed our Company to continue making payment as was being done throughout the period of license with respect to the telecom activities. The matter is currently pending.

Telenor along with another party filed petitions before the TDSAT on July 5, 2017 challenging the validity of the demand of license fee raised by the DoT for Fiscals 2007-08 to 2013-14, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT *vide* order dated July 10, 2017 stayed the demand raised by the DoT. Subsequently, the DoT filed its reply before the TDSAT in August, 2017. Telenor filed a rejoinder to the reply of the DoT on December 7, 2017. Further, Telenor along with another party filed another petition before the TDSAT in December, 2017 challenging the validity of the demand of SUC raised by the DoT, claiming that the demand was levied, computed and raised wrongfully and prayed that such demand be quashed. The TDSAT *vide* order dated December 14, 2017 stayed the demand. The matters are currently pending.

An amount of ₹ 500,828 million is the amount of liabilities/provisions as at June 30, 2021 with respect to AGR matters. This includes ₹ 176,856 million towards AGR dues of companies that we have acquired, however, this is covered by indemnification clauses of respective merger/ transaction documents.

12. *SMS Termination matters:*

TATA SMS Termination matter: Our Company and Bharti Hexacom filed a petition before the TDSAT against TTML and TTSL (collectively "**Tata Teleservices**") for recovery of SMS termination charges which was allowed by the TDSAT *vide* its judgment dated August 30, 2012. Tata Teleservices have challenged the TDSAT judgment before the Supreme Court. The Supreme Court admitted the appeal of Tata Teleservices and further *vide* its order dated October 17, 2012 ordered that if the appeal is allowed then our Company and Bharti Hexacom will have to refund the amount paid by Tata Teleservices along

with interest at the rate of 12% per annum. Tata Teleservices have made a payment of approximately ₹ 4,012 million post deduction of tax at source to our Company. The matter is currently pending.

Airtel SMS Termination matter: Our Company raised a demand on Airtel Limited (“**Airtel**”) towards SMS termination charge of approximately ₹ 245.89 million at ₹ 0.10 per SMS. This demand was challenged by Airtel before the TDSAT. The said petition was disposed of by the TDSAT *vide* its order dated September 24, 2012 with a direction to Airtel to reconstitute to our Company an amount that was suffered as loss by way of damages, *i.e.*, SMS termination charges at ₹ 0.10 per SMS on net inflow of traffic for the restitution period. Airtel challenged the TDSAT judgment before the Supreme Court which admitted the appeal, however rejected the interim prayer. Airtel filed another application before the Supreme Court seeking stay of recovery. The said application was dismissed by the Supreme Court through order dated December 5, 2012. Airtel complied with the orders of the TDSAT and paid the SMS termination charges amounting to approximately ₹ 580 million against the initial demand (as well as one interim demand of ₹ 113 million). The matter is currently pending.

Reliance Communications SMS Termination matter: Our Company’s demand of approximately ₹ 118 million at ₹ 0.10 per SMS towards SMS termination charges was challenged by Reliance Communications Limited (“**Reliance Communications**”) before the TDSAT. The TDSAT *vide* its interim order dated December 3, 2012 restrained us from *disconnection* of SMS services of Reliance Communications and directed Reliance Communications to pay 50% of the demanded amount at ₹ 0.10 per SMS from the date of filing of the petition. The interim order was challenged by Reliance Communications before the Delhi High Court. The Delhi High Court dismissed the writ petition filed by Reliance *vide* its order dated January 21, 2013. The TDSAT *vide* its judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. Reliance Communications challenged the TDSAT judgment before the Supreme Court which is tagged with other matters.

BSNL SMS Termination matter: Our Company raised a demand of approximately ₹ 434.6 million towards SMS termination charges on BSNL. Our Company filed a recovery petition before the TDSAT. The TDSAT *vide* its judgment dated March 31, 2016 disposed of the petition by directing the parties to reconcile the accounts within four weeks of the receipt of necessary details including bifurcation of SMS data. BSNL challenged the TDSAT *judgment* before the Supreme Court and the same was tagged with other matters. Our Company filed a petition against the judgment dated March 31, 2016 before the TDSAT for the recovery of the SMS dues, which was admitted by the TDSAT on April 4, 2019. The matter is currently pending for adjudication.

13. The DoT on December 23, 2011 directed the service providers, including our Company and Bharti Hexacom, to immediately stop providing 3G ICR services. Our Company, Bharti Hexacom and other service providers challenged the directions of the DoT before the TDSAT, which stayed the directions of the DoT *vide* its orders dated December 24, 2011 and July 3, 2012 gave a split verdict and set aside the DoT’s directions. The DoT issued notices on September 28, 2012, threatening cancellation of licenses and imposition of a penalty of ₹ 3,500 million and also directed that the 3G intra-circle roaming services were to be stopped in the seven circles. Our Company challenged the notice before the Delhi High Court. The Delhi High Court disposed of the matter *vide* its order dated October 3, 2012 directing the DoT to decide the matter after hearing our Company. The DoT in March, 2013 issued further order to immediately stop intra-circle roaming services and imposed a penalty of ₹ 3,500 million. As the TDSAT was not functional, our Company challenged the DoT order before the Delhi High Court. The Single Judge Bench of Delhi High Court *vide* its order dated March 18, 2013 stayed the DoT order. The stay order was challenged by the DoT before the Appellate Bench of Delhi High Court which allowed the appeal and vacated the stay granted to our Company *vide* order dated April 4, 2013. Our Company challenged the decision of the Appellate Bench of the Delhi High Court before the Supreme Court. The Supreme Court restored the protection against the order of penalty but at the same time restrained our Company from taking in any new subscribers on our intra-circle 3G roaming arrangement *vide* interim order dated April 11, 2013. The Supreme Court, on September 23, 2013 disposed the matter granting our Company the liberty to approach the TDSAT, while extending interim protection until December, 2013 and also requested the TDSAT to dispose of the matter as soon as possible, preferably, by the end of 2013. Subsequently, our Company filed a petition before the TDSAT. The TDSAT on April 29, 2014 allowed our Company’s petitions and quashed the DoT’s directions to our Company to stop service and the imposition of the penalty. The DoT filed an appeal against the order of the TDSAT before the Supreme Court seeking an interim order to restrain our

Company from adding new subscribers. The Supreme Court admitted the appeal but declined the interim order prayed for by the DoT. The matter is pending before Supreme Court.

14. The DoT *vide* its letters dated June 22, 2018 and June 26, 2018 demanded an amount of ₹ 12,879.7 million from the Company towards one-time spectrum charge for GSM Spectrum in respect of Chennai service area for the extended period of the license from November 30, 2014 to September 27, 2021 pursuant to a WPC wing order dated December 28, 2012. The Company through letters to the DoT dated July 12, 2018 and December 24, 2018, respectively, provided a detailed response, stating its grounds for refuting the demand raised by the DoT and its rationale for withdrawal of such demand. Subsequently, DoT through its letter dated April 10, 2019, while granting the in-principle approval for the merger of Tata Teleservices Limited with the Company and Bharti Hexacom Limited, has imposed, among others, a condition to pay the said one-time spectrum charge related to the Chennai region. The Company challenged the said condition before the TDSAT. The TDSAT, *vide* its interim order dated May 2, 2019, had *inter alia*, stayed the enforcement of the demand of ₹ 12,879.70 million, subject to the Company submitting 50% of demand amount by way of bank guarantee with the registry of TDSAT, which bank guarantees were submitted by the Company. Subsequently, the TDSAT, *vide* its judgment dated December 23, 2020 has declared the OTSC demand of the DoT to be bad in law and has directed that the bank guarantees be returned to the Company. DoT has filed an appeal before Supreme Court against the TDSAT final judgment dated December 23, 2020, wherein TDSAT had quashed the DoT's Tata Merger conditions *i.e.* Chennai OTSC. The matter is pending adjudication.
15. The TRAI issued a show cause notice on September 27, 2016 to our Company alleging violations of the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations, 2009 and the provisions of the License Agreement in terms of Allocation of POIs to Reliance Jio Infocomm Limited ("**RJIL**"). Further, the TRAI on October 21, 2016 recommended a penalty of ₹ 10,500 million on our Company (including Bharti Hexacom) for the alleged violations mentioned above. A committee of the DoT, formed for the purpose of examining such the recommendation of the TRAI dated October 21, 2016 rejected the recommendations on April 5, 2017. Subsequently, the TRAI *vide* response dated May 24, 2017 reiterated its recommendation of the imposition of penalty on our Company. Our Company made its submissions before the DoT on December 21, 2017 and January 24, 2018. On February 4, 2018, our Company wrote to DoT seeking attention to a judgment passed by the Supreme Court in an appeal filed by the Competition Commission of India in a parallel matter and represented that in view of this judgment, the Government was estopped from operating on the recommendations dated October 21, 2016. Our Company, subsequently, also wrote to the Minister of State for Communications seeking intervention to advise DoT to refrain from operating on the recommendations and reject the same. The matter is currently pending with the DoT.
16. On September 6, 2019, and September 7, 2019, the Andhra Pradesh Telecom Enforcement Resources Management Cell ("**TERM Cell**") issued demand notices to our Company, in respect of the Special Audit for Paper CAF for the months of October, 2016 to May, 2017 for ₹ 19.41 million against our Company and for ₹ 2.09 million against Telenor respectively. Our Company has filed two appeals on September 12, 2019 before Deputy Director General, TERM ("**DDG**"), against the demand raised by the Andhra Pradesh TERM Cell on September 6, 2019, and September 7, 2019. In these appeals, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court, pursuant to a writ petition filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

On September 17, 2019 and September 18, 2019, the Andhra Pradesh TERM cell issued demand notices to our Company, pertaining to the audits (Paper + EKYC) conducted for the months of August, 2017 to December, 2017 for approximately ₹ 2,247.83 million for our Company and approximately ₹ 222.58 million for Telenor. Our Company filed two appeals on September 23, 2019 before the DDG TERM against the demand raised by the Andhra Pradesh TERM Cell on September 17, 2019 and September 18, 2019. In these appeals, amongst other *grounds*, our Company mentioned that the Punjab and Haryana High Court and the Andhra Pradesh High Court, pursuant to a writ petition filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

On December 3, 2019, the Andhra Pradesh TERM cell issued demand notices to our Company, pertaining to the (Paper + EKYC) audits conducted for the months of January, 2018 to March, 2018 for

₹ 2,013.91 million. Our Company filed an appeal before the DDG on December 9, 2019 against the demand raised by the Andhra Pradesh TERM Cell on December 3, 2019, which is pending before the DDG. In the appeal, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court and the Punjab and Haryana High Court, pursuant to writ *petitions* filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeal is pending with the DDG

On December 17, 2019, the Andhra Pradesh TERM Cell issued demand notices pertaining to the audits (Paper+ EKYC) conducted for the months of April, 2018 and May, 2018 for approximately ₹ 1,541.15 million against our Company and for the months of January, 2018 to May, 2018 for approximately ₹ 442.86 million against Telenor. Our Company has filed two appeals on December 23, 2019 before Deputy Director General, TERM (“**DDG**”), *against* the demand raised by the Andhra Pradesh TERM Cell on September 17, 2019. In these appeals, amongst other grounds, our Company mentioned that the Andhra Pradesh High Court and the Punjab and Haryana High Court, pursuant to writ *petitions* filed by our Company, stayed the circulars on the basis of which the TERM Cell had levied the penalty on our Company. The appeals are pending with the DDG.

17. The Telecom Service Providers were required to pay distance-based carriage charges to BSNL for mobile to fixed calls. TRAI had, pursuant to the Telecommunication Interconnection Usage Charges Regulation 2003, (“**IUC-2003 Regulations**”) prescribed a uniform carriage charge of ₹ 0.20 per minute in case of intra-circle calls, irrespective of the distance from the local exchange. However, BSNL continued to levy distance-based carriage charges at higher slab rates. TRAI had, in certain communications to BSNL, reconfirmed that the flat charge of ₹ 0.20 per minute would continue to be applicable regardless of certain amendments to the IUC-2003 Regulations. In an appeal filed by BSNL before the TDSAT, the TDSAT, *vide* its judgment and order dated May 21, 2010 (“**TDSAT Judgment**”) allowed BSNL’s appeal and held that BSNL is entitled to recover distance-based carriage charges even in respect of intra-circle Calls. The Cellular Operators Association of India (“**COAI**”), an industry association of telecommunications service providers, of which the Company is also a member has filed an appeal against the TDSAT Judgment before the Supreme Court. The matter is presently pending.
18. The Cellular Operators Association of India, the Company, Bharti Hexacom and others have filed a petition (“**Petition**”) under section 14(a)(i) of the TRAI Act, against the DoT before the TDSAT. The NIA of 2010 provided that the spectrum usage charges (“**SUC**”) of telecom service providers (“**TSPs**”) would be based on the GSM spectrum holding of such operators and that while calculating the slab for payment of SUC, the 2100 MHz spectrum was not to be counted. Further, SUC rate was fixed at 3% of the adjusted gross revenue for the TSPs. Pursuant to the expiry of licenses in 7 Circles where the Company no longer held administratively allocated spectrum, the Company calculated SUC at the rate of 3% for the 2100 MHz spectrum acquired in the auctions of 2010 as per the NIA conditions on SUC. However, the CCAs of different circles interpreted the NIA conditions of 2010 differently thereby uniformly denying the benefit of SUC at the rate of 3% to TSPs for the 2100 MHz Spectrum acquired in the auction of 2010. In the Petition, the TDSAT has granted interim relief and allowed operators to pay as per their interpretation of the conditions of the NIA of 2010. The matter is pending before TDSAT for final adjudication.

Other Regulatory Matters involving our Company

1. The Company has received a letter dated May 13, 2021 from the office of Directorate of Enforcement (“**ED**”), Chandigarh seeking, *inter alia*, certain historical information with respect to investment by our Company in its overseas entities in Netherlands, Mauritius and Singapore, including details of restructuring of its overseas entities in FYs 2016-17 and 2017-18. The ED has sought additional information by way of its letter dated August 18, 2021. Our Company has submitted all the relevant information and documents to the ED. Our Company has, subsequently, received summon dated September 10, 2021 seeking further information with respect to the aforesaid transactions. Our Company is compiling the necessary details and documents and is engaging with the ED to provide necessary clarifications.
2. Pursuant to the provisions of the “Guidelines for Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified License (“**UL**”) on compromises, arrangements and amalgamation of the companies” dated February 20, 2014 (“**Transfer-Merger**”

Guidelines”), Airtel Broadband Services Private Limited (“**ABSPL**”) notified the DoT on February 28, 2014 of its proposed scheme of amalgamation with our Company and its intention to merge its ISP license along with its access spectrum with the UASL of our Company for four service areas, namely, Delhi, Mumbai, Haryana and Kerala. The Bombay High Court *vide* its order dated April 11, 2014 approved the aforesaid merger and our Company approached the DoT for taking the merger on record. After multiple correspondences between the DoT and our Company, the DoT *vide* its communication dated February 2, 2015 granted in-principle approval for merger of licenses between our Company and ABSPL, subject to fulfillment of conditions stated therein. Out of the conditions imposed by the DoT, our Company and ABSPL were aggrieved of the following three conditions and have challenged the same before the TDSAT: (i) demand for ₹ 4,360.9 million as additional entry fee; (ii) furnishing unconditional and unequivocal undertaking from our Company for payment of all demands which would be issued in future with respect to All India ISP License No. 820-1106/ 010-LR dated March 15, 2012 issued to ABSPL; and (iii) demand for bank guarantee equivalent to one-time spectrum charge demanded by the DoT.

The TDSAT passed an interim order dated February 9, 2015, staying the imposition of the impugned conditions and permitted our Company to operationalize the spectrum subject to an undertaking without prejudice that in the event of the matter being decided against our Company, the demand of ₹ 4,360.9 million would be paid with interest as may be determined, within eight weeks of the date of such judgment. Further, the TDSAT, *vide* its order dated May 19, 2015 directed the concerned authority of the DoT to record the merger subject to the outcome of the matter. The matter was heard before the TDSAT, which through its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and a direction to the DoT to extend the effective date of allocation of spectrum to offset the delay caused by the DoT. The TDSAT *vide* its order dated April 4, 2019 has admitted the review petition and granted six weeks’ time to the DoT to file a detailed reply, extended the interim stay order on the demands raised by the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by the DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of the specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company’s request for finally taking on record the merger within six weeks. DoT has filed an appeal against the TDSAT judgment dated July 31, 2019, which is pending before the Supreme Court.

3. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 27, 2015 of its intention to merge with Augere Wireless Broadband India Private Limited (“**AWBIPL**”) entailing the merger of AWBIPL’s ISP and UASL with those of our Company. The Delhi High Court *vide* its order dated December 19, 2016 approved the aforesaid scheme. The DoT *vide* its communication dated January 17, 2017 granted in-principle approval of merger of license of AWBIPL with our Company but imposed conditions which were challenged by our Company before the TDSAT. The conditions imposed *inter alia* included: (i) payment of ₹ 172.25 million (difference between the entry fee for UASL of Madhya Pradesh service areas and entry fee for ISP License); (ii) in case of judicial intervention in relation to demand raised for one-time spectrum charges, submission of bank guarantee equivalent to such one-time spectrum charges for the merging license; and (iii) submission of an unconditional and unequivocal undertaking by our Company as required by DoT to pay all future demands that may be raised in connection with the merging ISP license held by AWBIPL. The TDSAT *vide* its order dated January 25, 2017 stayed the impugned conditions and allowed our Company to operationalize the spectrum subject to our Company providing an undertaking without prejudice that in case the petition fails our Company shall pay ₹ 172.25 million along with interest as may be determined by the TDSAT within eight weeks from the date of judgment. The matter was heard before the TDSAT which *vide* its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a

review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT *vide* its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by the DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks.

DoT has filed an appeal against the TDSAT judgment dated July 31, 2019, which is also pending before the Supreme Court.

4. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on March 2, 2017 of its intention to merge with Telenor, entailing the merger of Telenor's business and UL along with the service authorizations of Telenor pertaining to NLD, ILD and internet services with those of our Company. Subsequently, our Company filed a petition before the NCLT, Delhi for sanction of the aforesaid merger. The NCLT, Delhi *vide* its order dated March 8, 2018 granted sanction to the aforesaid scheme. The DoT *vide* its letter dated April 3, 2018 granted in-principle approval for the aforesaid merger, but imposed conditions for taking the merger on record. The imposed conditions *inter alia* included (i) that our Company submits a bank guarantee towards the demand for one-time spectrum charges of ₹ 14,990.9 million; (ii) submission of an unconditional and unequivocal undertaking by our Company to pay all past dues in relation to the merging entities. The conditions so imposed by the DoT were challenged by our Company before the TDSAT. The TDSAT *vide* its order dated April 10, 2018 stayed the demand for bank guarantee to secure the amount of ₹ 14,990.9 million made by the DoT and directed DoT to take the merger on record subject to our Company providing an undertaking without prejudice as demanded by the DoT in the impugned letter. The DoT preferred an appeal against the order passed by the TDSAT which was dismissed by the Supreme Court. Subsequently, on May 14, 2018, the DoT gave its approval for the merger of Telenor with our Company. The matter was heard before the TDSAT and while the TDSAT by an order dated March 19, 2019 did not address the prayers in its petition. Our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to issue the confirmation letter to our Company for taking the merger on record. The TDSAT *vide* its order dated April 4, 2019 admitted the review petition.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; and (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks.

DoT has filed an appeal against the TDSAT judgment dated July 31, 2019, which is pending before the Supreme Court.

5. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on August 31, 2017, of its intention to merge with Bharti Digital Private Limited ("**Bharti Digital**") and to merge ISP license of Bharti Digital (in Gujarat, Himachal Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West) with our Company's UASL. NCLT, Delhi *vide* its order dated July 4, 2018 sanctioned the aforesaid scheme of amalgamation and the DoT was approached for taking the merger on record. The DoT *vide* its communication dated August 17, 2018 granted in-principle approval for the merger of our Company and Bharti Digital, but imposed conditions for taking the merger on record. The imposed

conditions *inter alia* included: (i) payment of ₹ 1,856.25 million towards the difference between the entry fee; (ii) securing the demand of one-time spectrum charge for ₹ 14,412.7 million dues by way of bank guarantee; and (iii) submitting an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process. Our Company and Bharti Digital challenged the impugned conditions before the TDSAT and the TDSAT *vide* its order dated August 30, 2018 directed the DoT to take the merger on record and allowed our Company to operationalize the spectrum subject to our Company submitting an undertaking without prejudice before the TDSAT that in case the petition fails, it shall pay ₹ 1,856.25 million along with interest as may be determined by the TDSAT, within eight weeks of final judgment. The DoT had preferred an appeal against the TDSAT order dated August 30, 2018 before the Delhi High Court, which has been dismissed by the Delhi High Court *vide* its judgment dated November 30, 2018. The matter was heard before the TDSAT which *vide* its order dated March 19, 2019 quashed the demand raised by DoT towards entry fee. Aggrieved with the TDSAT order for not addressing other prayers in the petition, our Company filed a review application for, *inter alia*, setting aside the aforesaid conditions imposed by the DoT and directing the DoT to take the merger on record. The TDSAT *vide* its order dated April 4, 2019 has admitted the review petition and granted six weeks' time to file a detailed reply to DoT, extended the interim stay order against the DoT and directed the DoT to take the merger on record.

The Union of India has filed an appeal before the Supreme Court of India against the judgment dated March 19, 2019, wherein TDSAT had set aside the demand raised by DoT towards entry fee. The appeal is currently pending.

On July 31, 2019, the TDSAT passed its order in the matters and held, *inter alia*, that (i) the condition relating to demand of bank guarantee was not sustainable, and that the DoT is not entitled to seek a bank guarantee in respect of those specific demands which have been stayed by the Bombay High Court; (ii) any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process; (iii) the DoT shall consider our Company's request for finally taking on record the merger within six weeks; and (iv) the time period to comply with the cross-holding conditions was extended by 12 weeks from the date of the order.

DoT has filed an appeal against TDSAT judgment dated July 31, 2019, whereby TDSAT had held that DoT is not entitled to seek BGs in respect of OTSC demands. This appeal is also pending before the Supreme Court.

DoT has issued the demand notice on Bharti Digital (now known as Airtel) for alleged violation of license conditions by completing the merger without obtaining the written approval. The TDSAT *vide* its order dated August 12, 2021 stayed the demand notice and directed DoT not to take any coercive action against the demand notice. The matter is pending adjudication.

6. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company and Bharti Hexacom notified the DoT on May 22, 2018, of its intention to merge the consumer mobile business of Tata Teleservices Limited ("TTSL") with our Company and Bharti Hexacom (in Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh, Orissa, Punjab, Tamil Nadu (including erstwhile Chennai), Uttar Pradesh (E), Uttar Pradesh (W), West Bengal and Rajasthan). NCLT, Delhi *vide* its order dated January 30, 2019 sanctioned this composite scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT *vide* its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge ("OTSC") of ₹ 71,559.30 million due, by way of bank guarantee; (ii) payment of an amount of ₹ 12,879.70 million to the DoT purportedly towards the alleged one-time spectrum charges for the erstwhile Chennai licensed service area; and (iii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid for the past periods and subject to outcome of the judicial process.

Our Company and Bharti Hexacom challenged the aforesaid conditions before the TDSAT, which, *vide* its orders dated May 2, 2019 and May 6, 2019 has, among other things, stayed the demand of bank guarantee of ₹ 71,559.30 million, and held that any condition in the undertaking required to be given by

our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process. The TDSAT has further stayed the demand of ₹ 12,879.70 million. Our Company has also been directed to submit 50% of ₹ 12,879.70 million demand by way of bank guarantee with the registry of the TDSAT and the DoT has been directed to take the merger on record. In compliance with the directions issued by the TDSAT, our Company has submitted bank guarantees amounting to ₹ 6,439.85 million. Further, the DoT had filed special leave petitions before the Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions *vide* its order dated November 18, 2019. The TDSAT *vide* its order dated January 16, 2020, directed the DoT to take on record the merger between the Company, Bharti Hexacom and TTSL. As a result, the DoT has taken the merger on record on February 6, 2020. The DoT has stated that the merger is being taken on record without prejudice to the rights and contentions of the DoT, until the matters pending before the TDSAT are disposed of. The TDSAT *vide* its judgment dated December 23, 2020, among other things, has (i) quashed the demand towards the alleged OTSC dues for the extended period of license of the erstwhile Chennai service area, (ii) held that the DoT is not entitled to seek bank guarantees in respect of OTSC demands disputed before the Bombay High Court, (iii) held that the conditions of the undertaking shall be without prejudice to the rights and contentions of the parties before a court of law and subject to the outcome of the judicial proceedings, and (iv) directed that the bank guarantees be returned to the Company.

DoT has filed an appeal before the Supreme Court against the TDSAT final Judgment dated December 23, 2020, wherein TDSAT had quashed the DoT's Tata Merger conditions (Chennai OTSC, BG for OTSC demand sub-judice at Bombay HC & unconditional undertaking). The matter is currently pending for adjudication.

DoT has filed an application before the NCLT alleging that the merger has been illegally completed prior to receipt of the approval of the DoT and has sought action under the Companies Act, 2013 in this regard. The matter is presently pending adjudication.

7. Pursuant to the provisions of the Transfer-Merger Guidelines, our Company notified the DoT on April 18, 2018, of its intention to merge the consumer mobile business of Tata Teleservices (Maharashtra) Limited ("TTML") with our Company (in Mumbai and Maharashtra). NCLT Delhi *vide* its order dated January 30, 2019 sanctioned the scheme of arrangement and the DoT was approached for taking the transfer/merger on record. The DoT *vide* its communication dated April 10, 2019 granted in-principle approval for the aforesaid scheme of arrangement, but imposed certain conditions for taking the transfer/merger on record. The imposed conditions *inter alia* included: (i) securing the demand of one-time spectrum charge for ₹ 10,425.10 million dues by way of bank guarantee; and (ii) submission of an unconditional and unequivocal undertaking to DoT for payment of past demands inclusive of anything remaining unpaid of the past period and subject to outcome of the judicial process.

Our Company has challenged the aforesaid conditions before the TDSAT, which *vide* its orders dated May 2, 2019 and May 6, 2019 has, among other things, stayed the demand of bank guarantee of ₹ 10,425.10 million, and held that any condition in the undertaking required to be given by our Company shall be without prejudice to the rights and contentions of the parties before a court of law and the validity of such conditions shall be subject to the outcome of the judicial process. Further, the DoT has been directed to take the merger on record. Further, the DoT had filed special leave petitions before Supreme Court, challenging the TDSAT orders dated May 2, 2019 and May 6, 2019, wherein the Supreme Court did not interfere with the TDSAT orders and disposed off the said special leave petitions *vide* its order dated November 18, 2019. The TDSAT *vide* its order dated January 16, 2020, directed the DoT to take on record the merger between the Company and TTSL. As a result, DoT has taken the merger on record *vide* its order dated February 6, 2020 and has stated that the merger is being taken on record without prejudice to the rights and contentions of the DoT, until the matters pending before the TDSAT are not disposed of. The TDSAT *vide* its judgment dated December 23, 2020, among other things, has (i) held that the DoT is not entitled to seek bank guarantees in respect of OTSC demands disputed before the Bombay High Court, (ii) held that the conditions of the undertaking shall be without prejudice to the rights and contentions of the parties before a court of law and subject to the outcome of the judicial proceedings.

DoT has filed an appeal before the Supreme Court against the TDSAT final Judgment dated December 23, 2020, wherein TDSAT had quashed the DoT's Tata Merger conditions (Chennai OTSC, BG for

OTSC demand sub-judice at Bombay HC & unconditional undertaking). The matter is pending for adjudication.

Further, the DoT has filed an application before the NCLT alleging that the merger has been illegally completed prior to receipt of the approval of the DoT and has sought action under the Companies Act, 2013 in this regard. The matter is presently pending adjudication.

8. *TRAI Matter: Cable landing station (“CLS”) matter:*

The TRAI, by way of the International Telecommunication Access to Essential Facilities at Cable Landing Standing Regulations, 2007 dated June 7, 2007, and an amendment thereto dated October 19, 2012 (together, “**2007 Regulations**”), and the International Telecommunication Cable Landing Stations Access Facilitation Charges and Co location Charges Regulations, 2012 dated December 21, 2012 (“**2012 Regulations**”), and together with the 2007 Regulations, the “**Regulations**”) had specified that the charges for access facilitation, co-location, and operation and management were to be charged by the owner of CLS with effect from January 1, 2013. The Company and Tata challenged the Regulations before the Madras High Court, wherein they were granted a stay. Thereafter, the Madras High Court *vide* its judgment dated November 11, 2016, dismissed both the petitions. The Company filed an appeal before a Division Bench of the Madras High Court. The High Court, *vide* its judgment dated February 2, 2018, set aside Schedules I, II and III of the 2012 Regulations and further directed TRAI to re-enact the quashed Schedules after adhering to the procedure of transparency and principles of natural justice.

The Association of Competitive Telecom Operators (“**ACTO**”), TRAI and RCOM preferred appeals against the Division Bench’s judgment, which were dismissed by the Supreme Court *vide* its order dated October 8, 2018, directing that TRAI should re-determine the fixation of rates within 6 weeks from the date of the order, after following the procedure of transparency and principles of natural justice.

Thereafter, TRAI notified International Telecommunication Cable Landing Stations Access Facilitation Charges and Co location Charges (Amendment) Regulation, 2018 with effect from November 28, 2018 (“**2018 Regulations**”), substituting the aforesaid Schedules I, II and III of the 2012 Regulations. The ACTO and Reliance Jio Infocomm Limited (“**RJIL**”) filed an application before the Supreme Court seeking direction that the 2018 Regulations, should be made applicable retrospectively with effect from January 1, 2013 along with a direction to refund the excess CLS amount. The Supreme Court passed an order dated December 14, 2018 restraining the notices sent for disconnection. The Supreme Court through its order dated January 28, 2019 disposed of the application with a direction to ACTO granting liberty to ACTO to take up the matter before TDSAT.

Tata Communications filed a Special Leave Petition against the impugned common judgement dated February 2, 2018 passed by the High Court of Judicature at Madras. The Company has filed the implement application in the Special Leave Petition.

RJIL and AT&T, citing retrospective application of 2018 Regulations and seeking refund of excess amount, had not paid CLS charges approximately amounting to ₹ 1,227.16 million and ₹ 82.77 million respectively, including interest. Thereafter, the Company issued demand/disconnection notices to RJIO and AT&T. Pursuant to demand/disconnection notice RJIO and AT&T approached TDSAT seeking a stay on the disconnection notice and further seeking a clarification about the retrospective applicability of 2018 Regulations from January 1, 2013. The TDSAT *vide* a common order dated November 7, 2019 declined to grant any interim relief. The TDSAT also stated that the payments, if any, made by RJIL and AT&T shall be subject to the final outcome of the petition. RJIL challenged the TDSAT order before the Madras High Court on November 7, 2019, wherein the Madras High Court directed RJIL to furnish the bank guarantees for the demanded amount and further requested the TDSAT to decide the matter before February 28, 2020. RJIL furnished bank guarantee in the TDSAT in compliance with the orders passed by the Madras High Court. BSNL also filed a fresh petition before TDSAT seeking retrospective applicability of the 2018 Regulations, and for refund of the excess charges paid. The TDSAT dismissed the petitions *vide* its Judgment dated April 16, 2020, *inter alia* holding that the re-enacted schedules that are part of the 2018 Regulations and are not effective from an earlier date, *i.e.*, January 1, 2013. Further, the TDSAT held that the Bank Guarantee furnished by RJIL would stand invoked for immediate payment to the Company. The Bank Guarantee was invoked by the Company. The Company’s counter claim in the BSNL petition shall be listed before TDSAT later for consideration. RJIO and ACTO have filed the appeals before the Supreme Court against TDSAT’s Judgment dated April 16, 2020 and the same is pending for adjudication.

Proceedings involving moral turpitude or criminal liability on our Company

1. Mr. Md. Fazlur Rehman (“**Complainant**”) filed a complaint (“**Complaint**”) before the Court of Chief Judicial Magistrate, Dibrugarh on February 22, 2015 under Sections 406 and 34 of the IPC against the chief executive officer of our Company, alleging that our Company had advertised a scheme wherein, upon an online recharge of ₹ 449, through the website of our Company, internet data of 2.5 GB with a validity period of 30 days was provided. However, the Complainant claims that after doing the aforementioned recharge he received only 2 GB data with a validity period of 28 days. The Complaint was subsequently transferred to the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh, who took cognizance of the offences, alleged in the Complaint, through its order dated October 16, 2015. Pursuant to this, our Company filed a criminal petition under Section 482 of the Cr. PC before the Gauhati High Court for quashing of the Complaint. The Gauhati High Court through orders dated April 4, 2016 and May 6, 2016 stayed the proceedings in the Court of Sub Divisional Judicial Magistrate (Sadar), Dibrugarh with respect to the Complaint. The matter is currently pending.
2. Mr. Shailesh Navalshankar Pandya (“**Applicant**”) filed application under Section 319 of the Cr. PC (“**Application**”) before the Judicial Magistrate, First Class, Vasai praying that our Company be impleaded as an accused in the regular case filed by the Applicant and that cognizance of offences under Sections 420, 465, 467, 468, 471, and 474 read with Section 34 of the IPC be taken against our Company. The Applicant alleged that our Company, in collusion with its agents and hirelings, forged signature of the Applicant and prepared a rubber stamp of Bhakti Infotech Private Limited, a private company of which the Applicant is a director. Further, he alleged that our Company along with the other respondents mentioned in the Application also forged the Pan Card, electricity bill, memorandum of association and articles of association of Bhakti Infotech Private Limited, and by using these documents got 77 SIM cards issued in the name of Bhakti Infotech Private Limited without the consent, knowledge and permission of the Applicant, owing to which the Applicant alleged having suffered a loss of ₹ 1,250 million. Our Company filed a reply before the Judicial Magistrate, First Class, Vasai on September 29, 2016 denying the averments and seeking dismissal of the Application. Subsequently, our Company filed written arguments on record of the Court on March 16, 2017 and the matter is pending for orders on the Application.
3. Ms. Akanshi Srivastava (“**Complainant**”) filed an application under Section 156(3) of the Cr. PC before the Chief Judicial Magistrate, Ghaziabad against our Company and certain officers of our Company (collectively the “**Accused Persons**”) alleging the commission of offences under Sections 323, 504, 506, and 406 of the IPC and Section 72 of the IT Act on August 24, 2006 claiming that owing to certain loopholes in the security network of our Company, personal and confidential information of her son such as billing address, call details, call duration, etc. were disclosed to other persons. Further, she alleged that when her son visited the office of the Company and raised his grievances with the Accused Persons, they did not believe him and assaulted and threatened him. The Court ordered investigation basis the Police Report and took cognizance of the matter. Separately, upon a petition filed by the Company under Section 482 of the Cr. PC before the Allahabad High Court, the High Court stayed the proceedings before Trial Court. Both matters are currently pending.
4. Mr. Bishnu Prasad Mishra (“**Complainant**”), an ex-employee of our Company, filed a complaint (“**Complaint**”) under Section 200 of the Cr. PC against our Company and its managing director, amongst others before the Sub-Divisional Judicial Magistrate, Bhubhaneshwar on December 2, 2014 for offences under Sections 477, 420, 415, 427, 426, 418, and 406 read with Section 34 of the IPC alleging *mala-fide* appropriation of EPF payments and variable pay due to him and seeking recovery of such arrears. The Sub-Divisional Judicial Magistrate, Bhubhaneshwar took cognizance of the offences through order dated December 19, 2016. A petition under Section 482 of the Cr. PC was filed before the Orissa High Court seeking to quash the Complaint and the order dated December 19, 2016, and the Orissa High Court has stayed the proceedings before the Trial Court. The matter is currently pending.
5. Mr. K. Lakshmana Kailash (“**Complainant**”) filed criminal complaint before the Court of Additional Chief Metropolitan Magistrate-VI, Bangalore on August 28, 2008 under Section 190(A) read with Section 200 of the Cr. PC and Sections 197 and 203 of the IPC against our Company amongst others, alleging that our Company intentionally fabricated false evidence against the Complainant and misdirected the police investigation with respect to the offence of posting of derogatory remarks about Shivaji Maharaj on Orkut, a social media website in order to protect the person who actually posted such remarks. The Court of Additional Chief Metropolitan Magistrate-VI, Bangalore through order

dated September 5, 2009 took cognizance of the aforementioned offences and issued summons against our Company and some of its officials. Our Company filed a petition under Section 482 of the Cr. PC before the Karnataka High Court seeking to quash the proceedings initiated by the trial court. By way of order dated August 30, 2013, the Karnataka High Court partially allowed the petition filed by our Company and other accused persons, quashing the proceedings against the other accused persons and directing our Company to nominate a person to participate in the proceedings before the Trial Court. The matter is currently pending.

6. Mr. V.S. Suresh (“**Complainant**”) filed a private complaint (“**Complaint**”) before the Metropolitan Magistrate-VII, Chennai against our Company and the erstwhile CEO of our Company, Mr. Rajiv Rajagopal (collectively “**Accused Persons**”). The Police conducted a preliminary investigation on the directions of Metropolitan Magistrate – VII Chennai and registered a FIR under Sections 292, 292A and 294 of the IPC, Sections 3, 4 and 6 of the Indecent Representation of Women Act, 1956 and Sections 2, 3 and 6 of Young Person (Harmful Publication) Act, 1956 wherein the complainant alleged that our Company through their mobile services had sent obscene messages soliciting the Complainant to purchase such obscene pictures through his mobile handset. The Accused Persons filed petitions under Section 482 of the Cr. PC before the Madras High Court seeking to quash the proceedings in the Complaint, which came to be dismissed with a direction to the court below to complete the trial. The order passed by Madras High Court has been challenged by erstwhile CEO Mr. Rajiv Rajgopal before the Supreme Court. The Supreme Court has granted interim relief and has stayed the proceedings *vide* its order dated July 29, 2013 before the Trial Court. The matter is pending.
7. The Delhi Development Authority (“**DDA**”) filed two criminal complaints before the Trial Court against our Company and others for alleged misuse of property under Section 14 read with Section 29(2) of the Delhi Development Authority Act, 1957 (“**Act**”) with respect to sites situated at K-6, ground floor, NDSE II and C-657 New Friends Colony, New Delhi on September 27, 2002 and February 27, 2003 respectively. The DDA alleged that our Company installed a Remote Switching Unit in residential areas without taking prior permission of DDA for such sites, thereby violating the provisions of the Act. Our Company filed petitions under Section 482 of the Cr. PC on November 1, 2004 pursuant to which the Delhi High Court stayed the proceedings before Trial Court in both criminal complaints through orders dated November 4, 2004. The matters are currently pending.
8. Mr. Malik Mushtaq Ahmed (“**Complainant**”) filed a criminal complaint under Sections 406, 418, 420, 109, 120-B of Ranbir Penal Code (“**RPC**”) (applicable for the State of Jammu and Kashmir) in the Court of Judicial Magistrate of First Class, Pulwama against our Company, its managing director and other officials alleging non-activation of his mobile connection. Our Company filed a petition under Section 561-A of the Code of Criminal Procedure, 1989 (Jammu & Kashmir) before the Jammu and Kashmir High Court at Srinagar for dismissing the Complaint by the Complainant, and the High Court has granted stay on the proceedings before the Trial Court. The matter is currently pending.
9. Mr. Jawahar Lal Saini (“**Complainant**”) filed complaint (“**Complaint**”) before the Court of Judicial Magistrate, First Class, Jabalpur under Section 138 of Negotiable Instrument Act, 1881 read with Section 200 of the Cr. PC against an unnamed director of Bharti Cellular Limited along with Mr. Amit Agrawal, proprietor of Delta Telecom (collectively “**Accused Persons**”), alleging that Mr. Amit Agrawal represented to the Complainant that he is the authorized signatory/representative of Bharti Cellular Limited and entered into a lease & license agreement with the Complainant on December 8, 2017 (“**Agreement**”) on behalf of Bharti Cellular Limited for establishment of transmission tower and took ₹ 0.2 million as security deposit from the Complainant. He further alleged that pursuant to no transmission site being established on the property of the Complainant, the Complainant presented to Bank the two cheques issued by Mr. Amit Aggarwal for an amount of ₹ 0.27 million, which were dishonoured by the bank. The Judicial Magistrate, First Class, Jabalpur through order dated April 25, 2008 issued summons to the Accused Persons. Our Company filed petition before the Madhya Pradesh High Court at Jabalpur under Section 482 of the Cr. PC for quashing the Complaint and setting aside the order of the Trial Court. The matter is pending.
10. Mr. Nitin Jayantibhai Patel filed a criminal complaint before the Judicial Magistrate, First Class, Anand, at Gujarat under Sections 211 and 503 of the IPC on March 14, 2006 against our Company and an employee thereby alleging that our Company and its employee harassed him in order to collect outstanding dues owed by the Complainant to our Company. The Chief Judicial Magistrate, Anand

through order dated January 18, 2008, issued summons against our Company. The matter is currently pending.

11. Mr. Iqbal Ahmed (“**Complainant**”) filed an original suit on April 23, 2007 seeking the declaratory injunction and the ownership of an impugned property and on September 23, 2008 an impugned complaint under Section 156(3) of the Cr. PC (“**Complaint**”) before the Chief Judicial Magistrate, Saharanpur (Uttar Pradesh) alleging that our Company through its managing director along with some other persons, have illegally taken possession of his land for installation of telecom tower. The magistrate through order dated March 8, 2010 dismissed the Complaint under Section 203 of the Cr. PC holding the dispute to be civil in nature. Against the said order of dismissal of criminal complaint, a revision was filed by the Complainant on August 11, 2010 and was allowed ex parte. In pursuance of the order of the revisional court the Trial Court took cognizance under Section 447 of the IPC only against the Company and issued summons on September 21, 2010. Since no cognizance was taken against the Managing Director of the Company, the Complainant being aggrieved of the order dated September 21, 2010 filed another revision petition which was dismissed by the learned District Judge. Against the dismissal of Revision Petition by the Sessions Court, the Complainant has filed a petition u/s 482 of Cr. PC before the Allahabad High Court. The Company filed a petition before the Allahabad High Court for quashing of the proceedings and cognizance order dated September 21, 2010. The Allahabad High Court has stayed proceedings before the Trial Court. The matter is currently pending.
12. The Municipal Corporation of Delhi filed a complaint (“**Complaint**”) before the Metropolitan Magistrate, Patiala House Court, New Delhi against our Company under Sections 252 and 369(1) of the New Delhi Municipal Corporation Act, 1957 (“**Act**”) alleging misuse of property and violation of the aforesaid provisions of the Act with respect to premises situated at Khan Market, New Delhi. On November 27, 2007 the Metropolitan Magistrate, Patiala House Court, New Delhi passed ex-parte orders and a non-bailable warrant was issued. Consequently, our Company filed a petition under Section 482 of the Cr. PC before the Delhi High Court. The Delhi High Court has stayed further proceedings before the Trial Court. The matter is currently pending.
13. Four criminal complaints were filed by the Municipal Corporation, Cochin in the Police Stations at Ernakulum (Kerala) against our Company, alleging violation of provisions of Prevention of Damage to Public Property Act, 1984 and that it had laid underground cables without prior permission. The Police sought certain information from our Company, which our Company provided. The matters are currently pending.
14. Alok Kumar (“**Complainant**”) being aggrieved of sudden disconnection/barring of his mobile number and receipt of threatening calls, approached police station – Patrakar Nagar, Patna and requested for a first information report to be registered against the Company. The police after preliminary investigation found the complaint to be frivolous and refused to register the first information report. Subsequently, the Complainant approached the Court of Chief Judicial Magistrate, Patna under section 156(3) of the Code of Criminal Procedure, 1973 for institution of a first information report and the Court directed the police to register a first information report. The Complainant has alleged in his complaint that he has received numerous threatening calls on his alternate number from one of his primary mobile number which was barred/disconnected by the Company without his consent. The police has registered a first information report as directed by the Court and investigation in the matter is ongoing. The matter is pending.
15. Amit Vikram, an ex-employee of the Company in Patna who had been removed from services (“**Complainant**”) has filed a criminal complaint before the Court of the Chief Judicial Magistrate, Patna (“**Court**”) against certain officials of the Company, including the Chairman and Chief Executive Officer of the Company, alleging certain malpractices. The Complainant has also alleged that he was forced to be a part of such malpractices, and upon his refusal to participate in them, his services were terminated. The Court of Additional Chief Judicial Magistrate-III, Patna *vide* an order dated January 25, 2019 took cognizance against all 11 persons impleaded in the complaint. Criminal revision petitions have been filed before the High Court for quashing of the complaint and stay of proceedings before the trial court. The Patna High Court *vide* an order dated May 16, 2019 has stayed the proceedings before the trial court. The matter is pending.
16. Angshuman Sarkar has filed a criminal complaint under section 200 of the Code of Criminal Procedure, 1973 before the Additional Chief Judicial Magistrate, Bidhan Nagar, West Bengal, against the Chief

Executive Officer and the Chairman of the Company and others, alleging forgery under sections 465 and 468 of the Indian Penal Code, 1860 in respect of his customer acquisition form. The Additional Chief Judicial Magistrate, Bidhan Nagar vide an order dated January 17, 2015 took cognizance against all the persons impleaded in the complaint. A criminal revision petition for quashing the complaint has been filed wherein the Calcutta High Court vide its order dated January 11, 2016 has stayed the proceedings before the Trial Court. The matter is pending.

17. An inspector under the Madhya Pradesh Shram Kalyan Nidhi Adhiniyam, 1982 (“**Shram Kalyan Act**”) had filed a private complaint before the Chief Judicial Magistrate, Gwalior against certain officials of the Company, alleging that during inspection of the zonal office of the Company at Gwalior, the Company had failed to show compliance to the provisions of the Act. The Company has challenged the complaint and the summoning order before the High Court of Madhya Pradesh at Gwalior. The High Court has stayed the proceedings before lower court. The matter is pending.

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. Mr. Anand Arya (“**Complainant**”), a subscriber of mobile services offered by our Company, filed a consumer complaint before the National Consumer Complaints Redressal Commission, New Delhi (“**Commission**”) on October 23, 2015, against our Company, alleging that the quality of services offered by our Company had been deteriorating since 2010 and more particularly from March, 2015 and owing to that the Complainant claimed that he had suffered extremely serious mental trauma and mental torture at least three times when there were medical emergencies. The Complainant sought damages to the tune of ₹ 448.2 million and demanded that our Company pay penalty to the rate of one thousand times the amount of mobile bills paid in 2015 by the Complainant which amounts to ₹ 11.73 million. Further, the Complainant also prayed that our Company be directed to deposit amount to the tune of ₹ 44,373.78 million in the Prime Minister’s relief fund. The Commission through order dated November 24, 2015 issued show cause notice to our Company. Our Company filed its reply before the Commission on September 26, 2016. The matter is currently pending.

Proceedings involving material statutory and regulatory violations by Telenor

1. The Supreme Court through its judgment dated February 2, 2012, in *Centre for Public Interest Litigation v. Union of India & Ors.*, quashed the grant of licenses and allocation of spectrum of various licensees including Unitech Wireless. The judgment further directed TRAI to make fresh recommendations for grant of license and to allocate spectrum in all telecom circles in India by way of an auction. Subsequently, after the completion of such auction in November 2012 (“**November Auctions**”), Supreme Court through another judgment dated February 15, 2013, directed all telecom operators, whose licenses were cancelled pursuant to the previous Supreme Court judgment dated February 2, 2012, to close down their services immediately, however the licensees who continued their operations post February 2, 2012, whether or not participated in the November Auctions, were ordered to pay the reserve price fixed by the Government. Telenor participated in the November Auctions and through the bid terms it was entitled to acquire and continue to operate the business of Unitech Wireless in the six circles of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh (east) and Uttar Pradesh (west), where Telenor was awarded the spectrum. The DoT also issued a letter of intent dated December 19, 2012 pursuant to which Telenor paid the auction price for the aforesaid six circles amounting to ₹ 13,260.32 million. Thereafter, the DoT issued a show cause notice dated November 17, 2014 for payment of reserve price amounting to ₹ 6,526.90 million in addition to interest payable on the said amount, for continuation of services until November 27, 2013 in the aforesaid six circles and until February 16, 2013 in the remaining circles. Later, the DoT reconsidered the demand amount specified in the aforesaid show cause notice and issued a demand notice dated September 22, 2016 for payment of ₹ 8,408.67 million that included interest amounting to ₹ 1,881.77 million, calculated for the period from the date of the aforesaid show cause notice until the date of this demand notice. Telenor and another party challenged this demand notice before the TDSAT which granted interim stay on the matter. While the matter was pending, the DoT issued a revised demand notice dated February 14, 2017 for payment of ₹ 7,701.58 million for the continued service wherein the principle amount was reduced from ₹ 6,526.90 million to ₹ 4,862.30 million, however the interest levied was increased, calculated from February 15, 2013 instead of November 17, 2014 (specified in the earlier demand notice). Telenor and another party challenged this revised demand notice before the TDSAT and obtained stay orders extending the interim protection. The matter is currently pending before the TDSAT for hearing.

2. For details of proceedings involving material statutory and regulatory violations with regards to AGR matters of our Company with Telenor, see “- *Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*” on page 394.
3. For details of proceedings involving material statutory and regulatory violations with regards to port charges matters by our Company along with Telenor, see “- *Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*” on page 394.
4. For details of proceedings involving the merger of our Company with Telenor, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 404.

Litigation involving our Subsidiaries

Bharti Telemedia Limited

Proceedings involving material statutory and regulatory violations by Bharti Telemedia Limited

1. Bharti Telemedia Limited filed a petition dated April 28, 2009 before the TDSAT for declaration that it is required to pay license fee on AGR basis and for direction to the Union of India (“**UOI**”) to calculate the license fee only from the licensed activities as per AGR. The TDSAT through judgment dated May 28, 2010 *inter alia*, allowed the said petition and provided for license fee on AGR basis. Further, the TDSAT excluded certain items from purview of AGR such as taxes, installation charges, commission, sale of set top boxes and accessories, subscription fees payable to broadcaster in respect of pay channel. The TDSAT in its order dated May 28, 2010 relied on the TDSAT order dated August 26, 2008 passed in the Tata Sky Limited vs. Union of India (“**Tata Sky matter**”). Thereafter, the UOI challenged the TDSAT’s order dated May 28, 2010 which was admitted by the Supreme Court and tagged with the UOI’s appeal in the Tata Sky matter (Civil Appeal No. 3549 of 2009). The Supreme Court through judgment dated October 11, 2011 (“**AUSPI judgment**”), *inter alia*, held that the TDSAT had no jurisdiction to decide on the legality and validity of the license conditions including the definition of AGR in the telecom matter and set aside the TDSAT orders dated July 7, 2006 and August 30, 2007. With the aforesaid findings, the Supreme Court remanded the matter back to the TDSAT for adjudication.

The TDSAT on December 15, 2011 passed the order in the remanded matter that no demand (original or revised) would be enforced without leave of the TDSAT. Subsequently, nearly two years later the UOI on March 19, 2014 raised a demand of approximately ₹ 2,985 million (including interest until March 2014) on account of short payment of license fee from Fiscal 2008-09 until Fiscal 2012-13 and the same had to be paid within 15 days on the alleged basis that Bharti Telemedia Limited was required to pay a license fee at 10% of the gross revenue. Bharti Telemedia Limited challenged the said demand before the TDSAT on April 2, 2014 and the TDSAT through order dated April 4, 2014 granted the interim protection and directed that the UOI shall not take any coercive measure for realization of the said demand. Bharti Telemedia Limited was paying the license fee on AGR as per the TDSAT order dated May 28, 2010 whilst the UOI was seeking to levy license fee on the gross revenue of the DTH financials.

Tata Sky’s appeal along with the appeal filed by UOI pending before the Supreme Court and the interim applications filed by Bharti Telemedia Limited were listed on August 27, 2015. A statement was made on behalf of TATA Sky that the AUSPI judgment of 2011 (Telecom AGR) would apply for the DTH matter also and as such they wanted to withdraw their appeal. The Supreme Court, through its order dated August 27, 2015, dismissed Tata Sky’s appeal and allowed the appeal filed by the UOI and further directed that such dismissal is not to adversely affect the matters pending before the TDSAT. Bharti Telemedia took a stand different from Tata’s stand, but the Supreme Court dismissed Tata’s appeal and the I.A.s filed by Bharti Telemedia and Sun TV. The TDSAT on January 11, 2018 adjourned the matter *sine die*.

Further, Bharti Telemedia Limited filed a writ petition before the Kerala High Court against the UOI and the TRAI in December 16, 2015, *inter alia*, seeking issuance of order or direction (i) issuing a writ, order or direction holding Clause 3.1.1 of the license agreement is in violation of Articles 14 and 19(1)(g) of the Constitution of India as it discriminates between similarly placed competing distribution

platforms; (ii) holding and declaring that the powers of the DoT to charge license fee under Section 4 of the Telegraph Act is confined only to revenue earned from licensed activities; and (iii) setting aside/quashing Clause 3.1.1 to the license agreement being *ultra vires* of Section 4 of the Telegraph Act to the extent that it includes revenue earned from non-licensed activities and expenses which are of a pass through nature. The Kerala High Court through its order dated December 17, 2015 granted an interim relief as prayed in the petition, which was extended until further orders through the Kerala High Court's order dated February 18, 2016.

The DoT filed transfer petitions before the Supreme Court on July 4, 2019, praying for the clubbing of all the matters pertaining to AGR and DTH pending before the Kerala High Court. The Supreme Court has, through its order dated September 23, 2019, allowed the said transfer petitions. The matter is currently pending.

On December 24, 2020, MIB issued a demand notice ("**Demand Letter**") to Bharti Telemedia Limited for the remittance of the purported outstanding license fees for FY 2008-09 to FY 2018-19 amounting to ₹ 16,423.66 million as on November 30, 2020. The Company has, pursuant to its response dated January 8, 2021, stated, among other things, that the issue pertaining to the DTH license fees is pending before the Kerala High Court and that the interim orders passed by the Kerala High Court and the TDSAT are in force and therefore, the Demand Letter ought to be withdrawn.

Proceedings involving moral turpitude or criminal liability on Bharti Telemedia Limited

1. Onkar Entertainment Private Limited ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Court of Additional Chief Metropolitan Magistrate - VIII, Calcutta, alleging commission of offences under Sections 406 and 420, read with Section 120(B) of the IPC against Bharti Telemedia Limited and certain of its directors and officers, amongst others ("**Accused Persons**") on December 6, 2017, claiming that the Accused Persons violated the agreement dated November 26, 2015 signed between our Company and the Complainant, by not providing the agreed upon DTH platform for the channel of the Complainant. The Court of Additional Chief Metropolitan Magistrate, VIII Calcutta took cognizance of the matter through order dated December 16, 2017 and issued summons to the Accused Persons under Section 200 of the Cr. PC. Bharti Telemedia Limited filed a petition under Section 482 of the Cr. PC before the Calcutta High Court on May 4, 2018 to quash the proceedings. The Calcutta High Court granted interim relief as prayed and further proceedings before the Trial Court were stayed. The matter is pending.

Bharti Hexacom

Proceedings involving material statutory and regulatory violations by Bharti Hexacom

1. For details of proceedings involving material statutory and regulatory violations with regards to spectrum charges matters by our Company along with Bharti Hexacom, see "*- Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*" on page 394.
2. For details of proceedings involving material statutory and regulatory violations with regards to EMF matters by our Company along with Bharti Hexacom, see "*- Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*" on page 394.
3. For details of proceedings involving material statutory and regulatory violations with regards to port charges matters by our Company along with Bharti Hexacom, see "*- Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*" on page 394.
4. For details of proceedings involving material statutory and regulatory violations with regards to CAF matters by our Company along with Bharti Hexacom, see "*- Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*" on page 394.
5. For details of proceedings involving the transfer/merger of TTSL with our Company and Bharti Hexacom, see "*- Litigation involving our Company – Other Regulatory Matters involving our Company*" on page 404.

6. For details of proceedings involving material statutory and regulatory violations with regards to the TRAI matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 404.
7. For details of proceedings involving material statutory and regulatory violations with regards to AGR matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*” on page 394.
8. For details of proceedings involving material statutory and regulatory violations with regards to SMS termination matters by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*” on page 394.
9. For details of proceedings involving material statutory and regulatory violations with regards to 3G ICR matter by our Company along with Bharti Hexacom, see “- *Litigation involving our Company – Proceedings involving material violations of the statutory regulations by our Company*” on page 394.

Bharti Digital

Proceedings involving material statutory and regulatory violations by Bharti Digital

1. For details of proceedings involving the merger of our Company with Bharti Digital, see “- *Litigation involving our Company – Other Regulatory Matters involving our Company*” on page 404.

Airtel Congo S.A.

Indirect Tax Proceedings

1. Airtel Congo S.A. underwent a general accounting audit for the Fiscals 2012, 2013 and 2014. On November 7, 2016 as a result of this verification, the tax authorities made a notification of adjustments amounting to XAF 57,230,455,658 for IRVM and VAT. On December 22, 2016 Airtel Congo S.A. made a protest against the notification. On September 24, 2018 the services tax authorities maintained the charges against Airtel Congo S.A. On October 3, 2018 the DGE of Brazzaville issued a notice of assessment (AMR) demanding from Airtel Congo S.A. the payment of an amount of XAF 85,296,464,550. On November 5, 2018 Airtel Congo S.A. applied for a waiver of the guarantee deposit of administrative fees before the Minister of Finance. On November 22, 2018 the Minister of Finance granted Airtel Congo S.A. a waiver of the guarantee deposit and processing fees. On November 27, 2018 Airtel Congo S.A. filed an application to the Tax Managing Director to seek arbitration over disagreements between his internal services and Airtel Congo S.A.

Airtel Congo RDC S.A.

Proceedings involving material statutory and regulatory violations by Airtel Congo RDC S.A.

1. Airtel Congo RDC S.A. (“**Claimant**”) was initially subject to three tax assessments seeking the payment of 1,459,523.53 USD for the alleged implementation of new versions of 3G technology without the requisite license. The Claimant on March 20, 2018 brought an application against the government of D.R. Congo, the DGRAD Tax authority and the Principal Collector (“**Respondents**”) to the Court in order to obtain a rebate of the aforementioned amount sought from the Claimant along with a counterclaim of USD 1,000,000 in damages. The Claimant argued that the tax assessments were illegal since they were not based on a piece of legislation enacted by the Congolese national parliament that was in force at the time of the taxation. The Claimant further argued that based on the applicable legislation on the matter, there was no tax base for the taxation made by the administration in light of the terms and conditions of the license granted to the Claimant by the government. All the pleadings were entered. The matter was heard by the Court on June 26, 2018 and sent to the Public Prosecutor’s Office for its legal opinion on the case before the Court’s final ruling. The matter will be taken by the Court for its ruling on the case once the Public Prosecutor issues his legal opinion on the case.
2. The Nederland British Company (NBC Sprl) (“**Claimant**”) sought a court injunction against Airtel Congo RDC S.A., Africell DRC, Vodacom Congo and Oasis (“**Respondents**”) on the ground that the Respondents were using spectrum which was allocated to the Claimant by provision of its license. The Claimant and the Respondents thereafter failed to settle the matter under the mediation of the Telecom

regulator. The Claimant subsequently moved to seek a court order compelling the Respondents to pay USD 20,000,000 in damages. The Court delivered an injunction against the Respondents to cease the usage of the aforesaid spectrum on October 25, 2012 which was overruled by the Court of Appeal on June 7, 2013. The Claimant has not initiated any further proceedings as of date.

Proceedings involving moral turpitude or criminal liability on Airtel Congo RDC S.A.

1. Mr. Nengbangba and another person (“**Claimants**”), two DRC local ex-officials filed a claim on August 19, 2018 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to reimburse a sum of USD 2,950 and to pay USD 1,000,000 in damages for the alleged fraudulent swaps of the Claimant’s SIM cards. The Court subsequently issued an investigation order to search Airtel Congo RDC S.A.’s premises and interview witnesses which have been appealed against by Airtel Congo RDC S.A. for violation of the constitutional right to a fair trial. The trial is pending for the appeal before the Supreme Court.
2. Mr. Lulanga Zihundula (“**Plaintiff**”) is the former landlord of Mr. Thomas Mayuma De Souza (“**Defendant**”), a former Airtel Congo RDC S.A. employee. The Plaintiff brought an action to Court in order to recover USD 900 of rent arrears which the defendant owed to the Plaintiff, who undertook garnishment procedures over the Defendant’s monies held by Airtel Congo RDC S.A. in order to recover these rent arrears and costs. The claim was granted by the Trial Judge along with legal cost of about USD 230. The Defendant challenged the garnishment procedure before the Tribunal de Grande Instance de Kinshasa/Gombe. On May 15, 2018 the Plaintiff brought an action against Airtel Congo RDC S.A. before the Trial Court in Kinshasa/Gombe for concealment and handling of the stolen goods arguing that Airtel Congo RDC S.A. should be held liable under civil law and responsible under criminal law. The Plaintiff sought damages for USD 150,000. At this stage pleadings were entered. The case was pleaded on October 11, 2019 and the decision of the court is awaited. The Plaintiff appealed this decision before the High Court of Kinshasa/Gombe. The case was pleaded on August 03, 2021 and the decision of the court is awaited.
3. Ms. Ndudi Bakambu (“**Claimant**”), a local DRC national filed an application on July 30, 2007 against Airtel Congo RDC S.A., seeking a court order compelling Airtel Congo RDC S.A. to make a payment of USD 200,000 in general damages following a traffic accident allegedly caused by Airtel Congo RDC S.A.’s vehicle. Airtel Congo RDC S.A. moved to bring its insurer into the lawsuit as a third party defendant. Subsequently, the third party defendant initiated negotiations to reach an out of court settlement agreement with the Claimant. There is an on-going search at the registrar’s to verify whether a settlement agreement is recorded.
4. Mr. Alain Bassie (“**Claimant**”), an ex-employee served a notice on February 25, 2016 to Airtel Congo RDC S.A. and the then managing director and human resources manager (“**Respondents**”) purporting that the assignment letter received by the Claimant on March 11, 2013 was wrongfully backdated by the Respondents to December 26, 2012. The Claimant subsequently filed an application seeking USD 3,500,000 in damages. The matter is pending before the High Court of Kinshasa/Gombe.
5. Mr. Babel Mbaya (“**Claimant**”), an ex-employee of Airtel Congo RDC S.A. filed a complaint against Airtel Congo RDC S.A. and a local labour inspector (“**Respondents**”), alleging that the settlement agreement entered into on June 20, 2015 before the labour office is forged. The amount claimed in damages under the notice dated January 12, 2017 to the Respondents is USD 500,000. The High Court of Kinshasa/Matete rejected the claim, pointing the validity of the settlement agreement between the Claimant and Airtel Congo RDC S.A.. The ruling is yet to be notified to all the parties by the registrar. Another complaint lodged by the Claimant seeking the annulment of the minutes of non-conciliation pertaining to the proceeding before the labor inspectorate was also denied by the High Court of Kinshasa/Matete.
6. Mr. Otiom Apiker (“**Claimant**”), an ex-employee of Airtel Congo RDC S.A. filed a complaint through notice on June 26, 2013 to Airtel Congo RDC S.A. (civilly liable) and the then line manager of the Claimant (“**Respondents**”), seeking a court order compelling the Respondents to make a payment of USD 45,000 in damages. The Claimant accused the line manager of fraudulently adding 1,200 customer acquisitions to the Claimant’s KPI in an attempt to reduce the Claimant’s chances to meet his monthly sales targets and obtain the related bonus. The Tribunal of Gombe dismissed the case on July 10, 2013

for lack of jurisdiction and the Claimant moved to file the complaint before the Tribunal of Ngaliema which ruling has been appealed by the line manager. The matter is pending before the Supreme Court.

7. Following investigations led by the Prosecutor Office in 2016, the management of Airtel Congo RDC S.A. was summoned to explain gaps between the amounts declared in certain of its importation licenses and the value of goods eventually imported. The Prosecutor Office alleged that the said gaps amounted into illegal transfers of foreign currency made by Airtel Congo RDC S.A. to the range of USD 72,000,000. Airtel Congo RDC S.A. clarified to the Prosecutor Office that importation licenses are issued by banks based on the estimated value of proposed imports indicated by the importer prior to the importation of the said goods. Airtel Congo RDC S.A. further clarified that upon the effective importation of the goods, the banks are to issue updated importation licenses reflecting the value of the imported goods, subject to the Central Bank approval, and in accordance with the foreign exchange regulations in the Democratic Republic of Congo. Airtel Congo RDC S.A. proceeded to share the updated licenses issued by the banks in full to the Prosecutor Office. As of date the Prosecutor Office has not made any new demand with regard to its initial query and Airtel Congo RDC S.A. awaits the conclusion of investigation.
8. Mr. Sabin Kifungo Mugabusha (the “**Plaintiff**”) has initiated criminal proceedings against Mrs. J.C Uneken- Van De Vreede (the “**Defendant**”) alleging that the Defendant provided incorrect information to Airtel Congo DRC SA in order to alter the calculation of his severance payment. The Plaintiff claimed documents issued to him as part of end of services were forged. The last hearing date was set on June 6, 2017 during which external counsel requested the matter to be procedurally dismissed as the claim effectively lack legal basis under local laws.

Airtel Money RDC S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Money RDC S.A.

1. Mr. Christian Mupanda along with another person (“**Claimants**”), two local nationals of DRC filed a claim against the former director and manager of Airtel Money RDC S.A. and Airtel Money RDC S.A. (“**Respondents**”), alleging forgery by the Respondents of the Claimants’ concept of electronic money wallet, seeking a court order compelling the Respondents to make a payment of USD 1,000,000 in damages and the cessation of any activity affecting the Claimant’s rights. Through judgement dated April 20, 2015, the High Court rejected the claim ruling that the alleged “*forgery was not proven in fact nor in law*”. The appeal lodged by the Claimants against the above ruling was found admissible in part. The matter is pending the determination of the Supreme Court.

*Airtel Networks Kenya Limited (“**ANKL**”)*

Proceedings involving material statutory and regulatory violations by ANKL

1. On August 7, 2017 ANKL filed a suit against the Communications Authority of Kenya (“**Communications Authority**”) seeking the following:
 - An order of Certiorari to quash the unlawful demand of USD 20,025,000 made by the Communications Authority. The Communications Authority stated that payment of the aforesaid amount was a condition precedent to the renewal of ANKL’s radio frequency spectrum and operating licenses.
 - An order of Prohibition to prohibit Communications Authority from taking steps, actions/measures to enforce the unlawful demand of USD 20,025,000.
 - An order of Mandamus to compel Communications Authority to renew ANKL’s Network Facility Provider License and issue ANKL the signed license terms and conditions.

The parties presented their respective legal arguments before the High Court on various dates. The High Court through judgment dated December 18, 2017 held that the renewal of ANKL’s license was not conditional on the payment of USD 20,025,000 as demanded by the Communications Authority. The High Court issued an order of Mandamus directing the Communications Authority to conclude the terms of the reserved Network Facility Provider License or such other documents confirming the renewal of the ANKL’s Network Facility Provider License as well as the signed license terms and conditions. The Communications Authority is alleged to have filed a notice of appeal on January 24,

2018 and through letter dated January 24, 2018 addressed to the Deputy Registrar of the High Court requested for typed copies of the court proceedings for the purpose of compiling the record of appeal. It is not clear what steps the Communications Authority has taken to prepare and lodge the appeal. As a consequence of the failure by the Communications Authority to comply with the order issued by the High Court on December 18, 2017, ANKL filed an application seeking that the Director General of the Communications Authority be cited for contempt of court. The Communications Authority filed an affidavit in response to the application. ANKL's contempt application has been scheduled for hearing on September 22, 2021. Separately, on August 27, 2021, ANKL received a request for consultation for closure of outstanding licenses issue from the Communications Authority, along with a condition for payment of USD 20,025,000 fees for the license. The assessment is that this request is not in line with High court's order dated 18 December 2017. Further, ANKL has sought advice from external counsel and in the said opinion; the Authority's demand for payment is contrary to the court's order. ANKL is engaging with the Communications Authority for closure of the issue failing which the contempt proceedings are to continue.

Airtel Madagascar S.A.

Proceedings involving moral turpitude or criminal liability on Airtel Madagascar S.A.

1. On March 14, 2018, a SIM card of a distributor of Airtel Madagascar S.A. in Maevatanana RAKOTONDRABE Lalatiana Maryse Yvonne was fraudulently exchanged at an Airtel Ankorondrano Shop (Antananarivo) with a falsified ID card. The exchange was made on the basis of the verification of the identity and address of the owner of the SIM without the verification of the identity card number. An amount in the Airtel Money account of 4,165,917 MGA was stolen. There was no request to reset the PIN code of the Airtel Money account. The distributor lodged a complaint against Airtel Madagascar S.A. and against the agent representing Airtel Madagascar S.A.. The agent works on behalf of the distributor. On July 23, 2018, a hearing at the Maevatanana court was held and Airtel Madagascar S.A. reimbursed the amount stolen during the hearing. On August 6, 2018, the court rendered its judgment. No charges have been retained against Airtel Madagascar S.A. by the court. The distributor wished to continue to sue its agent. The matters are being transferred from court of Maevatanana venue to the correctional court of Majunga. The legal proceedings are pending.

Airtel Networks Zambia PLC ("ANZ")

Other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of ANZ

1. In or around 2015, Thomas Allan Zgambo and Clayson Hamakasa (the "**Petitioners**") commenced an action in the High Court for Zambia by way of petition against ANZ. The Petitioners are journalists by profession practicing locally and internationally. They claim that on July 9, 2013, they suffered arbitrary searches at their respective residences by State agents which included the Zambia Police Service, Drug Enforcement Commission and Office of the President Special Division. The Petitioners' laptops, mobile phones and documents were confiscated during the searches.

Following the searches, the Petitioners were interrogated for about 48 hours at the Police Service Headquarters. Thomas Zgambo was charged with the offence of sedition which charge was later dropped. Clayson Hamakasa was charged with defamation of the President which charge was later dropped. He was however subsequently charged and prosecuted for being in possession of obscene materials.

During the years 2013 and 2014 they experienced situations where they could not send short message service or text messages from their mobile phones and those messages were not delivered to the intended recipients despite their phones showing that they were sent out. Conversely, that they could not receive text messages from people that claimed they had sent them text messages.

It apparently came to the Petitioners' knowledge that their right of privacy guaranteed by the Constitution was invaded and breached by ANZ (the "**Respondent**"), when the Respondent knowingly and without any lawful excuse or order, on various occasions, illegally intercepted and diverted data and/or procured another person to illegally intercept and divert data to and from the Petitioners' mobile numbers to other Airtel numbers known to have been registered under the name of Everisto Phiri.

That the interception of communication by the Respondent prevented the Petitioners from communicating freely and conducting their normal business, and brought psychological torture, distress, torment and suffering to their wellbeing. As a result, the Petitioners seek among other things:

- (a) a declaration that the acts by the Respondent breached provisions of the Electronic Communications and Transactions Act 2009;
- (b) a declaration that the acts by the Respondent breached the rights of the Petitioners as provided under the Constitution;
- (c) a declaration that the acts by the Respondent were an assault on the media and democracy of the nation; and
- (d) an order for damages for the invasion of the privacy and freedoms of the Petitioners.

In the Petitioners' letter of demand to the Respondent, the sum of damages sought was US\$ 10,000,000.

The Respondent in its answer filed into court on February 13, 2017, opposed the petition and stated that the searches conducted by the State agencies were not at the instigation of the Respondent and that the Respondent was never approached by any State security agency relating to any suspected crime or illegal activity attributable to the Petitioners. The Respondent further stated that its system does not have the capacity to divert or re-route messages as alleged by the Respondent. The Respondent denied that the Petitioners are entitled to the reliefs sought.

Subsequently, the Petitioners made an application for the production of phone records which application was granted by a ruling dated September 27, 2018. However, the High Court Judge held that the Respondent was only obliged to release records for the numbers assigned to the Petitioners and not any other third parties.

The Respondent subsequently filed into Court an application for leave for special leave to review the ruling dated September 27, 2018 because the Respondent had been unable to provide phone records for the period April 2014 to August 2014. This was premised on the fact that they had fresh information that they could not have adduced at the time that the ruling was delivered.

The Court held that in the circumstances, special leave to review was merited and granted the application for review. In reviewing its earlier ruling, the Court held that at the time it had delivered its ruling of September 27, 2018, it was unknown to the Respondent that information on backup tapes had been corrupted and that it would be difficult to reconstruct the files. The Court therefore excluded the period between April to July 2014 from its blanket order for the Respondent to produce records for the period 2013 to 2014.

The Petitioners have applied for the Court to review its order to vary the order for the production of phone records. Hearing was set to take place on July 7, 2021 but has been adjourned to a later date yet to be communicated.

Proceedings involving moral turpitude or criminal liability on ANZ.

1. On June 19, 2019, a charge was filed against ANZ and others in which ANZ was cited in 8 of the 11 Counts before the Court. ANZ was charged with the following offences:
 - a) interception of communication contrary to section 64(1)(a) of the Electronic Communications and Transactions Act No 21 of 2009 (the “ECT Act”). The particulars of the offence were that Airtel, being a mobile airtime and data service provider acting with other persons unknown on dates unknown but between April 3, 2013 and April 10, 2014 at Lusaka did intercept short message services communication to and from one Thomas Alan Zgambo;
 - b) procuring another person to intercept communications contrary to section 64(1)(a) of the ECT Act;
 - c) using electronic, mechanical or other service to intercept communication contrary to section 64(1)(b) of the ECT Act;

- d) procuring another person to use electronic, mechanical or other device to intercept communication contrary to section 64(1)(b) of the ECT Act;
- e) unauthorised access to, interception of or interference with data contrary to section 99(1) and (2) of the ECT Act;
- f) aiding and abetting persons to intercept communication contrary to section 101(2) of the ECT Act;
- g) obstructing or hindering a police officer in the exercise of any powers contrary to section 76 (10) of the Information and Communications Technologies Act No 15 of 2009; and
- h) conspiracy to defeat justice contrary to section 112(1)(a) and (b) of the Penal Code, Chapter 87 of the Laws of Zambia.

The Director of Public Prosecutions took over prosecution of this matter on 30 July 2021 and proceeded to enter a Nolle Prosequi on August 5, 2021. Accused persons now stand discharged.

2. ANZ and eight other respondents were charged with:

- a) forgery contrary to section 344 (a) of the Penal Code Act, Chapter 87 of the Laws of Zambia (Penal Code). The particulars of the offence were that ANZ whilst acting together with the 8 other respondents forged a KPMG report entitled ANZ diagnostic study for data restoration of V7000 storage 78 N2PZ1;
- b) uttering a forged document contrary to section 352 of the Penal Code;
- c) false swearing contrary to section 109 of the Penal Code;
- d) conspiracy to defeat justice contrary to section 112 (b) of the Penal Code; and
- e) fabricating evidence contrary to section 108 (b) of the Penal Code.

On March 11, 2021, the Director of Public Prosecutions entered a Nolle Prosequi and discontinued the proceedings against all the respondents including ANZ.

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since June 30, 2021, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

- a) Our Board, in its meeting held on August 3, 2021, took on record the resignation of Craig Edward Ehrlich from the position of Independent Director w.e.f. close of business hours on August 3, 2021.
- b) The Board of Directors, in its meeting held on August 03, 2021, appointed Ms. Nisaba Godrej, as an Independent Director of our Company for a term of five consecutive years i.e. from August 4, 2021 to August 3, 2026. The appointment was approved by the Shareholders in the Annual General Meeting held on August 31, 2021.
- c) Mr. Sunil Bharti Mittal was re-appointed by the Shareholders in the Annual General Meeting dated August 31, 2021 as the Chairman of our Company, in executive capacity, 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 SEBI Listing Regulations.
- d) The 26th Annual General Meeting of our Company was held on August 31, 2021 for, among others, receiving, considering and adopting the audited consolidated financial statements and audited standalone financial statements of our Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and of the Auditors thereon;
- e) Our Company completed the payment obligation of the following commercial papers on their respective maturity dates:

S. No.	Date of issue	ISIN	Maturity Date
1.	July 14, 2021	INE397D14308	August 10, 2021
2.	July 14, 2021	INE397D14290	August 20, 2021
3.	December 04, 2020	INE397D14282	September 03, 2021

f) Composite scheme of arrangement between Bharti Airtel Limited, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited

Our Company announced a new proposed 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 our Company, in its meeting held on April 14, 2021, has approved the composite scheme of arrangement between our 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 ('Scheme') for: (a) amalgamation of Nettle Infrastructure Investments Limited, Airtel Digital Limited and Telesonic Networks Limited, wholly-owned subsidiaries with and into our Company; 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. Our Company has received observation letters dated August 5, 2021 and August 10, 2021 from BSE and NSE, respectively *vide* which they have conveyed their no-objection in terms of Regulation 94 of the SEBI Listing Regulations, so as to enable our Company to file the draft scheme with the NCLT. The Scheme is pending for applicable statutory / regulatory approvals.

- g) During the previous year ended March 31, 2021, our Company and Nxtra Data Limited, a subsidiary of our Company, have entered into an Investment Agreement with CA Cloud Investments (formerly Comfort Investments II) ('Carlyle'). In accordance with the said agreement, Carlyle 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 million in three separate tranches. During the previous year ended March 31, 2021, Nxtra Data Limited has received the first tranche of ₹ 7,000 million and has allotted 7,000,000 CCPS and 10 equity shares to the Carlyle. On August 26, 2021, Nxtra Data Limited has received the second tranche of ₹ 4,000 million and has allotted 4,000,000 CCPS to the Carlyle.

- h) Our Company, on August 13, 2021 announced the closure of its agreement with Reliance Jio Infocomm (“**Jio**”) to transfer the ‘Right to Use’ of 800 MHz spectrum in three circles to Jio. Our Company received ₹ 10,048 million (net of tax) from Jio for the proposed transfer. In addition, Jio will assume future liabilities of ₹ 4,693 million relating to the spectrum.
- i) Our Company on September 17, 2021 has issued commercial papers with ISIN INE397D14316 aggregating to ₹55,000 million maturing on November 1, 2021.
- j) On August 2, 2021, our Subsidiary, Telesonic Networks Limited has issued 30,000 listed, unsecured, rated, redeemable, non-convertible debentures (“**NCDs**”), of face value of ₹ 1 million each at a coupon rate of 5.35% per annum payable annually, at par aggregating to ₹ 30,000 million on private placement basis which have been guaranteed by our Company. These NCDs will be due for maturity on April 28, 2023.
- k) On August 23, 2021, our Subsidiary, Bharti Hexacom Limited has issued 20,000 listed, unsecured, rated, redeemable non-convertible debentures (“**NCD**”), of the face value of ₹ 1 million each at a coupon rate of 5.9% per annum payable annually, at par aggregating to ₹ 20,000 million on private placement basis. This NCDs will be due for payment on April 30, 2024.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on August 29, 2021, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on August 29, 2021 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at ₹ 535 per Rights Equity Share (including a premium of ₹ 530 per Rights Equity Share), in the ratio of 1 (one) Rights Equity Share for every 14 (fourteen) Equity Shares, as held on the Record Date. The Issue Price of ₹ 535 per Rights Equity Share has been arrived at, in consultation with the Lead Managers, prior to determination of the Record Date. On Application, Investors will have to pay ₹ 133.75 per Rights Equity Share which constitutes 25% of the Issue Price and the balance ₹ 401.25 per Rights Equity Share, which constitutes 75% of the Issue Price, will have to be paid, on two more additional calls as may be decided by the Board/ Committee of the Board from time to time. The Company's current expectation is to do the remaining calls within an overall time horizon of 36 months.

This Letter of Offer has been approved by our Board pursuant to their resolutions dated September 22, 2021.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to their respective letters each dated September 20, 2021, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circulars.

Our Company has been allotted the ISIN INE397D20024 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN 'IN9397D01014' both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see "*Terms of the Issue*" on page 434.

Prohibition by SEBI

Our Company, our Promoter, members of the Promoter Group or our Directors have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies with which our Promoter or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders.

Directors of our Company who are associated with the securities market and details of outstanding actions, if any, initiated by SEBI against the entities operating in the securities market with which such Directors are associated

Other than (i) Mr. Dinesh Kumar Mittal who is a director on the board of directors of HSBC Asset Management (India) Private Limited, which is a SEBI registered portfolio manager, and (ii) Mr. Manish Santoshkumar Kejriwal who is a designated partner of Kedaara Capital Advisors LLP which is the investment manager of Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1, SEBI registered alternate investment fund; a nominee to designated partner of Kedaara Capital Fund II LLP, a SEBI registered alternate investment fund; and nominee of Kedaara Capital Fund II LLP in Kedaara Capital Alternative Investment Fund II which is a feeder fund for Kedaara Capital Fund II LLP, also a SEBI registered alternate investment fund, SEBI registered alternate investment fund; designated partner of Kedaara Capital Growth Fund III LLP, none of our Directors are associated with the securities market in any manner. SEBI has not initiated any action against HSBC Asset Management (India) Private Limited, Kedaara Capital Advisors LLP, Kedaara Capital Fund II LLP, Kedaara Capital Alternative Investment Fund II and Kedaara Capital Growth Fund III LLP.

Prohibition by RBI

Neither our Company nor our Promoter or our Directors have been or are identified as Wilful Defaulters.

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;
3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 2,500 million;
4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period;
5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-months period;
6. Our Company has been in compliance with the equity listing agreement and the SEBI Listing Regulations, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;
8. No show-cause notices, excluding under adjudication proceedings, have been issued by SEBI and are pending against our Company, its Promoters or whole-time Directors as on date of filing this Letter of Offer with the Designated Stock Exchange. Further, no show-cause notices have been issued or adjudication proceedings or prosecution proceedings initiated by SEBI against our Company, its Promoter, its Directors or its Group Companies which have not been disclosed in this Letter of Offer, along with its potential adverse impact on our Company;
9. No show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, its Promoter or Whole-time Directors as on date of filing this Letter of offer with the Designated Stock Exchange. Further, no show-cause notices have been issued by SEBI in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI against our Company, its Promoters or whole-time Directors which have not been disclosed in this Letter of Offer, along with its potential adverse impact on our Company;

10. Our Company, the members of our Promoter Group or our Directors has not settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during the three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
11. Our Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;
12. There is no conflict of interest between the Lead Managers and our Company or its Group Companies in accordance with applicable regulations;
13. Our Promoter, BTL, and members of our Promoter Group, have confirmed to (a) subscribe to the full extent of their Rights Entitlement and not renounce their Rights Entitlement, (except to the extent of renunciation within the Promoter Group, if applicable); (b) subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by the Promoter or any other members of the Promoter Group of our Company or that they may acquire separately; and (c) subscribe to additional Rights Equity Shares including subscribing to any unsubscribed portion in the Issue, if any, either individually or jointly and/ or severally with the Promoter or any other members of the Promoter Group, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws / regulations.

Any participation by our Promoter and members of our promoter group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

For subscription by our Promoter and members of our promoter group and details in relation to compliance with minimum public shareholding norms prescribed under the SCRR, see “*Capital Structure - Intention and extent of participation by our Promoter*” on page 94; and

14. There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company in respect of the Financial Year for which such accounts are disclosed in this Letter of Offer.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGERS, BEING

AXIS CAPITAL LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, BOFA SECURITIES INDIA LIMITED, BNP PARIBAS, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, HDFC BANK LIMITED, ICICI SECURITIES LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, J.P. MORGAN INDIA PRIVATE LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, BOFA SECURITIES INDIA LIMITED, BNP PARIBAS, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, HDFC BANK LIMITED, ICICI SECURITIES LIMITED AND JM FINANCIAL LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2021 WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE LETTER OF OFFER OF THE SUBJECT ISSUE;
- (2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - (a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (“SEBI ICDR REGULATIONS”) AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE
- (5) WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER’S

CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. – NOT APPLICABLE.

- (6) ALL APPLICABLE PROVISIONS SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. – NOT APPLICABLE.
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE.
- (8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH
- (10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER: COMPLIED WITH TO THE EXTENT APPLICABLE
- (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY EXCLUDING SR EQUITY SHARES WHERE THE ISSUER HAS OUTSTANDING EQUITY SHARES; AND
- (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI.
- (11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. NOTED FOR COMPLIANCE.
- (12) IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. NOT APPLICABLE

- (13) NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY – COMPLIED WITH
- (14) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH
- (15) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH
- (16) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE COMPANY UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE
- (17) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Managers shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

“BSE Limited (“**the Exchange**”) has given, *vide* its letter dated September 20, 2021 permission to this Company to use the Exchange’s name in this Letter of Offer as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Letter of Offer is set out below:

“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given *vide* its letter Ref. No. NSE/LIST/28378 dated September 20, 2021 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making

the Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer / Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer/ Abridged Letter of Offer and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges.

Accordingly, the Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and the Application Form or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

NO OFFER IN THE UNITED STATES

This Letter of Offering is being delivered only to investors in "offshore transactions" as defined in, and in reliance, on Regulation S. None of the Rights Entitlement or the Rights Equity Shares has been, or will be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Rights Entitlement and the Rights Equity Shares are being offered and sold only outside the United States in compliance with Regulation S.

JURISDICTIONS OUTSIDE INDIA

The distribution of this Letter of Offer may be restricted by law in certain jurisdictions. Persons into whose possession this document and any other related documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document, in whole or in part, does not form the basis of, and should not be relied upon in connection with, any contract, agreement or commitment whatsoever. Anyone purchasing or seeking to acquire the Rights Equity Shares will be deemed to have represented that they have complied with all applicable restrictions.

Investors are advised to consult their own legal counsel prior to taking up any Rights Equity Shares, or making any offer, sale, resale, pledge or transfer of the Rights Equity Shares. No action has been or will be taken to permit a public offering of the Rights Equity Shares in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Equity Shares may not be offered, sold, resold, allotted, taken up, pledged, transferred or delivered, directly or indirectly, and this document may not be distributed, in any jurisdiction outside of India, except in accordance with legal requirements applicable in such jurisdiction.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS AS DESCRIBED UNDER “OTHER REGULATORY AND STATUTORY DISCLOSURES-SELLING RESTRICTIONS” ON PAGE 430.

Filing

This Letter of Offer is being filed with the Stock Exchanges and SEBI, as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders Relationship Committee which currently comprises of Mr. Rakesh Bharti Mittal, Mr. Dinesh Kumar Mittal, Mr. Gopal Vittal and Mr. Manish Santoshkumar Kejriwal. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of balance sheet, non-receipt of declared dividend, general meetings *etc.* We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are generally disposed of within 7 working days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy

to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” on page 434. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

KFin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)

Address: Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.

Telephone Number: +91 40 6716 2222

Fax: +91 40 2343 1551

Toll free number: 18003094001

Website: www.kfintech.com

Email: bhartiairtel.rights@kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

Company Secretary and Compliance Officer

Company Secretary

Mr. Pankaj Tewari

Company Secretary

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

Telephone: +91 11 4666 6100

E-mail: company.secretary@bharti.in

Compliance Officer

Mr. Rohit Krishan Puri

Deputy Company Secretary and Compliance Officer

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

Telephone: +91 11 4666 6100

E-mail: compliance.officer@bharti.in

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Investors are requested to note that application in this issue can only be made through ASBA. This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.airtel.in;
- (ii) the Registrar at www.kfintech.com;
- (iii) the Lead Managers, i.e. (a) Axis Capital Limited at www.axiscapital.co.in, (b) J.P. Morgan India Private Limited at www.jpmpil.com; (c) Citigroup Global Markets India Private Limited at www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm; (d) Kotak Mahindra Capital Company Limited at www.investmentbank.kotak.com; (e) BofA Securities India Limited at www.ml-india.com; (f) BNP Paribas at www.bnpparibas.co.in; (g) Goldman Sachs (India) Securities Private Limited at www.goldmansachs.com; (h) HDFC Bank Limited at www.hdfcbank.com; (i) ICICI Securities Limited at www.icicisecurities.com; and (j) JM Financial Limited at www.jmfl.com.
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)

and PAN. The link for the same shall also be available on the website of our Company (i.e., www.airtel.in).

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “-Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” on page 447.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible

Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- (i) the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “- Grounds for Technical Rejection” on page 444. Our Company, the Lead Managers, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper” on page 438.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

Investors are required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the

SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Investors:

- (a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money }) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors:

- (a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (b) Do not send your physical Application to the Lead Managers, the Registrar, the Banker(s) to the Issue, (assuming that Banker(s) to the Issue is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (d) Do not submit Application Form using third party ASBA account.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Bharti Airtel Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ 133.75 per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

“Purchaser Representations and Transfer Restrictions

Any person who acquires Rights Entitlements and / or Rights Equity Shares, by its acceptance of this Letter of Offer / Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Managers as follows:

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and / or Equity Shares, and it acknowledges and agrees that none of us or the Lead Managers and their respective affiliates shall have any responsibility in this regard;*
- *It certifies that it is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, it is located outside the United States of America (within the meaning of Regulation S), and it has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States;*
- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and / or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and / or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and / or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; and (B) in accordance with all applicable*

laws, including the securities laws of the States of the United States and any other jurisdiction in which such offers or sales are made;

- It is not an affiliate of our Company or a person acting on behalf of an affiliate;*
- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any or directed selling efforts (as defined in Regulation S under the Securities Act);*
- It will base its investment decision on a copy of the Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and / or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and / or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;*
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and / or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and / or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and / or Rights Equity Shares, (ii) will not look to the Company or the Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and / or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and / or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and / or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and / or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*
- It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and / or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and / or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*
- It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and / or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*

It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and / or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.kfintech.com.

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the ASBA Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper*” on page 438.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per

the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “- Basis of Allotment” on page 457.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “-Making of an Application by Eligible Equity Shareholders on Plain Paper” on page 438.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Banker(s) to the Issue (assuming that the Banker(s) to the Issue is not an SCSB), our Company or the Registrar or the Lead Managers.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company**

or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (m) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.

- (r) Do not submit multiple Applications.
- (s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application do not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Managers, Registrar, Banker(s) to the Issue (assuming that the Banker(s) to the Issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than a limited number of “qualified institutional buyers,” as defined in Rule 144A of the

Securities Act, located in the United States, the offers and sales to whom the Lead Managers are not participating or involved in) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

- **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- *Procedure for Applications by Mutual Funds*” on page 446.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” on page 94.

- **Procedure for Applications by certain categories of Investors**

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are

eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, Thursday, October 21, 2021, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- Basis of Allotment” on page 457.

Please note that on the Issue Closing Date, Applications will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw its Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be unblocked in the respective bank accounts from which Application Money was received. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an

Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.kfintech.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.airtel.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE397D20024. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the ASBA Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, **“BHARTI AIRTEL RIGHTS ENTITLEMENT 2021 SUSPENSE ESCROW ACCOUNT”**) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership

of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by Monday, October 18, 2021 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) *On Market Renunciation*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the ASBA Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under INE397D20024 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from October 5, 2021 to October 14, 2021 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE397D20024 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE397D20024, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. TERMS OF PAYMENT

₹ 535 per Rights Equity Share (including premium of ₹ 530 per Rights Equity Share) shall be payable as follows:

Amount Payable per Rights Equity Share (Due Date)*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	1.25	132.50	133.75**
On two more additional calls as may be decided by the Board/ Committee of the Board from time to time	3.75	397.50	401.25***
Total	5.00	530	535
<i>*For further details on Payment Schedule, see “Terms of The Issue” on page 434. **Constitutes 25% of the Issue Price. *** Constitutes 75% of the Issue Price.</i>			

Rights Equity Shares in respect of which the Calls payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Record date for Calls and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of Rights Equity Shareholders to whom the notice for the Calls would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the calls have been made may be suspended prior to the Call Record Date.

Procedure for Calls for Rights Equity Shares

Our Company would convene a meeting of our Board to pass the required resolutions for making the Calls and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in one English national daily newspaper; and one Hindi language national daily newspaper (Hindi being the regional language of Gurugram, Haryana and New Delhi, where our Registered Office and Corporate Office are situated, respectively), all with wide circulation. The Calls shall be deemed to have been made at the time when the resolution authorising such Calls are passed at the meeting of our Board. The Calls may be revoked or postponed at the discretion of our Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days’ notice for the payment of the Calls. Our Board may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Calls, and if it does not receive the Call Money as per the timelines stipulated unless extended by our Board, the defaulting Rights Equity Shareholders will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

VI. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA.

The Investors agree to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

VII. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “*The Issue*” on page 84.

- ***Fractional Entitlements***

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1:14 (1 Rights Equity Shares for every 14 Equity Shares held as on the Record Date). As per ASBA Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 14 Equity Shares or is not in the multiple of 14 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 14 (fourteen) Equity Shares, such Equity Shareholder will be entitled to 1 (one) Equity Share and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 14 (fourteen) Equity Shares shall have ‘zero’ entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

- ***Ranking***

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHTS/JR/IP-RT/1487/2021-22 dated September 20, 2021 and from the NSE through letter bearing reference number NSE/LIST/28378 dated September 20, 2021. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent

to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code:532454) and NSE (Scrip Code: BHARTIARTL) under the ISIN: INE397D01024. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of the Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter*” on page 94.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue

VIII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Notices***

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation (Hindi being the regional language of Gurugram, Haryana and New Delhi, where our Registered Office and Corporate Office are situated, respectively).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at bhartiairtel.rights@kfintech.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.kfintech.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 458.

IX. ISSUE SCHEDULE

Last Date for credit of Rights Entitlements	Monday, October 04, 2021
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Issue Opening Date	Tuesday, October 05, 2021
Last date for On Market Renunciation of Rights Entitlements #	Thursday, October 14, 2021
Issue Closing Date*	Thursday, October 21, 2021
Finalization of Basis of Allotment (on or about)	Wednesday, October 27, 2021
Date of Allotment (on or about)	Thursday, October 28, 2021
Date of credit (on or about)	Friday, October 29, 2021
Date of listing (on or about)	Monday, November 01, 2021

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Monday, October 18, 2021 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Wednesday, October 20, 2021.

X. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

XI. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XII. PAYMENT OF REFUND

• Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of

the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

- ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XIII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Equity Shares in Dematerialized Form***

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated December 29, 2000 and an agreement dated January 12, 2002 with CDSL which enables the Investors to hold and trade in the securities issued by

our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Equity Shares and the Application Form will be rejected.
5. The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIV. IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public

interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.5 crore or with both.

XV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XVI. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVII. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Bharti Airtel Limited – Rights Issue**” on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Address: Selenium, Tower B,
Plot No- 31 and 32, Financial District,

Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.
Telephone Number: +91 40 6716 2222
Fax: +91 40 2343 1551
Toll free number: 18003094001
Website: www.kfintech.com
Email: bhartiairtel.rights@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

3. The Investors can visit following links for the below-mentioned purposes:
- a) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.kfintech.com
 - b) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.kfintech.com.
 - c) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.kfintech.com

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

XVIII. RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (*i.e.*, any investment which would result in the investor holding 49% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals. Additionally, the Union Cabinet has on September 15, 2021, pending legal notification, announced various structural reforms in the telecom sector, which includes allowing 100% foreign direct investment under the automatic route.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The RBI has granted banking license dated April 11, 2016 to Airtel Payments Bank Limited, our Subsidiary in accordance with the Companies Act, for establishing payments bank and by way of letter dated March 11, 2016 to Airtel Payments Bank Limited stipulated that our Articles of Association shall be amended to incorporate the clause for seeking prior approval of the RBI in case of any change in shareholding of 5% or more of the total issued capital of our Company. Accordingly, our Company has amended its Articles of Association by insertion of article number 42A, to state that “No person / group of persons shall acquire any shares of the Company which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons”.

Accordingly, any person or group of persons who holds less than 5% of the total issued share capital of our Company, can subscribe to such number of Rights Equity Shares which would not take their total shareholding in our Company to a level of 5% or more of the post-Issue issued and paid-up share capital of our Company. In the event any Application exceeds such limits, such Applicant would be required to submit a copy of the approval obtained from the RBI with the Application. Such approval from the RBI should clearly mention the name(s) of the persons who propose to apply in the Issue and the aggregate shareholding of the Applicant in the pre-Issue paid-up share capital of our Company, if any. In case of failure by such Applicant to submit the RBI approval, our Company may at its sole discretion keep on hold the Allotment to such Applicant until necessary approvals are received from the Applicant or it may decide to Allot such number of Rights Equity Shares, that will limit the resultant aggregate shareholding of the Applicant to less than 5% of the post-Issue paid-up equity share capital of our Company. However, such limit shall not be applicable to any person or group of persons who holds 5% or more of the total issued share capital of our Company.

Illustration: If an Investor ‘X’ is holding 3.5% of the pre-Issue paid-up share capital of our Company and applies for his/ her/ its (i) Rights Entitlement in the Issue, or (ii) Rights Entitlement in the Issue and additional Rights Equity Shares, and if pursuant to such Application the shareholding of X will exceed 5% of the post-Issue paid-up share capital of our Company, X will be required to obtain prior approval from the RBI for making the Application and submit a copy of such approval obtained from the RBI with his/ her/ its Application. In case, X does not submit a copy of such RBI approval along with his/ her/ its Application, our Company may at its sole discretion (i) keep on hold the Allotment to X until such RBI approval is received from X, or (ii) decide to Allot such number of Rights Equity Shares to X that will limit the resultant aggregate shareholding of X to less than 5% of the post-Issue paid-up equity share capital of our Company.

The above information is given for the benefit of the Applicants. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 22, 2021 among our Company and the Lead Managers.
2. Registrar Agreement dated September 22, 2021 among our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated September 22, 2021 among our Company, the Lead Managers, the Registrar to the Issue and the Bankers to the Issue.
4. Monitoring Agency Agreement dated September 22, 2021 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation of our Company and fresh certificate of incorporation issued pursuant to the change of name of our Company to 'Bharti Airtel Limited' from 'Bharti Tele-Ventures Limited'.
3. Certificate of commencement of business issued to our Company on January 18, 1996.
4. Letter of Offer dated April 19, 2019, in respect of the rights issue of equity shares of face value of ₹ 5 each by our Company
5. Resolution of our Board dated August 29, 2021 approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.
6. Resolutions passed by the Board of Directors dated September 22, 2021 for approving this Letter of Offer.
7. Resolutions passed by the Special Committee of Directors for Rights Issue dated September 22, 2021 for determining *inter alia* the record date and issue period.
8. Consents of our Directors, Company Secretary, Compliance Officer, Statutory Auditors, the Lead Managers, Legal Advisor to our Company as to Indian law, Legal Advisor to the Lead Managers as to Indian law, International Legal Advisor to the BRLMs, Banker(s) to the Issue, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.
9. Report titled "Industry Report on Telecom Services Report" dated July 2021 issued by CRISIL and consent letter dated September 17, 2021 issued by CRISIL in respect of such report.
10. Statutory Auditor's reports dated May 17, 2021 and August 3, 2021 on the Annual Audited Consolidated Financial Statements as at March 31, 2021 and the Interim Audited Consolidated Financial Statements as at June 30, 2021, included in this Letter of Offer.
11. Annual Reports of our Company for Fiscal 2021, 2020, 2019, 2018 and 2017.
12. In-principle approvals dated September 20, 2021 issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

13. The statement of special tax benefits under direct and indirect tax laws in India dated September 22, 2021 from the Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants for our Company and its Equity Shareholders.
14. The statement of special tax benefits dated September 18, 2021 from KPMG Advisory Services, Chartered Accountants for the material subsidiaries of our Company.
15. The statement of special tax benefits dated September 17, 2021 from Taxand Mauritius Limited, Chartered Accountants for Airtel Africa Mauritius Limited.
16. The statement of special tax benefits dated September 17, 2021 from Taxand Mauritius Limited, Chartered Accountants for Network i2i Limited.
17. The statement of special tax benefits dated September 10, 2021 from BDO LLP Chartered Accountants for Airtel Africa Plc.
18. The statement of special tax benefits dated September 10, 2021 from U Adviseurs, Chartered Accountants for Bharti Airtel International (Netherlands) B.V. and Bharti Airtel Africa B.V.
19. Due diligence certificate dated September 22, 2021 addressed to SEBI from the Lead Managers.
20. Tripartite agreement dated December 29, 2001 among our Company, KFin Technologies Private Limited and NSDL.
21. Tripartite agreement dated January 12, 2002 among our Company, KFin Technologies Private Limited and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Sunil Bharti Mittal

Chairman and Whole-time Director

Place: London

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Gopal Vittal

Managing Director & CEO (India & South Asia)

Place: Gurugram

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ms. Chua Sock Koong
Non-Executive Director

Place: Singapore

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Rakesh Bharti Mittal

Non-Executive Director

Place: New Delhi

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Tao Yih Arthur Lang
Non-Executive Director

Place: Singapore

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Dinesh Kumar Mittal
Independent Director

Place: Noida

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Manish Santoshkumar Kejriwal
Independent Director

Place: Mumbai

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Shishir Priyadarshi
Independent Director

Place: Switzerland

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mr. Vegulaparanan Kasi Viswanathan
Independent Director

Place: Bengaluru

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ms. Kimsuka Narasimhan
Independent Director

Place: Singapore

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ms. Nisaba Godrej
Independent Director

Place: Mumbai

Date: September 22, 2021

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Badal Bagri
Chief Financial Officer (India & South Asia)

Place: Gurugram

Date: September 22, 2021