BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the twenty seventh (27th) Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2022.

Mobile Services

Bharti Hexacom Limited is one of the largest mobile service provider in Rajasthan and North East Circles. The Company's diversified service range includes mobile, voice and data solutions.

During the financial year 2021-22, industry revenue table continued to remain under pressure, due to aggressive price offerings by the latest entrant. The Company experienced a positive growth in income over the previous year which was majorly attributed to increase in revenue. The revenue and EBITDA for the year ended March 31, 2022 was Rs. 54,940 Million and Rs. 19,028 Million respectively as compared to revenue and EBITDA of Rs. 47,043 Million and Rs. 11,544 Million respectively of last year (i.e. for the year ended March 31, 2021).

The Company's mobile subscriber base had reduced by 1% from 27,385,653 in March 2021 to 27,213,712 in March 2022. The Company has done network rollout with the total number of sites increasing to 18,786 in March 2022 as compared to 17,188 in March 2021. In this phase of high competitive intensity, Hexacom's priorities centre around growing market share, stripping out costs and improving margins. We believe that the telecom industry in India is going through a once in a lifetime transformation and we are truly poised to capitalize on this with our leading position in Rajasthan and North East Circles.

Financial results

The financial highlights of the Company's operations are as follows:

(In Rupees Million)

Particulars	FY 2021-22	FY 2020-21
Income including Other Income	54,940	47,043
Profit from operating activities before depreciation, amortization, finance cost and exceptional items	19,028	11,544
Finance Expenses (Net)	5,718	5,166
Depreciation & Amortisation expense	14,410	12,852
Profit/(Loss) before tax	18,411	(9,891)
Tax Expenses (current tax & deferred tax)	1,665	448
Loss/Profit for the year after tax	16,746	(10,339)

Material changes and commitments

There were no material changes and commitments affecting the financial positions of the Company which have occurred between the end of the financial year of the Company and the date of the Board's Report.

Change in the Nature of Business

There was no change in nature of the business of the Company during the financial year ended on March 31, 2022.

COVID update

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. In the first three months of FY 2022, the second wave of the pandemic overwhelmed India in all aspects. The Company has taken several steps to manage this crisis. This situation continues to evolve and is being closely monitored to identify key risks and take immediate actions to minimise any potential disruption from the pandemic to business. At the same time, the Company recognises its critical role as a telecom operator. The Company has constantly engaged with its people – with compassion, resilience and focus to ensure that morale is high. Further, the Company has abided by every safety and physical distancing norm and has been consistently communicating the same to both its employees and customers. The Company has encouraged people to work from home to ensure their safety and well-being. The Company stands in solidarity with the Government of India and all citizens of India. The Company's efforts towards the betterment of one and all will continue unabated.

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs.

Share capital

On March 31, 2022, the authorised share capital was INR 2,500,052,000 (Rupees Two Hundred Fifty Crore and Fifty-Two Thousand Only) divided into 250,000,000 (Twenty-Five crore) equity shares of INR 10/- (Rupees Ten) each and 520 (Five Hundred Twenty) redeemable, non-participating, non-cumulative preference shares of INR 100/- (Rupees Hundred) each. During the year, there was no change in the Authorised Share Capital of the Company.

The issued, subscribed and paid-up share capital of the Company is INR 2,500,000,000 (Rupees Two Hundred Fifty Crore) divided into 250,000,000 (Twenty-Five crore) equity shares of INR 10/- (Rupees Ten) each.

Debentures

During the financial year, the Company has raised Rs. 20,000 Mn, on August 23, 2021 through issuance of unsecured, listed, rated, redeemable non-convertible debentures at face value of Rs. 1 Mn each on private placement basis as per the following details:

- 20,000 non-convertible debentures at a coupon rate of 5.90% per annum [Tenor: 981 days];

The aforesaid debentures are listed on National Stock Exchange of India Limited. The value of issued NCDs outstanding as on March 31, 2022 is Rs. 35,000 Mn.

The details of Debenture Trustee are given hereunder:

Axis Trustee Services Limited
Ground Floor, Axis House
Wadia International Centre, Pandurang Budhkar Marg, Worli,
Mumbai - 400 025, India
Telephone No. 022 6226 0050/54
Fax No. 022 43253000
E-mail: debenturetrustee@axistrustee.com

Ratings

During the financial year 2021-22, the rating agency, CRISIL has upgraded rating from "AA/Stable" to "AA+/Stable" for the Debentures issued by the Company. The instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligation. Such instruments carry very low credit risk. Further, CRISIL and India Research have maintained a rating of "A1+" for the Commercial Papers issued by the Company.

Transfer to reserves

The Company has not transferred any amount to reserves for the financial year ended March 31, 2022.

Dividend

For the financial year 2021-22, the Directors of the Company has not recommended any dividend.

Transfer of amount to Investor Education and Protection Fund

During the year, the Company was not required to transfer any amount to Investor Education and Protection Fund.

Deposits

The Company has not accepted any deposits under Chapter V of the Companies Act.

Directors and Key Managerial Personnel

Appointment / Resignations from the Board

The Board, in compliance with the provisions of Sections 149, 161 and other applicable provisions of the Act and applicable provisions of Listing Regulations, in its meeting held on February 14, 2022, based on the recommendation of Nomination and Remuneration Committee, and subject to the approval of the shareholders, has appointed Mr. Ashok Tyagi (DIN: 00784563) as an Independent Director of the Company w.e.f. February 14, 2022 to hold office for a term of five consecutive years i.e. upto February 13, 2027. The Board recommends his appointment at the ensuing AGM. In the opinion of the Board they possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity.

Additionally, Mr. Soumen Ray (DIN: 09484511) & Ms. Ajeeta Kahale (DIN: 09478115) were also appointed as additional directors on the Board in the capacity of Non-Executive Non-Independent directors w.e.f. February 14, 2022. The details of other Directors appointed upto the date of this report are as under:

a. Mr. Jagdish Saksena Deepak (DIN: 02194470), Ms. Vidyut Gulati (DIN: 08205324) and Mr. Rahul Vatts (DIN: 08877577) were appointed on the Board as additional directors in the category of Non-Executive Non-Independent directors w.e.f. May 20, 2022.
b. Mr. Jagdish Saksena Deepak (DIN: 02194470) was designated as the Chairman of the Board w.e.f. May 20, 2022.

Being eligible, it is proposed to appoint them as directors of the Company, liable to retire by rotation, in the ensuing AGM.

Mr. Devendra Khanna stepped down as the Chairman of the Company w.e.f. close of business hours of May 19, 2022.

The Company has received requisite notice(s) from a member under Section 160 of the Companies Act, 2013 proposing the appointment of Mr. Ashok Tyagi, Mr. Soumen Ray, Mr. Jagdish Saksena Deepak, and Ms. Vidyut Gulati in the upcoming Annual General Meeting.

Brief resume, nature of expertise, disclosure of relationship between directors inter-se, details of directorships and committee membership held in other companies of the Directors proposed to be appointed/re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2, is appended as an Annexure to the Notice of the ensuing AGM.

The details of Directors resigned during the year are as under:

a. Mr. Badal Bagri, Non-executive Non-Independent Director resigned w.e.f. October 29, 2021.
b. Ms. Neha Sharma, Non-executive Non-Independent Director resigned w.e.f. February 14, 2022.

In addition to the above, Mr. Pankaj Tewari and Ms. Ajeeta Kahale Non-executive Non-Independent Director resigned w.e.f. the close of business hours on May 19, 2022.

The directors, on behalf of the Company placed on record their appreciation for help, guidance and contribution made by them during their tenure as directors of the Company.

Directors retiring by rotation

In terms of Section 152 of the Companies Act, 2013, Devendra Khanna, Director being longest in the office shall retire at the ensuing AGM and being eligible, offers himself for re-appointment.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies

Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and the Code of Conduct for Directors and senior management personnel formulated by the Company.

Appointments/ Resignations of the Key Managerial Personnel

During the year, Swati Batra resigned from the position of Company Secretary of the Company, w.e.f. February 14, 2022 and Richa Gupta was appointed as the Company Secretary and Compliance Officer of the Company in her place w.e.f. February 14, 2022.

Board Committees and Meetings of the Board and Board-Committees

In compliance with the statutory requirements, the Company has mandatory Committees viz. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Stakeholders' Relationship Committee. The Company has also established Operating Committee viz. Committee of Directors.

All the recommendations made by the Committees of the Board, including the Audit Committee, were accepted by the Board.

The Board of Directors met 5 times during the previous year. A detailed update on the Board, its composition, governance of committees, number of Board and Committee meetings held during FY 2021-22 and attendance of the Directors thereat, is provided in the Report on Corporate Governance, which forms part of the Annual Report.

Policies

Risk Management Policy

Risk management is embedded in the Company's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks across the group and prioritise relevant action plans to mitigate these risks.

Risk Management framework is reviewed periodically by the Board and the Audit Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has a duly approved Risk Management Policy. The objective of this policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the short and foreseeable future. The policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately compensated or mitigated.

The internal audit function is responsible to assist the Audit Committee on an independent basis with a full status of the risk assessments and associated management action plans.

Corporate Social Responsibility (CSR) Policy

Your company has a CSR Policy for undertaking programmes and projects as per the requirements of law. Providing education to underprivileged children of the society in the rural areas of the Country, health and sanitation programmes and rural development projects are the focus areas of the CSR Policy. The said policy is available on the website at https://www.bhartihexacom.in/docs/policies/CSR%20Policy.pdf.

During the financial year 2021-22, owing to the heavy losses incurred by the Company in the previous financial year(s), the Company was not required to contribute/spend towards CSR activities. The annual report on Corporate Social Responsibility is annexed as **'Annexure A'.**

Nomination & Remuneration Policy

The Company, pursuant to the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

('Listing Regulations') has formulated and adopted a Nomination and Remuneration Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters. Based on the recommendations of HR and Nomination Committee, the Board of Directors, at its meeting held on May 19, 2022 reviewed and updated the aforesaid Policy. The Nomination and Remuneration Policy is available on the website of the Company https://www.bhartihexacom.in/policies.html.

Vigil Mechanism

There is a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of code of conduct. The mechanism also provides for adequate safeguard against the victimisation of employees who avail of the mechanism, and allows direct access to the chairperson of the Audit Committee in exceptional cases. The complaints or concerns, if any, received from any person are promptly redressed. The Policy is available on the Company's website at https://www.bhartihexacom.in/policies.html.

Board evaluation and Familiarisation Programme

The Nomination Committee has put in place a robust framework for evaluation of the board, board-committees and individual directors. Customised questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board.

All directors participated in the evaluation process. The result of evaluation was discussed in the respective committee meetings. Recommendations arising from the evaluation process were considered by the Board to optimize its effectiveness.

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors is provided in the report on Corporate Governance, which forms part of this Annual Report.

Internal Financial Controls

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operations were observed. Accordingly, the board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2021-22.

Annual Return

The Annual Return of the Company as on March 31, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.bhartihexacom.in/investorRelation.html.

Subsidiary Company, Joint Ventures and Associate Companies

The Company does not have any subsidiary, Joint venture or Associate Company.

Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has an Internal Complaints Committee for providing a redress mechanism pertaining to sexual harassment of employees at workplace. The Company did not receive any complaint during the year, under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Auditors and Auditors' report:

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27^{th} AGM.

On the recommendation of the Audit Committee, the Board, in its meeting held on May 19, 2022, subject to the approval of the shareholders, has recommended the re-appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (firm registration number 117366W / W-100018) ('Deloitte') as the Statutory Auditors of the Company to hold office for a term of further five consecutive years i.e. from the conclusion of ensuing 27^{th} AGM till the conclusion of 32^{nd} AGM. Accordingly, the re-appointment of Deloitte as the Company's Statutory Auditors, is placed for approval of the members at the ensuing AGM. The Company has received a certificate from Deloitte to the effect that their reappointment, if made, shall be in accordance with the provisions of Section 141 of the Act.

The brief profile of Deloitte is as under:

Deloitte Haskins & Sells was constituted in 1997 and was converted to a Limited Liability Partnership namely Deloitte Haskins & Sells LLP, in November 2013. The Firm is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 4000 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India. The firm has been engaged in statutory audits of some of the largest companies in the telecom sector.

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. The auditors have not reported any fraud u/s 143(12) of the Act. Clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report.

Cost Auditors

The Board, on the recommendation of the Audit Committee had approved the appointment of Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2022. The Cost Auditors will submit their report for FY 2021- 22 within the timeframe prescribed under the Companies Act, 2013 and rules made thereunder.

The Board, on the recommendation of Audit Committee, has re-appointed Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company for FY 2022-23.

Cost Audit report for the FY 2020-21 does not contain any qualification, reservation, disclaimer or adverse remark.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

Cost records

Maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and the prescribed cost records have been made and maintained by the Company.

Secretarial Auditors

The Company had appointed Makarand M. Joshi & Co, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2022. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws except for delays in filing of certain submissions inadvertently.

The Board has duly examined the Auditor's report, which is self-explanatory. The Secretarial Audit Report is annexed as **Annexure- B** to this report.

The Board on the recommendation of the Audit Committee had appointed MMJB & Associates LLP, Company Secretaries (sister concern of MMJC) as the Secretarial Auditors of the Company for FY 2022-23.

Particulars of loans, guarantees or investments under section 186 forms part of the financials.

No loans, guarantees or investments were made during the financial year 2021-22 which attracts the provisions of section 186 of the Companies Act, 2013.

Statement containing additional information as required under Schedule V of the Act

A statement containing additional information, as required under Clause IV of Section II of Part II of Schedule V of the Companies Act, 2013, is provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Corporate Governance Report

A detailed report on Corporate Governance, pursuant to the requirements of the Listing Regulations, forms part of this Annual Report.

A certificate from the MMJB & Associates LLP, Company Secretaries, Secretarial Auditors affirming compliance of Code of Corporate Governance as specified under Regulation 17 to 27 during FY 2021-22 is annexed as **Annexure- C**.

Related Party Transactions

All arrangements/ transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the financial year 2021-22, the Company has entered into material related party transaction with Bharti Airtel Limited. Necessary disclosure in form AOC-2 with respect to the aforesaid transactions is given in the prescribed form AOC-2 which is annexed as **Annexure - D** to this report. In compliance with the requirement of Listing Regulations, names of related parties and details of transactions with them have been included in notes to the financial statements provided in this Annual Report. The updated Policy on the Related Party Transactions is available on the Company's website at https://www.bhartihexacom.in/policies.html.

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings and Outgo

The information as required under section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 as may be applicable, has been annexed as **Annexure – E** to this report and forms part of this report.

Particulars of Employees

Disclosure relating to remuneration of Directors u/s 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the directors, to the best of their knowledge and belief, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and.

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Significant and Material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future other than the order/judgment of Hon'ble Supreme Court of India dated July 20, 2020 & September 01, 2020 in AGR Matter, whereby the dues were affirmed and direction was given for the payment of dues.

As on March 31, 2022, a provision of Rs. 14,620 million stands against AGR dues. Additionally, Rs. 8,970 Mn already paid by the Company post AGR Judgment.

Acknowledgements

Your directors take this opportunity to place on record their appreciation for the wholehearted support received from Central Government, the State Governments, Department of Telecommunications (DoT), Wireless Planning and Coordination, Telecom Regulatory Authority of India (TRAI), Cellular Operators Association of India, Company's Bankers and Auditors, the employees, the subscribers, dealers, suppliers and all other business associates. We look forward to their continued support in future.

For and on behalf of the Board
For Bharti Hexacom Limited

Sd/-

Devendra Khanna
Chairman
DIN: 01996768
Address: S333, 1st floor,
Panchsheel Park, New Delhi.

Date: May 19, 2022
Place: New Delhi

Annexure – A

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

At Bharti Hexacom, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

At Bharti Hexacom Limited, the CSR and welfare activities, centers around on the following areas:

- Promoting education for underprivileged sections of the society (school/college/technical/vocational);
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

2. Composition of the CSR Committee as on March 31, 2022:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Neha Sharma[1]	Chairperson, Director	1	1
2.	Rajiv Kumar Chaudhri	Member, Independent Director	1	1
3.	Devendra Khanna[2]	Member, Director	1	1
4.	Ajeeta Kahale[3,4]	Chairperson, Director	N.A.	N.A.
5.	Soumen Ray[5]	Chairperson, Director	N.A.	N.A.
6.	Vidyut Gulati[6]	Member, Director	N.A.	N.A.

1. Ceased to be director of the Company w.e.f. February 14, 2022.
2. Ceased to be a member of the Committee w.e.f. May 19, 2022.
3. Appointed as a Chairperson of the Committee w.e.f. February 14, 2022.
4. Ceased to be director of the Company w.e.f. May 19, 2022.
5. Appointed as Chairperson of the Committee w.e.f. May 20, 2022 in the meeting held on May 19, 2022.
6. Appointed as member of the Committee w.e.f. May 20, 2022 in the meeting held on May 19, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.bhartihexacom.in/policies.html

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable**

   Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ million)	Amount required to be setoff for the financial year, if any (in ₹ million)
1	NA	NA	NA

6. **Average net profit of the Company as per section 135(5).**

Financial year	Net Profit before Tax after adjustments (in ₹ million)
2020-21	(6,379)
2019-20	(14,202)
2018-19	(9,405)
Average Net profit /(Loss)	(9,995)

7.

a)	Two percent of average net profit of the company as per section 135(5)	Nil
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year	Nil
c)	Amount required to be set off for the financial year, if any	Nil
d)	Total CSR obligation for the financial year (7a+7b- 7c).	Nil

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ million)	Amount Unspent (in ₹ million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer

Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: Not applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local Area (Yes/ No)**	**Location of the project**		**Project duration**	**Amount allocated for the project (in ₹ million)**	**Amount spent in the current financial Year (in ₹ million)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ million)**	**Mode of Implementation Direct (Yes/No).**	**Mode of Implementation: Through Implementing Agency**	
				State	**District**						**Name**	**CSR Reg. No**
	NA	NA	NA	NA		NA	NA	NA	NA	NA	NA	

(c) Details of CSR amount spent against project other than Ongoing Projects for the Financial Year 2021-22: (in ₹ million)

Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act Section**	**Local area (Yes / No)**	**Location of the project**		**Amount spent in the current financial year (in ₹ million)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation Through Implementing Agency**	
				State	**District/ Area**			**Name**	**CSR Registration Number**

1	2	3	4	5	6	7	8	9	10
Not Applicable									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

(g) Excess amount for set off, if any:

S. No	**Particular**	**Amount (in ₹ million)**
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	**Preceding Financial Year.**	**Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Million)**	**Amount spent in the reporting Financial Year (in ₹ Million).**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any**			**Amount remaining to be spent in succeeding financial years (in ₹ Million)**
				Name of the Fund	**Amount (in ₹ Million).**	**Date of transfer**	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹ Million).**	**Amount spent on the project in the reporting Financial Year (in ₹ Million).**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹ Million)**	**Status of the project - Completed /Ongoing.**
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

During the financial year 2021-22, owing to the heavy losses incurred by the Company in the previous financial year(s) and negative average net profit of the last three financial years, the Company did not meet the criteria in terms of the provisions of the Companies Act, 2013 and CSR policy, to contribute/spend towards CSR activities.

Date: Delhi
Place: 19.05.2022

On Behalf of the Board
For Bharti Hexacom Limited

Sd/-
Ajeeta Kahale
Chairperson CSR Committee
DIN: 09478115

Sd/-
Nidhi Lauria
Chief Executive Officer
PAN: AANPL1845P

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bharti Hexacom Limited,
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi -110070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharti Hexacom Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:
Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:
Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder **(Not applicable to the Company during the Audit period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit period)**;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulation);

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021**; (Not Applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (listing Regulations).

Further, the Company being High Value Debt Listed Entity, it is complying with the provisions of Listing Regulations on Comply and Explain basis and is in the process of full compliance.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc mentioned above.

We further report that having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following laws and rules thereunder which is specifically applicable to the Company:

a) The Indian Telegraph Act, 1885;
b) The Telecom Regulatory Authority of India Act, 1997 and rules and Regulations made thereunder;
c) The Indian Wireless Telegraphy Act, 1933.

We further report that
The Company is in the process of reconstitution of the Board Composition as per the recent amendments to listing regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period**,**

1. The Company has issued and allotted 20,000 listed, unsecured, rated, redeemable Non-Convertible Debentures of face value of ₹ 1 Million each at coupon rate of 5.9% per annum payable annually, at par aggregating to ₹ 20,000 Million on Private Placement basis.

2. The Company has redeemed its Commercial Paper amounting to ₹ 3,830 Crore.

For Makarand M. Joshi & Co.
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667D000345863
Peer Review No: 640/2019
Place: Mumbai
Date: May 19, 2022

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
Bharti Hexacom Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi -110070

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667D000345863
Peer Review No: 640/2019
Place: Mumbai
Date: May 19, 2022

MMJB & Associates LLP

Company Secretaries

Ecstasy, 803/804, 8th Floor, City of Joy, J.S.D Road, Mulund (West), Mumbai- 400080, (T) 022-21678100

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Board of Directors,
Bharti Hexacom Limited
Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase - II, New Delhi -110070

We have examined the compliance of conditions of Corporate Governance by **Bharti Hexacom Limited** ("the Company") for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the company, being a High Value Debt Listed Entity has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations on Comply and Explain basis and is in the process of full compliance.

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

For MMJB & Associates LLP
Company Secretaries

MMJB & ASSOCIATES LLP

Bhavisha Jewani
Designated Partner
FCS: F8503
CP: 9346
PR: 904/2020
UDIN: F008503D000351043

Date: May 19, 2022
Place: Mumbai

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Not applicable.

All the contracts, arrangements or transactions entered in to by the Company with related parties during the financial year ended March 31, 2022, were at arm's length basis, in ordinary course of business and were approved by the Audit Committee.

2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangements at arm's length basis for the year ended March 31, 2022 are as follows:

Name of related party Bharti Airtel Limited

Nature of relationship Holding Company

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Amount in Rs. Million

Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contract	Amount	Date(s) of approval by the Board	Amount paid as advance
Rendering of Services	Ongoing	On arm's length basis and in ordinary course of business	8,871	N.A.	Nil
Receiving of Services	Ongoing	On arm's length basis and in ordinary course of business	4,410	N.A.	Nil

NOTE: The term "material" means a transaction to be entered individually or taken together with previous transactions in a financial year, which exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, as defined in the Related Party Transaction Policy of the Company.

For and on behalf of the Board

Sd/-

Devendra Khanna
Chairman
DIN: 01996768

Date: May 19, 2022
Place: New Delhi

ANNEXURE - E

INFORMATION RELATED TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE (8)(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Conservation of Energy and Technology Absorption

Bharti Hexacom is fully committed toward reducing carbon footprint and conserving energy at our sites. The Company has been evaluating various practice and innovation across industry to ensure the optimal use of energy, avoid wastage and conserve energy. The following are the list of practices and their status updated which have been implemented to conserve energy in financial year 2022:

Rajasthan Circle

In order to continue the focus on energy conservation and reduction of Diesel footprint the Company has implemented following projects in financial year 2022:

Conservation of Energy: FY 2022

1) Diesel Reduction ensured through various energy initiatives in field and saved approx. 80 K Litrs. diesel compare to YOY (Mar 2021 and Mar 2022)

2) Conservation of Energy vide

a.	DC Aircon Implementation (Energy Efficient)	127 Sites
b.	NCU and MCU Implementation	165 Sites
c.	Diesel reduction - augment with VRLA	210 Sites
d.	Diesel reduction - augment with Li-ion	43 Sites

3) EB Supply conversion from
3phase to 1phase – 5 Sites
Non EB to EB – 12 Sites

Technological Absorption: FY 2022

Implemented power saving feature on L2100 for 2,438 sites.
Layer removal/RRU reduction on 697 sites.
TD 160 W to 80 W conversion - power reduction on 394 sites

North East Circle

Bharti Hexacom NE is fully committed toward reducing carbon footprint and conserving energy at our sites. We have been evaluating various practice and innovation across Industry to ensure the optimal use of energy, avoid wastage and conserve energy.

Following are the list of practices and their status updated which we have implemented to conserve energy in FY'22:

Conservation of Energy:

1) Diesel Reduction by governance and operational efficiency – 240k liters (Savings of 432k liters on a like to like non usof sites however considering new usof sites the savings reduces to 240k liters)
2) Conversion of Non EB sites to EB sites - 132 Sites.
3) Deployed new sites with EB during the year - 126 Sites.

Technology Absorption:

1) Installation of Solar Power solutions on DG based sites - 63 Sites.

Deployed Power Saving Feature (PSF) to reduce energy consumption during non-peak hours on sites – 1147 sites.

Foreign Exchange Earnings and Outgo

(In Millions)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Foreign Exchange Earnings	45	59
Foreign Exchange Outgo	190.83	354.85

Date: May 19, 2022
Place: New Delhi

For and on behalf of the Board
Bharti Hexacom Limited

Sd/-
Devendra Khanna
Chairman
DIN: 01996768
Address: S333, First Floor,
Panchsheel Park, New Delhi

REPORT ON CORPORATE GOVERNANCE

The following Corporate Governance Report reflects the ethos of Bharti Hexacom Limited (Bharti Hexacom/the Company) and its continuous commitment to ethical business practices across its operations. It lays down the best practices and procedures adopted by the Company in line with the requirements of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as applicable and as amended from time to time.

A. CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes that Corporate Governance is a means to achieve the Company's vision and objectives, in a legally compliant, transparent and ethical manner, while ensuring the best interests of all the stakeholders. The Corporate Governance Philosophy of the Company is drawn from its objective of creating and enhancing long term stakeholder value and flows from its core values – being alive, inclusive and respectful.

Corporate Governance is not confined to a set of processes and compliances at Bharti Hexacom– it underlines the role that we see for ourselves for today, tomorrow and beyond. Corporate Governance at Bharti Hexacom is implemented through clear 'tone at the top', robust board and committees' governance and strong management processes through internal controls, code of conduct, effective risk management framework, policies and procedures etc.

B. BOARD OF DIRECTORS

Board Composition

The Company's Board is an optimum mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. The Board conforms to the provisions of the Companies Act, 2013, Listing Regulations, and other statutory provisions. As on March 31, 2022, the Board comprised of 9 members with a Non-Executive Chairman, besides 5 Non-Executive Non-Independent Directors,3 Non-Executive Independent Directors and 1 Chief Executive Officer.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Board Diversity and Structure

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industry experience, cultural and geographical background which will help us retain our competitive advantage. The Board has adopted a Policy which sets out the approach to diversity of the Board of Directors.

Company's Board represents a confluence of experience and expertise across diverse areas, ranging from finance, telecommunication, technology, general management, administrative services and consulting. The Board functions either as a full Board or through various committees constituted to oversee specific areas. Policy formulation, setting up of goals, evaluation of performance and control functions vest with the Board. The Board, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

Skill Matrix of the Board

The Board has identified the following skills/ expertise/ competencies fundamental for effective functioning of the Company which the Board of the Company possess:

Area	Particulars
Strategic Planning and Leadership Skills	▪ Ability to think strategically and to identify and critically assess opportunities and threats and develop effective strategies in the context of objectives of the Company's relevant policies and priorities. ▪ Appreciation of long-term trends, understanding diverse business environment, regulatory framework, economic and political

	conditions, strategic choices and experience in guiding and leading management teams
Financial and Risk Management	▪ Wide-ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control ▪ Identification of key risks to the Company and monitoring the effectiveness of the risk management framework and practices
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholders' engagements, and commitment to highest standards of corporate ethics and values
HR, Health, safety, environment and sustainability	Know-how of working on talent management and development, environment, health, safety, sustainability and corporate social responsibility activities directly or as a part of operational responsibility for long-term value creation
Industry and sector experience or knowledge	Knowledge and experience in telecom sector to provide strategic guidance to the management
Technology and digital expertise	Background in technology, resulting in knowledge of anticipating technological trends, generating disruptive innovation and extending or creating new business models

While all the Board members broadly possess the identified skills, their domain of core expertise is given below:

Name of the Director	**Strategic Planning and Leadership Skills**	**Financial and Risk Management**	**Governance**	**HR, Health, safety, environment and sustainability**	**Industry and sector experience or knowledge**	**Technology and digital expertise**
Mr. Devendra Khanna	✓	✓	✓	✓	✓	✓
Mr. Rajiv Kumar Chaudhri	✓	✓	✓	✓	✓	✓
Mr. Ravinder Arora	✓	✓	✓	✓	✓	✓
Mr. Narendra Jain	✓	✓	✓		✓	✓
Mr. Sanjeev Kumar	✓		✓	✓	✓	✓
Mr. Pankaj Tewari*	✓	✓	✓		✓	
Mr. Ashok Tyagi	✓		✓		✓	✓
Ms. Ajeeta Kahale *	✓		✓	✓	✓	
Mr. Soumen Ray	✓	✓	✓	✓	✓	✓
Mr. J S Deepak **	✓	✓	✓		✓	✓
Mr. Rahul Vatts**	✓		✓		✓	✓
Ms. Vidyut Gulati**	✓		✓		✓	

*Ceased to be Director of the Company w.e.f. close of business hours of May 19, 2022.

** Appointed as Additional Directors in the capacity of Non- executive Directors w.e.f. May 20, 2022.

Board Membership Criteria and Selection Process

As per the Company's Policy on Nomination and Remuneration and Board Diversity, selection of a new Board member(s) is the responsibility of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has set forth a robust process for selection of new directors ensuring the best interests of the Company & its shareholders.

The Committee is responsible for identifying and evaluating a suitable candidate for appointment as director (executive, non-executive including independent) on the Board. While selecting a candidate, the Committee considers various criteria and leverages differences in factors w.r.t. background, knowledge, skills, abilities & thought (to exercise sound judgement), professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience and understanding of the telecommunication sector/ industry, marketing, technology, finance and other disciplines relevant to the business.

The Committee also considers such other factors, relevant and applicable from time to time towards achieving a diverse Board. The Committee, based on evaluation of aforesaid criteria, makes recommendations to the Board. The Board, on recommendation of the Committee, recommends the appointment to the members of the Company, wherever applicable, for their approval.

Independent Directors

The Company has laid down the terms and conditions of the appointment of Independent Directors stipulating their roles, responsibilities and duties which are consistent with the provisions of regulation 16 of Listing Regulations, Section 149 and Schedule IV of the Companies Act, 2013. The said terms and conditions set out the criteria of independence, age limits, recommended tenure, committee memberships, remuneration and other related terms of appointment. It emphasises the importance of independence.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration, confirming their independence and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria. All such declarations are placed before the Board for information.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013, rules made thereunder and Listing Regulations and are independent of the management of the Company.

Meetings of Independent Directors

The Independent Directors meet separately at least once in a year, prior to the commencement of Board meeting, without the presence of Non-Independent Directors or representatives of the management. They meet to discuss and form an independent opinion on the agenda items and various other Board-related matters, identify areas where they need clarity or information from the Management, annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company, taking into account the views of Executive Directors and Non- Executive Directors and assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors also meet with the Statutory as well as Internal Auditors from time to time, in the aforesaid meeting, to discuss internal audit effectiveness, control environment and invite their general feedback. The Independent Directors met once during the FY 2021-22.

Familiarization Programme for Board Members

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining to provide them with an opportunity to familiarize themselves with the Company, its management, its operations, and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and includes site visits to understand the operations and technology. Apart from the induction program, the Company periodically presents update at the Board/Committee meetings to familiarize the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources, and other related matters.

At the time of appointment, an appointment letter setting out the role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. is also given to the Directors. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

Business updates on relevant changes and regulatory updates are regularly circulated to the Directors to keep them abreast on significant developments in the Company.

The details of such familiarization programs are disclosed on the website of the Company at https://www.bhartihexacom.in/policies.html.

Performance Evaluation

In compliance with the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee had approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman. The process provides that the performance evaluation shall be carried out on an annual basis. During the financial year, the Board had completed the evaluation process, which included evaluation of the Board as a whole, the Board Committees and individual Directors including the Chairman.

All directors participated in the evaluation process. The result of evaluation was discussed in the respective committee meetings. Recommendations arising from the evaluation process were considered by the Board to optimize its effectiveness.

Number of Board Meetings

During the financial year 2021-22, the Board met 5 times i.e. on May 14, 2021, August 02, 2021, August 13, 2021, October 29, 2021 and February 14, 2022. During the financial year, there was no resolution passed by way of circulation.

Requisite information, as per the requirements of Regulation 17 of the Listing Regulations is provided below:

Name of Director (DIN)	**Category**	**Number of other directorships**[1]	**Name of listed entity where person is director along with category of directorship**[1]	**Number of committee memberships and chairmanships**[2]		**No. of Meetings held during his/ her tenure and attended**		**Whether attended last AGM**
				Chairman	**Member**	**Held**	**Attended**	
Mr. Devendra Khanna (DIN: 01996768)	Non-Executive Director	7	N.A.	1	1	5	5	No
Mr. Rajiv Kumar Chaudhri (DIN: 00042503)	Independent Director	9	N.A.	1	3	5	5	Yes
Mr. Ravinder Arora (DIN: 00050336)	Independent Director	5	N.A.	Nil	1	5	4	No
Mr. Narendra Jain (DIN: 06942419)	Non-Executive Director	2	N.A.	Nil	Nil	5	5	Yes
Mr. Sanjeev Kumar (DIN: 07566882)	Non-Executive Director	1	N.A.	Nil	Nil	5	5	No
Mr. Pankaj Tewari[7]	Non-Executive	6	N.A.	2	N.A.	5	4	Yes

(DIN: 08006533)	Director					
Mr. Ashok Tyagi (DIN: 00784563)	Independent Director	4	N.A.	Nil Nil	0 0	NA
Ms.Ajeeta Kahale[5&7] (DIN: 09478115)	Non-Executive Director	8	N.A.	N.A. 2	0 0	NA
Mr. Soumen Ray[5] (DIN: 09484511)	Non-Executive Director	4	N.A.	Nil 2	N.A. N.A.	NA
Mr. Badal Bagri[3] (DIN: 00367278)	Non-Executive Director	N.A.	N.A.	N.A. N.A.	4 1	No
Ms. Neha Sharma[4] (DIN: 02647445)	Non-Executive Director	N.A.	N.A.	N.A. N.A.	5 3	Yes
Mr. Jagdish Saksena Deepak[8] (DIN: 02194470)	Non-Executive Director	N.A.	N.A.	N.A. N.A.	N.A.	NA
Ms. Vidyut Gulati[8] (DIN: 08205324)	Non-Executive Director	N.A.	N.A.	N.A. N.A.	N.A.	NA
Mr. Rahul Vatts[8] (DIN: 08877577)	Non-Executive Director	N.A.	N.A.	N.A. N.A.	N.A.	NA

Notes:

1. The directorships, held by Directors, as mentioned above, do not include the directorships held in foreign body corporates, private limited companies and Bharti Hexacom Limited.
2. Committees considered for the purpose are those prescribed under the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than Bharti Hexacom Limited. Committee memberships details provided do not include chairmanship of committees as it has been provided separately.
3. Mr. Badal Bagri ceased to be Director w.e.f. October 29, 2021.
4. Ms. Neha Sharma ceased to be Director w.e.f. the close of business hours on February 14, 2022.
5. Mr. Soumen Ray and Ms. Ajeeta Kahale were appointed as Directors w.e.f. February 14, 2022.
6. Mr. Ashok Tyagi was appointed an Independent Director w.e.f. February 14, 2022.
7. Mr. Pankaj Tewari and Ms. Ajeeta Kahale ceased to be Directors w.e.f. the close of business hours on May 19, 2022.
8. Mr. Jagdish Saksena Deepak, Mr. Vidyut Gulati and Mr. Rahul Vatts were appointed as Additional Directors w.e.f. May 20, 2022
9. There are no inter-se relationships between our Board members.
10. As on March 31, 2022, none of the Directors of the Company holds shares in the Company

Remuneration of Directors

In terms of the Listing Regulations and Companies Act, 2013, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for Directors, KMPs and other Senior Management Personnel. The Company's remuneration policy is intended to set out criteria for remuneration of the directors, Key Managerial Personnel, Senior Management, and other employees of the Company in accordance with the goals of the Company.

The detailed Nomination and Remuneration Policy is available on the website of the company at https://www.bhartihexacom.in/policies.html.

The Company affirms that the remuneration paid to the Board members is as per terms laid out in the policy on Nomination and Remuneration.

Details of the remuneration of Directors for the FY 2021-22

No remuneration was paid to any Directors during the financial year 2021-22 other than sitting fees paid to Independent Directors. The details of sitting fees paid to the Independent Directors is as under:

S. No.	Independent Director	Sitting Fees (Rs.)
1	Mr. Rajiv Kumar Chaudhri	125,000
2	Mr. Ravinder Arora	100,000

C. Board Committees

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference.

In the financial year 2021-22 the Board has accepted all recommendations of its committees

The Constitution of the Board Committees are available on the Company's website at https://www.bhartihexacom.in/managementTeam.html.

Audit Committee

In compliance with the requirements of Section 177 of the Companies Act, 2013 and the regulation 18 of listing regulations, the Company has a committee of the Board known as the Audit Committee. All recommendations made by the Committee were accepted by the Board. During the financial year 2021-22, the Committee met 4 times i.e. on May 14, 2021, August 02, 2021, October 29, 2021 and February 14, 2022. The composition and the attendance of the members at the meeting are given below:

Name	Category	No. of Meetings held during his tenure and attended	
		Attended	Held
Mr. Rajiv Kumar Chaudhri[1]	Independent Director, Chairman	4	4
Mr. Ravinder Arora	Independent Director	4	4
Mr. Devendra Khanna[4]	Non-Executive Director	0	4
Mr. Narendra Jain[2]	Non-Executive Director	NA	NA
Mr. Ashok Tyagi[2]	Independent Director	NA	NA
Mr. Soumen Ray[3]	Non-Executive Director	NA	NA

1. Mr. Rajiv Kumar Chaudhri was appointed as chairman of the committee w.e.f. October 29, 2021.
2. Mr. Narendra Jain and Mr. Ashok Tyagi were inducted as members of the committee w.e.f. February 14, 2022.
3. Mr. Soumen Ray was inducted as a member of the committee w.e.f. May 20, 2022.
4. Mr. Devendra Khanna ceased to be member of the committee w.e.f. close of business hours of May 19, 2022.

Key Responsibilities of the Audit Committee, inter-alia, includes:

(1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
(2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
(4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
(b) changes if any, in accounting policies and practices and reasons for the same.
(c) major accounting entries involving estimates based on the exercise of judgment by management.
(d) significant adjustments made in the financial statements arising out of audit findings.
(e) compliance with listing and other legal requirements relating to financial statements.
(f) disclosure of any related party transactions.
(g) modified opinion(s) in the draft audit report.

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
(8) approval or any subsequent modification of transactions of the Company with related parties;
(9) scrutiny of inter-corporate loans and investments;
(10) valuation of undertakings or assets of the Company, wherever it is necessary;
(11) evaluation of internal financial controls and risk management systems;
(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
(14) discussion with internal auditors of any significant findings and follow up there on;
(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
(18) to review the functioning of the whistle blower mechanism;
(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
(21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
(22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The audit committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;
(2) statement of significant related party transactions, submitted by management;
(3) management letters / letters of internal control weaknesses issued by the statutory auditors;
(4) internal audit reports relating to internal control weaknesses; and
(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
(6) statement of deviations:
(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable.
(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

Fees paid to statutory auditor

Total fees for all services paid by the Company to the statutory auditors for FY 2021-22 of which it is a part -

(in ₹ Mn.)

Total Fees paid*	**5.43**

*Total fees paid to statutory auditors includes the fees paid/payable for all the services by the Company for FY 2021-22.

Nomination and Remuneration Committee

In compliance with the requirements of Section 178 of the Companies Act, 2013 and the regulation 19 of listing regulations, the Company has committee of the Board known as the Nomination and Remuneration Committee. During the financial year 2021-22, the Committee met 2 times i.e. on May 14, 2021 and February 14, 2022. The composition and the attendance of the members at the meeting are given below:

Name	Category	No. of Meetings held during his/ her tenure and attended	
		Attended	**Held**
Mr. Rajiv Kumar Chaudhri	Independent Director, Chairman	2	2
Mr. Badal Bagri[1]	Non-Executive Director	1	1
Mr. Ravinder Arora	Independent Director	2	2
Ms. Neha Sharma[2&3]	Non-Executive Director	1	1
Ms. Vidyut Gulati[4]	Non-Executive Director	N.A.	N.A.

1. Mr. Badal Bagri ceased to be member of the committee w.e.f. October 29, 2021.
2. Ms. Neha Sharma was inducted as a member of the committee w.e.f. October 29, 2021.
3. Ms. Neha Sharma ceased to a member of the committee w.e.f. February 14, 2022.
4. Ms. Vidyut Gulati was inducted as a member of the Committee w.e.f. May 20, 2022.

Key Responsibilities of the Nomination and Remuneration Committee, inter-alia, includes:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors.

(3) devising a policy on diversity of board of directors.

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

(7) Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.

(8) Identify and recommend to the board persons who are qualified to become directors and who may be appointed as key managerial personnel in accordance with the criteria laid down and their removal thereof.

(9) Conduct an annual evaluation of overall effectiveness of the Board, the Committees of the Board and the performance of each director.

(10) Recommend the appointment of any director to executive or other employment/place of profit in the Company.

(11) Approve the remuneration payable to managerial personnel in case of no profit or inadequate profit take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

(12) All other Roles, Powers and duties as defined from time to time as per the Companies Act, 2013, or any re-enactment, amendment or modification thereto from time to time.

Stakeholders' Relationship Committee

In compliance with the requirements of Section 178 of the Companies Act, 2013 and the Regulation 20 of listing regulations, during the financial year, the Company has constituted a committee of the Board known as the Stakeholders' Relationship Committee. There was no committee meeting held during the financial year ended March 31, 2022. The composition of the Stakeholders' Relationship Committee is given below:

Name	**Category**
Mr. Rajiv Kumar Chaudhri	Independent Director, Chairman
Mr. Pankaj Tewari[1]	Non-Executive Director
Mr. Ravinder Arora[1]	Independent Director
Mr. Rahul Vatts[2]	Non-Executive Director
Ms. Vidyut Gulati[2]	Non-Executive Director

1. Mr. Ravinder Arora and Mr. Pankaj Tewari ceased to be members of the Committee w.e.f. close of business hours of May 19, 2022.
2. Ms. Vidyut Gulati and Mr. Rahul Vatts were inducted as a member of the Committee w.e.f. May 20, 2022.

Key Responsibilities of the Stakeholders' Relationship Committee, inter-alia, includes:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services if being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Compliance Officer

Ms. Swati Batra acted as the Company Secretary & Compliance Officer till February 14, 2022 and Ms. Richa Gupta Rohatgi was appointed as Company Secretary & Compliance Officer w.e.f. February 14, 2022 for complying with the requirements of the Listing Regulations and applicable laws.

Nature of Complaints and Redressal Status

During FY 2021-22, the complaints and queries received by the Company were general in nature, including issues relating to non-receipt of dividend warrants, Annual Reports and others, which were resolved to the satisfaction of the shareholders.

Details of the investor complaints received during financial year 2021-22 are as follows:

Type of complaint	**Received**	**Redressed**	**Pending as on March 31, 2022**
Non-receipt of securities	Nil	Nil	Nil
Non-receipt of Annual Report	Nil	Nil	Nil
Non-receipt of dividend	Nil	Nil	Nil
Miscellaneous	Nil	Nil	Nil
Total	Nil	Nil	Nil

To redress investor grievances, the Company has a dedicated e-mail id, bhartihexacom@bharti.in to which investors may send their grievances.

Risk Management Committee

In compliance with the requirements of Section 178 of the Companies Act, 2013 and the regulation 21 of listing regulations, during the financial year, the Company has constituted a committee of the Board known as the Risk Management Committee. There was no committee meeting held during the financial year ended march 31, 2022. The composition of the Risk Management Committee is given below:

Name	Category
Mr. Ravinder Arora[1]	Independent Director, Chairman
Mr. Pankaj Tewari[2]	Non-Executive Director, Chairman
Mr. Narendra Jain[3]	Non-Executive Director, Member
Ms. Neha Sharma[4]	Non-Executive Director, Member
Mr. Rajiv Kumar Chaudhri	Independent Director, Member
Ms. Ajeeta Kahale[3,5]	Non-Executive Director, Member
Ms. Vidyut Gulati[6]	Non-Executive Director, Member

1. Mr. Ravinder Arora was inducted as the Chairman of the committee w.e.f. May 20, 2022.
2. Mr. Pankaj Tewari ceased to be Director of the Company w.e.f. close of business hours of May 19, 2022.
3. Ms. Ajeeta Kahale and Mr. Narendra Jain were inducted as members of the committee w.e.f. February 14, 2022.
4. Ms. Neha Sharma ceased to be member of the committee w.e.f. February 14, 2022.
5. Mr. Ravinder Arora was inducted as member of the committee w.e.f. May 19, 2022.
6. Ms. Vidyut Gulati was inducted as member of the committee w.e.f. May 20, 2022.

Key Responsibilities of the Risk Management Committee, inter-alia, includes:

(1) To formulate a detailed risk management policy which shall include:

  (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

  (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

  (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of Section 135 of the Companies Act, 2013, the Company has committee of the Board known as the Corporate Social Responsibility Committee. During the financial year 2021-22, the Committee met one time i.e. on May 14, 2021. The composition and the attendance of the members are given below:

Name	Category	No. of Meetings held during her/his tenure and attended	
		Attended	Held
Mr. Soumen Roy[1]	Non-Executive Director, Chairman	NA	NA
Mr. Rajiv Kumar Chaudhri	Independent Director	1	1
Ms. Vidyut Gulati[2]	Non-Executive Director	NA	NA
Ms. Neha Sharma[3]	Non-Executive Director	1	1
Mr. Devendra Khanna[4]	Non-Executive Director	1	1
Ms. Ajeeta Kahale[5]	Non-Executive Director	NA	NA

1. Mr. Soumen Roy was inducted as chairman of the committee w.e.f. May 20, 2022.
2. Ms. Vidyut Gulati was inducted as member of the committee w.e.f. May 20, 2022.
3. Ms. Neha Sharma ceased to be a Director of the Company w.e.f. February 14, 2022.
4. Mr. Devendra Khanna ceased to be member of the committee closure of business hours of May 19, 2022.
5. Ms. Ajeeta Kahale was appointed as Chairperson of the committee w.e.f. February 14, 2022 and ceased to be a Director of the Company w.e.f. close of business hours of May 19, 2022.

Key Responsibilities of the Corporate Social Responsibility (CSR) Committee, inter-alia, includes:

- Devise a robust monitoring mechanism to ensure that the CSR projects / programs are undertaken effectively in accordance with the approval granted and are fully in compliance with applicable laws, rules and regulations. Monitoring of CSR activities could be done through:
  a. Periodic third party assessment of key projects
  b. Impact assessment with key indicators in our areas of operations
  c. Regular review by CSR committee
- Ensure that appropriate disclosures are made to the shareholders in the company's annual reports.

Corporate Social Responsibility Report for the year ended March 31, 2022

The Report on Corporate Social Responsibility for the financial year 2021-22 u/s 135 of the Companies Act, 2013 is annexed as Annexure A to the Boards' Report.

Committee of Directors

To cater various day-to-day requirements and to facilitate seamless operations, the Company has a formed a functional Committee known as Committee of Directors. The Committee comprises of three non-executive directors as its members.

The brief responsibilities of the Committees:

- Open/close/ change in authorization to operate any Bank/ Demat/ Subsidiary General Ledger (SGL) Accounts.
- Represent the Company before various Government, Semi-Government, Judicial, Quasi- Judicial and other statutory/ administrative authorities.
- Enter into, sign, execute and deliver all contracts for and on behalf of the Company.

D. GENERAL BODY MEETINGS

The details of last three Annual General Meetings (AGMs) are as follows:

Financial Year	Location/ Mode	Date	Time	Special Resolution passed
2020-21	Video Conferencing	September 23, 2021	11:30 A.M. (IST) to 11:50 A.M.	N.A.
2019-20	Video Conferencing	September 22, 2020	11:30 A.M. (IST) to 11:45 A.M.	• Increase in Borrowing Limits of the Company pursuant to provisions of section 180(1)(c) of the Companies Act, 2013 • Authorisation for private placement of secured / unsecured redeemable non-convertible debentures and / or other debt securities
2018-19	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi 110070, India	August 27, 2019	03:30 P.M. (IST) to 3:40 P.M.	N.A.

Postal Ballot/ E-Voting

The Company did not pass any resolution through postal ballot during the financial year 2021-2022.

E. CODES, POLICIES AND FRAMEWORKS

Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of Company at large

The Board of Directors has formulated a Policy on dealing with Related Party Transactions pursuant to the provisions of the Act and the Listing Regulations. The Policy includes clear threshold limits and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at https://www.bhartihexacom.in/policies.html.

Related Party Disclosure under Schedule V of the Listing Regulations

In compliance with the requirement of Listing Regulations, names of related parties and details of transactions with them have been included in Note no. 31 to the financial statements provided in this Annual Report.

Details of Non-compliance of any requirement of corporate governance

There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

Details of Compliances with the Non-mandatory Requirements of Regulation 27 of the Listing Regulations

Not Applicable for the financial year under review.

Subsidiary Company

The Company has no subsidiary company.

Material Subsidiary

Since the Company does not have a Subsidiary Company, the requirement of determining a material subsidiary is not applicable.

Whistle Blower Policy/Vigil Mechanism

The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link of https://www.bhartihexacom.in/docs/policies/Code%20of%20Conduct%20including%20Vigil%20Mechanism.pdf.

Code of Conduct

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct for all Directors and Senior Management Personnel. The code is available on the Company's website www.bhartihexacom.com. The Code is applicable to all Board members and Senior Management executives who directly report to the CEO. The Code is circulated to all Board members and Senior Management Personnel and its compliance is affirmed by them annually. Besides, the Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management Personnel with the Company that may have a potential conflict of interest.

A declaration signed by the CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the Financial Year ended March 31, 2022, is annexed as **Annexure A** to this report.

Along with the Code of Conduct for the Board members and Senior Management, the Company has also laid down a Code of Conduct for its employees. As a process, an annual confirmation is also sought from all employees. All employees are expected to confirm compliance to the Code annually.

Regular training programmes are conducted across locations to explain and reiterate the importance of adherence to the Code.

CEO and CFO Certification

The certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the CEO and CFO was placed before the Board. The same is annexed as **Annexure B** to this report.

Certificate from the Company Secretary in practice pursuant to Schedule V of the Listing Regulations

Pursuant to Schedule V Para C clause (10)(i) of the Listing Regulations, the Company has obtained certificate from CL & Associates, Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as **Annexure C.**

Prevention of Sexual Harassment

Company's commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions with respect to the Prevention of Sexual harassment at workplace are conducted for all employees, including our associates. Following are the details of sexual harassment cases for financial year 2021-22:

1. Number of complaints filed during the financial year - Nil
2. Number of complaints disposed off during the financial year - Nil
3. Number of complaints pending as at the end of the financial year – Nil

Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested

During the Financial Year ended March 31, 2022, there are no loans or advances provided by the Company to firms/companies in which directors were interested.

Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations

The Company has complied with the requirements as specified under regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations except Regulation 17(1C) which requires approval of shareholders for appointment of a person on the Board of Directors or as a manager to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier and are proposed to be appointed in the upcoming AGM. The Company is committed towards good corporate governance and has taken necessary steps to ensure its adherence in true spirit.

Auditors' Certificate on Corporate Governance

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 w.r.t. debt listed entity. In this regard, a certificate has been received from MMJB & Associates LLP, Company Secretaries, Secretarial Auditors affirming compliance of Corporate Governance during FY 2021-22 and the same is attached to as Annexure C to the Board's Report.

Equity Shares in the Suspense Account

In terms of Regulation 34 of the Listing Regulations, the details in respect of shares lying in the demat account Bharti Hexacom Limited- Unclaimed Suspense Account' as on March 31, 2022 are as under:

Particulars	**Number of shareholders**	**Number of equity shares**
Number of shareholders and aggregate number of shares as transferred to the Unclaimed Suspense Account outstanding as on April 1, 2021	N.A.	N.A.
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	N.A.	N.A.
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	N.A.	N.A.

F. MEANS OF COMMUNICATION

Quarterly Results	Following the highest standards of Corporate Governance, the Company has been announcing its audited financial results on quarterly basis. The results are published in prominent daily newspapers, viz. Mint (English daily), Neaps portal of NSE and also uploaded on the Company's website at www.bhartihexacom.in
Newspapers wherein results normally published	The results are published in prominent daily newspapers, viz. Mint (English daily).
Website of the Company	https://www.bhartihexacom.in/index.html
Whether it also displays official news releases	Yes, wherever applicable.
The Presentations made to institutional investors or to the analysts	Not applicable

G. GENERAL SHAREHOLDER INFORMATION

27th Annual General Meeting

Date : September 30, 2022

Day : Friday

Time : 11:30 A.M.

Venue : Through Video Conference

Financial Year

The Company has adopted the Financial Year of 12 months ending in March every year.

Dividend and Dividend Pay-out Date

No dividend is announced and recommended by the Board for FY 2021-22.

The name and addresss of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)

The Company has listed its debt securities on a private placement basis on:

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company has paid the annual listing and custodian fees for the financial year 2022 – 2023 to the Stock Exchanges and Depositories

Stock Code: NA

Stock Market Data

The Company has not its equity shares on any stock exchange. Hence there is no high and low during the financial year.

Performance in comparison to broad based indices

Since the equity shares of the Company are not listed on any exchange, no comparative data is available.

Suspension of Company's securities

The Company's securities have never been suspended from trading since its listing.

Registrar and Share Transfer Agent (RTA)

The RTA activities of the Company are being handled by KFin Technologies Limited, its contact details are as follows:

KFin Technologies Limited

Selenium Tower B, Plot number 31 & 32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad – 500032, India

Telephone no. 040-67162222

Fax No. 040-23001153

Website: www.kfintech.com

Share Transfer System

In terms of the Listing Regulations, equity shares of the Company can only be transferred in dematerialised form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification. Shareholders holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

Distribution of shareholding

By number of shares held as on March 31, 2022

S. No.	Category (by no. of shares)	No. of shareholders	% to holders	Amount of share Capital (in Rs.)	% of shares
1	1-5000	5	71.43	50	0
2	5001-10000	0	0	0	0
3	10001-20000	0	0	0	0
4	20001-30000	0	0	0	0
5	30001-40000	0	0	0	0
6	40001-50000	0	0	0	0
7	50001-100000	0	0	0	0
8	100001 and above	2	28.57	2,499,999,950	100
	Total	**7**	**100**	**2,500,000,000**	**100**

By Category of holders as on March 31, 2022

S. No.	Category	Number of Shares	%
I.	**Promoter & Promoter Group**		
	(i) Indian	25,00,00,000	100
	(ii) Foreign	0	0
	Total - Promoter & Promoter Group	**25,00,00,000**	**100**
II.	**Public Shareholding**		
	Institutions		
	(i) Mutual Funds	0	0
	(ii) Alternative Investment Fund	0	0
	(iii) Foreign Portfolio Investors	0	0
	(iv) Financial Institutions/Banks	0	0
	(v) Insurance Companies	0	0
	(vi) Qualified Institutional Buyer	0	0
	Total – Institutions	**0**	**0**

	(i)	Individual shareholders holding nominal share capital up to Rs.2 lakhs	0	0
	(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	0	0
	(iii)	NBFCs Registered with RBI	0	0
	(iv)	Trust	0	0
	(v)	Non Resident Indians	0	0
	(vi)	Clearing Members	0	0
	(vii)	Non Resident Indian Non Repatriable (NRN)	0	0
	(viii)	Bodies Corporate	0	0
	(ix)	IEPF	0	0
	Total - Non-Institutions		**0**	**0**
	Total - Public Shareholding		**0**	**0**
III.	**Non Promoter-Non Public - Shares**		**0**	**0**
	Total		**25,00,00,000**	**100**

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments as on date.

Commodity price risk or foreign exchange risk and hedging activities

The nature of the business of the Company is such that it does not involve any material risk on account of foreign exchange and commodity prices. Therefore, the Company has not undertaken any hedging activities during the year.

Plant Locations

Being a service provider company, Bharti Telecom Limited has no plant locations.

Nature of Communication	Contact details
For Debenture holders holding debentures in physical or in demat form	**KFin Technologies Limited** Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India Telephone no. 040-67162222 Fax No. 040-23001153 Website: www.kfintech.com
Debenture Trustee details	Axis Trustee Services Limited Ground Floor, Axis House Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, India Telephone No. 022 6226 0050/54 Fax No. 022 43253000 E-mail: debenturetrustee@axistrustee.com
Compliance Matter	Compliance Officer Richa Gupta Rohatgi

	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi 110070, India Tel No.: +91-11-4666 6100 Fax: +91-11-4666 6137 Email id: compliance.officer@bharti.in

Credit Rating

During the financial year 2021-22, the rating agency, CRISIL has upgraded the rating from "AA/Stable" to "AA+/Stable" for the Debentures issued by the Company. The instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligation. Such instruments carry very low credit risk. Further, CRISIL and India Research have maintained a rating of "A1+" for the Commercial Papers issued by the Company.

Annexure A

DECLARATION

I hereby confirm that the Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2022, a confirmation that they are in compliance with the Company's Code of Conduct.

For Bharti Hexacom Limited

Sd/-

Nidhi Lauria

Chief Executive Officer

Date:19.05.2022

Place:Delhi

Annexure B

CERTIFICATION

We, Nidhi Lauria, CEO and Kamal Dua, Chief Financial Officer of Bharti Hexacom Limited, to the best of our knowledge and belief hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

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

(d) We have indicated to the Auditors and the Audit Committee:

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 19, 2022	Nidhi Lauria	Kamal Dua
Place: New Delhi	CEO	Chief Financial Officer

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of BHARTI HEXACOM LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **BHARTI HEXACOM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

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Sr No.	Key Audit Matter	Auditor's Response
1.	**Revenue from operations:** We considered accuracy of revenues relating to Mobile 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.). Refer note 2.16 "Revenue recognition" for accounting policies, note 3.2.a 'Revenue recognition and presentation' under the head 'Critical judgements in applying the Company's accounting policies' and note 21 on disclosures related to Revenue from operations in the 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, 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 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 from operations in notes 2.16, 3.2.a and 21 respectively in the financial statements.
2.	**Assessment of recoverability relating to Deferred tax assets ('DTA') recognized on carry forward losses:** The DTA balance as at March 31, 2022 of Rs. 9,474 Mn primarily relates to DTA on carry forward losses. The Company exercises significant judgement in assessing the recoverability of DTA relating to carry forward losses. In estimating the recoverability of DTA on carry forward losses, management uses inputs such as internal business and tax projections over a 10 years period. 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 2.10 "Taxes" for accounting policies, note 3.1.b 'Taxes' under the	**Principal Audit Procedures** We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process for determining the recoverability of the DTA relating to carry forward losses which included amongst others controls over the assumptions and judgments used in the projections of future taxable income and tax projections. To assess the Company's ability to estimate future taxable income, we compared the Company's previous forecasts to actual results to determine its reasonableness.

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Sr No.	Key Audit Matter	Auditor's Response
	head "Key sources of estimation uncertainties", and note 9 "Income taxes" for disclosures related to taxes in the financial statements.	We involved our tax specialist in evaluating tax planning strategies, opinion obtained by the Company from its tax advisors and interpretation of tax laws used by the Company in the tax projections used for supporting the recoverability of DTA.
3.	**Provisions and contingencies relating to relating to regulatory and tax matters:** The Company has recognised provisions for probable outflows relating to legal, tax and regulatory matters and have disclosed contingencies for legal, tax and regulatory matters where the obligations are considered possible. The Company in consultation with the legal, tax and other advisers assess a likelihood that a pending matter relating to tax, legal or regulatory will succeed. In performing this assessment, the Company applies judgement and has recognised liabilities based on whether additional amounts will be payable and has disclosed contingent liabilities where economic outflows are considered possible. 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 2.15 "Contingencies" for accounting policies, note 3.1.d 'Contingent liabilities and provisions' under the head "Key sources of estimation uncertainties", note 17 "Provisions" for disclosure related to provisions for subjudice matters, note 4(i) for AGR matter and Note 20.I in respect of details of Contingent liabilities in the financial statements.	**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 obtained by the Company 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 Company, where applicable. We also evaluated the disclosures provided in the notes to the financial statements concerning these matters.

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Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Director's report including annexures, but does not include the financial statements and our auditor's report thereon.

- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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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 Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Financial Statements comply with Ind AS specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
   h) In our opinion and to the best of our information and according to the explanations given to us, the Company has not made any payments towards managerial remuneration to its directors during the year and hence requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act are not applicable.
   i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
UDIN: 22130054AJGLBQ3110

Place Gurugram
Date May 19, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BHARTI HEXACOM LIMITED** ("the Company") as at March 31, 2022 in conjunction with our audit of the Financial Statements of the Company as at and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

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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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 22130054AJGLBQ3110)

Place: Gurugram
Date: May 19, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of Property, Plant and Equipment and Intangible Assets:-

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right of use assets except in the case of Plant and Machinery, where the Company is in the process of updating the records for quantity and situation of these assets.

b) The Company has maintained proper records showing full particulars of intangible assets.

c) The Company, except for customer premises equipment, bandwidth and certain assets which due to their nature or location are not verifiable, has a program of verification of property, plant and equipment, capital work in-progress, and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, capital work-in progress and right of use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

d) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.

e) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of Inventory:-

a) The Company does not have any inventory and hence reporting under clause 3 (ii) of the order is not applicable to the Company.

b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility

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from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

iii. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

iv. The Company has not granted any loans, made investment or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statue	**Nature of dues**	**Amount Disputed (In Rs Mn)**	**Period to which the Amount Relates**	**Forum where dispute is pending**
Custom Act, 1962	Custom Act	182	2001-2005	Supreme Court
Sub Total (A)		**182**		
Finance Act, 1994 (Service tax)	Service Tax	567	2006-2013	High Court
Finance Act, 1994 (Service tax)	Service Tax	45	2007-2013	Tribunal

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Name of Statue	Nature of dues	Amount Disputed (In Rs Mn)	Period to which the Amount Relates	Forum where dispute is pending
Finance Act, 1994 (Service tax)	Service Tax	4	2007-2008	Commissioner Appeals
Sub Total (B)		**617**		
Income Tax Act, 1961	Income Tax	530	FY 2002-03; FY 2003-04 to FY 2013-14	Supreme Court
Income Tax Act, 1961	Income Tax	136	FY 2008-09; FY 2005-10, FY 2011-13	High Court
Income Tax Act, 1961	Income Tax	7,206	FY 2015-16 to FY 2018-19	Commissioner of Income Tax (Appeals)
Sub Total (C)		**7,872**		
Grand Total (A+B+C)		**8,671**		

The above-mentioned figures represent the total disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities. Of the above cases, total amount deposited in respect of Duty of custom is Rs. 91 million, Service Tax is Rs. 4 million and Income Tax is Rs.192 million.

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. In respect of loans and borrowings:-

a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) To the best of our knowledge and belief and according to the information and explanations given to us, the management of the Company is of the view that the Company is able to generate sufficient funds from long term sources either through its operations or other means to meet the working capital requirements arising from the event of short-term sources falling due for payment. On an overall examination of the financial statements of the Company, funds raised on short-term basis have been used for long-term purposes by the Company. Refer Note 15 to the financial statements.

e) The Company did not have any subsidiaries or associates or joint ventures during the year, hence reporting under clause (ix)(e) are not applicable.

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f) The Company did not have any subsidiaries or associates or joint ventures during the year, hence reporting under clause (ix)(f) are not applicable.

x. In respect of issue of securities:-

a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi. In respect of Fraud:-

a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. In respect of internal audit:-

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2021 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 1, 2022 to March 31, 2022 for the period under audit.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

Deloitte Haskins & Sells LLP Chartered Accountants

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent on the generation of sufficient profits, positive cash flows and the continued support of shareholders and lenders as and when required in the future. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company has incurred losses during the three immediately preceding financial years and hence, it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
UDIN: 22130054AJGLBQ3110

Place: Gurugram
Date: May 19, 2022

Bharti Hexacom Limited

Ind AS Financial Statements

March 31, 2022

Bharti Hexacom Limited

Ind AS Financial Statements – March 31, 2022

Contents

Ind AS Financial Statements

Bharti Hexacom Limited
Balance Sheet
(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2022	As of March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	38,400	39,054
Capital work-in-progress	5	641	707
Right-of-use assets	32	16,324	14,761
Intangible assets	6	47,612	49,222
Financial assets			
- Investments	7	0	0
- Other financial assets	8	4,463	4,324
Income tax assets (net)		3,052	2,946
Deferred tax assets (net)	9	9,474	11,166
Other non-current assets	10	6,554	7,660
		126,520	129,840
Current assets			
Financial assets			
- Investments	7	490	-
- Trade receivables	11	20,958	1,429
- Cash and cash equivalents	12	885	277
- Other bank balances	13	324	315
- Other financial assets	8	8,787	7,988
Other current assets	10	8,779	10,186
		40,223	20,195
Total assets		166,743	150,035
Equity and liabilities			
Equity			
Equity share capital	14	2,500	2,500
Other equity		34,105	17,360
		36,605	19,860
Non-current liabilities			
Financial liabilities			
- Borrowings	15	48,078	36,926
- Lease liabilities		15,303	13,119
- Other financial liabilities	16	3	3
Deferred revenue	21	4,746	5,030
Provisions	17	218	210
		68,348	55,288
Current liabilities			
Financial liabilities			
- Borrowings	15	23,905	22,826
- Lease liabilities		3,398	4,864
- Trade payables			
-total outstanding dues of micro enterprise and small enterprise	18	20	31
-total outstanding dues of creditors other than micro enterprise and small enterprise	18	14,932	22,209
- Other financial liabilities	16	3,760	10,034
Deferred revenue	21	4,166	3,580
Provisions	17	10,256	9,583
Current tax liabilities (net)		624	692
Other current liabilities	19	729	1,068
		61,790	74,887
Total liabilities		130,138	130,175
Total equity and liabilities		166,743	150,035

The accompanying notes 1 to 36 form an integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Nidhi Lauria
Chief Executive Officer

Devendra Khanna
Director
DIN: 01996768

Pankaj Tewari
Director
DIN: 08006533

Kamal Dua
Chief Financial Officer

Richa Gupta
Company Secretary

Place: New Delhi
Date: May 19, 2022

Bharti Hexacom Limited
Statement of Profit and Loss
(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	21	54,052	46,023
Other income		888	1,020
		54,940	**47,043**
Expenses			
Network operating expenses	22	14,862	14,279
Access charges		11,331	13,454
License fee / Spectrum charges		5,718	4,379
Employee benefits expense	23	764	763
Sales and marketing expenses	24	1,993	1,410
Other expenses	25	1,244	1,214
		35,912	**35,499**
Profit before depreciation, amortisation, finance costs, exceptional items and tax		**19,028**	**11,544**
Depreciation and amortisation expenses	26	14,410	12,852
Finance costs	27	5,718	5,166
Loss before exceptional items and tax		**(1,100)**	**(6,474)**
Exceptional items	28	(19,511)	3,417
Profit / (loss) before tax		**18,411**	**(9,891)**
Tax expense			
Current tax	9	(27)	-
Deferred tax	9	1,692	448
		1,665	**448**
Profit / (loss) for the year		**16,746**	**(10,339)**
Other comprehensive income:			
Items not to be reclassified to profit or loss:			
Re-measurement loss on defined benefit plans		(1)	(1)
Tax credit		0	0
Other comprehensive loss for the year		**(1)**	**(1)**
Total comprehensive income / (loss) for the year		**16,745**	**(10,340)**
Earnings / (loss) per share (Face value : Rs. 10 each)			
Basic and diluted earnings / (loss) per share	29	**66.98**	**(41.36)**

The accompanying notes 1 to 36 form an integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054

For and on behalf of the Board of Directors of Bharti Hexacom Limited

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DIN: 08006533

Kamal Dua
Chief Financial Officer

Richa Gupta
Company Secretary

Place: New Delhi
Date: May 19, 2022

Bharti Hexacom Limited
Statement of Changes in Equity
(All amounts are in millions of Indian Rupee; unless stated otherwise)

	Equity share capital		Other equity - Reserves and surplus						
	No. of shares (in '000)	Amount	Securities premium	Retained earnings	General reserve	Capital reserve	Capital redemption reserve	Total	Total equity
As of April 1, 2020	250,000	2,500	1,040	24,887	900	873	-	27,700	30,200
Loss for the year	-	-	-	(10,339)	-	-	-	(10,339)	(10,339)
Other comprehensive loss (net of tax)	-	-	-	(1)	-	-	-	(1)	(1)
Total comprehensive loss	-	-	-	**(10,340)**	-	-	-	**(10,340)**	**(10,340)**
Redemption of preference shares	-	-	-	(0)	-	-	0	-	-
As of March 31, 2021	250,000	2,500	1,040	14,547	900	873	0	17,360	19,860
Profit for the year	-	-	-	16,746	-	-	-	16,746	16,746
Other comprehensive loss (net of tax)	-	-	-	(1)	-	-	-	(1)	(1)
Total comprehensive income	-	-	-	16,745	-	-	-	16,745	16,745
As of March 31, 2022	250,000	2,500	1,040	31,292	900	873	0	34,105	36,605

The accompanying notes 1 to 36 form an integral part of these 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 Hexacom Limited

Nilesh H. Lahoti
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Deloitte Haskins & Sells LLP Chartered Accountants

Kamal Dua
Chief Financial Officer

Richa Gupta
Company Secretary

Bharti Hexacom Limited

Place: New Delhi
Date: May 19, 2022

Bharti Hexacom Limited
Statement of Cash Flows

(All amounts are in millions of Indian Rupee)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities		
Profit / (loss) before tax	**18,411**	**(9,891)**
Adjustments for:		
Depreciation and amortisation expenses	14,410	12,852
Finance costs	5,713	5,098
Interest income	(24)	(38)
Net gain on Fair value through profit and loss (FVTPL) investments	(19)	(133)
Exceptional items	-	3,417
Other non-cash items (net)	225	210
Operating cash flow before changes in assets and liabilities	**38,716**	**11,515**
Changes in assets and liabilities		
Trade receivables	(19,791)	663
Trade payables	(7,727)	1,236
Provisions	659	(872)
Other financial and non-financial liabilities	89	3,754
Other financial and non-financial assets	782	(789)
Net cash generated from operations before tax	**12,728**	**15,507**
Income tax paid - (net)	(148)	(335)
Net cash generated from operating activities (a)	**12,580**	**15,172**
Cash flows from investing activities		
Purchase of property, plant and capital-work-in-progress	(13,487)	(14,569)
Proceeds from sale of property, plant and equipment	149	46
Purchase of intangible assets	-	(9)
Payment for (purchase) / proceeds from sale of current investments (net)	(471)	6,485
Payment towards Spectrum (including deferred payment liability)*	(41)	(828)
Interest received	25	50
Net cash used in investing activities (b)	**(13,825)**	**(8,825)**
Cash flows from financing activities		
Proceeds from long term borrowings	65,185	85,335
Repayment of long term borrowings	(55,968)	(64,703)
Repayment of short-term borrowings (net)	(1,102)	(20,795)
Interest and other finance charges paid	(2,823)	(3,409)
Payment of lease liabilities	(3,461)	(2,470)
Net cash generated from / (used in) financing activities (c)	**1,831**	**(6,042)**
Net increase in cash and cash equivalents during the year (a+b+c)	**586**	**305**
Add : Cash and cash equivalents as at the beginning of the year	277	(28)
Cash and cash equivalents as at the end of the year (refer note 13)	**863**	**277**

*Cash flows towards spectrum acquisitions are based on timing of payouts to Department of Telecommunications ('DoT') (viz upfront/deferred-refer note 4(v)).

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

Refer Note 33(1)(v) for the disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities.

The accompanying notes 1 to 36 are integral part of these Financial Statements.

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh H. Lahoti
Partner
Membership No: 130054

For and on behalf of the Board of Directors of Bharti Hexacom Limited

Nidhi Lauria
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Director
DIN: 08006533

Kamal Dua
Chief Financial Officer

Richa Gupta
Company Secretary

Place: New Delhi
Date: May 19, 2022

Bharti Hexacom Limited

1. Corporate information

Bharti Hexacom Limited ('the Company' or 'BHL') is domiciled and incorporated in India as a public limited company. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The Company's principal shareholders are Bharti Airtel Limited and Telecommunications Consultants India Limited. The Company is providing telecom services in Rajasthan and North East telecom circles in terms of Unified License (with Access Service Authorization) granted by the Department of Telecommunications ('DoT'), Government of India ('GoI').

2. Summary of significant accounting policies

2.1 Basis of preparation

These 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.

As at March 31, 2022, current liabilities exceeded its current assets by Rs. 21,567 (2020-21: Rs. 54,692). Management has undertaken various initiatives in the current year and during last year to improve the profitability including tariff increase on prepaid plans, launch of minimum subscription plans, reduction of pass through charges, reframing of Spectrum to 4G for efficient usage along with exploring sale of non-core assets. Given its profile and past experience, management expects that it will be able to access various source of funds (viz. banks / debt market / shareholders as deemed fit) as and to the extent required (refer note 4(ii)).

In view of above, the Financial Statements are prepared on the basis of accounting policies applicable to a going concern assumption. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent on the generation of sufficient profits, positive cash flows and the continued support of shareholders and lenders as and when required in the future.

The Financial Statements are approved for issue by the Company's Board of Directors on May 19, 2022.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III (as amended) to the Act. Further, for the purpose of clarity, various items are aggregated in the Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes. Nonetheless, these items are dis-aggregated separately in the notes to the Financial Statements, where applicable or required.

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Bharti Hexacom Limited

All the amounts included in the Financial Statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0' Amount less than a million, appearing as '0'.

The preparation of the said Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said Financial Statements, except in case of adoption of any new standards and/ or amendments during the year.

New amendments adopted during the year

a) Amendments to Ind AS

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 (as applicable to the Company):

- Ind AS 116, Leases
- 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 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

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.

Deloitte Haskins & Sells LLP Chartered Accountants

Bharti Hexacom Limited

b) Amendments to schedule III Division II

MCA vide notification dated March 24, 2021, has amended disclosure requirements to Division II of Schedule III to the Act. The amendments are applicable from April 1, 2021.

c) Amendments to Ind AS issued but not yet effective

MCA vide notification no. G.S.R. 255(E) dated March 23, 2022 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends following Ind AS (as applicable to the Company):

- Ind AS 109, Financial Instruments
- Ind AS 16, Property, Plant and Equipment
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The amendments are applicable for annual periods beginning on or after April 1, 2022. The Company has evaluated the amendments and the impact is not expected to be material.

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 ('FVTPL') (refer note 2.8) which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said Financial Statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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Bharti Hexacom Limited

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 Foreign currency transactions

The Financial Statements are presented in Indian Rupee which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

2.4 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deloitte Haskins & Sells LLP Chartered Accountants

Bharti Hexacom Limited

2.5 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), asset retirement obligations (refer note 2.14 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the Balance Sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work-in-progress, advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed under other non- current assets.

The expenditures that are incurred after the item of PPE has been available to use, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Act and has accordingly, depreciated the assets over such useful life. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	**Years**
Buildings	20
Building on leased land	Lease term or 20 years, whichever is less
Leasehold improvements	Lease term or 20 years, whichever is less
Plant and equipment	
- Network equipment (including passive infrastructure)	3 – 25
- Customer premise equipment	3 – 5

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Bharti Hexacom Limited

Computers / servers	3 – 5
Furniture & fixtures and office equipments	2 – 5
Vehicles	3 – 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the Balance Sheet and the resulting gains / losses are included in the Statement of Profit and Loss within other income / other expenses.

2.6 Intangible assets

Intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. The intangible assets are initially recognised at cost. Those assets having finite useful life are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding five years.

b. Licenses (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives ranges upto twenty years.

The revenue-share based fee on licenses / spectrum is charged to the Statement of Profit and Loss in the period such cost is incurred.

c. Other acquired intangible assets

Other acquired intangible assets include the following:

Non-compete fee: Over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at-least at each financial year end so as to ensure that the method and period of amortisation are consistent with the

Deloitte Haskins & Sells LLP Chartered Accountants

Bharti Hexacom Limited

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.

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 and Loss when the asset is derecognised.

2.7 Impairment of non-financial assets

PPE and intangible assets

PPE (including CWIP), Right-of-use assets ('ROU') and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value in use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis.

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.

Reversal of impairment losses

Impairment losses are reversed in 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.

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Bharti Hexacom Limited

2.8 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities as measured at amortised cost.
Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

b. Measurement – Non derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments at its fair value plus, in the case of a financial instruments not at FVTPL, transaction costs. Otherwise transaction costs are expensed in the Statement of Profit and Loss.

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.

Deloitte Haskins & Sells LLP Chartered Accountants

Bharti Hexacom Limited

ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) 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 ('ECL') associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve months, 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).

c. Derecognition

The financial liabilities are de-recognised from the Balance Sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the Balance Sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the Statement of Profit and Loss.

2.9 Leases

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

Company as a lessee

The Company recognises a ROU and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the Balance Sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental

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borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU, or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the Statement of Profit and Loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the Statement of Profit and Loss. In the Statement of Cash Flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate standalone price of the non-lease components.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Company recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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Company as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies Ind AS 115 'Revenue from Contracts with Customers' to allocate the consideration under the contract to each component.
The Company enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the Balance Sheet.

2.10 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the Balance Sheet under assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

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The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the Financial Statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets/ liabilities recognised for temporary differences arising from a business combination, affect the amount of goodwill or the bargain purchase gain that the Company recognises. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.11 Cash and cash equivalents ('C&CE')

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 C&CE and subject to an insignificant risk of changes in value). However, for the purpose of the Statement of Cash Flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of C&CE.

2.12 Equity share capital

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.13 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans, compensated absences and deferred compensation. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short-term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

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 Company 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.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried 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. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

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The interest expense is calculated by applying the above mentioned discount rate to defined benefits obligations. The interest expenses on the defined benefits obligations are recognised in the Statement of Profit and Loss. However, the related re-measurements of the defined benefits obligations are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions). Re-measurements are not re-classified to the Statement of Profit and Loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefits comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefits on the basis of actuarial valuation carried 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.

2.14 Provisions

a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

b. Asset retirement obligations ('ARO')

ARO are recognised for those lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

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2.15 Contingencies

A disclosure for a contingent liability is made when there is are 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.

2.16 Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a. Service revenues

Service revenues mainly pertain to usage, subscription and customer onboarding charges for voice, data, messaging and other value added services. It also includes revenue from interconnection / roaming charges for usage of the Company's network by other operators for voice, data, messaging and signaling services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Company recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customer i.e. upfront. Revenue in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

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Service revenues also includes revenue from interconnection / roaming charges for usage of the Company's network by other operators for voice, data, messaging and signaling services. These are recognised upon transfer of control of services over time.

Certain business services revenues include revenue from registration and installation, which are amortised over the period of agreement since the date of activation of service.

b. Costs to obtain or fulfill a contract with a customer

The Company incurs certain costs to obtain or fulfill contracts with customers viz. intermediary commission, etc. The Company estimated that the average customer life derived from customer churn rate is longer than 12 months and hence the Company deferred such costs. Such costs are thus recognized over the average expected customer life.

c. Interest income

The interest income is recognised using the EIR method. For further details, (refer note 2.8).

2.17 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 Statement of Profit and 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, PPE are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on a straight line basis over the expected lives of the related assets.

2.18 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the Statement of Profit and Loss within finance costs in the period in which they are incurred.

2.19 Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

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2.20 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

Basic EPS is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit / (loss) 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 year, unless issued at a later date during the period.

3. Key sources of estimation uncertainties and critical judgements

The estimates and judgements used in the preparation of the said Financial Statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Financial Statements in the period in which they become known.

3.1 Key sources of estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Useful lives of PPE

As described at note 2.5 above, the Company reviews the estimated useful lives of PPE at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges.

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b. Taxes

Deferred tax assets are recognised for the unused tax losses 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.

c. 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.

d. Contingent Liabilities and provisions

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

3.2 Critical judgement's in applying the Company's accounting policies

a. Revenue recognition and presentation

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services.

In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Separating lease and non-lease components

The consideration paid by the Company in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy services etc. Therefore in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Company performs analysis of cost split to arrive at relative stand-alone prices of each of the components. The bifurcation of the consideration paid (excluding energy) between lease versus non-lease component across the Company has been accordingly considered at 60% as lease component on an overall basis.

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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 Company is required to estimate the expected lease period which may be different from the contractual tenure. The Company has various tower lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining lease period until which significant exit penalties are payable

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 Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

4. Significant transactions / new developments

i. On October 24, 2019, the Supreme Court of India delivered a judgement in relation to a long outstanding industry-wide case upholding the view of the Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR'). Further, in its judgement dated, September 1, 2020 ('AGR September Judgement') 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 judgement, the Company 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 Company 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 Judgement, whereby the applications filed by the TSPs for correction of errors in the computation of demand amount by DoT were dismissed. The Company has filed a review petition against the July 23, 2021 order before the Supreme Court and same is pending adjudication.

   In the meanwhile, DoT vide letter dated October 14, 2021 has offered a one-time opportunity to opt for deferment of AGR related instalments determined by the Supreme Court in the AGR case, by a period of four years with immediate effect without changing the overall payment period of 10 years as fixed by the Supreme court (i.e. the last of the yearly instalment payment to be made by March 31, 2031). The revised amount of instalment of the AGR dues is to be paid with-in this time frame only. The Company vide its letter dated October 22, 2021 has confirmed DoT to avail the offer.

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ii. During the year ended March 31, 2022, the Company has issued 20,000 listed, unsecured, rated, redeemable non-convertible debentures ('NCD'), of the face value of Rs. 1 Mn each at a coupon rate of 5.9% per annum payable annually, at par aggregating to Rs. 20,000 on private placement basis. These NCDs will be due for payment on April 30, 2024.

iii. As of March 31, 2022, the Company has outstanding commercial papers of Rs. 23,865 which are listed on National Stock Exchange. The listing is pursuant to SEBI circulars SEBI/HO/IMD/DF2/P/2019/104 dated October 1, 2019 and SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019.

iv. During the year ended March 31, 2021, the Company has issued 15,000 listed, unsecured, rated, redeemable, non-convertible debentures ('NCDs'), of face value of Rs. 1 Mn 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 payment on January 19, 2024.

v. During the year ended March 31, 2021, the Company has won 36.2 MHz spectrum across sub GHz and mid bands for a total consideration of Rs. 1,876 in auction conducted by the Department of Telecom ('DoT'), Government of India. The Company opted for the deferred payment option and paid an advance of Rs. 828 on March 18, 2021 out of the total upfront payment of Rs. 869. An additional amount of Rs. 41 was paid to DoT on April 12, 2021 for immediate allocation of spectrum in a service area in which the spectrum was to be allocated at a later date. The balance amount of Rs. 1,007 is payable along with interest @ 7.3% per annum in 16 equal annual installments after a moratorium of two years.

vi. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has issued draft of the Code on Social Security (Central) Rules, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company is assessing the impact of the Code and will record any related impact in the period the Code becomes effective.

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Notes to Financial Statements
(All amounts are in millions of Indian Rupee; unless stated otherwise)

5. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2022 and March 31, 2021:

	Leasehold improvements	Buildings	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computer and servers	Total
Gross carrying value								
As of April 1, 2020	89	156	80,807	74	3	198	220	81,547
Additions	0	-	15,264	2	-	27	28	15,321
Disposals / adjustment	-	-	(2,219)	(0)	-	(1)	(9)	(2,229)
As of March 31, 2021	89	156	93,852	76	3	224	239	94,639
As of April 1, 2021	89	156	93,852	76	3	224	239	94,639
Additions	-	-	7,635	3	-	19	107	7,764
Disposals / adjustment	-	-	(2,202)	-	-	-	-	(2,202)
As of March 31, 2022	89	156	99,285	79	3	243	346	100,201
Accumulated depreciation								
As of April 1, 2020	85	89	48,778	60	2	148	140	49,302
Charge *	0	7	7,315	3	-	16	36	7,377
Disposals / adjustment	-	-	(1,088)	(0)	-	(1)	(5)	(1,094)
As of March 31, 2021	85	96	55,005	63	2	163	171	55,585
As of April 1, 2021	85	96	55,005	63	2	163	171	55,585
Charge	0	7	8,243	3	-	16	67	8,337
Disposals / adjustment	-	-	(2,120)	-	-	-	-	(2,120)
As of March 31, 2022	85	103	61,129	66	2	179	238	61,802
Net carrying value								
As of March 31, 2021	4	60	38,847	13	1	61	68	39,054
As of March 31, 2022	4	53	38,156	13	1	64	108	38,400

* It includes exceptional item of Rs. 237 with respect to plant and equipment for the year ended March 31, 2021. [refer note 28(ii)(d)].

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The carrying value of the capital work in progress as of March 31, 2022 and March 31, 2021 is Rs 641 and Rs 707 respectively, which mainly pertains to plant and equipments.

CWIP Ageing Schedule

The following table presents the CWIP ageing schedule as of March 31, 2022 and March 31, 2021:

March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	609	23	8	1	641

March 31, 2021

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	677	26	0	4	707

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the years ended March 31, 2022 and March 31, 2021:

	Software	Licenses (including spectrum)	Other acquired intangibles	Total
Gross carrying value				
As of April 1, 2020	12	66,435	45	66,492
Additions	-	9	-	9
As of March 31, 2021	12	66,444	45	66,501
As of April 1, 2021	12	66,444	45	66,501
Additions	-	1,881	-	1,881
Disposals / adjustment	(12)	-	-	(12)
As of March 31, 2022	-	68,325	45	68,370
Accumulated amortisation				
As of April 1, 2020	12	13,803	42	13,857
Amortisation	-	3,421	1	3,422
As of March 31, 2021	12	17,224	43	17,279
As of April 1, 2021	12	17,224	43	17,279
Amortisation	-	3,490	1	3,491
Disposals / adjustment	(12)	-	-	(12)
As of March 31, 2022	-	20,715	44	20,758
Net Carrying Amount				
As of March 31, 2021	-	49,220	2	49,222
As of March 31, 2022	-	47,611	1	47,612

Weighted average remaining amortisation period of spectrum license as of March 31, 2022 and March 31, 2021 is 13.86 years and 14.62 years, respectively.

7. Investments

Non-current

	As of			
	March 31, 2022		March 31, 2021	
	No. of units	Cost	No. of units	Cost
Government securities (NSC)	1	0	1	0
	1	0	1	0
Aggregate book / market value of unquoted investments		0		0

Current

	As of	
	March 31, 2022	March 31, 2021
Investments at FVTPL		
Mutual funds (quoted)	490	-
	490	-
Aggregate book / market value of quoted investments	490	-

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

8. Other financial assets

Non-current

	As of March 31, 2022	As of March 31, 2021
Claims recoverable*	2,176	2,044
Indemnification assets^	1,930	1,930
Security deposits	357	350
	4,463	**4,324**

* pertains to Universal Service Obligation Fund ('USOF') subsidy (refer note 21).

Current

	As of March 31, 2022	As of March 31, 2021
Unbilled revenue (refer note 21)	290	178
Interest accrued on investments	6	6
Claims recoverable	726	267
Indemnification assets^	7,671	7,103
Recoverable from related party (refer note 31)	54	410
Others	40	24
	8,787	**7,988**

^pursuant to merger with Tata Teleservices Limited ('TTSL').

9. Income tax

The major components of Income Tax expense are:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Statement of Profit and Loss		
Current tax		
- For the year	-	-
- Adjustments for prior periods	(27)	-
	(27)	-
Deferred tax		
- Origination & reversal of temporary differences	1,692	440
- Adjustments for prior periods	-	8
	1,692	448
Income tax expense	**1,665**	**448**
Statement of Other Comprehensive Income		
Amounts recognised in Other Comprehensive Income		
-Re-measurement loss on defined benefit plans	(0)	(0)
Deferred Tax credited to Other Comprehensive Income	**(0)**	**(0)**

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The reconciliation between the amount computed by applying the statutory income tax rate to the Profit / (loss) before tax and income tax expense is summarised below:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Profit / (loss) before tax	18,411	(9,891)
Tax charge / (credit) @ 25.168%	4,634	(2,490)
Effect of:		
Adjustments in respect to previous years	-	8
Business losses against which deferred tax (reinstated)/reversed based on projections	(1,699)	1,699
Losses and deductible temporary differences against which no deferred tax asset recognised	-	1,235
Recognition of previously unrecognised losses and deductible temporary differences	(1,235)	-
Expense not deductible (net)	(8)	(4)
Impact of tax amnesty scheme	(27)	-
Income tax expense	**1,665**	**448**

The analysis of deferred tax assets / (liabilities) is as follows:

	As of	
Deferred tax asset / (liabilities)	**March 31, 2022**	**March 31, 2021**
Allowance for impairment of debtors / advances	477	501
Employee benefits	17	20
Depreciation / amortisation of PPE / intangible assets / ROU	29	156
Government grants	530	703
Rates and taxes	811	751
Carry forward losses	7,610	9,035
Net deferred tax asset	**9,474**	**11,166**

	For the year ended	
Deferred tax income / (expense)	**March 31, 2022**	**March 31, 2021**
Allowance for impairment of debtors / advances	(25)	22
Carry forward losses	(1,424)	(1,211)
Employee benefits	(3)	-
Depreciation / amortisation on PPE / intangible assets / ROU	(127)	-
Government grant	(173)	276
Rates and taxes	60	465
Net deferred tax expense	**(1,692)**	**(448)**

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The movement in deferred tax assets / (liabilities) during the year is as follows:

	For the year ended	
	March 31, 2022	**March 31, 2021**
Opening balance	**11,166**	**11,614**
Tax (expense) / income recognised in Statement of Profit or Loss	(1,692)	(448)
Tax expense recognised in OCI	0	0
Closing balance	**9,474**	**11,166**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward tax losses / credits (including capital losses) can be utilised. Accordingly, based on analysis of recoverability of Deferred Tax Assets and updated business projections, deferred tax assets on losses of Rs. 6,750 reversed during March 31, 2021 have been reinstated in March 31, 2022. Also, deferred tax not created in relation to losses and deductible temporary differences of Rs. 4,906 during March 31, 2021 have been reinstated in March 31, 2022.

Further, the company has not recognised deferred tax assets in respect of business combination losses and unabsorbed depreciation in relation to Tata Tele Services Limited amounting to Rs. 4,249 (March 31, 2021 Rs. 4,796) (including Rs. 1,919 (March 31, 2021 Rs. 1,902) towards unabsorbed depreciation) as of March 31, 2022 as the availability of same is subject to completion of assessments.

The expiry schedule of the above mentioned losses is as follows:

	As of	
Expiry date	**March 31, 2022**	**March 31, 2021**
Within five years	2,213	2,315
Above five years	117	7,329
Unlimited	1,919	6,808

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10. Other assets

Non-current

	As of	
	March 31, 2022	March 31, 2021
Advances (net)*	266	262
Cost to obtain a contract with a customer (refer note 21)	1,197	810
Capital advance	-	833
Taxes recoverable#	1,261	1,275
Prepaid expenses	3,718	4,346
Rent equalisation	91	113
Others	21	21
	6,554	**7,660**

Current

	As of	
	March 31, 2022	March 31, 2021
Taxes recoverable#	6,431	8,422
Advances to suppliers (net)**	427	495
Prepaid expenses	848	856
Deposit with government authorities	7	-
Cost to obtain a contract with a customer (refer note 21)	1,062	409
Others	4	4
	8,779	**10,186**

* Advances represent payments made to various Government authorities under protest and are disclosed net of provision.

Taxes recoverable primarily include Goods & Services Tax ('GST') and customs duty.

** Advance to suppliers are disclosed net of allowance of Rs. 76 and Rs. 75 as of March 31, 2022 and March 31, 2021, respectively.

11. Trade receivables

	As of	
	March 31, 2022	March 31, 2021
Trade receivable considered good - unsecured*	22,538	3,103
Less: Allowances for doubtful receivables	(1,580)	(1,674)
	20,958	**1,429**

* It includes amount due from related parties (refer note 31) and includes one time settlement
Refer note 33 (1) (iv) for credit risk

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Movement in allowances for doubtful receivables is as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
Opening balance	1,674	1,487
Additions / (written back)	(94)	187
Closing balance	**1,580**	**1,674**

Trade receivable

The following table presents the trade receivable ageing as of March 31, 2022 and March 31, 2021:

March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	20,091	533	30	168	98	1,193	22,113
(ii) Disputed Trade receivables — considered good	-	-	-	-	-	65	65
(iii) Disputed Trade receivables — credit impaired	-	-	-	-	-	360	360
Less: Allowance for doubtful receivables							(1,580)
Total Trade receivables							**20,958**

March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	150	699	396	275	541	617	2,678
(ii) Disputed Trade receivables — considered good	-	-	-	-	-	65	65
(iii) Disputed Trade receivables — credit impaired	-	-	0	-	7	353	360
Less: Allowance for doubtful receivables							(1,674)
Total Trade receivables							**1,429**

12. Cash and cash equivalents ('C&CE')

	As of	
	March 31, 2022	March 31, 2021
Balances with banks		
- On current accounts	17	67
- Bank deposits with original maturity of 3 months or less	868	210
Cash on hand	0	0
	885	**277**

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13. Other bank balances

	As of March 31, 2022	As of March 31, 2021
Margin money*	330	321
	330	**321**
Less :- Interest accrued (refer note 8)	6	6
	324	**315**

*Margin money represents amount given as collateral for legal cases and / or bank guarantees for disputed matter.

For the purpose of Statement of Cash Flows, Cash and Cash equivalents comprise the following:-

	As of March 31, 2022	As of March 31, 2021
C&CE as per balance sheet	885	277
Bank overdraft (refer note 15)	(22)	-
	863	**277**

14. Equity share capital

	As of March 31, 2022	As of March 31, 2021
Authorised shares		
250,000,000 (March 31, 2021- 250,000,000) equity shares of Rs 10 each	**2,500**	**2,500**
Issued, subscribed and fully paid-up shares		
250,000,000 (March 31, 2021- 250,000,000) equity shares of Rs 10 each	2,500	2,500
	2,500	**2,500**

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

	For the year ended March 31, 2022		For the year ended March 31, 2021	
	No. of shares (in '000)	Amount	No. of shares (in '000)	Amount
At the beginning of the year	250,000	2,500	250,000	2,500
Issued during the year	-	-	-	-
Outstanding at the end of the year	**250,000**	**2,500**	**250,000**	**2,500**

b. Rights, Preferences and restricitons attached to shares

The Company has only one class of equity shares having par value of Rs. 10 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company,

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after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

c. Details of shares held by the holding company and shareholders (as per the register of shareholders) holding more than 5% shares in the Company

	As of			
	March 31, 2022		March 31, 2021	
	No of shares (in '000)	% holding	No of shares (in '000)	% holding
Equity shares of Rs 10 each fully paid up				
Bharti Airtel Limited, the holding company	175,000	70%	175,000	70%
Telecommunications Consultants India Limited	75,000	30%	75,000	30%

d. Shareholding of promoters

March 31, 2022

S No.	Promoter Name	No. of shares	% of total shares	% Change during the year
1	Bharti Airtel Limited*	175,000,000	70%	-

March 31, 2021

S No.	Promoter Name	No. of shares	% of total shares	% Change during the year
1	Bharti Airtel Limited*	175,000,000	70%	-

* 5 shares held by nominee

e. Reserve and surplus

i. **Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, re-measurement differences on defined benefit plans and any transfer from general reserve.

ii. **Securities premium :** Securities premium is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of the Act

iii. **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.

iv. **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).

v. **Capital redemption reserve:** The Company has created this reserve on redemption of redeemable preference shares out of the profits, as stipulated under the Act.

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15. Borrowings

Non-current

	As of March 31, 2022	As of March 31, 2021
Unsecured		
Term loans	-	12,450
Deferred payment liabilities	13,144	11,169
Non convertible debentures*	35,824	15,132
	48,968	**38,751**
Less: Interest accrued (refre note 16)	(890)	(1,512)
Less: Current maturities of long-term borrowings	-	(313)
	48,078	**36,926**

Current

	As of March 31, 2022	As of March 31, 2021
Unsecured		
Term loans	18	9,118
Commercial papers#	23,865	13,456
Bank overdraft	22	-
	23,905	22,574
Less: Interest accrued (refer note 16)	(0)	(61)
	23,905	22,513
Current maturities of long term borrowings		
Unsecured		
Term loans	-	313
	-	313
	23,905	**22,826**

* Refer note 4(ii) & (iv)

Refer note 4(iii)

Analysis of borrowings

The details given below are gross of debt origination cost.

15.1 Maturity of borrowings, interest rate and currency of borrowings

Borrowings are at floating and fixed rate of interest. The table below summarises the maturity profile, interest rates and currency of borrowings of the Company's borrowings based on contractual undiscounted payments.

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Borrowings	Interest rate (range)	As of March 31, 2022	Maturity Profile				Terms of repayment
			Within one year	between one and two years	between two and five years	Over five years	
Term Loan	7.3%	18	18	-	-	-	1 installment, payable on due date
Bank Overdraft	7.6%	22	22	-	-	-	Payable on demand
Commercial Papers	4.5% - 5.3%	24,400	24,400	-	-	-	Bullet payment, payable on due date
Non-Convertible debentures	5.9%-6.0%	35,000	-	15,000	20,000	-	Bullet payment, payable on due date
Deferred payment liabilities for spectrum	7.3%	1,161	-	-	182	979	16 installments, payable annual
Deferred payment liability	8.0%	12,060	-	-	1,175	10,885	6 installments, payable annual
Total		72,661	24,440	15,000	21,357	11,864	

Borrowings	Interest rate (range)	As of March 31, 2021	Maturity Profile				Terms of repayment
			Within one year	between one and two years	between two and five years	Over five years	
Term Loan	6.2%	5,000	-	2,000	3,000	-	8 installments, payable quarterly on due date
Term Loan	6.2%	5,451	-	1,363	4,088	-	6 installments, payable half yearly on due date
Term Loan	6.2%	2,000	-	500	1,500	-	Bullet payment, payable on due date
Term Loan	4.3% - 6.0%	8,600	8,600	-	-	-	Bullet payment, payable on due date
Term Loan	7.5% - 9.0%	458	458	-	-	-	Bullet payment, payable on due date
Commercial Papers	4.2% - 4.60%	13,650	13,650	-	-	-	Bullet payment, payable on due date
Non-Convertible debentures	6.0%	15,000	-	-	15,000	-	Bullet payment, payable on due date
Deferred payment liability	8.0%	9,829	326	266	2,592	6,645	Annual
Total		59,988	23,034	4,129	26,180	6,645	

	Weighted average rate of interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	5.9%	72,045	18	72,027
March 31, 2022		72,045	18	72,027
INR	5.9%	59,792	21,507	38,285
March 31, 2021		59,792	21,507	38,285

16 Others financial liabilities

Non-current

	As of March 31, 2022	As of March 31, 2021
Interest accrued (refer note 15)	3	3
	3	3

Current

	As of March 31, 2022	As of March 31, 2021
Payable against capital expenditure	2,297	8,015
Security deposits	221	223
Dues to employees	28	33
Interest accrued (refer note 15)	887	1,570
Others*	327	193
	3,760	**10,034**

* It mainly includes payable against certain unclaimed liabilities with respect to distributors.

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17 Provisions

Non-current

	As of March 31, 2022	As of March 31, 2021
Asset retirement obligations	171	161
Gratuity	42	45
Other employee benefit plans	5	4
	218	210

Current

	As of March 31, 2022	As of March 31, 2021
Gratuity	7	12
Other employee benefit plans	19	22
Sub judice matters	10,230	9,545
Others	-	4
	10,256	9,583

Refer note 23 for movement of provision towards various employee benefits.

The movement of provision towards assets retirement obligations is as below:

	For the year ended March 31, 2022
Opening Balance	161
Net additions	1
Net interest costs	9
	171

The provision for asset retirement obligation is in relation to the site restoration related obligation arising from the land taken on lease and represent the management's best estimate of the costs which will be incurred in the future to meet the Company's obligation under these lease arrangements.

The movement of provisions towards sub-judice matters is as below (refer note 4(i)):

	For the year ended March 31, 2022
Opening	9,545
Provision made during the year	813
Payment	(128)
Closing	10,230

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18 Trade payable

	As of March 31, 2022	As of March 31, 2021
Dues to micro and small enterprises	20	31
Others*	14,932	22,209
	14,952	**22,240**

* Trade payables includes dues to related parties (refer note 31).

Micro, Small & Medium Enterprises Development Act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under the MSMED Act, 2006 based on the information available with the Company is given below:

Sr No	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	20	31
2	Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
4	Amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Trade payable ageing

The following table presents the trade payable ageing as of March 31, 2022 and March 31, 2021:

March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Dues to micro and small enterprises (A)	-	15	3	1	1	0	20
(ii) Others (B)	8,154	919	1,557	88	33	54	10,805
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues – Others (D)	-	1	616	1,452	270	1,788	4,127
Total dues to micro and small enterprises (A + C)							20
Total Others (B + D)							14,932

March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Dues to micro and small enterprises (A)	-	9	19	2	1	0	31
(ii) Others (B)	9,085	501	6,727	1,634	545	42	18,534
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues – Others (D)	-	1	1,652	271	226	1,525	3,675
Total dues to micro and small enterprises (A + C)							31
Total Others (B + D)							22,209

(All amounts are in millions of Indian Rupee; unless stated otherwise)

19 Other current liabilities

	As of	
	March 31, 2022	March 31, 2021
Taxes payable*	729	1,068
	729	1,068

* Taxes payable mainly pertains to GST and payable towards sub-judice matters.

20 Contingencies and commitments

(I) Contingent liabilities

Claims against the company not acknowledged as debt:

	As of	
	March 31, 2022	March 31, 2021
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Service tax and GST	626	575
- Income tax	645	645
- Entry tax	-	185
- DoT demands	1,172	1,136
- Other miscellaneous demands	21	21
(ii) Claims under legal cases including arbitration matters		
- Access Charges / port Charges	65	65
- Others	36	36
	2,565	2,663

The category wise details of the contingent liabilities has been given below:-

a) Service tax and GST

The Company has received demands from service tax authorities in relation to CENVAT not reversed on sim card removal, CENVAT claimed on tower and related material, applicability of service tax on License Fees and Spectrum Usage Charges paid to DOT for the quarter ended June 30, 2017.

The Company has received show cause notice from GST authorities on availment of Transitional Credit of Capital Goods.

b) Income tax demand

Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed and non-deduction of tax at source with respect to pre-paid dealers / distributor's margin. During the year, the Company has settled appeals in respect of assessment year 2004-05, 2006-07 to 2012-13 except assessment year 2009-10 under Vivad Se Vishwas scheme.

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c) DOT demands

DOT demands mainly includes:

(i) Demands for the contentious matters in respect of subscriber verification giudelines including validity of certain documents allowed as proof of address / identity. TDSAT has granted interim stay on the demand notices and the matters are pending for adjudication.

(ii) DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Company had challenged the matter in TDSAT and it has set aside the respective circulars of DoT vide its Judgement dated April 22, 2010. Thereafter, DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is pending for adjudication. An amount of Rs. 595 which pertains to pre-migration to Unified License 'UL' / Unified access Service License 'UASL' is disclosed as contingent liability as on March 31, 2022.

In addition to the amounts disclosed in the table above, the contingent liability related to DOT includes the following:

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. 4,737 in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the Hon'ble High Court of Bombay. The Company intends to continue to pursue its legal remedies.
Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its judgement dated July 4, 2019, has set aside the DoT order 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

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above directions. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the telecom service providers and did not interfere with the TDSAT judgement. DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. The Hon'ble Supreme Court vide order dated August 21, 2020, stayed the TDSAT judgement July 4, 2019 in a case of another telecom service provider. The Supreme Court, vide order dated December 7, 2020, directed status quo to be maintained in case of another telecom service provider. Review petition has been filed by one of the telecom service provider against the Supreme Court Judgement dated March 16, 2020. The review petition is pending adjudication.

On account of prudence, of the total demands of Rs. 4,737, the Company had recorded a charge of Rs. 160 for the year ended March 31, 2020 and along with interest thereon till March 31, 2022 amounting to Rs. 688. Balance demand amount of Rs. 4,577 has continued as contingent liability.

Considering the nature of above disputes/ litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

(II) Commitments

Capital commitments

The Company has contractual commitments towards capital expenditure (net of related advances paid) of Rs. 4,059 and Rs. 4,654 (including Rs. 1,048 towards spectrum) as of March 31, 2022 and March 31, 2021, respectively.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

21 Revenue from operations

	For the year ended	
	March 31, 2022	**March 31, 2021**
Service revenue	54,052	46,023
	54,052	**46,023**

Disaggregation of revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition as follows:

	For the year ended					
	Mobile Services		Home and Office Services		Total	
Particulars	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Geographical markets						
India	52,931	45,241	1,076	723	54,007	45,964
Outside India	45	59	-	-	45	59
	52,976	45,300	1,076	723	54,052	46,023
Major products / Service lines						
Data and Voice Services	51,939	44,281	1,058	705	52,997	44,986
Others	1,037	1,019	18	18	1,055	1,037
	52,976	45,300	1,076	723	54,052	46,023
Timing of revenue recognition						
Services transferred at a point in time	3	8	6	5	9	13
Services transferred over time	52,973	45,292	1,070	718	54,043	46,010
	52,976	45,300	1,076	723	54,052	46,023

Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of	
	March 31, 2022	**March 31, 2021**
Unbilled revenue (refer note 8)	290	178
Deferred revenue	8,912	8,610

Significant changes in the unbilled revenue and deferred revenue balance during the year are as follows:

	For the year ended March 31 2022	
	Unbilled Revenue	**Deferred Revenue**
Revenue recognised that was included in deferred revenue at the beginning of the year	-	3,580
Increase due to cash received, excluding amounts recognised as revenue during the year	-	3,882
Transfer from unbilled revenue recognised at the beginning of the year to receivables	178	-

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The Company has entered into respective agreements with Universal Service Obligation Fund ('USOF') to provide mobile services in identified uncovered villages and seamless mobile coverage on the national highways in north-eastern region. They have recognised deferred income for front loaded subsidy (representing 50% of eligible USOF subsidy) on receipt of approved Proof of Concept (PoC) for a particular USOF site and for equated quarterly subsidy (representing remaining 50% of the eligible USOF subsidy receivable in twenty quarterly instalments) on quarterly basis. The deferred income is amortised over the period they are required to operate and maintain the asset. The company has recognized government grant of Rs. 740 and Rs 772 during the year ended March 31, 2022 and March 31, 2021.

Costs to obtain or fulfil a contract with a customer

Reconciliation of costs to obtain or fulfil contracts with customers

The Company estimated that the historical average customer life is longer than 12 months and believes that its churn rate provides the best indicator of anticipated average customer life.

	For the year ended	
	March 31 2022	March 31 2021
Opening balance	1,219	375
Costs incurred and deferred	1,795	1,076
Less: Cost amortized	755	232
Closing balance	**2,259**	**1,219**

22 Network operating expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Power and fuel	7,289	6,753
Passive infrastructure charges	2,881	2,564
Repair and maintenance	2,198	2,363
Internet, bandwidth and leasedline charges	2,057	2,247
Others*	437	352
	14,862	**14,279**

* It includes charges towards installation, insurance and security.

23 Employee benefits expense

	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	703	706
Contribution to provident and other funds	19	18
Defined benefit obligation/ other long term benefits	14	15
Staff welfare expenses	21	21
Others	7	3
	764	**763**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Employee benefits

The details of significant defined benefit obligations are as follows:

	For the year ended			
	March 31, 2022		March 31, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	57	22	54	22
Current service cost	7	4	7	4
Interest cost	4	2	4	1
Benefits paid	(14)	(4)	(6)	(3)
Transfers	(6)	(2)	(3)	(1)
Remeasurements	1	(3)	1	(1)
Present value of obligation	**49**	**19**	**57**	**22**
Current portion	7	19	12	22
Non-current portion	42	-	45	-

As of March 31, 2022, expected contributions for the next annual reporting period is Rs. 11.

Amount recognised in Other Comprehensive Income

	For the year ended	
	March 31, 2022	March 31, 2021
Experience losses	1	1
Losses from change in demographic assumptions	1	0
(Gains) / losses from change in financial assumptions	(1)	0
Remeasurements on defined benefit plans	**1**	**1**

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability

Salary risk - The present value of the defined 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, 2022	March 31, 2021
Discount rate	7.2%	6.8%
Rate of salary increase	7.0%	7.5%
Rate of attrition	12% to 18%	20% to 29%
Retirement age	58	58

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Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

	Change in assumption	As of March 31, 2022	As of March 31, 2021
		Gratuity	
Discount rate	+1%	(3)	(2)
	-1%	3	2
Salary growth rate	+1%	3	2
	-1%	(3)	(2)

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 of the Company' gratuity liability:

	As of March 31, 2022	As of March 31, 2021
Within one year	7	12
Between one and three years	12	21
Between three and five years	10	15
Above five years	23	24
Weighted average duration (in years)	6.02	4.00

24 Sales and marketing expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales commission and distribution expenses	1,478	832
Advertisement and marketing	316	361
Business promotion	46	102
Others	153	115
	1,993	**1,410**

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25 Other expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Content cost	233	223
Legal & professional charges^	14	27
Customer care expenses	76	82
IT expenses	327	259
Bad debts written off	311	102
Provision for doubtful receivables	(50)	92
Collection and recovery expense	40	36
Charity and donation #	-	4
Printing and Stationery	211	195
Other administrative expenses	82	194
	1,244	**1,214**

^Details of Auditor's remuneration (excluding GST) included in legal and professional charges:

	For the year ended	
	March 31, 2022	March 31, 2021
Audit fee	5	5
Reimbursement of expenses	0	0
Other services (including certification)	1	0
	6	5

As per the requirements of section 135 of the Act, the Company was not required to spend amount any for the year ended March 31, 2022 and March 31, 2021 on Corporate Social Responsibility expenditure.

26 Depreciation and amortisation expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation (including on ROU)	10,919	9,430
Amortisation	3,491	3,422
	14,410	**12,852**

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

27 Finance costs

	For the year ended	
	March 31, 2022	March 31, 2021
Interest expense	3,844	3,220
Net exchange gain	10	(471)
Interest expense on leases	1,399	1,268
Other finance charges*	465	1,149
	5,718	5,166

* It includes bank charges, trade finance charges and interest charges towards sub-judice matters.

28 Exceptional Items

Exceptional items comprises of the following:

i. For the year ended March 31, 2022:

a) gain of Rs. 19,920 Mn on account of commercial settlement with a service provider being a group company.

b) gain of Rs. 397 Mn on account of settlement with a strategic vendors.

c) charge of Rs. 806 Mn on account of levies.

ii. For the year ended March 31, 2021:

a) Charge on account of license fee and spectrum usage charges (SUC) aggregating Rs. 553 (refer note 4(i)).

b) Charge of Rs. 934 on account of re-assignment / revalidation of their MWA / MWB carrier in the Unified License Circles.

c) Charge of Rs. 1,693 on account of rates and taxes (including interest) arising from a detailed management review in light of judgements in various courts in multiple states.

d) Charge of Rs. 237 on account of re-assessment of useful life of certain categories of network assets due to technological advancements (refer note 5).

iii. Tax expense include :

Tax charge include net charge of Rs. 1,977 towards exceptional items (including deferred tax asset recognized on brought forward losses) for the year ended March 31, 2022.

Tax charge includes net charge of Rs. 1,719 (including on re-assessment of deferred tax assets on business losses (recognized in previous periods) due to revised business projections during the year ended March 31 ,2021).

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29 Earnings per share ('EPS')

The details used in the computation of basic and diluted EPS:

	For the year ended	
	March 31, 2022	March 31, 2021
Profit / (loss) attributable to equity shareholder as per Statement of Profit and Loss (A)	16,746	(10,339)
Weighted average number of equity shares for calculation of basic / diluted EPS per share (in thousand) (B)	250,000	250,000
Earning / (loss) per share		
Equity share of face value Rs. 10 per share		
Basic / Diluted earnings / (loss) per share (A) / (B)	66.98	(41.36)

30 Segment Reporting

The Company's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by one of the directors of the Company (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. Accordingly, finance costs, other income, non – operating 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 and reflected in the 'Eliminations' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, right-of-use asset ('ROU'), property, plant and equipment, Capital work-in-progress, intangibles assets, intangible assets under development and cash and cash equivalents. Segment liabilities primarily include operating and lease liabilities. Segment capital expenditure comprises of additions to property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development, ROU and capital advances.

The reporting segments of the Company are as below:

Mobile Services: These services cover voice and data telecom services provided through wireless technology (2G/4G). This also includes intra city fibre networks.

Homes and Office Services: These services cover voice and data communications through fixed-line network and broadband technology for homes and offices.

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Unallocated: Unallocated items include expenses / results, assets and liabilities of corporate headquarters of the Company, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

Summary of the segmental information for the year ended and as of March 31, 2022 is as follows:

	Mobile Services	Homes and Office Services	Unallocated	Eliminations	Total
Revenue from external customers	52,976	1,076	-	-	54,052
Inter segment revenue	265	-	-	(265)	-
Total revenue	**53,241**	**1,076**	-	**(265)**	**54,052**
Segment results	4,461	117	-	-	4,578
Less:					
Finance costs (net)*					5,675
Non-operating expense					3
Exceptional items					(19,511)
Loss before tax					**18,411**
Other segment items					
Capital expenditure	8,320	425	-	-	8,745
Addition to ROU	4,348	100	-	-	4,448
Depreciation and amortisation expense	14,178	232	-	-	14,410
As of March 31, 2022					
Segment assets	154,638	2,428	10,439	(762)	166,743
Segment liabilities	59,432	1,437	70,029	(762)	130,136

*net of interest income and net gain on FVTPL.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Summary of the segmental information for the year ended and as of March 31, 2021 is as follows:

	Mobile Services	Homes and Office Services	Unallocated	Eliminations	Total
Revenue from external customers	45,300	723	-	-	46,023
Inter segment revenue	151	-	-	(151)	-
Total revenue	**45,451**	**723**	-	**(151)**	**46,023**
Segment results	(980)	(412)	-	-	(1,392)
Less:					
Finance costs (net)*					4,996
Non-operating expense					82
Charity and donation					4
Exceptional items (refer note 28)					3,417
Loss before tax					**(9,891)**
Other segment items					
Capital expenditure	15,471	296	-	-	15,767
Addition to ROU	4,979	45	-	-	5,024
Depreciation and amortisation expense	12,712	140	-	-	12,852
As of March 31, 2021					
Segment assets	139,866	5,943	4,912	(686)	150,035
Segment liabilities	74,664	4,956	51,241	(686)	130,175

*net of interest income and net gain on FVTPL.

Geographical information:

The Company is operating mainly in single geographic segment, i.e. in India. Thus, no information concerning geographical areas is applicable to the Company.

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Bharti Hexacom Limited

31 Related party disclosures

i. Parent Company

Bharti Airtel Limited

ii. 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.

iii. Entity having significant influence over the Company

Telecommunications Consultants India Limited

iv. Entity having significant influence over the Parent Company

Singapore Telecommunications Limited

v. Other entities with whom transactions have taken place during the year

a. Fellow Subsidiaries

Bharti Airtel Services Limited
Bharti Telemedia Limited
Telesonic Networks Limited
Nxtra Data Limited
Aitel Digital Limited (formally known as Wynk Limited)

b. Entity where parent company exercises significant influence

Airtel Payments Bank Limited

c. Joint venture of the Parent company

Indus Towers Limited (upto November 18,2020)
Indus Towers Limited (w.e.f November 19,2020)
(formerly known as Bharti Infratel Limited)

d. Other related parties *

Beetel Teletech Limited (formerly known as Brightstar Telecommunication India Limited
Centum Learning Limited

* '**Other related parties**' though not 'Related Parties' as per the definition under Ind AS 24, have been included by way of a voluntary disclosure, following the best corporate governance practices.

vi. Key Management Personnel

Nidhi Lauria

The remuneration paid to Key Management Personnel of the Company is borne by its Holding company, Bharti Airtel Limited and cross charged as part of a single composite consideration. Accordingly, the same is not reported under related party transaction.

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The summary of transactions with the above mentioned parties are as follows:

	For the year ended March 31, 2022				
	Parent Company	**Fellow subsidiaries**	**Entity where parent company exercise significant influence**	**Joint venture of the Parent company**	**Other related parties**
Purchase of fixed assets / bandwidth	(52)	458	-	-	-
Sale of fixed assets / IRU given	540	-	-	-	15
Rendering of services	8,871	6	11	-	-
Receiving of services*	(4,410)	493	188	1,981	9
Expenses incurred on behalf of others	7	58	2	-	-
Expenses incurred on behalf of the company	1,250	206	-	-	-
Interest charged by others	-	1	-	-	-
Reimbursement of energy expenses	-	-	-	3,744	-
Receiving of assets(ROU / Ind AS 116) #	-	87	-	1,294	-
Repayment of Lease liability	-	-		3,658	-
Guarantees and collaterals	1	-	-	-	-

	For the year ended March 31, 2021				
	Parent Company	**Fellow subsidiaries**	**Entity where parent company exercise significant influence**	**Joint venture of the Parent company**	**Other related parties**
Purchase of fixed assets / bandwidth	1,045	230	-	-	5
Sale of fixed assets / IRU given	1,779	-	-	-	-
Rendering of services	6,492	5	13	-	-
Receiving of services	15,740	907	-	1,469	15
Expenses incurred on behalf of others	-	29	2	-	-
Expenses incurred on behalf of the company	1,288	23	-	-	-
Reimbursement of energy expenses	-	1,002	-	3,045	-
Receiving of assets (ROU / IND AS 116) #	-	153	-	1,265	-
Guarantees and collaterals	(420)	-	-	-	-

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The details of significant transactions with related parties for the year ended March 31, 2022 and March 31, 2021 are provided below:-

	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Receiving of services		
Parent Company		
Bharti Airtel Limited*	(4,410)	15,740
Fellow subsidiaries		
Indus Towers Limited (upto November 18, 2020)# (formerly known as Bharti Infratel Limited)	-	523
Airtel Digital Limited	290	248
Nxtra Data Limited	114	76
Joint venture of the parent company#		
Indus Towers Limited (upto November 18, 2020)	-	779
Indus Towers Limited (w.e.f November 19, 2020) (formerly known as Bharti Infratel Limited)	1,980	619
Entity where parent company exercises significant influence		
Airtel payment bank Limited	187	71
(ii) Rendering of services		
Parent Company		
Bharti Airtel Limited	8,871	6,492
(iii) Reimbursement of energy expenses		
Fellow subsidiaries		
Indus Towers Limited (upto November 18, 2020)# (formerly known as Bharti Infratel Limited)	-	1,002
Joint venture of the parent company		
Indus Towers Limited (upto November 18, 2020)	-	1,580
Indus Towers Limited (w.e.f November 19, 2020) (formerly known as Bharti Infratel Limited)	3,744	1,465
(iv) Purchase of fixed assets / bandwidth (net)		
Parent Company		
Bharti Airtel Limited^	(52)	1,045
Fellow subsidiaries		
Telesonic Networks Limited	456	194
(v) Sale of fixed assets / IRU given		
Parent Company		
Bharti Airtel Limited	540	1,779
(vi) Expenses incurred on behalf of the company		
Parent Company		
Bharti Airtel Limited	1,236	1,273
(vii) Receiving / termination of assets(ROU)#		
Fellow subsidiaries		
Indus Towers Limited (upto November 18, 2020)# (formerly known as Bharti Infratel Limited)	-	153
Joint venture of the parent company		
Indus Towers Limited (upto November 18, 2020)	-	609
Indus Towers Limited (w.e.f November 19, 2020)$ (formerly known as Bharti Infratel Limited)	1,294	657

Amount does not include GST.

^ This includes adjustments pertaining to previous period in relation to bandwidth.

* Include one time settlement of Rs. 19,920.

$ During the year ended March 31, 2022, the Company has made payment of Rs. 3,658 respectively in respect of lease liability.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The outstanding balances of the above mentioned related parties are as follow:

	Parent Company	Fellow subsidiaries	Entity where parent company exercise significant influence	Joint venture of the Parent company	Other related parties
As of March 31, 2022					
Trade Receivables	18,063	0	7	0	14
Other Financial assets	48	10	0	98	-
Trade Payables	-	(423)	(0)	(2,241)	(1)
Guarantees and collaterals	50	-	-	-	-
Lease liabilities @	-	(88)	-	(8,877)	-
As of March 31, 2021					
Trade Receivables	-	0	277	-	-
Other Financial assets	400	8	2	75	-
Trade Payables	(9,210)	(392)	-	(4,666)	(5)
Guarantees and collaterals	49	-	-	-	-
Lease liabilities @	-	-	-	(10,533)	-

The Holding Company has agreed to ensure appropriate financial support comprising of un-drawn committed facilities only if and to the extent required by the Company.

Outstanding balances at period end are un-secured and settlement occurs in cash.

@ It include discounted value of future cash payouts.

32 Leases

Company as a lessee

Right-of-use assets ('ROU')

The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2022 and March 31, 2021:

	Bandwidth	Plant and equipment	Building	Leasehold land	Total
Balance as at April 1, 2020	1,115	11,265	179	1,299	13,858
Additions	39	3,467	-	1,518	5,024
Depreciation expense	(118)	(1,887)	(38)	(247)	(2,290)
Disposals / adjustments	-	(1,426)	(25)	(380)	(1,831)
Balance as at March 31, 2021	**1,036**	**11,419**	**116**	**2,190**	**14,761**
Balance as at April 1, 2021	1,036	11,419	116	2,190	14,761
Additions	-	2,698	17	1,733	4,448
Depreciation expense	(78)	(2,238)	(25)	(241)	(2,582)
Disposals / adjustments	-	64	(15)	(352)	(303)
Balance as at March 31, 2022	**958**	**11,943**	**93**	**3,330**	**16,324**

For the expired leases as at March 31, 2022, the Company is in process of negotiating for renewal with the vendors.

- Bandwidth

The Company's leases of bandwidth comprise of dark fiber taken on lease.

- Plant and equipment

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The Company leases passive infrastructure for providing telecommunication services under composite contracts that include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy etc. services.

- Building

The Company's leases of building comprise of lease of offices, warehouses and shops.

- Leasehold land

The Company's leases of land comprise of land taken on lease on which passive infrastructure and offices are built.

Amounts recognised in profit or loss

Leases under Ind AS 116

	For the year ended	
	March 31, 2022	March 31, 2021
Interest on lease liabilities	1,399	1,268
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	6	5

Amounts recognised in Statement of Cash Flows

	For the year ended	
	March 31, 2022	March 31, 2021
Total cash outflow for leases	3,461	2,470

Termination options

Termination options are included in a number of property and equipment leases across the Company, where the Company is a lessee. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of termination options held are exercisable only by the Company and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive not to exercise a termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated by the Company. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	For the year ended	
	March 31, 2022	**March 31, 2021**
Not later than one year	4,726	6,068
Later than one year but not later than five years	11,269	9,901
Later than five years	9,527	7,894
	25,522	**23,863**

Leases as a lessor- operating lease

The Company enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the Balance Sheet.

Amounts recognised in Statement of Profit and Loss

	For the year ended	
Leases under Ind AS 116	**March 31, 2022**	**March 31, 2021**
Lease income	496	515

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	For the year ended	
Operating leases under Ind AS 116	**March 31, 2022**	**March 31, 2021**
Less than one year	385	452
One to two years	329	366
Two to three years	267	311
Three to four years	62	250
Four to five years	40	44
More than five years	104	41
	1,187	**1,464**

Company has entered into non–cancellable lease arrangements to provide dark fiber on 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, 2022 and March 31, 2021 and accordingly, the related disclosures are not provided.

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33 Financial and capital risk

1. Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un predictability of these elements and seek to minimise the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The CSM are accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance framework, policies and procedures. The Board of Directors of the Company periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables and receivables. However, foreign exchange exposure mainly arises from trade payables denominated in foreign currencies.

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, 2022			
US Dollars	+5%	(12)	-
	-5%	12	-
EURO	+5%	(0)	-
	-5%	0	-
For the year ended March 31, 2021			
US Dollars	+5%	(17)	-
	-5%	17	-
EURO	+5%	(0)	-
	-5%	0	-

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The sensitivity disclosed in the above table is mainly attributable to foreign exchange gains / (losses) on translation of USD denominated trade payables and trade receivables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Interest rate risk

As the Company does not have exposure to any floating-interest bearing assets, or any significant long-term fixed-interest bearing assets, its interest income and related cash inflows are not affected by changes in market interest rates. Consequently, the Company's interest rate risk arises mainly from borrowings.

Borrowings

Borrowings with floating and fixed interest rates expose the Company to cash flow and fair value interest rate risk respectively. However, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure. Accordingly, the components of the debt portfolio are determined by the CSM in a manner which enables the Company to achieve an optimum debt-mix basis its overall objectives and future market expectations.

The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies - as considered appropriate and whenever necessary.

Interest rate sensitivity of borrowings

The impact of the interest rate sensitivity on loss before tax is given in the table below:

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2022		
INR - borrowings	+100	(0)
	-100	0
For the year ended March 31, 2021		
INR - borrowings	+100	(215)
	-100	215

The sensitivity disclosed in the above table is attributable to floating-interest rate borrowings.

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The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the Company's borrowings, while assuming all other variables to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(iii) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, government securities and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

(iv) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables.

Trade receivables

The Trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk. The credit period provided by the Company to its customers (other than Group entities), generally ranges between 14-30 days. For details of trade receivables / revenues from related-parties, refer note 31.

The Company uses a provision matrix to measure the ECL of trade receivables, which comprise a very large numbers of small balances. Refer Note 11 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 impaired if the payments are more than 90 days past due.

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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	
Trade receivables as of March 31, 2022	20,091	279	142	79	367	20,958
Trade receivables as of March 31, 2021	150	249	5	31	994	1,429

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business.

Financial instruments and cash deposits

The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from domestic at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entitiy's liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer Note 15.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	As of March 31 , 2022						
	Carrying amount	**On demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Interest bearing borrowings*#	72,873	22	12,326	13,800	17,200	42,776	**86,124**
Other financial liabilities#	2,873	221	2,566	86	-	-	**2,873**
Trade payables	14,952	-	14,952	-	-	-	**14,952**
Lease liabilities	18,701	-	3,007	1,719	3,092	17,705	**25,523**
Financial liabilities	**109,399**	**243**	**32,851**	**15,605**	**20,292**	**60,481**	**129,472**

	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*#	61,325	-	23,253	2,963	7,492	38,679	72,387
Other financial liabilities#	8,464	223	8,241	-	-	-	8,464
Trade payables	22,240	-	22,240	-	-	-	22,240
Lease liabilities	17,983	-	3,997	2,071	3,006	14,789	23,863
Financial liabilities	**110,012**	**223**	**57,731**	**5,034**	**10,498**	**53,468**	**126,954**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

Interest accrued has been included in interest bearing borrowings and excluded from other financial liabilities.

The following table provides the reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities of Statement of Cash Flows:

			Non-cash changes			
	April 1, 2021	**Cash flows**	**Interest expense***	**Fair value changes**	**Others**	**March 31, 2022**
Borrowings	59,752	8,115	782	-	3,333	71,983
Interest accrued	1,573	(1,424)	4,266	-	(3,525)	890
Lease liabilities	17,983	(4,860)	1,399	-	4,178	18,701

*Interest expense exclude unwinding of discount on commercial papers, interest on provisions etc.

(vi) Disclosure of non-cash transactions

	For the year ended	
	March 31, 2022	**March 31, 2021**
ROU additions during the year by means of lease	4,448	5,024
Acquisition of intangible assets and intangible assets under development acquired by means of deferred payment liability	1,007	-

(All amounts are in millions of Indian Rupee; unless stated otherwise)

2. Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio calculated as below:

	As of	
	March 31, 2022	**March 31, 2021**
Borrowings	71,983	59,752
Less: Cash and cash equivalents	885	277
Net Debt (A)	**71,098**	**59,475**
Equity	36,605	19,860
Total Capital (B)	**36,605**	**19,860**
Capital and Net Debt (C = A+B)	**107,703**	**79,335**
Gearing Ratio (A/C)	**66%**	**75%**

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34 Fair Value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

		Carrying Value as of		Fair Value as of	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Assets					
Fair value through profit or loss					
Investments - quoted	Level 1	490	-	490	-
Amortised cost					
Investments		0	0	0	0
Trade receivables		20,958	1,429	20,958	1,429
Cash and cash equivalents		885	277	885	277
Other bank balances		324	315	324	315
Other financial assets		13,250	12,312	13,250	12,312
		35,907	**14,333**	**35,907**	**14,333**
Financial Liabilities					
Amortised cost					
Borrowings- fixed rate	Level 1	58,802	28,416	58,802	28,416
Borrowings- fixed rate	Level 2	13,141	9,829	13,162	9,829
Borrowings- floating rate		40	21,507	40	21,507
Trade payables		14,952	22,240	14,952	22,240
Other financial liabilities		3,763	10,037	3,763	10,037
		90,698	**92,029**	**90,719**	**92,029**

The following methods / assumptions were used to estimate the fair values:

i. The carrying value of other bank balances, trade receivables, trade payables, short - term borrowings, floating – rate borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments being subject to floating – rates.

ii. The fair value of non – current financial assets, other long-term borrowing 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.

During the year ended March 31, 2022 and year ended March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

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35 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
Current Ratio - [no. of times]	Current Assets	Current Liabilites	0.65	0.27	141.4%
Debt-equity Ratio - [no. of times]*	Non-Current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	1.94	2.99	(35.1%)
Debt service coverage ratio - [no. of times]	Profit before depreciation, amortisation, finance costs, exceptional items and tax	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	0.90	0.86	4.9%
Return on equity ratio - [no. of times]	Profit / (loss) for the year	Average Equity	0.59	(0.41)	243.6%
Trade receivables turnover ratio - [no. of days]	Average trade receivables	Revenue from operations / no of days for the period	76	12	553.7%
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital (i.e. Current assets - Current liabilities)	(2.51)	(0.84)	(197.8%)
Net profit ratio (%)	Profit / (loss) for the year	Revenue from operations	31.0%	(22.5%)	237.9%
Return on capital employed (%)	EBIT	Average Capital Employed#	4.1%	(1.5%)	374.7%
Return on investment	Income generated from investments at FVTPL	Time weighted average investment at FVTPL	3.13%	3.50%	(10.7%)

*excluding lease liabilities
Average capital employed= Average of (Equity + Net Debt)

Explanation where variance in ration is more than 25%

Current Ratio

Increase on account of higher trade receivable and cash balance as of date

Debt-equity Ratio

Decrease on account of increase in net debt during the year

Return on equity ratio

Increase on account of higher profits during the year

Trade receivables turnover ratio

Increase on account of higher debtors coupled with higher revenue from operations

Net capital turnover ratio

Decrease on account of higher working capital during the year

Net profit ratio

Increase on account of higher profits during the year

Return on capital employed

Increase on account of higher EBIT during the year

Considering the principal activities of the company, inventory turnover ratio and trade payables turnover ratio are not relevant.

36 Relationship with struck off companies

S No.	Name of struck off company	Nature of transactions	Relationship	Balance outstanding as of March 31, 2022	Balance outstanding as of March 31, 2021
1	Helpsure Multi-Trade Pvt Ltd	Receivables	Vendor	0	0
2	J K CEMENT PVT LTD	Payables	Vendor	-	-
3	MS SVHTECH PVTLTD	Receivables	Customer	-	-
4	STERING ENTERPRISES PRIVATE LIMITED	Receivables	Customer	-	-

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