

October 29, 2021

National Stock Exchange of India Limited

Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051, India

Ref.: Bharti Hexacom Limited (ISIN: INE343G08026 and INE343G08018)

**Sub.: (i) Outcome of the Board Meeting;
(ii) Disclosure under Regulation 51, 52, 54 and 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations")**

Dear Sir/ Madam,

Pursuant to Regulations 51(2) and 52 read with Part B of Schedule III of the Listing Regulations, we wish to inform you that the Board of Directors of the Company, at its Meeting held today i.e. October 29, 2021, have, *inter alia*, considered and approved the Audited Standalone Financial Results of the Company along with Auditors' report thereon for the quarter and half year ended September 30, 2021. We are enclosing herewith the following for the quarter and half year ended ended on September 30, 2021:

1. Audited financial results along with Auditors' report thereon pursuant to Regulation 52 of the Listing Regulations.
2. Declaration w.r.t. Statement of Material Deviations under Regulation 52(7A) of Listing Regulations
3. Asset Cover Certificate under Regulation 54(2) of Listing Regulations
4. Disclosure of Related Party Transactions under Regulation 23(9) of Listing Regulations.

The above financial results have been reviewed by the Audit Committee in its meeting held on October 29, 2021 and based on its recommendation, approved by the Board of Directors at its meeting held on October 29, 2021.

The Board Meeting commenced at IST 1630 Hrs and concluded at IST 2040 Hrs.

Please take the above information on record.

Thanking you,
Sincerely yours,

For **Bharti Hexacom Limited**



Swati Batra
Company Secretary



Bharti Hexacom Limited

(A Bharti enterprise)

[CIN: U74899DL1995PLC067527]

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070.
T: +91-11-4666 6100, F: +91-11-4166 6137, email: bhartihexacom@bharti.in website: www.bhartihexacom.in

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF BHARTI HEXACOM LIMITED**

Opinion

We have audited the Financial Results for the quarter and six month ended September 30, 2021 ("the Financial Results") included in the accompanying "Statement of Audited Financial Results for the quarter and six month ended September 30, 2021" of **BHARTI HEXACOM LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 52 of the Listing Regulations; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the quarter and six month ended on September 30, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for Audit of the Financial Results 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 Results under the provisions of the Act and the Rules 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.

Management's Responsibilities for the Statement

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited Financial Statements for the year ended March 31, 2021, audited Interim Condensed Financial Statements for the quarter ended June 30, 2021 and audited Interim Condensed Financial Statements for the quarter and six month ended September 30, 2021. This responsibility includes the preparation and presentation of the Financial Results for the quarter and six month ended September 30, 2021 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 the design, implementation and maintenance of



adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole is 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 this Financial Results.

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 Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 Results, including the disclosures, and whether Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.



Deloitte Haskins & Sells LLP

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

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.

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



A handwritten signature in black ink, appearing to read "Nilesh Lahoti".

Nilesh Lahoti
Partner
(Membership No. 130054)
UDIN: 21130054AAAAJY6759

Place: Gurugram
Date: October 29 2021

Bharti Hexacom Limited

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

CIN: U74899DL1995PLC067527

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Statement of Audited Financial Results for the quarter and six months ended September 30, 2021

(Rs. Millions; except per share data)

Particulars	Quarter ended			Six months ended		Previous year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	12,871	12,282	11,389	25,153	22,157	46,023
Other income	249	272	257	521	527	1,020
	13,120	12,554	11,646	25,674	22,684	47,043
Expenses						
Network operating expenses	3,688	3,337	3,469	7,025	6,785	14,279
Access charges	2,776	2,591	3,552	5,367	6,925	13,454
License fee / Spectrum charges	1,369	1,326	1,043	2,695	2,109	4,379
Employee benefits expense	214	195	184	409	394	763
Sales and marketing expenses	466	388	312	854	585	1,410
Other expenses	109	381	240	490	563	1,214
	8,622	8,218	8,800	16,840	17,361	35,499
Profit before depreciation, amortisation, finance costs, exceptional items and tax	4,498	4,336	2,846	8,834	5,323	11,544
Depreciation and amortisation expense	3,605	3,345	3,356	6,950	6,435	12,852
Finance costs	1,457	1,204	1,474	2,661	2,383	5,166
Loss before exceptional items and tax	(564)	(213)	(1,984)	(777)	(3,495)	(6,474)
Exceptional items	-	-	-	-	1,487	3,417
Loss before tax	(564)	(213)	(1,984)	(777)	(4,982)	(9,891)
Tax expense / (credit)						
Current tax	-	-	-	-	-	-
Deferred tax	-	-	(496)	-	(1,250)	448
	-	-	(496)	-	(1,250)	448
Loss for the period / year	(564)	(213)	(1,488)	(777)	(3,732)	(10,339)
Other comprehensive income						
Items not to be reclassified to profit or loss:						
- Re-measurement (loss) / gain on defined benefit plans	(1)	(1)	(0)	(2)	1	(1)
- Tax expense / (credit)	-	-	(0)	0	(0)	0
Other comprehensive (loss) / income for the period / year	(1)	(1)	(0)	(2)	1	(1)
Total comprehensive loss for the period / year	(565)	(214)	(1,488)	(779)	(3,731)	(10,340)
Paid-up equity share capital (Face value: Rs. 10 each)	2,500	2,500	2,500	2,500	2,500	2,500
Other equity	16,581	17,146	23,969	16,581	23,969	17,360
Loss per share (Face value: Rs. 10 each)						
Basic and diluted loss per share	(2.26)	(0.85)	(5.95)	(3.11)	(14.93)	(41.36)

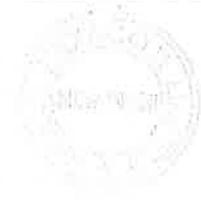


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Audited Balance Sheet as of September 30, 2021

(Rs. Millions)

Particulars	As of	
	September 30, 2021	March 31, 2021
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	39,027	39,054
Capital work-in-progress	700	707
Right-of-use assets	15,431	14,761
Intangible assets	49,081	49,222
Intangible assets under development	276	-
Financial assets		
- Investments	0	0
- Other financial assets	4,464	4,324
Income tax assets (net)	2,990	2,946
Deferred tax assets (net)	11,166	11,166
Other non-current assets	6,296	7,660
	129,431	129,840
Current assets		
Financial assets		
- Investments	1,291	-
- Trade receivables	1,352	1,429
- Cash and cash equivalents	333	277
- Other bank balances	319	315
- Other financial assets	8,455	7,988
Other current assets	9,886	10,186
	21,636	20,195
Total assets	151,067	150,035
Equity and liabilities		
Equity		
Equity share capital	2,500	2,500
Other equity	16,581	17,360
	19,081	19,860
Non-current liabilities		
Financial liabilities		
- Borrowings	47,097	36,926
- Lease liabilities	14,041	13,119
- Other financial liabilities	488	3
Deferred revenue	4,866	5,030
Provisions	174	210
	66,666	55,288
Current liabilities		
Financial liabilities		
- Borrowings	18,476	22,826
- Lease liabilities	3,967	4,864
- Trade payables		
-total outstanding dues of micro enterprise and small enterprise	49	31
-total outstanding dues of creditors other than micro enterprise and small enterprise	22,946	22,209
- Other financial liabilities	5,417	10,034
Deferred revenue	3,643	3,580
Provisions	9,981	9,583
Current tax liabilities (net)	692	692
Other current liabilities	149	1,068
	65,320	74,887
Total liabilities	131,986	130,175
Total equity and liabilities	151,067	150,035



Audited Statement of Cash Flows for the six months ended September 30, 2021

(Rs. Millions)

Particulars	Six months ended	
	September 30, 2021	September 30, 2020
	Audited	Audited
Cash flows from operating activities		
Loss before tax	(777)	(4,982)
Adjustments for:		
Depreciation and amortisation expense	6,950	6,435
Finance costs	2,659	2,306
Interest income	(16)	(28)
Net gain on FVTFL Investments	(10)	(112)
Exceptional items (net)	-	1,487
Other non - cash items	72	112
Operating cash flow before changes in working capital	8,878	5,218
Changes in working capital		
Trade receivables	10	(75)
Trade payables	755	2,015
Provisions	163	(1,025)
Other financial and non-financial liabilities	(1,010)	3,066
Other financial and non-financial assets	229	1
Net cash generated from operations before tax	9,025	9,200
Income tax paid - (net)	(44)	(158)
Net cash generated from operating activities (a)	8,981	9,042
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,876)	(6,779)
Proceeds from sale of property, plant and equipment	93	10
Purchase of intangible assets	-	(7)
Payment for (purchase) / proceeds from sale of current investments (net)	(1,281)	3,593
Payment towards Spectrum (including deferred payment liability)**	(41)	-
Interest received	14	33
Net cash used in investing activities (b)	(9,091)	(3,150)
Cash flows from financing activities		
Proceeds from borrowings	41,206	50,642
Repayment of borrowings	(36,987)	(38,489)
Repayment of short-term borrowings (net)	(1,066)	(14,534)
Interest and other finance charges paid	(1,117)	(2,011)
Payment of lease liabilities	(1,874)	(1,005)
Net cash generated from / (used in) financing activities (c)	162	(5,397)
Net increase in cash and cash equivalents during the period (a+b+c)	52	495
Add : Cash and cash equivalents as at the beginning of the period	277	(28)
Cash and cash equivalents as at the end of the period	329	467

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



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

Particulars	(Rs. Millions)	
	As of	
	September 30, 2021	September 30, 2020
	Audited	Audited
Cash and cash equivalents as per Audited Interim Condensed Balance Sheet	333	467
Less : Bank overdraft	(4)	-
Cash and cash equivalents as per Audited Interim Condensed Statement of Cash Flows	329	467

Notes to the Audited Financial Results

- The financial results for the quarter and six months ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 29, 2021.
- These financial results are extracted from Interim Condensed Financial Statements for the quarter ended June 30, 2021, quarter and six month ended September 30, 2021 and Financial Statements for the year ended March 31, 2021 which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 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.
- On August 23, 2021 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 Mn on private placement basis. This NCDs will be due for payment on April 30, 2024.
- On October 24, 2019, the Supreme Court of India delivered a judgment in relation to a long outstanding industry-wide case upholding the view of the Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR'). Further, in its judgement dated, September 1, 2020 ('AGR September Judgment') the Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final. In addition, Supreme Court directed that the Telecom Service Providers ('TSPs') shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. Considering the above Supreme Court 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 Judgment, 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.

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 within this time frame only. The Company vide its letter dated October 22, 2021 has confirmed DoT to avail the offer.

- The Company incurred a total comprehensive loss for the quarter ended September 30, 2021 of Rs. 779 Mn (for the year ended March 31, 2021: Rs. 10,340 Mn) and as at that date, the current liabilities exceeded its current assets by Rs. 43,684 Mn (March 31, 2021: Rs. 54,692 Mn).



Management has undertaken various initiatives during last year and current period to improve the profitability and reduce current assets and liability mismatch 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.

In view of above, the financial results 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.

6. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

S.No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Audited	Audited	Audited	Audited	Audited	Audited
(i)	Debt - equity ratio - (no. of times)	3.42	3.19	2.12	3.42	2.12	2.99
(ii)	Net worth - (Rs. Million)	18,208	18,773	25,596	18,208	25,596	18,987
(iii)	Current ratio - (no. of times)	0.33	0.28	0.26	0.33	0.26	0.27
(iv)	Long term debt to working capital - (no. of times)	(1.08)	(0.70)	(0.21)	(1.00)	(0.21)	(0.68)
(v)	Current liability ratio - (no. of times)	0.49	0.57	0.74	0.49	0.74	0.58
(vi)	Total debts to total assets - (no. of times)	0.55	0.54	0.49	0.55	0.49	0.52
(vii)	Debtors turnover - (no. of days)	11	12	21	10	18	12
(viii)	Debt service coverage ratio ('DSCR') - (no. of times)	0.30	2.27	0.42	0.52	0.46	0.86
(ix)	Interest service coverage ratio ('ISCR') - (no. of times)	2.94	4.19	2.33	3.44	2.14	2.57
(x)	Bad debts to Account receivable ratio (%)	1.2%	1.0%	1.4%	2.4%	1.4%	3.0%
(xi)	Operating margin (%)	5.0%	5.9%	-6.7%	5.4%	-7.4%	-5.1%
(xii)	Net profit margin (%)	-4.4%	-1.7%	-13.1%	-3.1%	-16.8%	-22.5%
(xiii)	Capital redemption reserve/debenture redemption reserve	0.05	0.05	-	0.05	-	0.05
(xiv)	Outstanding redeemable preference shares	H.A.	H.A.	H.A.	H.A.	H.A.	H.A.
(xv)	Inventory turnover	H.A.	H.A.	H.A.	H.A.	H.A.	H.A.

The basis of computation of above parameters is provided in the table below:

(i)	Debt - equity ratio*	(Non-current borrowings (+) current borrowings (-) cash and cash equivalents) / equity *excluding lease liabilities
(ii)	Net worth	Basis Section 2(57) of the Companies Act, 2013 and does not include capital reserve and capital redemption reserve.
(iii)	Current ratio	Current assets / current liabilities
(iv)	Long term debt to working capital	Non-current borrowings / (current assets (-) current liabilities)
(v)	Current liability ratio	Current liabilities / total liabilities
(vi)	Total debt to total asset	(Non-current borrowings (+) current borrowings (+) lease liabilities) / total assets
(vii)	Debtors turnover ratio	Average trade receivable / (revenue from operations / no of days)
(viii)	DSCR	Profit before depreciation, amortisation, finance costs, exceptional items and tax / (interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities)
(ix)	ISCR	Profit before depreciation, amortisation, finance costs, exceptional items and tax / interest expenses
(x)	Bad debt to account receivable	Bad debts written off / average trade receivable (gross of allowances for doubtful receivables)



(xi)	Operating margin	(Profit before depreciation, amortisation, finance costs, exceptional items and tax (-) depreciation and amortization expenses (-) other income) / revenue from operations
(xii)	Net profit margin	Net profit or loss after tax / revenue from operations

7. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. Based on the Company's assessment, no material impact has been noted. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have bearing on the Company's operations.
8. All the amounts included in the financial results are rounded off to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

For Bharti Hexacom Limited


Nidhi Luria
Chief Executive Officer


Devendra Khanna
Director
DIN: 01996768



Place: New Delhi

Date: October 29, 2021

Notes:

- a) 'Bharti Hexacom' or 'Company' stands for Bharti Hexacom Limited



October 29, 2021

National Stock Exchange of India Limited

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Sub: Submission of Statement of Material Deviations as per Regulation 52(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 52(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that there is no material deviation in use of proceeds of issue of Non-Convertible Debt securities from the objects stated in the offer document for the quarter and half year ended September 30, 2021.

Kindly take the above on record.

Thanking you,

Sincerely Yours,

For Bharti Hexacom Limited



Kamal Dua
Chief Financial Officer

Date: October 29, 2021

Place: New Delhi

Bharti Hexacom Limited

(A Bharti enterprise)

[CIN: U74899DL1995PLC067527]

Regd. Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110 070.
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Sub: Disclosure under Regulations 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/ Ma'am,

Pursuant to Regulation 54 of Listing Regulations, please find enclosed the Asset cover Certificate for the quarter and half year ended September 30, 2021.

Kindly take the same on record.

Thanking you,
Yours faithfully,

For Bharti Hexacom Limited


Swati Batra
Company Secretary



Bharti Hexacom Limited

(A Bharti enterprise)

[CIN: U74899DL1995PLC067527]

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

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH REGULATION 54(1) AND 56(1)(d) OF SEBI (LODR) REGULATIONS, 2015 IN RESPECT OF LISTED NON-CONVERTIBLE DEBENTURES (NCDs) AS AT SEPTEMBER 30, 2021

1. This report is issued in accordance with the terms of our engagement letter dated October 01, 2021.
2. The accompanying statement contains details of compliance in respect to maintenance of adequate asset cover by **BHARTI HEXACOM LIMITED** (the 'Company') as per Regulations 54(1) and 56(1)(d) of SEBI (LODR) Regulations, 2015 as at September 30, 2021 (the 'Statement'). We have initialed the Statement for identification purpose only.

Management's Responsibility for the Statement

3. The preparation of the Statement is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management of the Company is also responsible for compliance with all the regulations applicable to debt listed entities as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations').

Auditor's Responsibility

5. Pursuant to the requirement of the Regulations, our responsibility is to provide a limited assurance whether the particulars relating to assets coverage furnished by the Company in the Statement are in agreement with the books of account and other relevant records and documents maintained by the Company as at September 30, 2021. This did not include the evaluation of adherence by the Company with all the applicable Regulations.



6. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
7. The financial results for the quarter and six months ended September 30, 2021 have been audited by us on which we have issued an unmodified audit opinion vide our report dated October 29, 2021. Our audit of these financial results were conducted in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. We have performed the following procedures to give limited assurance on maintenance of adequate asset cover and compliance with applicable financial debt covenants by the Company as at September 30, 2021:
 - a) Read the debenture trust deed dated October 22, 2021 between the Company and Axis Trustee Services Limited (the 'Trustee') in respect to its listed NCDs to determine the requirement for maintenance of minimum asset cover and for compliance with applicable financial debt covenants during the period ended September 30, 2021;
 - b) Traced the value of net assets and total borrowings (unsecured) in the Statement from the audited books of account as at and for the period ended September 30, 2021; and
 - c) Verified the arithmetical accuracy of the Statement.

Conclusion

11. Based on our examination, as above, and according to the information and explanations provided to us by the management of the Company, nothing has come to our attention that causes us to believe that the particulars furnished by the Company in the Statement, read with and subject to the notes thereon, are not in agreement with the books of account and other relevant records and documents maintained by the Company for the period ended September 30, 2021.



Restriction on Use

12. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to the Trustee in terms of the aforesaid Regulations and should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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



A handwritten signature in black ink, appearing to read "Nilesh", with a horizontal line extending to the right.

Nilesh Lahoti
Partner
(Membership No. 130054)
(UDIN: 21130054AAAAJV6326)

Place: Gurugram
Date: October 29, 2021

Annexure A

- a) The listed entity has vide its Board Resolution and information memorandum/ offer document and under Debenture Trust Deed dated March 19, 2021 and October 22, 2021, has issued the following listed debt securities:

ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Sanctioned Amount
INE343G08018	Private Placement	Unsecured	INR 1,500 Crs
INE343G08026	Private Placement	Unsecured	INR 2,000 Crs.

- b) Asset Cover for listed debt securities:

- i. The financial information as on September 30, 2021 has been extracted from the unaudited financial results for the quarter and six months ended September 30, 2021 and other relevant records of the listed entity;
- ii. ~~The assets of the listed entity provide coverage of _____ times of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of asset cover ratio for the Secured debt securities - table - I)~~
- iii. The total assets of the listed entity provide coverage of 1.08 times of the principal, which is in accordance with the terms of issue (calculation as per statement of asset coverage ratio available for the unsecured debt securities - table - II) (as per requirement of Regulation 54 read with Regulation 56(1)(d) of LODR Regulations).

Table - I

Sr. No.	Particulars		Amount
i.	Total assets available for secured Debt Securities' (secured by either pari passu or exclusive charge on assets) (mention the share of Debt Securities' charge holders)	A	
	• Property Plant & Equipment (Fixed assets) - movable/immovable property etc		
	• Loans /advances given (net of provisions, NPAs and sell down portfolio); Debt Securities, other credit extended etc		
	• Receivables including interest accrued on Term loan/ Debt Securities etc		
	• Investment(s)		
	• Cash and cash equivalents and other current/ Non-current assets		
ii.	Total borrowing through issue of secured Debt Securities (secured by either pari passu or exclusive charge on assets)	B	
	• Debt Securities (Provide details as per table below)		
	• IND - AS adjustment for effective Interest rate on secured Debt Securities		
	• Interest accrued/payable on secured Debt Securities		
iii.	Asset Coverage Ratio (100% or higher as per the terms of offer document/information memorandum/ debenture trust deed)	A/B	

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ISIN-wise details

S.No.	ISIN	Facility	Type-of charge	Sanctioned Amount	Outstanding Amount As on DD-MM-YYYY	Cover Required	Assets Required
4.							
	Grand Total						

Table - II

SN	Particulars		Amount
i.	Net assets of the listed entity available for unsecured lenders (Property Plant & Equipment (including intangible assets and excluding prepaid expenses)* + Investments + Cash & Bank Balances + Other current/ Non-current assets excluding deferred tax assets (-) Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads (-) unsecured current/ non-current liabilities (-) interest accrued/ payable on unsecured borrowings)	A	71,119
ii.	Total Borrowings (unsecured)	B	65,573
	• Term loan		-
	• Non-convertible Debt Securities		34,923
	• CC/ OD Limits		46
	• Other Borrowings		30,604
	- Commercial Paper		18,430
	- Deferred Payment Liability		12,174
	• IND - AS adjustment for effective Interest rate on unsecured borrowings		
iii.	Assets Coverage Ratio (100% or higher as per the terms of Offer Document/Information Memorandum/ Debenture Trust Deed)	(A/B)	106%

* Intangible Assets related to Department of Telecom / Spectrum Assets are included in the net assets of the listed entity given these assets are unique and core to the Telecom Industry.

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have ensured the compliances in respect of the covenants/terms of the issue of the listed debt securities (NCD's).

For Bharti Hexacom Limited

Authorized Signatory



(a) List of related parties

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

a. Fellow Subsidiaries

Bharti Airtel Services Limited
Bharti Telemedia Limited
Bharti Infratel Limited (upto November 18, 2020)
Telesonic Networks Limited
Nextra Data Limited
Airtel Digital Limited (formally known as Wynk Limited)
Smartx Services Limited (upto November 18, 2020)

b. Entity where parent company exercises significant influence

Airtel Payment Bank Limited
Robi Axiata Limited

c. Joint venture of the Parent company

Indus Towers Limited (w.e.f November 19,2020) (formerly known as Bharti Infratel Limited)
Smartx Services Limited (wef November 19, 2020)

d. Other related parties *

Brightstar Telecommunication India Limited
Centum Learning Limited
Bharti Axa life Insurance Company 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.

v. Key Management Personnel

Nidhi Luria (w.e.f. November 06, 2018)

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.



(b) The summary of significant transactions with the above mentioned parties is as follows:

Particulars	For the period ended Sep 30, 2021 (INR MN)				
	Holding Company	Fellow Subsidiaries	Joint venture of the Parent company	Entity where parent company exercises significant	Other related parties
Purchase of fixed assets/ bandwidth	(90)	210	-	-	2
Sale of fixed assets/ IRU given	535	-	-	-	-
Rendering of Services	4,096	4	-	7	-
Receiving of services	7,460	252	1,034	70	5
Expenses incurred on behalf of others	(8)	18	-	0	-
Expenses incurred on behalf of the Company	614	42	-	-	-
Reimbursement of energy expenses	-	-	1,933	-	-
Receiving of assets(ROU/IFRS 16 ADJ)	-	-	869	-	-
Repayment of Lease liability	-	-	2,171	-	-

(c) The outstanding balances of the above mentioned related parties are as follows:

Particulars	For the period ended Sep 30, 2021 (INR MN)				
	Holding Company	Fellow Subsidiaries	Joint venture of the Parent company	Entity where parent company exercises significant influence	Other related parties
Trade Payables	(10,045)	(273)	(2,158)	-	(5)
Trade Receivables	-	0	-	349	0
Security Deposit/Advances	-	-	104	-	-
Guarantees and collaterals taken on behalf of others (Including Performance guarantees)	49	-	-	-	-
Lease Liability	-	-	9,594	-	-
Other Financial assets(Amount recoverable form related party)	507	13	-	3	-

(1) Outstanding balances at period end are un-secured and settlement occurs in cash. There have been no Guarantees provided or received for any related party receivables or payables.

