



November 11, 2022

National Stock Exchange of India Limited

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

Ref: Bharti Hexacom Limited

Sub: Intimation pursuant to Regulation 51(2), 52 and 23(9) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

Pursuant to Regulations 51(2) and 52 read with Para A of Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with other applicable regulations and circular(s) as issued by SEBI from time to time, we inform herewith that the Board of Directors of the Company at its meeting held on November 11, 2022, has, *inter alia*:

1) Financial Results

Based on the recommendations of the Audit Committee, the Board has:

- ▶ Approved the Audited Financial Results of the Company for the quarter and half year ended September 30, 2022;
- ▶ Noted the Auditor's Report on the aforesaid Financial Results issued for the quarter and half year ended September 30, 2022, by the Statutory Auditors of the Company;

2) Change in the Chief Executive Officer of the Company

- ▶ Based on the recommendations of the Nomination and Remuneration Committee of the Board, the Board of Directors approved the appointment of Mr. Marut Dilawari as the Chief Executive Officer (CEO) and Key Managerial Personnel (KMP) of the Company w.e.f November 12, 2022 in place of Mrs. Nidhi Lauria who has resigned from the services of the Company w.e.f. from the close of business hours of November 11, 2022.

We enclose herewith:

- ▶ Audited Financial Results for the quarter and half year ended September 30, 2022, along with Auditor's Report issued by the Statutory Auditors of the Company pursuant to Regulation 52 of Listing Regulations, and
- ▶ Disclosure of Related Party Transactions in terms of Regulation 23(9), for the half year ended September 30, 2022

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



Further, in accordance with Regulation 52(8) of the Listing Regulations, the Company would be publishing the Audited Financial Results for the quarter and half year ended September 30, 2022 in the newspaper within prescribed timelines.

The Board meeting concluded at IST 2050 Hrs.

Please take the above information on record.

Thanking you,

Sincerely Yours,

For Bharti Hexacom Limited

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Richa Gupta Rohatgi

Company Secretary

Membership No: A24446

**Address: Bharti Crescent, 1 Nelson Mandela Road
Vasant Kunj, Phase – II, New Delhi – 110070**

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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 months ended September 30, 2022 ("the Financial Results") included in the accompanying "Statement of Audited Financial Results for the quarter and six months ended September 30, 2022 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 profit and total comprehensive income and other financial information of the Company for the quarter and six months ended September 30, 2022

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, 2022 and audited Interim Condensed Financial Statements for the quarter ended June 30, 2022 and audited Interim Condensed Financial Statements for the quarter and six months ended September 30, 2022. This responsibility includes the preparation and presentation of the Financial Results for the quarter and six months ended September 30, 2022 that give a true and fair view of the net profit/loss and other comprehensive income/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 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 the Company's internal 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.

Deloitte Haskins & Sells LLP

- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the 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.

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)

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Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 22130054BCULFG3865)

Place: Bangalore
Date: November 11, 2022

Bharti Hexacom Limited

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Statement of Audited Financial Results for the quarter and six months ended September 30, 2022

(Rs. in Millions; except per share data)

Particulars	Quarter ended			Six months ended		Previous Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	16,090	15,580	12,871	31,670	25,153	54,052
Other income	297	260	249	557	521	888
	16,387	15,840	13,120	32,227	25,674	54,940
Expenses						
Network operating expenses	3,994	3,720	3,688	7,714	7,025	14,862
Access charges	2,440	2,278	2,776	4,718	5,367	11,331
License fee / Spectrum charges	1,639	1,711	1,369	3,350	2,695	5,718
Employee benefits expense	248	217	214	465	409	764
Sales and marketing expenses	692	707	466	1,399	854	1,993
Other expenses	585	514	109	1,099	490	1,244
	9,598	9,147	8,622	18,745	16,840	35,912
Profit before depreciation, amortisation, finance costs, exceptional items and tax	6,789	6,693	4,498	13,482	8,834	19,028
Depreciation and amortisation expenses	3,855	3,770	3,605	7,625	6,950	14,410
Finance costs	1,605	1,643	1,457	3,248	2,661	5,718
Profit / (loss) before exceptional items and tax	1,329	1,280	(564)	2,609	(777)	(1,100)
Exceptional items (net)	-	-	-	-	-	(19,511)
Profit / (loss) before tax	1,329	1,280	(564)	2,609	(777)	18,411
Tax expense						
Current tax	-	-	-	-	-	(27)
Deferred tax	336	321	-	657	-	1,692
	336	321	-	657	-	1,665
Profit / (loss) for the period / year	993	959	(564)	1,952	(777)	16,746
Other comprehensive income						
Items not to be reclassified to profit or loss:						
- Re-measurement loss on defined benefit plans	-	(3)	(1)	(3)	(2)	(1)
- Tax credit	(0)	1	-	1	0	0
Other comprehensive loss for the period / year	(0)	(2)	(1)	(2)	(2)	(1)
Total comprehensive loss for the period / year	993	957	(565)	1,950	(779)	16,745
Paid-up equity share capital (Face value: Rs. 10 each)	2,500	2,500	2,500	2,500	2,500	2,500
Other equity	36,055	35,062	16,581	36,055	16,581	34,105
Earnings / (loss) per share (Face value: Rs. 10 each)						
Basic and diluted earnings / (loss) per share*	3.97	3.84	(2.26)	7.81	(3.11)	66.98

*Earnings / (loss) per share are not annualised for the periods.

Audited Balance Sheet as of September 30, 2022

(Rs. in Millions)

Particulars	As of	
	September 30, 2022	March 31, 2022
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	39,047	38,400
Capital work-in-progress	1,393	641
Right-of-use assets	22,232	16,324
Intangible assets	46,409	47,612
Intangible assets under development	14,332	-
Financial assets		
- Investments	0	0
- Other financial assets	5,128	4,463
Income tax assets (net)	3,124	3,052
Deferred tax assets (net)	8,820	9,474
Other non-current assets	6,671	6,554
	147,156	126,520
Current assets		
Financial assets		
- Investments	3,340	490
- Trade receivables	11,931	20,958
- Cash and cash equivalents	3,680	885
- Other bank balances	327	324
- Other financial assets	9,313	8,787
Other current assets	7,519	8,779
	36,110	40,223
Total assets	183,266	166,743
Equity and liabilities		
Equity		
Equity share capital	2,500	2,500
Other equity	36,055	34,105
	38,555	36,605
Non-current liabilities		
Financial liabilities		
- Borrowings	60,396	48,078
- Lease liabilities	21,124	15,303
- Other financial liabilities	528	3
Deferred revenue	5,823	4,746
Provisions	203	218
	88,074	68,348
Current liabilities		
Financial liabilities		
- Borrowings	13,965	23,905
- Lease liabilities	3,781	3,398
- Trade payables		
-total outstanding dues of micro enterprise and small enterprise	20	20
-total outstanding dues of creditors other than micro enterprise and small enterprise	16,652	14,932
- Other financial liabilities	5,894	3,760
Deferred revenue	4,447	4,166
Provisions	10,627	10,256
Current tax liabilities (net)	627	624
Other current liabilities	624	729
	56,637	61,790
Total liabilities	144,711	130,138
Total equity and liabilities	183,266	166,743

Audited Statement of Cash Flows for the six months ended September 30, 2022

(Rs. in Millions)

Particulars	Six months ended	
	September 30, 2022	September 30, 2021
	Audited	Audited
Cash flows from operating activities		
Profit / (loss) before tax	2,609	(777)
Adjustments for:		
Depreciation and amortisation expenses	7,625	6,950
Finance costs	3,242	2,659
Interest income	(27)	(16)
Net gain on fair value through profit and loss investments	(55)	(10)
Other non - cash items	363	72
Operating cash flow before changes in assets and liabilities	13,757	8,878
Changes in assets and liabilities		
Trade receivables	8,681	10
Trade payables	1,634	755
Provisions	293	163
Other financial and non-financial liabilities	1,123	(1,010)
Other financial and non-financial assets	(11)	229
Net cash generated from operations before tax	25,477	9,025
Income tax paid - (net)	(71)	(44)
Net cash generated from operating activities (a)	25,406	8,981
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(3,824)	(7,876)
Proceeds from sale of property, plant and equipment	22	93
Purchase of current investments (net)	(2,795)	(1,281)
Payment towards Spectrum (including deferred payment liability)*	(1,321)	(41)
Interest received	10	14
Net cash used in investing activities (b)	(7,908)	(9,091)
Cash flows from financing activities		
Proceeds from long term borrowings	-	41,206
Repayment of long term borrowings	(11,500)	(36,987)
Repayment of short-term borrowings (net)	(28)	(1,066)
Interest and other finance charges paid	(1,781)	(1,117)
Payment of lease liabilities	(1,372)	(1,874)
Net cash (used) / generated in financing activities (c)	(14,681)	162
Net increase in cash and cash equivalents during the period (a+b+c)	2,817	52
Add : Cash and cash equivalents as at the beginning of the period	863	277
Cash and cash equivalents as at the end of the period	3,680	329

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

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

(Rs. in Millions)

Particulars	As of	
	September 30, 2022	September 30, 2021
	Audited	Audited
Cash and cash equivalents as per Audited Interim Condensed Balance Sheet	3,680	333
Less : Bank overdraft	-	(4)
Cash and cash equivalents as per Audited Interim Condensed Statement of Cash Flows	3,680	329

Notes to the Audited Financial Results

1. The Audited Financial Results for the quarter and six months ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on November 11, 2022.
2. These Audited Financial Results are compiled / extracted from the Audited Interim Condensed Financial Statements for the quarter and six months ended September 30, 2022, quarter ended June 30, 2022 and the Audited Financial Statements for the year ended March 31, 2022. The Audited Interim Condensed Financial Statements for the quarter and six months ended September 30, 2022 has been prepared in accordance with Indian Accounting Standard 34 – 'Interim Financial Reporting' 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.
3. During the quarter ended September 30, 2022, the Company has participated in the latest spectrum auction conducted by the DoT, Government of India and acquired 1,804 MHz spectrum of 3.5 and 26 GHz bands and selective mid and low band spectrum. This entire spectrum bank was secured for a total consideration of Rs. 14,777 million for 20 years. The Company has paid first installment amounting to Rs. 1,321 million. The said spectrum has been allocated by the DoT on August 17, 2022.
4. 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, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		Audited	Audited	Audited	Audited	Audited	Audited
(i)	Debt - equity ratio - [no. of times]	1.83	1.62	3.42	1.83	3.42	1.94
(ii)	Net worth - [Rs. in Millions]	37,682	36,689	18,208	37,682	18,208	35,732
(iii)	Current ratio - [no. of times]	0.64	0.64	0.33	0.64	0.33	0.65
(iv)	Long term debt to working capital - [no. of times]	(2.94)	(2.49)	(1.08)	(2.94)	(1.08)	(2.23)
(v)	Current liability ratio - [no. of times]	0.39	0.42	0.49	0.39	0.49	0.47
(vi)	Total debts to total assets - [no. of times]	0.54	0.51	0.55	0.54	0.55	0.54
(vii)	Debtors turnover - [no. of days]	69	95	11	95	10	76
(viii)	Debt service coverage ratio ('DSCR') - [no. of times]	3.46	2.89	0.30	3.15	0.52	0.90
(ix)	Interest service coverage ratio ('ISCR') - [no. of times]	4.77	4.50	2.94	4.63	3.44	3.63
(x)	Bad debts to Account receivable ratio (%)	0.8%	0.5%	1.2%	1.1%	2.4%	2.4%
(xi)	Operating margin (%)	16.4%	17.1%	5.0%	16.7%	5.4%	6.9%
(xii)	Net profit margin (%)	6.2%	6.2%	(4.4%)	6.2%	(3.1%)	31.0%
(xiii)	Capital redemption reserve/debenture redemption reserve - [Rs. in Millions]	0.05	0.05	0.05	0.05	0.05	0.05
(xiv)	Outstanding redeemable preference shares	N.A.	N.A.	N.A.	N.A.	N.A.	N.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 assets	(Non-current borrowings (+) current borrowings (+) lease liabilities) / total assets
(vii)	Debtors turnover ratio	Average trade receivable / (revenue from operations / no of days for the period)
(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 amortisation expenses (-) other income) / revenue from operations
(xii)	Net profit margin	Net loss after tax / revenue from operations

* As the principal activities of the Company are in the nature of services, hence inventory turnover ratio is not relevant

5. All the amounts included in the Audited 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

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Nidhi Lauria
Chief Executive Officer

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Date: 2022.11.11 17:31:45
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Jagdish Saksena Deepak
Director
DIN: 02194470

Place: New Delhi

Date: November 11, 2022

Notes:

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

