October 27, 2020

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

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

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

***Sub: Financial results for the second quarter (Q2) ended September 30, 2020***

Dear Sir/ Ma'am,

In compliance with Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following for the second quarter (Q2) ended September 30, 2020:

- Audited consolidated financial results as per Ind AS
- Audited standalone financial results as per Ind AS
- Auditor's reports

The above financial results have been reviewed by the Audit Committee in its meeting held on Tuesday, October 27, 2020 and based on its recommendation, approved by the Board of Directors at its meeting held on Tuesday, October 27, 2020. The Board meeting commenced at 02:00 P.M. and is still in progress.

Kindly take the same on record.

Thanking you,
Sincerely yours,

**For Bharti Airtel Limited**

Bharti Airtel Limited New Delhi

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

airtel

## Bharti Airtel Limited

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India
CIN: L74899DL1995PLC070609
T: +91-11-4666 6100, F: +91-11-4166 6137, Email id: compliance.officer@bharti.in

### Statement of Audited Consolidated Financial Results for the quarter and six months ended September 30, 2020

(Rs. Millions; except per share data)

| Particulars | Quarter ended | | | Six months ended | | Year ended |
|---|---|---|---|---|---|---|
| | September 30, 2020 Audited | June 30, 2020 Audited | September 30, 2019 Audited | September 30, 2020 Audited | September 30, 2019 Audited | March 31, 2020 Audited |
| **Income** | | | | | | |
| Revenue from operations | 257,850 | 239,387 | 211,313 | 497,237 | 418,692 | 875,390 |
| Other income | 1,489 | 4,805 | 3,466 | 6,294 | 6,411 | 19,346 |
| | **259,339** | **244,192** | **214,779** | **503,531** | **425,103** | **894,736** |
| **Expenses** | | | | | | |
| Network operating expenses | 54,564 | 51,036 | 49,689 | 105,600 | 96,325 | 197,685 |
| Access charges | 29,229 | 28,011 | 26,389 | 57,240 | 52,016 | 107,395 |
| License fee / Spectrum charges | 22,355 | 20,768 | 16,995 | 43,123 | 35,386 | 73,833 |
| Employee benefits expense | 11,008 | 11,566 | 9,464 | 22,574 | 18,105 | 38,072 |
| Sales and marketing expenses | 8,744 | 7,301 | 7,581 | 16,045 | 15,967 | 34,325 |
| Other expenses | 15,530 | 16,626 | 12,823 | 32,156 | 30,180 | 59,257 |
| | **141,430** | **135,308** | **122,941** | **276,738** | **247,979** | **510,567** |
| **Profit before depreciation, amortisation, finance costs, share of profit of associates and joint ventures, exceptional items and tax** | **117,909** | **108,884** | **91,838** | **226,793** | **177,124** | **384,169** |
| Depreciation and amortisation expense | 74,211 | 72,268 | 69,351 | 146,479 | 136,938 | 276,896 |
| Finance costs | 37,604 | 34,562 | 31,872 | 72,166 | 65,800 | 139,918 |
| Share of loss / (profit) of associates and joint ventures (net) | 423 | (1,666) | (3,155) | (1,243) | (4,086) | (6,524) |
| **Profit / (loss) before exceptional items and tax** | **5,671** | **3,720** | **(6,230)** | **9,391** | **(21,528)** | **(26,121)** |
| Exceptional items (net) | 493 | 117,457 | 307,110 | 117,950 | 321,804 | 402,344 |
| **Profit / (loss) before tax** | **5,178** | **(113,737)** | **(313,340)** | **(108,559)** | **(343,332)** | **(428,465)** |
| **Tax expense / (credit)** | | | | | | |
| Current tax | 6,494 | 5,086 | 4,281 | 11,580 | 12,044 | 23,738 |
| Deferred tax | (977) | 33,089 | (89,320) | 32,112 | (103,153) | (145,561) |
| **Loss for the period** | **(339)** | **(151,912)** | **(228,301)** | **(152,251)** | **(252,223)** | **(306,642)** |
| **Other comprehensive income ('OCI')** | | | | | | |
| Items to be reclassified subsequently to profit or loss : | | | | | | |
| - Net (loss) / gain due to foreign currency translation differences | (2,487) | (863) | 4,503 | (3,350) | 2,033 | 4,814 |
| - Net gain / (loss) on net investment hedge | 1,418 | (212) | (1,156) | 1,206 | (1,309) | (10,856) |
| - Net loss on cash flow hedge | - | - | (114) | - | (193) | (109) |
| - Net gain / (loss) on fair value through OCI investments | 99 | (189) | (126) | (90) | (107) | (108) |
| - Tax (charge) / credit on above | (413) | (12) | 296 | (425) | 364 | 2,883 |
| Items not to be reclassified to profit or loss : | | | | | | |
| - Re-measurement gain / (loss) on defined benefit plans | 24 | (17) | 41 | 7 | (250) | (76) |
| - Tax (charge) / credit on above | (9) | (6) | (13) | (15) | 67 | (41) |
| - Share of OCI of joint ventures and associates | (7) | (73) | 3 | (80) | (3) | 15 |
| **Other comprehensive (loss) / gain for the period** | **(1,375)** | **(1,372)** | **3,434** | **(2,747)** | **602** | **(3,478)** |
| **Total comprehensive loss for the period** | **(1,714)** | **(153,284)** | **(224,867)** | **(154,998)** | **(251,621)** | **(310,120)** |
| **Loss for the period attributable to** | **(339)** | **(151,912)** | **(228,301)** | **(152,251)** | **(252,223)** | **(306,642)** |
| Owners of the Parent | (7,632) | (159,331) | (230,449) | (166,963) | (259,109) | (321,832) |
| Non-controlling interests | 7,293 | 7,419 | 2,148 | 14,712 | 6,886 | 15,190 |
| **Other comprehensive (loss) / gain for the period attributable to :** | **(1,375)** | **(1,372)** | **3,434** | **(2,747)** | **602** | **(3,478)** |
| Owners of the Parent | 1,798 | (704) | 1,119 | 1,094 | (831) | (11,748) |
| Non-controlling interests | (3,173) | (668) | 2,315 | (3,841) | 1,433 | 8,270 |
| **Total comprehensive loss for the period attributable to :** | **(1,714)** | **(153,284)** | **(224,867)** | **(154,998)** | **(251,621)** | **(310,120)** |
| Owners of the Parent | (5,834) | (160,035) | (229,330) | (165,869) | (259,940) | (333,580) |
| Non-controlling interests | 4,120 | 6,751 | 4,463 | 10,871 | 8,319 | 23,460 |
| Paid-up equity share capital (Face value : Rs. 5/- each) | 27,278 | 27,278 | 25,660 | 27,278 | 25,660 | 27,278 |
| Other equity | 566,115 | 582,624 | 673,625 | 566,115 | 673,625 | 744,170 |
| **(Loss) / earnings per share (Face value : Rs. 5/- each)** | | | | | | |
| Basic | (1.40) | (29.22) | (44.92) | (30.62) | (53.04) | (63.41) |
| Diluted | (1.40) | (29.22) | (44.92) | (30.62) | (53.04) | (63.41) |

Deloitte Haskins & Sells LLP Chartered Accountants

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Audited Consolidated Balance Sheet as of September 30, 2020

(Rs. Millions)

| Particulars | As of September 30, 2020 Audited | As of March 31, 2020 Audited |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 875,050 | 877,573 |
| Capital work-in-progress | 49,546 | 39,972 |
| Right-of-use assets | 259,916 | 259,049 |
| Goodwill | 340,096 | 346,192 |
| Other intangible assets | 782,658 | 809,741 |
| Intangible assets under development | 3,128 | 2,851 |
| Investment in joint ventures and associates | 97,869 | 96,808 |
| **Financial assets** | | |
| - Investments | 17,710 | 20,278 |
| - Derivative instruments | - | 41 |
| - Security deposits | 8,772 | 8,728 |
| - Others | 18,572 | 14,696 |
| Income tax assets (net) | 21,064 | 21,088 |
| Deferred tax assets (net) | 238,464 | 270,160 |
| Other non-current assets | 70,530 | 74,181 |
| | **2,783,375** | **2,841,358** |
| **Current assets** | | |
| Inventories | 1,842 | 1,569 |
| **Financial assets** | | |
| - Investments | 92,355 | 137,679 |
| - Derivative instruments | 560 | 2,792 |
| - Trade receivables | 49,617 | 46,058 |
| - Cash and cash equivalents | 105,241 | 135,507 |
| - Other bank balances | 29,496 | 23,420 |
| - Others | 187,949 | 210,523 |
| Other current assets | 152,758 | 208,884 |
| | **619,818** | **766,432** |
| **Total assets** | **3,403,193** | **3,607,790** |
| **Equity and liabilities** | | |
| **Equity** | | |
| Equity share capital | 27,278 | 27,278 |
| Other equity | 566,115 | 744,170 |
| **Equity attributable to owners of the Parent** | **593,393** | **771,448** |
| Non-controlling interests | 249,577 | 249,847 |
| | **842,970** | **1,021,295** |
| **Non-current liabilities** | | |
| **Financial liabilities** | | |
| - Borrowings | 1,044,421 | 910,792 |
| - Lease liabilities | 239,049 | 243,678 |
| - Derivative instruments | 266 | 292 |
| - Others | 112,257 | 67,399 |
| Deferred revenue | 28,846 | 22,844 |
| Provisions | 8,013 | 7,548 |
| Deferred tax liabilities (net) | 16,852 | 16,877 |
| Other non-current liabilities | 2,128 | 2,189 |
| | **1,451,832** | **1,271,619** |
| **Current liabilities** | | |
| **Financial liabilities** | | |
| - Borrowings | 120,735 | 167,034 |
| - Current maturities of long-term borrowings | 127,133 | 98,364 |
| - Lease liabilities | 65,335 | 62,413 |
| - Derivative instruments | 1,270 | 568 |
| - Trade payables | 274,995 | 250,232 |
| - Others | 160,859 | 168,321 |
| Deferred revenue | 64,600 | 54,588 |
| Provisions | 237,247 | 451,093 |
| Current tax liabilities (net) | 10,867 | 13,519 |
| Other current liabilities | 45,350 | 48,744 |
| | **1,108,391** | **1,314,876** |
| **Total liabilities** | **2,560,223** | **2,586,495** |
| **Total equity and liabilities** | **3,403,193** | **3,607,790** |

Deloitte Haskins & Sells LLP Chartered Accountants

Bharti Airtel Limited airtel

## Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and six months ended Septembe 30, 2020

(Rs. Millions)

| Particulars | Quarter ended | | | Six months ended | | Year ended |
|---|---|---|---|---|---|---|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | Audited | Audited | Audited | Audited | Audited | Audited |
| **1. Segment Revenue** | | | | | | |
| - Mobile Services India @ | 138,319 | 128,772 | 109,813 | 267,091 | 218,481 | 459,663 |
| - Mobile Services Africa | 71,661 | 64,513 | 59,157 | 136,174 | 114,590 | 242,173 |
| - Mobile Services South Asia | 1,116 | 1,088 | 1,105 | 2,204 | 2,194 | 4,552 |
| - Airtel Business | 35,821 | 35,019 | 33,312 | 70,840 | 65,392 | 132,331 |
| - Tower Infrastructure Services | 17,663 | 16,421 | 16,673 | 34,084 | 33,935 | 67,423 |
| - Homes Services | 5,874 | 5,785 | 5,475 | 11,659 | 11,180 | 22,451 |
| - Digital TV Services | 7,549 | 7,448 | 7,893 | 14,997 | 15,282 | 29,239 |
| - Others | 22 | 4 | (1) | 26 | (81) | 50 |
| **Total segment revenue** | **278,025** | **259,050** | **233,427** | **537,075** | **460,973** | **957,882** |
| Less: Inter-segment eliminations * | 20,175 | 19,663 | 22,114 | 39,838 | 42,281 | 82,492 |
| **Total revenue** | **257,850** | **239,387** | **211,313** | **497,237** | **418,692** | **875,390** |
| **2. Segment Results ^** | | | | | | |
| Profit / (loss) before finance costs (net), non-operating expenses (net), charity and donation, exceptional items and tax | | | | | | |
| - Mobile Services India @ | 6,847 | 1,657 | (11,425) | 8,504 | (23,391) | (31,379) |
| - Mobile Services Africa | 20,072 | 16,210 | 15,422 | 36,282 | 29,334 | 64,488 |
| - Mobile Services South Asia | (240) | (280) | (277) | (520) | (537) | (1,055) |
| - Airtel Business @ | 9,640 | 8,908 | 7,685 | 18,548 | 13,939 | 31,889 |
| - Tower Infrastructure Services | 9,130 | 8,778 | 11,004 | 17,908 | 20,576 | 38,127 |
| - Homes Services @ | 1,432 | 1,592 | 1,238 | 3,024 | 2,320 | 5,191 |
| - Digital TV Services | 2,944 | 2,762 | 3,243 | 5,706 | 6,855 | 11,394 |
| - Others | (2,955) | (1,085) | (1,651) | (4,040) | (3,378) | (6,629) |
| **Total** | **46,870** | **38,542** | **25,239** | **85,412** | **45,718** | **112,026** |
| - Unallocated | (567) | (421) | (340) | (988) | (743) | (2,975) |
| - Inter-segment eliminations * | (2,454) | (2,331) | (1,732) | (4,785) | (3,536) | (8,367) |
| **Total segment results** | **43,849** | **35,790** | **23,167** | **79,639** | **41,439** | **100,684** |
| Less: | | | | | | |
| (i) Finance costs (net) | 37,257 | 30,500 | 29,083 | 67,757 | 60,898 | 123,820 |
| (ii) Non-operating expenses (net) | 764 | 727 | 231 | 1,491 | 692 | 1,272 |
| (iii) Charity and donation | 157 | 843 | 83 | 1,000 | 1,377 | 1,713 |
| (iv) Exceptional items (net) | 493 | 117,457 | 307,110 | 117,950 | 321,804 | 402,344 |
| **Profit / (loss) before tax** | **5,178** | **(113,737)** | **(313,340)** | **(108,559)** | **(343,332)** | **(428,465)** |
| **3. Segment Assets ^** | | | | | | |
| - Mobile Services India @ | 1,979,614 | 2,035,500 | 2,070,984 | 1,979,614 | 2,070,984 | 2,108,687 |
| - Mobile Services Africa | 681,748 | 680,343 | 653,730 | 681,748 | 653,730 | 675,156 |
| - Mobile Services South Asia | 8,726 | 7,904 | 7,537 | 8,726 | 7,537 | 8,188 |
| - Airtel Business @ | 204,726 | 216,515 | 155,335 | 204,726 | 155,335 | 200,255 |
| - Tower Infrastructure Services | 183,163 | 188,188 | 189,180 | 183,163 | 189,180 | 202,823 |
| - Homes Services @ | 36,638 | 35,052 | 45,087 | 36,638 | 45,087 | 42,425 |
| - Digital TV Services | 36,043 | 34,620 | 37,621 | 36,043 | 37,621 | 39,749 |
| - Others | 37,037 | 38,817 | 36,234 | 37,037 | 36,234 | 36,724 |
| **Total segment assets** | **3,167,695** | **3,236,939** | **3,195,708** | **3,167,695** | **3,195,708** | **3,314,007** |
| - Unallocated | 387,565 | 439,009 | 278,976 | 387,565 | 278,976 | 441,744 |
| - Inter-segment eliminations* | (152,067) | (154,603) | (119,296) | (152,067) | (119,296) | (147,961) |
| **Total assets** | **3,403,193** | **3,521,345** | **3,355,388** | **3,403,193** | **3,355,388** | **3,607,790** |
| **4. Segment Liabilities** | | | | | | |
| - Mobile Services India @ | 867,872 | 1,118,569 | 1,078,617 | 867,872 | 1,078,617 | 1,025,832 |
| - Mobile Services Africa | 202,964 | 205,947 | 180,791 | 202,964 | 180,791 | 201,937 |
| - Mobile Services South Asia | 4,299 | 3,947 | 3,560 | 4,299 | 3,560 | 3,943 |
| - Airtel Business @ | 142,581 | 143,475 | 99,272 | 142,581 | 99,272 | 131,256 |
| - Tower Infrastructure Services | 43,788 | 41,819 | 41,624 | 43,788 | 41,624 | 41,839 |
| - Homes Services @ | 23,774 | 24,948 | 14,192 | 23,774 | 14,192 | 23,355 |
| - Digital TV Services | 42,280 | 40,005 | 38,062 | 42,280 | 38,062 | 41,224 |
| - Others | 423 | 429 | 505 | 423 | 505 | 437 |
| **Total segment liabilities** | **1,327,981** | **1,579,139** | **1,456,623** | **1,327,981** | **1,456,623** | **1,469,823** |
| - Unallocated | 1,358,908 | 1,213,842 | 1,166,031 | 1,358,908 | 1,166,031 | 1,236,696 |
| - Inter-segment eliminations* | (126,666) | (130,082) | (136,867) | (126,666) | (136,867) | (120,024) |
| **Total liabilities** | **2,560,223** | **2,662,899** | **2,485,787** | **2,560,223** | **2,485,787** | **2,586,495** |

* Includes accounting policy alignment

^ Includes share of results/ net assets of joint ventures and associates

@ During the year ended March 31, 2020, the Group transferred its operations pertaining to optical fibre on a going concern basis on August 1, 2019 from the Company to its wholly owned subsidiary. As a result, the Group reorganised the business, whereby, the assets and liabilities pertaining to bandwidth capacities have been allocated to Mobile Services India, Airtel Business and Homes Services. Previously, these operations were part of Mobile Services India and bandwidth capacities were billed by Mobile Services India to Airtel Business and Homes Services. Without such reorganisation, for the three months ended September 30, 2020 and as of that date, segment revenue, segment results, segment assets and segment liabilities for Mobile Services India would have been Rs. 141,115 Mn, Rs. 6,385 Mn, Rs. 2,026,131 Mn and Rs. 917,455 Mn respectively; segment results, segment assets and segment liabilities for Airtel Business would have been Rs. 9,943 Mn, Rs. 181,254 Mn and Rs. 213,516 Mn respectively; and for Homes Services would have been Rs. 1,239 Mn, Rs. 38,329 Mn and Rs. 18,464 Mn respectively.

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## Audited Consolidated Statement of Cash Flows for the six months ended September 30, 2020

(Rs. Millions)

| Particulars | Six months ended | |
|---|---|---|
| | September 30, 2020 | September 30, 2019 |
| | Audited | Audited |
| **Cash flows from operating activities** | | |
| Loss before tax | **(108,559)** | **(343,332)** |
| | | |
| ***Adjustments for :*** | | |
| Depreciation and amortisation expense | 146,479 | 136,938 |
| Finance costs | 70,867 | 65,393 |
| Dividend income | - | (57) |
| Net gain on FVTPL investments | (4,027) | (2,277) |
| Interest income | (2,244) | (2,039) |
| Net loss / (gain) on derivative financial instruments | 2,154 | (529) |
| Net gain on fair value of financial instruments | (292) | - |
| Share of profit of joint ventures and associates (net) | (1,243) | (4,086) |
| Exceptional items (net) | 117,457 | 321,443 |
| Employee share-based payment expense | 367 | 112 |
| Loss on sale of property, plant and equipment | 64 | 1 |
| Other non-cash items | 4,226 | 3,990 |
| | | |
| **Operating cash flow before changes in working capital** | **225,249** | **175,557** |
| **Changes in working capital** | | |
| Trade receivables | (6,865) | (15,906) |
| Trade payables | 14,624 | (10,173) |
| Inventories | (400) | (162) |
| Provisions | (94,351) | 135,142 |
| Other financial and non-financial liabilities | 16,954 | (5,683) |
| Other financial and non-financial assets | 74,883 | (114,024) |
| | | |
| **Net cash generated from operations before tax** | **230,094** | **164,751** |
| | | |
| Income tax paid (net) | (13,476) | (13,377) |
| | | |
| **Net cash generated from operating activities (a)** | **216,618** | **151,374** |
| | | |
| **Cash flows from investing activities** | | |
| | | |
| Purchase of property, plant and equipment and capital work-in-progress | (108,330) | (89,567) |
| Proceeds from sale of property, plant and equipment | 645 | 674 |
| Purchase of intangible assets | (3,163) | (6,876) |
| Payment towards spectrum - Deferred payment liability* | - | (6,753) |
| Proceeds from sale / (purchase) of current investments (net) | 48,386 | (12,839) |
| Proceeds from sale of non-current investments | 3,721 | 2,352 |
| Purchase of non-current investments | (84) | - |
| Investment in associates | (3,311) | (2,603) |
| Dividend received | 4,200 | - |
| Interest received | 2,540 | 2,502 |
| | | |
| **Net cash used in investing activities (b)** | **(55,396)** | **(113,110)** |
| | | |
| **Cash flows from financing activities** | | |
| | | |
| Net proceeds from issue of shares (Rights issue) | - | 249,136 |
| Proceeds from borrowings | 168,006 | 168,212 |
| Repayment of borrowings | (248,469) | (221,489) |
| Repayment of lease liabilities | (25,257) | (18,231) |
| Repayment of short-term borrowings (net) | (28,951) | (138,852) |
| Purchase of treasury shares | (21) | (84) |
| Interest and other finance charges paid | (21,237) | (57,914) |
| Proceeds from exercise of share options | 7 | 3 |
| Dividend paid (including tax) | (22,791) | (11,558) |
| Net proceeds from issuance of equity shares to Non-controlling interest | - | 55,030 |
| Net payment towards derivatives | - | (15,784) |
| Payment of bond issue / share issue expenses | (15) | - |
| | | |
| **Net cash (used in) / generated from financing activities (c)** | **(178,728)** | **8,469** |
| | | |
| **Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)** | **(17,506)** | **46,733** |
| Effect of exchange rate on cash and cash equivalents | (2,659) | 2,459 |
| | | |
| Cash and cash equivalents as at beginning of the period | 130,539 | 53,793 |
| **Cash and cash equivalents as at end of the period** | **110,374** | **102,985** |

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

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Deloitte Haskins & Sells LLP Chartered Accountants

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

| Particulars | As of | |
|---|---|---|
| | September 30, 2020 | September 30, 2019 |
| | Audited | Audited |
| **Cash and cash equivalents as per Audited Interim Condensed Consolidated Balance Sheet** | **105,241** | **106,957** |
| Add : Balance held under mobile money trust* | 27,735 | 18,729 |
| Less : Bank overdraft | (22,602) | (22,701) |
| **Cash and cash equivalents as per Audited Consolidated Statement of Cash Flows** | **110,374** | **102,985** |

* It represents cash received from subscribers of mobile commerce services relating to its subsidiaries in Africa and the same is not available for general use by the Group.

## Notes to the Audited Consolidated Financial Results

1. The financial results for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 27, 2020.

2. The financial results are prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as 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. The said financial results represent results of the Group, and it's share in the results of joint ventures and associates.

3. Pursuant to the judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement') including subsequent supplementary judgements, and in the absence of any potential reliefs, the Group provided for Rs. 368,322 Mn for the periods upto March 31, 2020 on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines / clarifications in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

   On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation. Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Group had further recorded an incremental provision of Rs. 107,444 Mn (including net interest on total provision created considering interest rate as per the affidavit filed by DoT on March 16, 2020 with effect from the date of Court Judgement) to give effect of the differential amount between the AGR Provision and the DoT Demand along with provision for subsequent periods for which demands have not been received computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgment, which had been presented as exceptional item. During the quarter ended September 30, 2020, the Company has continued to recognise its AGR obligations based on Court Judgement and guidelines/clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

   Further, in its judgment dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Group has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

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4. On April 25, 2018, Bharti Infratel Limited ('Infratel'), a subsidiary of the Company, and Indus Towers Limited ('Indus'), a joint venture of the Infratel and their respective shareholders and creditors entered into a proposed scheme of amalgamation and arrangement (under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Infratel and Indus (being presented as part of the Group's 'Tower Infrastructure Services' operating segment), will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited. The Scheme has also received the second motion approval from the Hon'ble Chandigarh Bench of the National Company Law Tribunal (NCLT) earlier. Further, approval of Department of Telecommunications for FDI has also been received on February 21, 2020.

   On August 31, 2020, Infratel's Board of Directors provided its authorization to proceed with the Scheme and to comply with the procedural requirements for completion of merger including approaching NCLT to make the Scheme effective subject to completion of certain procedural condition precedents. The certified copy of the NCLT order approving the Scheme has been allowed for filing with the Registrar of Companies ('ROC') on October 22, 2020 and the Scheme shall become effective from the date when the same is filed with the ROC. The financial effect can be ascertained after the amalgamation is concluded and the Scheme becomes effective.

5. In respect of Tower Infrastructure Services Segment of the Group:

i) On October 20, 2020, Indus Towers Limited, a Joint Venture Company ('JVC') of a subsidiary of the Company, Bharti Infratel Limited (both in the Tower Infrastructure Service Segment), in its interim financial statements for the quarter and six months ended September 30, 2020 reported that the JVC's top two major customers in the telecom services industry contributed substantial part of the net sales of the JVC, for the same period, which also resulted in significant part of the trade receivables due from these two customers as at September 30, 2020. It also reported that the JVC's largest customer (one of the two major customers) in its declared results for the quarter ended June 30, 2020, had expressed its ability to continue as going concern to be dependent on positive outcome with regard to the timeframe for the payment of AGR dues to be made in instalments, pursuant to Hon'ble Supreme Court's judgment on October 24, 2019.

   Subsequently, the Hon'ble Supreme Court on September 1, 2020 in its subsequent order, inter-alia, granted relief and directed that the Telecom Operators shall at the first instance, make the payment of 10% of the total dues as demanded by DoT by March 31, 2021. The Telecom Operators then have to make payment in yearly installments commencing from April 1, 2021 up to March 31, 2031 payable by March 31 of every succeeding financial year i.e. 10 yearly installments. The said customer has paid part of the amount as determined by its self-assessment filed with DoT and in addition has officially announced that its Board in the meeting held on September 4, 2020 has approved the fund-raising plan up to Rs. 250,000 Mn.

   These developments appear positive vis-à-vis the previous quarter. However, the loss of a significant customer or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JVC. The auditors of the JVC have brought out this material uncertainty in their auditor's report.

ii) On October 22, 2020, Bharti Infratel Limited ('BIL') has indicated that that the largest customer of the JVC (as referred above) is also a major customer of BIL. The loss of a significant customer or the failure to attract new business in both these entities could have an adverse effect on their business and results of operations. The Management of BIL and the Group have respectively also concluded that there is no impairment with respect to property, plant and equipment of BIL and the carrying value of its investment in the JVC.

6. The exceptional charge of Rs. 493 Mn during the quarter ended September 30, 2020 comprises of cost relating to employee restructuring in one of the group's subsidiaries. Tax benefit due to the deferred tax asset pertaining to one of the subsidiary recognised in this quarter of Rs. 212 Mn is included under tax expense / (credit). As a result, the overall net exceptional charge (after tax) is Rs. 281 Mn. The net share allocated to non-controlling interests on the above an exceptional items is Rs. 93 Mn.

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7. 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. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

8. The Group 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 Group, has used internal and external sources of information. Based on the Group 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 Group's operations.

9. Previous period / year figures have been re-grouped or reclassified, to confirm to such current period's classification.

For Bharti Airtel Limited

Gopal Vittal
Managing Director and CEO (India & South Asia)
DIN: 02291778

Gurugram
October 27, 2020

**Notes:**
a) 'Bharti Airtel' or 'Company', stands for Bharti Airtel Limited
b) 'Group' or 'Consolidated', stands for Bharti Airtel Limited together with its subsidiaries
c) For more details on the financial results, please visit our website 'www.airtel.in'

Bharti Airtel Limited

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## Statement of Audited Standalone Financial Results for the quarter and six months ended September 30, 2020

(Rs. Millions; except per share data)

| Particulars | Quarter ended | | | Six months ended | | Year ended |
|---|---|---|---|---|---|---|
| | September 30, 2020 | June 30, 2020 | September 30, 2019 | September 30, 2020 | September 30, 2019 | March 31, 2020 |
| | Audited | Audited | Audited | Audited | Audited | Audited |
| **Income** | | | | | | |
| Revenue from operations | 160,114 | 150,492 | 130,129 | 310,606 | 258,460 | 543,171 |
| Other income | 3,867 | 6,109 | 4,148 | 9,976 | 10,532 | 22,425 |
| | **163,981** | **156,601** | **134,277** | **320,582** | **268,992** | **565,596** |
| **Expenses** | | | | | | |
| Network operating expenses | 37,277 | 36,204 | 36,490 | 73,481 | 67,788 | 136,419 |
| Access charges | 24,310 | 23,613 | 22,404 | 47,923 | 44,310 | 90,767 |
| License fee / Spectrum charges | 16,734 | 15,083 | 11,969 | 31,817 | 25,600 | 53,653 |
| Employee benefits expense | 3,908 | 4,611 | 3,810 | 8,519 | 7,462 | 15,202 |
| Sales and marketing expenses | 4,554 | 3,604 | 3,535 | 8,158 | 8,485 | 18,180 |
| Other expenses | 5,280 | 5,867 | 6,000 | 11,147 | 14,716 | 27,614 |
| | **92,063** | **88,982** | **84,208** | **181,045** | **168,361** | **341,835** |
| **Profit before depreciation, amortisation, finance costs, exceptional items and tax** | **71,918** | **67,619** | **50,069** | **139,537** | **100,631** | **223,761** |
| Depreciation and amortisation expense | 54,876 | 53,143 | 49,832 | 108,019 | 100,002 | 203,921 |
| Finance costs | 28,688 | 27,916 | 24,040 | 56,604 | 47,774 | 114,631 |
| **Loss before exceptional items and tax** | **(11,646)** | **(13,440)** | **(23,803)** | **(25,086)** | **(47,145)** | **(94,791)** |
| Exceptional items (net) | - | 115,971 | 308,150 | 115,971 | 310,277 | 415,418 |
| **Loss before tax** | **(11,646)** | **(129,411)** | **(331,953)** | **(141,057)** | **(357,422)** | **(510,209)** |
| **Tax expense / (credit)** | | | | | | |
| Current tax | - | (1,312) | - | (1,312) | - | - |
| Deferred tax | (3,186) | 36,519 | (86,818) | 33,333 | (99,250) | (149,327) |
| **Loss for the period** | **(8,460)** | **(164,618)** | **(245,135)** | **(173,078)** | **(258,172)** | **(360,882)** |
| **Other comprehensive income** | | | | | | |
| Items not to be reclassified to profit or loss : | | | | | | |
| - Re-measurement gain / (loss) on defined benefit plans | 24 | 18 | 13 | 42 | (136) | (108) |
| - Tax (charge) / credit | (7) | (4) | (5) | (11) | 47 | 38 |
| **Other comprehensive income / (loss) for the period** | **17** | **14** | **8** | **31** | **(89)** | **(70)** |
| **Total comprehensive loss for the period** | **(8,443)** | **(164,604)** | **(245,127)** | **(173,047)** | **(258,261)** | **(360,952)** |
| Paid-up equity share capital (Face value : Rs. 5/- each) | 27,278 | 27,278 | 25,660 | 27,278 | 25,660 | 27,278 |
| Other equity | 803,128 | 822,461 | 944,600 | 803,128 | 944,600 | 987,014 |
| **(Loss) / earnings per share (Face value : Rs. 5/- each)** | | | | | | |
| Basic and diluted (loss) / earnings per share | (1.55) | (30.17) | (47.77) | (31.73) | (52.83) | (71.08) |

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Bharti Airtel Limited airtel

## Audited Standalone Balance Sheet as of September 30, 2020

(Rs. Millions)

| Particulars | As of | |
|---|---|---|
| | September 30, 2020 | March 31, 2020 |
| | Audited | Audited |
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 543,483 | 548,286 |
| Capital work-in-progress | 23,225 | 12,332 |
| Right-of-use assets | 335,792 | 345,028 |
| Goodwill | 739 | 739 |
| Other intangible assets | 696,207 | 722,740 |
| Intangible assets under development | 345 | 255 |
| Investments in subsidiaries, associates and joint ventures | 302,869 | 300,466 |
| **Financial assets** | | |
| - Investments | 136 | 52 |
| - Derivative instruments | - | 39 |
| - Loans and security deposits | 181,403 | 187,252 |
| - Others | 14,717 | 12,721 |
| Income tax assets (net) | 13,050 | 13,410 |
| Deferred tax assets (net) | 193,679 | 227,014 |
| Other non-current assets | 43,275 | 45,581 |
| | **2,348,920** | **2,415,915** |
| **Current assets** | | |
| Inventories | 29 | 31 |
| **Financial assets** | | |
| - Investments | 73,458 | 86,750 |
| - Derivative instruments | 141 | 1,897 |
| - Trade receivables | 45,616 | 38,100 |
| - Cash and cash equivalents | 15,883 | 33,668 |
| - Other bank balances | 858 | 308 |
| - Loans | 7,755 | 7,580 |
| - Others | 188,029 | 243,772 |
| Other current assets | 119,674 | 175,707 |
| | **451,443** | **587,813** |
| **Total assets** | **2,800,363** | **3,003,728** |
| **Equity and liabilities** | | |
| **Equity** | | |
| Equity share capital | 27,278 | 27,278 |
| Other equity | 803,128 | 987,014 |
| | **830,406** | **1,014,292** |
| **Non-current liabilities** | | |
| **Financial liabilities** | | |
| - Borrowings | 886,352 | 704,712 |
| - Lease liabilities | 295,308 | 307,039 |
| - Others | 72,503 | 31,469 |
| Deferred revenue | 13,765 | 12,185 |
| Provisions | 2,107 | 1,919 |
| | **1,270,035** | **1,057,324** |
| **Current liabilities** | | |
| **Financial liabilities** | | |
| - Borrowings | 6,880 | 73,092 |
| - Current maturities of long-term borrowings | 43,912 | 45,828 |
| - Lease liabilities | 62,811 | 57,334 |
| - Derivative instruments | 757 | 35 |
| - Trade payables | | |
| - Total outstanding dues of micro enterprises and small enterprises | 112 | 122 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 223,342 | 192,356 |
| - Others | 90,873 | 90,812 |
| Deferred revenue | 42,591 | 35,247 |
| Provisions | 203,496 | 407,590 |
| Current tax liabilities (net) | 436 | 2,268 |
| Other current liabilities | 24,712 | 27,428 |
| | **699,922** | **932,112** |
| **Total liabilities** | **1,969,957** | **1,989,436** |
| **Total equity and liabilities** | **2,800,363** | **3,003,728** |

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Audited Standalone Statement of Cash Flows for the six months ended September 30, 2020

(Rs. Millions)

| Particulars | Six months ended | |
|---|---|---|
| | September 30, 2020 | September 30, 2019 |
| | Audited | Audited |
| **Cash flows from operating activities** | | |
| Loss before tax | (141,057) | (357,422) |
| **Adjustments for:** | | |
| Depreciation and amortisation expense | 108,019 | 100,002 |
| Finance costs | 55,361 | 47,381 |
| Interest income | (2,485) | (940) |
| Dividend income | (5,335) | (6,923) |
| Net loss / (gain) on derivative financial instruments | 1,759 | (428) |
| Net gain on FVTPL investments | (2,254) | (803) |
| Exceptional items (net) | 115,971 | 310,165 |
| Loss on sale of property, plant and equipment | 51 | 1 |
| Employee share-based payment expenses | 346 | 88 |
| Other non-cash items | 2,264 | 3,281 |
| **Operating cash flow before changes in working capital** | 132,640 | 94,402 |
| **Changes in working capital** | | |
| Trade receivables | (9,139) | (7,554) |
| Trade payables | 21,732 | (14,262) |
| Inventories | (59) | 93 |
| Provisions | (92,471) | 130,069 |
| Other financial and non-financial liabilities | 5,397 | (1,287) |
| Other financial and non-financial assets | 111,578 | (110,568) |
| **Net cash generated from operations before tax** | 169,678 | 90,893 |
| Income tax paid - net | (160) | (1,208) |
| **Net cash generated from operating activities (a)** | 169,518 | 89,685 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | (60,017) | (54,507) |
| Proceeds from sale of property, plant and equipment | 406 | 105 |
| Purchase of intangible assets | (2,430) | (2,696) |
| Payment towards spectrum - deferred payment liability* | - | (6,753) |
| Proceeds from sale / (purchase) of current investments (net) | 15,560 | (9,432) |
| Purchase of non- current investments | (84) | - |
| Investment in associates | (2,403) | (2,603) |
| Loan given to subsidiaries | (12,729) | (12,231) |
| Loan repayment by subsidiaries | 17,372 | 15,999 |
| Dividend received | 5,335 | 6,923 |
| Interest received | 2,129 | 937 |
| **Net cash used in investing activities (b)** | (36,861) | (64,258) |
| **Cash flows from financing activities** | | |
| Net proceeds from issue of shares (Right Issue) | - | 249,137 |
| Proceeds from borrowings | 55,849 | 97,375 |
| Repayment of borrowings | (147,627) | (174,479) |
| Payment of lease liabilities | (19,713) | (13,408) |
| Repayment of short-term borrowings (net) | (13,415) | (142,029) |
| Interest and other finance charges paid | (11,413) | (42,282) |
| Proceeds from exercise of share options | 3 | 1 |
| Dividend paid | (10,911) | - |
| **Net cash used in financing activities (c)** | (147,227) | (25,685) |
| **Net decrease in cash and cash equivalents during the period (a+b+c)** | (14,570) | (258) |
| Add : Cash and cash equivalents as at the beginning of the period | 30,397 | 1,707 |
| **Cash and cash equivalents as at the end of the period** | 15,827 | 1,449 |

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

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

| Particulars | As of | |
|---|---|---|
| | September 30, 2020 | September 30, 2019 |
| | Audited | Audited |
| **Cash and cash equivalents as per Audited Interim Condensed Standalone Balance Sheet** | **15,883** | **1,533** |
| Less : Bank overdraft | (56) | (84) |
| **Cash and cash equivalents as per Audited Standalone Statement of Cash Flows** | **15,827** | **1,449** |

## Notes to the Audited Standalone Financial Results

1. The financial results for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 27, 2020.

2. The financial results are prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as 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.

3. Pursuant to the judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement') including subsequent supplementary judgements, and in the absence of any potential reliefs, the Company provided for Rs. 346,951 Mn for the periods upto March 31, 2020 on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines / clarifications in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

   On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation. Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Company had further recorded an incremental provision of Rs. 106,890 Mn (including interest on total provision created considering interest rate as per the affidavit filed by DoT on March 16, 2020 with effect from the date of Court Judgement) to give effect of the differential amount between the AGR Provision and the DoT Demand along with provision for subsequent periods for which demands have not been received computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgment, which had been presented as exceptional item. During the quarter ended September 30, 2020, the Company has continued to recognise its AGR obligations based on Court Judgement and guidelines / clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

   Further, in its judgment dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the Demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Company has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

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

a. As of the date of results, the non-convertible debentures ('NCDs') issued by the Company are rated CRISIL AA/ Stable (reaffirmed).

b. The Company maintains at least 100% asset cover for unsecured NCDs.

c. The details of previous due date for the payment of interest / repayment of principal of NCDs and whether the amount has been paid are given in the table below:

| S.No. | Particulars | Interest | Principal |
|---|---|---|---|
| (i) (a) | 8.25% NCDs series I | April 20, 2020 | April 20,2020 |
| (b) | 8.35% NCDs series II | April 20, 2020 | NA |
| (ii) | Whether amount has been paid on due dates | Yes | Yes |

d. The details of redemption of Commercial Paper during the six months ended are given in the table below:

| ISIN | Amount due (Rs. Millions) | Date of maturity | Rating agency | Credit rating |
|---|---|---|---|---|
| INE397D14209 | 5,250 | March 9, 2021* | ICRA | A1+ |
| INE397D14191 | 5,000 | February 24, 2021* | ICRA | A1+ |
| INE397D14217 | 15,000 | May 18, 2020 | ICRA | A1+ |
| INE397D14225 | 2,500 | June 30, 2020 | ICRA | A1+ |
| INE397D14233 | 2,500 | July 15, 2020 | ICRA | A1+ |
| INE397D14241 | 15,000 | September 17, 2020 | CRISIL | A1+ |
| INE397D14258 | 5,500 | August 6, 2020 | CRISIL | A1+ |

All the Commercial Paper has been paid on or before due date
* It has been pre-paid during the six months ended September 30, 2020

e. The details of next due date for the payment of interest / repayment of principal of NCDs along with amount due are given in the table below:

| S.No. | Particulars | Interest due date | Interest due (Rs. Millions) | Principal due date | Principal due (Rs. Millions) |
|---|---|---|---|---|---|
| (i) | 8.35% NCDs series II | April 20, 2021 | 1,253 | April 20, 2021 | 15,000 |

f. Other information:

| S.No. | Particulars | September 30, 2020 | September 30, 2019 |
|---|---|---|---|
| (i) | Debt service coverage ratio ('DSCR') - [no. of times] | 1.05 | 1.19 |
| (ii) | Interest service coverage ratio ('ISCR') - [no. of times] | 2.67 | 2.09 |
| (iii) | Debt - equity ratio - [no. of times] | 1.11 | 0.68 |
| (iv) | Debenture redemption reserve - [Rs. Million] | 7,500 | 7,500 |
| (v) | Net worth - [Rs. Million] | 780,121 | 923,755 |

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

| | |
|---|---|
| **DSCR** | Profit before depreciation, amortisation, finance costs, exceptional items and tax / (interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities) |
| **ISCR** | Profit before depreciation, amortisation, finance costs, exceptional items and tax / interest expenses |
| **Debt - equity ratio** | (Non-current borrowings (+) current borrowings (+) current maturities of long-term borrowings (-) cash and cash equivalents (-) term deposits with bank) / Equity |
| **Net worth** | Basis section 2(57) of the Companies Act, 2013 |

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5. The Company publishes these financial results along with the consolidated financial results. In accordance with Ind AS 108, 'Operating Segments', the Company has disclosed the segment information in the consolidated financial results.

6. 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. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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. Previous period / year figures have been re-grouped or reclassified, to confirm to such current period's classification.

For Bharti Airtel Limited

Gopal Vittal
Managing Director and CEO (India & South Asia)
DIN: 02291778

Gurugram
October 27, 2020

**Notes:**
a) 'Bharti Airtel' or 'Company' stands for Bharti Airtel Limited
b) For more details on the financial results, please visit our website 'www.airtel.in'

**Deloitte**
**Haskins & Sells LLP**

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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF**
**BHARTI AIRTEL LIMITED**

**Opinion**

We have audited the Consolidated Financial Results for the quarter and half year ended September 30, 2020 included in the accompanying "Statement of Audited Consolidated Financial Results for the quarter and half year ended September 30, 2020" of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/loss after tax and total comprehensive loss of its joint ventures and associates for the quarter and half year ended September 30, 2020, ("the Statement" / "the Consolidated Financial Results") being submitted by the Parent pursuant to the requirements of Regulation 33 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, and based on the consideration of the audit report of the other auditor on separate financial statements of joint venture referred to in Other Matter section below, the Statement:

(i) includes the results of the entities as given in Annexure to this report;

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

(iii) 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 consolidated net loss and consolidated total comprehensive loss and other financial information of the Group, its associates and joint ventures for the quarter and half year ended September 30, 2020.

**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 Consolidated Financial Results section below. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial 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 and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion.



Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

**Emphasis of Matter**

**"Material uncertainty arising out of certain developments and its consequential impact on business operations" of Indus Towers Limited, a joint venture company - Reported by the auditors of Indus Towers Limited**

We draw attention to Note 5 of the Statement, which describes that the auditors of Indus Towers Limited ("Indus"), a joint Venture Company, in their audit report, dated October 20, 2020 on the financial statements of Indus for the quarter and half year ended September 30, 2020 reported under the above heading a matter which describes the effect on business, results of operations, financial position of the joint venture Company's top customer caused by financial stress post the AGR judgement of Honourable Supreme Court dated October 24, 2019 which required payment of AGR dues to be made in 90 days post which some payments were made by the customer. Subsequently on September 1, 2020 the Supreme Court granted relief and directed that 10% of the total dues as demanded by DoT, to be paid by March 31, 2021; and thereafter to make balance payment in yearly instalments commencing from April 1, 2021 upto March 31, 2031 payable by March 31 of every succeeding financial year. The Joint Venture Company's top customer has also announced that its Board in the meeting held on September 4, 2020 has approved the fund-raising plan up to Rs.250,000 million.

Our opinion on the Statement is not modified in respect of this matter.

**Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited Consolidated Financial Results for the quarter and year ended March 31, 2020, audited Interim Condensed Consolidated Financial Statements for the quarter ended June 30, 2020 and audited Interim Condensed Consolidated Financial Statements for the quarter and half year ended September 30, 2020. This responsibility includes the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net loss and consolidated other comprehensive loss and other financial information of the Group including its associates and joint ventures in accordance with the recognition and measurement principles laid down in Ind AS 34, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

**Auditor's Responsibilities for audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 this Consolidated 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 Consolidated 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 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 33 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 Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

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

- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.

- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Information of the entities within the Group and its associates and joint ventures to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

**Other Matter**

The consolidated financial results also includes the Group's share of net profit after tax of Rs. 2,502 million and Rs. 5,239 million for the quarter and half year ended September 30, 2020, respectively and total comprehensive income of Rs. 2,499 million and Rs. 5,234 million for the quarter and half year ended September 30, 2020, respectively, as considered in the Statement, in respect of one joint venture whose interim financial statement has not been audited by us. This interim financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on the report of the other auditor and the procedures performed by us as stated under Auditor's Responsibilities for the Audit of the Consolidated Financial Results section above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

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



**Vijay Agarwal**
Partner
(Membership No. 094468)
UDIN: 20094468AAAAIH2050

Place: Gurugram
Date: October 27, 2020

**Annexure to Auditor's Report**

**List of entities:**

| | | | |
|---|---|---|---|
| 1 | Bharti Airtel Limited | | |
| | **Subsidiaries** | | |
| 2 | Bharti Infratel Limited | 35 | Bharti Airtel Niger Holdings B.V. |
| 3 | Bharti Hexacom Limited | 36 | Bharti Airtel Nigeria B.V. |
| 4 | Bharti Telemedia Limited | 37 | Bharti Airtel Nigeria Holdings II B.V. |
| 5 | Telesonic Networks Limited | 38 | Bharti Airtel RDC Holdings B.V. |
| 6 | Bharti Airtel Services Limited | 39 | Bharti Airtel Services B.V. |
| 7 | Nxtra Data Limited | 40 | Bharti Airtel Tanzania B.V. |
| 8 | Airtel Digital Limited (formerly known as Wynk Limited) | 41 | Bharti Airtel Uganda Holdings B.V. |
| 9 | Nettle Infrastructure Investments Limited | 42 | Bharti Airtel Zambia Holdings B.V. |
| 10 | Indo Teleports Limited | 43 | Airtel Mobile Commerce (Seychelles) B.V. |
| 11 | SmarTx Services Limited | 44 | Airtel Mobile Commerce Congo B.V. |
| 12 | Bharti Airtel Employees Welfare Trust | 45 | Airtel Mobile Commerce Kenya B.V. |
| 13 | Bharti Infratel Employees' Welfare Trust | 46 | Airtel Mobile Commerce Madagascar B.V. |
| 14 | Airtel International LLP | 47 | Airtel Mobile Commerce Malawi B.V. |
| 15 | Network I2I (Kenya) Limited | 48 | Airtel Mobile Commerce Rwanda B.V. |
| 16 | Bharti Airtel (UK) Limited | 49 | Airtel Mobile Commerce Tchad B.V. |
| 17 | Bharti International (Singapore) Pte. Ltd. | 50 | Airtel Mobile Commerce Uganda B.V. |
| 18 | Network i2i Limited | 51 | Airtel Mobile Commerce Zambia B.V. |
| 19 | Bharti Airtel Lanka (Private) Limited | 52 | Bharti Airtel Africa B.V. |
| 20 | Bharti Airtel (France) SAS | 53 | Celtel (Mauritius) Holdings Limited |
| 21 | Bharti Airtel (USA) Limited | 54 | Montana International |
| 22 | Bharti Airtel (Hong Kong) Limited | 55 | Channel Sea Management Company (Mauritius) Limited |
| 23 | Bharti Airtel (Japan) Private Limited | 56 | Société Malgache de Téléphone Cellulaire S.A. |
| 24 | Bharti Airtel International (Mauritius) Limited | 57 | Bharti Airtel Rwanda Holdings Limited |
| 25 | Bharti Airtel International (Netherlands) B.V. | 58 | Indian Ocean Telecom Limited |
| 26 | Africa Towers N.V. | 59 | Bharti Airtel International (Mauritius) Investments Limited |
| 27 | Airtel Mobile Commerce B.V. | 60 | Bharti Airtel Overseas (Mauritius) Limited |
| 28 | Airtel Mobile Commerce Holdings B.V. | 61 | Airtel Africa plc |
| 29 | Bharti Airtel Chad Holdings B.V. | 62 | Airtel Africa Mauritius Limited |
| 30 | Bharti Airtel Congo Holdings B.V. | 63 | Airtel Mobile Commerce Nigeria B.V. |
| 31 | Bharti Airtel Gabon Holdings B.V. | 64 | Airtel Networks Limited |
| 32 | Bharti Airtel Kenya B.V. | 65 | Airtel Uganda Limited |
| 33 | Bharti Airtel Kenya Holdings B.V. | 66 | Tanzania Towers Limited |
| 34 | Bharti Airtel Madagascar Holdings B.V. | 67 | Bharti Airtel Malawi Holdings B.V. |

| | | | |
|---|---|---|---|
| 68 | Airtel Mobile Commerce (Nigeria) Limited | 90 | Airtel Mobile Commerce Tchad S.a.r.l. |
| 69 | Airtel Mobile Commerce Uganda Limited | 91 | Congo RDC Towers S.A. |
| 70 | Airtel Tanzania plc | 92 | Airtel Congo S.A. |
| 71 | Airtel Mobile Commerce (Tanzania) Limited | 93 | Mobile Commerce Congo S.A. |
| 72 | Airtel Money Tanzania Limited | 94 | Airtel Gabon S.A. |
| 73 | Airtel Networks Zambia plc | 95 | Airtel Money S.A. |
| 74 | Airtel Mobile Commerce Zambia Limited | 96 | Gabon Towers S.A. * |
| 75 | Airtel Money Transfer Limited | 97 | Airtel Money Niger S.A. |
| 76 | Airtel Networks Kenya Limited @ | 98 | Celtel Niger S.A. |
| 77 | Bharti Airtel Developers Forum Limited | 99 | Airtel Tchad S.A. |
| 78 | Airtel Mobile Commerce (Kenya) Limited | 100 | Airtel Madagascar S.A. |
| 79 | Airtel Malawi plc | 101 | Madagascar Towers S.A. |
| 80 | Airtel Mobile Commerce Limited | 102 | Airtel Mobile Commerce Madagascar S.A. |
| 81 | Airtel Rwanda Limited | 103 | Malawi Towers Limited |
| 82 | Airtel Mobile Commerce (Rwanda) Limited | 104 | Airtel Mobile Commerce DRC B.V.^ |
| 83 | Airtel (Seychelles) Limited | 105 | Airtel Mobile Commerce Gabon B.V. ^ |
| 84 | Airtel Mobile Commerce (Seychelles) Limited | 106 | Airtel Mobile Commerce Niger B.V. ^ |
| 85 | Bharti Airtel Holding (Mauritius) Limited | 107 | Airtel Money Kenya Limited^ |
| 86 | Bharti Airtel Mali Holdings B.V. | 108 | Network i2i (UK) Limited^ |
| 87 | Airtel Congo (RDC) S.A. | 109 | The Airtel Africa Employee Benefit Trust^ |
| 88 | Airtel Money (RDC) S.A. | 110 | Airtel Money Trust |
| 89 | Partnership Investments S.a.r.l. | | |
| | | | |
| | **Joint Ventures & Associates** | | |
| | **(Including their subsidiaries)** | | |
| 111 | Seychelles Cable Systems Company Limited | 118 | Bridge Mobile Pte Limited |
| 112 | Indus Towers Limited | 119 | Airtel Ghana Limited |
| 113 | FireFly Networks Limited | 120 | Airtel Mobile Commerce (Ghana) Limited |
| 114 | Seynse Technologies Private Limited | 121 | RedDot Digital Limited |
| 115 | Juggernaut Books Private Limited | 122 | Millicom Ghana Company Limited * |
| 116 | Airtel Payments Bank Limited | 123 | Bharti Airtel Ghana Holdings B.V. |
| 117 | Robi Axiata Limited | | |
| | | | |

@ The Group also holds 100% preference shareholding in these companies. The preference shares do not carry any voting rights.

* Under dissolution

^ Incorporated during the half year ended September 30, 2020

**Deloitte**
**Haskins & Sells LLP**

Chartered Accountants
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DLF Cyber City Complex
DLF City Phase - II
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Haryana, India

Tel: +91 124 679 2000
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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF**
**BHARTI AIRTEL LIMITED**

**Opinion**

We have audited the Standalone Financial Results for the quarter and half year ended September 30, 2020 included in the accompanying "Statement of Audited Standalone Financial Results for the quarter and half year ended September 30, 2020" of **BHARTI AIRTEL LIMITED** ("the Company"), ("the Statement" / "the Standalone Financial Results"), being submitted by the Company pursuant to the requirements of Regulation 33 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 33 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 half year ended September 30, 2020.

**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 Standalone 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 Standalone 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 Standalone Financial Results**

This Statement, which includes the Standalone 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 Standalone Financial Results for the quarter and year ended March 31, 2020, audited Interim Condensed Standalone Financial Statements for the quarter ended June 30, 2020 and audited Interim Condensed Standalone Financial Statements for the quarter and half year ended September 30, 2020. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and half year ended September 30, 2020 that give a true and fair view of the net loss and other comprehensive income 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 33 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



Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 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 33 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 Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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

**Vijay Agarwal**
Partner
(Membership No. 094468)
UDIN: 20094468AAAAIJ6865

Place: Gurugram
Date: October 27, 2020

bharti

October 27, 2020

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

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

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

***Sub: Press Release w.r.t. financial results for the second quarter (Q2) ended September 30, 2020***

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the press release being issued by the Company with regard to the audited financial results of the Company for the second quarter (Q2) ended September 30, 2020.

Kindly take the same on record.

Thanking you,
Sincerely Yours,

**For Bharti Airtel Limited**

Bharti Airtel Limited New Delhi

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

# Bharti Airtel Limited

## Q2 FY21 Highlights

- **Bharti Airtel posts its highest ever consolidated quarterly revenues**
- **India business delivers strong growth across revenue, margins, customers**
- **Consolidated quarterly revenues at Rs 25,785 crore – up 22.0% YoY**
- **Consolidated EBITDA at Rs 11,848 crore; EBITDA margin at 46.0% - improvement of 366 bps YoY**
- **Consolidated EBIT at Rs 4,412 crore; EBIT margin at 17.1% - improvement of 768 bps YoY**
- **India revenues Rs 18,747 crore up 22.0% YoY led by strong 4G customer momentum and up-trading**
- **Mobile services India revenues up 26.0% YoY**
- **Mobile ARPU at Rs 162 vs Rs 128 in Q2'20**
- **4G data customers at 152.7 Mn, up by 14.4 Mn for the quarter**
- **Usage metrics remain best in class; Data usage per sub at 16.0 GBs/month**
- **Continues to provide brilliant network experience, now with a robust network of more than 200K towers**
- **Airtel Business and Homes sees revenue growth of 7.5% and 7.3% YoY respectively**
- **DTH added 549K customers during the quarter. Base increases from 16.8 Mn in Q1'21 to 17.4 Mn in Q2'21**
- **Digital Services now amongst the strongest in the country - 160 Mn digitally engaged customers**
- **Enables customers and businesses to remain connected during Covid**

***Bharti Airtel announces consolidated Ind AS results for the second quarter ended September 30, 2020***

*Effective April 1, 2019, the Company adopted Ind AS 116 "Leases". The results for the quarter ended September 30, 2020 includes the impact of Ind AS 116.*

## Highlights for the second quarter ended September 30, 2020

### Consolidated

- Overall customer base stands at ~440 million across 16 countries
- Total revenues at Rs 25,785 crore, up 22.0% YoY
- EBITDA at Rs 11,848 crore, up 32.6% YoY; EBITDA margin at 46.0%, up 3.7% YoY
- EBIT at Rs 4,412 crore, up 121.4% YoY; EBIT margin at 17.1%, up 7.7% YoY
- Net loss (before exceptional items) for Q2'21 at Rs 744 crore, Net loss (after exceptional items) for Q2'21 at Rs 763 crore
- Total Capex spend for the quarter of Rs 6,791 crore

### India & Africa

- India revenues up 22.0% YoY; EBITDA margin at 45.8%, up 4.7% YoY. EBIT margin at 13.0%, up 9.8% YoY
- Africa revenues (in constant currency) up ~20% YoY, EBITDA margin at 45.3%, up 1.5% YoY, EBIT margin at 27.9%, up 2.4% YoY

**New Delhi, India, October 27, 2020:** Bharti Airtel Limited ("Bharti Airtel" or "the Company") today announced its audited consolidated Ind AS results for the second quarter ended September 30, 2020.

### Q2'21 Performance:

The consolidated revenues for Q2'21 at Rs 25,785 crore grew 22.0% YoY with strong growth across the portfolio – geographies and segments. Consolidated mobile data traffic at 7,403 PBs in the quarter with a healthy YoY growth of 58.8%.

India revenues for Q2'21 at Rs 18,747 crore increased by 22.0% YoY. Mobile revenues grew by 26.0%. This is an outcome of the company's unrelenting focus on winning with quality customers on the back of a solid network, aspirational brand and delivery of a differentiated experience. Resultantly, ARPU for the quarter is at Rs 162 as compared to Rs 128 in Q2'20.

The company continues to garner a strong share of the 4G net ads in the market. 4G data customers[1] increased by 48.1% to 152.7 Mn compared to the previous year while traffic increased to 77.3 PB/day vs 48.9 PB/day in the corresponding quarter last year. Engagement parameters continue to be best in industry – average data usage per data sub at 16.0 GBs/month; while voice usage was at 1,005 mins/sub/month. We continue to make progress on improving customer experience. We were awarded the 'Best Network Experience' for Gaming, Video, download speed and voice by Open Signal in their Sep'20 report. We continue to leverage the power of one Airtel to serve the evolving consumer behaviour - bank, secure payments and One Airtel propositions. After slowdown in site deployment due to COVID, we accelerated roll-outs in Q2 and added 5K+ sites to cross the 200,000 site count mark. We continue to remain focused on optimally augmenting our coverage and capacities to offer a differentiated network experience.

Homes business segment witnessed a revenue growth of 7.3% YoY. We added over ~129K customers during the quarter to reach to a total base of 2.58 Mn. We re-calibrated our offering and launched Xstream bundles with content and unlimited internet to accelerate penetration. The company signed on many more LCO partnerships in non-wired cities, extending the model to 48 cities. The company also focused on fast-track network expansion by rolling out Fibre Home Passes and upgrading existing copper network during the quarter.

Airtel Business continues to accelerate its momentum with 7.5% YoY growth, driven by data demand across global business and enterprise & government business. To further leverage growth from "Work from Home", various products were launched. Airtel BlueJeans, Airtel Secure, Airtel Cloud and Airtel IQ were launched to meet the specific needs of our B2B customers. In the Government segment, we are seeing gradual recovery and change in focus towards IT modernization and investments in security & cloud. In addition, there is a big drive on Energy Management Systems, robust connectivity platforms to enable Government connect with citizens and focus on smart cities. We are well positioned to serve this demand. Overall, the company remains fully geared and focused towards becoming a solution provider of repute and go beyond connectivity and drive solutions such as cloud, security, data centres and CPaaS solutions.

Digital TV witnessed a growth of 1.9% YoY on an underlying[2] basis, on the back of strong customer additions of 549K during the quarter. We continued to expand our channel portfolio and are also working with educational institutions to broadcast classes to students to ensure education is not disrupted.

Airtel's journey as a digital services provider of strength continues to improve. We now have 160 Mn digitally engaged users. On Wynk - we are now #1 in terms of MAUs (59.3 Mn in Q2'21) with an addition of ~9 Mn during the quarter; Thanks platform has 81.6 Mn MAUs in Q2, with an addition of ~8 Mn and Airtel Xstream is at 33.7 Mn MAUs, addition of ~8 Mn users during the quarter.

There are over 1.1 million retailers transacting and making payments every day on Mitra App. Online recharges continue to contribute ~50% of overall revenues. As part of our strategy to build new revenue streams from best-in-class digital services, the company has forayed into the fast-growing Indian cloud communications market with the launch of Airtel IQ, an omni-channel Cloud based communications platform. Developed by Airtel's digital team, Airtel IQ helps businesses deepen customer engagement by orchestrating seamless and secure communication across voice, SMS, IVR in their applications through a unified platform.

Further in line with our partnership model and to augment our Cloud service offerings, we entered into a partnership with AWS Professional Services to develop differentiated Airtel Cloud products and capabilities leveraging AWS services, Airtel's data center capabilities and Airtel's network and telecoms offerings.

We also launched Airtel Secure, a suite of cyber security solutions for large, medium and small businesses as they shift to digital and cloud platforms, increasing the need to protect data and information from online attacks. We have partnered with firms like Cisco, VMware, Radware and Forcepoint to jointly provide cyber security solutions to both enterprises and government.

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[1] Data Customer Base – A customer who has used atleast 1 MB on GPRS/3G/4G network in the last 30 days. Customer Base is defined as customers generating revenue through recharge, billing or any outgoing activity.

2 The term 'Underlying' refers to impact of accounting policy change deferring activation, installation & rental revenue over the life of the customer under DTH business in FY'20.

Consolidated EBITDA witnessed an increase of 32.6% YoY to Rs 11,848 crore in Q2'21. This led to an improvement in EBITDA margin from 42.3% in Q2'20 to 46.0% in Q2'21. Incremental EBITDA margins across businesses remained healthy, with mobile services EBITDA improving from 36.3% in Q2'20 to 42.6% in Q2'21.
Consolidated EBIT increased by 121.4% YoY to Rs 4,412 crore. The Consolidated Net Loss before exceptional items for the quarter stands at Rs 744 crore. The Consolidated Net Loss after exceptional items for the quarter stands at Rs 763 crore.

The Net Debt-EBITDA ratio (annualized) and including the impact of leases as on September 30, 2020 is at 2.91 times as compared to 3.30 times as on September 30, 2019. Excluding pending AGR dues, the Net Debt-EBITDA ratio (annualized) is at 2.41 times as on September 30, 2020.

**Supreme Court ruling on AGR matter:** Pursuant to the judgment of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgment') including subsequent supplementary judgments, and in the absence of any potential reliefs, the Group provided for Rs. 368,322 Mn for the periods upto March 31, 2020 on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines / clarifications in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

On July 20, 2020, the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation. Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Group had further recorded an incremental provision of Rs. 107,444 Mn (including net interest on total provision created considering interest rate as per the affidavit filed by DoT on March 16, 2020 with effect from the date of Court Judgment) to give effect of the differential amount between the AGR Provision and the DoT Demand along with provision for subsequent periods for which demands have not been received computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgment, which had been presented as exceptional item. During the quarter ended September 30, 2020, the Company has continued to recognize its AGR obligations based on Court Judgment and guidelines/clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

Further, in its judgment dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Group has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

## In a statement, Gopal Vittal, MD and CEO, India & South Asia, said:

"Despite being a seasonally weak quarter, we delivered a strong performance with revenue growing at ~22% YoY. In the mobile segment, we added over ~14 Mn 4G customers and grew revenues by ~26%. Our focus on building the most aspirational brand in Indian Telecom to win quality customers is delivering results. Our data consumption grew by 58% YoY which reflects strong engagement of customers on our network. This further underscores our DNA of customer obsession and delivering brilliant experiences through a future ready network and innovative digital platforms. Other lines of business also continued with steady growth momentum, with Airtel business growing 7.5% YoY.

We stay committed to improving the profitability of the business. Our continued focus on ARPU improvement and cost optimization led to EBITDA margin expansion by over ~ 158 bps in the quarter sequentially".

## COVID-19

With the series of unlocks throughout the country, we see a gradual return to normalcy. However, while the economy opens up, the COVID pandemic continues. Delivering uninterrupted services and great end user experience while ensuring safety of our employees and partners continues to remain our key priority. We continue to drive awareness about digital channels for online recharges and payments, as well as redressal of customer complaints.

**Network:** Connectivity has become even more essential across all realms of life – work, education or entertainment. We accelerated the pace of our infrastructure deployment to support growing customer needs. Our network teams continue to ensure urgent response for service restoration where impacted, while simultaneously improving the overall network experience of customers through digital tools and analytics.

**Governance**: We continue to closely track all developments through a 24*7 war room with rigorous cadence of leadership meetings chaired by the CEO to monitor safety of our employees and partners, review network and customer experience along with business performance.

**Safety and society:** Our utmost priority remains safety of our employees and partnerships. We have provided all sanitation essentials to our workforce on the field and stepped up hygiene measures across all our offices. All our retail stores are maintaining social distancing norms, restricting number of customers inside the store at any time. We reopened our offices across the country with voluntary attendance ensuring strict adherence to local regulations. We have also ensured comprehensive insurance coverage for our employees, and extended financial support to our partners wherever critical for medical expenses. We tied up with various hospitals across India, appointed a national health advisor, and empanelled a network of doctors to ensure immediate medical consultation, not only for our employees but for their families as well.

## Summary of the Consolidated Statement of Income – *represents consolidated Statement of Income as per Indian Accounting Standards (Ind-AS)*

(Amount in Rs crore, except ratios)

| Particulars | Quarter Ended | | Y-o-Y Growth |
|---|---|---|---|
| | Sep 2020 | Sep 2019 | |
| Total revenues | 25,785 | 21,131 | 22.0% |
| EBITDA | 11,848 | 8,936 | 32.6% |
| *EBITDA/ Total revenues* | *46.0%* | *42.3%* | 3.7% |
| EBIT | 4,412 | 1,993 | 121.4% |
| *EBIT/ Total revenues* | *17.1%* | *9.4%* | 7.7% |
| Profit before tax | 567 | (623) | 191.0% |
| Net Income | (763) | (23,045) | 96.7% |

**Customer Base**

(Figures in nos, except ratios)

| Particulars | Unit | Sep 2020 | Jun-20 | Q-o-Q Growth | Sep 2019 | Y-o-Y Growth |
|---|---|---|---|---|---|---|
| India | 000's | 320,605 | 305,689 | 4.9% | 304,703 | 5.2% |
| South Asia | 000's | 2,865 | 2,847 | 0.6% | 2,840 | 0.9% |
| Africa | 000's | 116,371 | 111,461 | 4.4% | 103,881 | 12.0% |
| **Total** | **000's** | **439,841** | **419,996** | **4.7%** | **411,424** | **6.9%** |

## About Airtel

Headquartered in India, Airtel is a global telecommunications company with operations in 18 countries across South Asia and Africa. The company ranks amongst the top three mobile operators globally and its mobile network covers a population of over two billion people. Airtel is India's largest integrated telecom provider and the second largest mobile operator in Africa. At the end of September 2020, Airtel had approx. 440 Mn customers across its operations.

Airtel's portfolio includes high speed 4G/4.5G mobile broadband, Airtel Xstream Fiber that promises speeds upto 1Gbps, converged digital TV solutions through the Airtel Xstream 4K Hybrid Box, digital payments through Airtel Payments Bank as well as an integrated suite of services across connectivity, collaboration, cloud and security that serves over one million businesses.

Airtel's OTT services include Airtel Thanks app for self-care, Airtel Xstream app for video, Wynk Music for entertainment and Airtel BlueJeans for video conferencing. In addition, Airtel has forged strategic partnerships with hundreds of companies across the world to enable the Airtel platform to deliver an array of consumer and enterprise services.

**Disclaimer:**

*[This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.]*

*Note - Pursuant to its listing at the London Stock Exchange (LSE) and Nigeria Stock Exchange (NSE), our subsidiary, Airtel Africa Plc has already declared results and investors can visit its website https://airtel.africa to access its results.*

bharti

October 27, 2020

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

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

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

***Sub: Quarterly report for the second quarter (Q2) ended September 30, 2020***

Dear Sir/ Ma'am,

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the quarterly report for the second quarter (Q2) ended September 30, 2020 being released by the Company.

Kindly take the same on record.

Thanking you,
Sincerely yours,

**For Bharti Airtel Limited**

Bharti Airtel Limited
New Delhi

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

Airtel launches "**Airtel Secure**" – a comprehensive suite of advanced cyber security solutions.

**Airtel & Amazon Web Services (AWS)** partner to deliver innovative cloud solutions to large and SME customers in India.

Airtel announces the deployment of India's largest open cloud-based **VoLTE network** powered by Nokia software products.




## Oct 27, 2020

The financial statements included in this quarterly report fairly present in all material respects the financial position, results of operations, cash flow of the company as of and for the periods presented in this report.

**Bharti Airtel Limited**
(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)
Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India

# Supplemental Disclosures

**Safe Harbor**: - Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure.

**General Risk**: - Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company without necessary diligence and relying on their own examination of Bharti Airtel, along with the equity investment risk which doesn't guarantee capital protection.

**Convenience translation**: - We publish our financial statements in Indian Rupees. All references herein to "Indian Rupees" and "Rs" are to Indian Rupees and all references herein to "US dollars" and "US$" are to United States dollars. Translation of income statement items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the respective quarter average rate. Translation of Statement of financial position items have been made from Indian Rupees to United States dollars (unless otherwise indicated) using the closing rate. The rates announced by the Reserve Bank of India are being used as the Reference rate for respective translations. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

**Functional Translation**: - Africa financials reported in the quarterly report are in its functional currency i.e. US$ (Refer "Section 10 Key Accounting Policies as per Ind-AS"). South Asia financials reported in the quarterly report are in its presentation currency i.e. Rs.

**Use of Certain Non-GAAP measures**: - This result announcement contains certain information on the Company's results of operations and cash flows that have been derived from amounts calculated in accordance with Indian Accounting Standards (Ind-AS), but are not in themselves Ind-AS measures. They should not be viewed in isolation as alternatives to the equivalent Ind-AS measures and should be read in conjunction with the equivalent Ind-AS measures.

**Further, disclosures are also provided under "7.3 Use of Non - GAAP Financial Information" on page 33**

**Others**: In this report, the terms "we", "us", "our", "Bharti", or "the Company", unless otherwise specified or the context otherwise implies, refer to Bharti Airtel Limited ("Bharti Airtel") and its subsidiaries, Bharti Airtel Services Limited, Bharti Hexacom Limited, Bharti Infratel Limited, Bharti Telemedia Limited, Telesonic Networks Limited, Nxtra Data Limited, Airtel Digital Limited (formerly known as Wynk Limited), Indo Teleports Limited (formerly known as Bharti Teleports Limited), Nettle Infrastructure Investments Limited (formerly known as Nettle Developers Limited), SmarTx Services Limited, Bharti Airtel (France) SAS, Bharti Airtel (Hong Kong) Limited, Bharti Airtel (Japan) Private Limited, Bharti Airtel (UK) Limited , Bharti Airtel (USA) Limited, Bharti Airtel International (Mauritius) Limited , Bharti Airtel International (Netherlands) B.V., Bharti Airtel Lanka (Private) Limited, Bharti International (Singapore) Pte Ltd , Network i2i Limited, Africa Towers N.V., Airtel (Seychelles) Limited, Airtel Congo S.A, Airtel Gabon S.A., Airtel Madagascar S.A., Airtel Malawi plc, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce (Kenya) Limited, Airtel Mobile Commerce Limited, Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce (Rwanda) Limited, Airtel Mobile Commerce (Seychelles) Limited, Airtel Mobile Commerce Tanzania Limited, Airtel Mobile Commerce Tchad S.a.r.l., Airtel Mobile Commerce Uganda Limited, Airtel Mobile Commerce Zambia Limited , Airtel Money (RDC) S.A., Airtel Money Niger S.A., Airtel Money S.A. , Airtel Networks Kenya Limited, Airtel Networks Limited, Airtel Networks Zambia plc, Airtel Rwanda Limited, Airtel Tanzania plc, Airtel Tchad S.A., Airtel Uganda Limited, Bharti Airtel Africa B.V., Bharti Airtel Chad Holdings B.V. , Bharti Airtel Congo Holdings B.V., Bharti Airtel Developers Forum Limited, Bharti Airtel Gabon Holdings B.V. , Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V. , Bharti Airtel Malawi Holdings B.V. , Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V. , Bharti Airtel Nigeria B.V. , Bharti Airtel Nigeria Holdings II B.V. , Bharti Airtel RDC Holdings B.V. , Bharti Airtel Services B.V. , Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Celtel (Mauritius) Holdings Limited, Airtel Congo (RDC) S.A., Celtel Niger S.A., Channel Sea Management Company (Mauritius) Limited, Congo RDC Towers S.A., Indian Ocean Telecom Limited, Madagascar Towers S.A., Malawi Towers Limited, Mobile Commerce Congo S.A., Montana International, Partnership Investments S.a.r.l, Société Malgache de Téléphone Cellulaire S.A., Tanzania Towers Limited, Bharti Airtel Rwanda Holdings Limited , Airtel Money Transfer Limited, Airtel Money Tanzania Limited , Airtel Mobile Commerce (Nigeria) Limited , Bharti Airtel International (Mauritius) Investments Limited , Airtel Africa Mauritius Limited, Bharti Airtel Holding (Mauritius) Limited, Bharti Airtel Overseas (Mauritius) Limited, Airtel Africa Plc, Airtel Mobile Commerce Nigeria B.V., Bharti Airtel Employees Welfare Trust, Airtel Mobile Commerce (Seychelles) B.V. , Airtel Mobile Commerce Congo B.V., Airtel Mobile Commerce Kenya B.V., Airtel Mobile Commerce Madagascar B.V., Airtel Mobile Commerce Malawi B.V. , Airtel Mobile Commerce Rwanda B.V. , Airtel Mobile Commerce Tchad B.V., Airtel Mobile Commerce Uganda B.V. , Airtel Mobile Commerce Zambia B.V., Airtel International LLP , Network I2I (Kenya) Limited ((incorporated w.e.f. July 3, 2019), Bharti Infratel Employees's Welfare Trust, Airtel Money Trust, Airtel Mobile Commerce DRC B.V. Airtel Mobile Commerce Gabon B.V., Airtel Mobile Commerce Niger B.V., Airtel Money Kenya Limited, Network I2I (UK) Limited (incorporated w.e.f. May 19, 2020), The Airtel Africa Employee Benefit Trust (May 14, 2020), Airtel Money Trust.

**Disclaimer: -** This communication does not constitute an offer of securities for sale in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will be made by means of a prospectus and will contain detailed information about the Company and its management, as well as financial statements.

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# SECTION 1
# BHARTI AIRTEL – PERFORMANCE AT A GLANCE

| Particulars | Unit | Full Year Ended | | | Quarter Ended | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Ind-AS | | | Ind-AS | | | | |
| | | 2018 | 2019 | 2020 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 |
| **Operating Highlights** | | | | | | | | | |
| Total Customer Base | 000's | 413,822 | 403,645 | 423,287 | 411,424 | 418,811 | 423,287 | 419,996 | 439,841 |
| Total Minutes on Network | Mn Min | 2,159,386 | 3,069,646 | 3,331,604 | 789,776 | 836,075 | 902,412 | 902,704 | 951,597 |
| Network Towers | Nos | 187,541 | 204,356 | 219,546 | 209,743 | 214,338 | 219,546 | 221,850 | 227,672 |
| Total Employees | Nos | 20,978 | 19,444 | 19,405 | 19,207 | 19,233 | 19,405 | 19,650 | 19,138 |
| No. of countries of operation | Nos | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Population Covered | Bn | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| **Consolidated Financials (Rs Mn)** | | | | | | | | | |
| Total revenues | Rs Mn | 826,388 | 807,802 | 875,390 | 211,313 | 219,472 | 237,227 | 239,387 | 257,850 |
| EBITDA | Rs Mn | 304,479 | 262,937 | 371,053 | 89,363 | 93,501 | 103,263 | 106,392 | 118,483 |
| EBIT | Rs Mn | 110,845 | 47,629 | 92,447 | 19,930 | 24,008 | 32,464 | 33,279 | 44,117 |
| Cash profit from operations before Derivative & Exchange Fluctuations | Rs Mn | 227,169 | 167,777 | 254,951 | 60,980 | 64,961 | 75,123 | 75,622 | 80,480 |
| Profit before tax | Rs Mn | 40,602 | (46,606) | (26,121) | (6,231) | (4,526) | (65) | 3,720 | 5,671 |
| Net income | Rs Mn | 10,992 | 4,095 | (321,832) | (230,449) | (10,353) | (52,370) | (159,331) | (7,632) |
| Capex | Rs Mn | 268,176 | 287,427 | 253,586 | 37,901 | 51,831 | 113,385 | 39,753 | 67,907 |
| Operating Free Cash Flow (EBITDA - Capex) | Rs Mn | 36,303 | (24,490) | 117,466 | 51,461 | 41,670 | (10,122) | 66,638 | 50,577 |
| Net Debt | Rs Mn | 1,001,060 | 1,129,899 | 1,188,590 | 1,181,065 | 1,149,193 | 1,188,590 | 1,165,405 | 1,378,417 |
| Shareholder's Equity* | Rs Mn | 695,344 | 714,222 | 771,448 | 699,285 | 688,287 | 771,448 | 609,902 | 593,393 |
| **Consolidated Financials (US$ Mn)** | | | | | | | | | |
| Total Revenue [1] | US$ Mn | 12,823 | 11,567 | 12,377 | 3,014 | 3,090 | 3,288 | 3,158 | 3,470 |
| EBITDA [1] | US$ Mn | 4,725 | 3,768 | 5,246 | 1,275 | 1,317 | 1,431 | 1,403 | 1,595 |
| EBIT [1] | US$ Mn | 1,720 | 686 | 1,307 | 284 | 338 | 450 | 439 | 594 |
| Cash profit from operations before Derivative & Exchange Fluctuations [1] | US$ Mn | 3,525 | 2,406 | 3,605 | 870 | 915 | 1,041 | 997 | 1,083 |
| Profit before Tax [1] | US$ Mn | 630 | (662) | (369) | (89) | (64) | (1) | 49 | 76 |
| Net income [1] | US$ Mn | 170 | 59 | (4,550) | (3,287) | (146) | (726) | (2,102) | (103) |
| Capex [1] | US$ Mn | 4,162 | 4,126 | 3,585 | 541 | 730 | 1,572 | 524 | 914 |
| Operating Free Cash Flow (EBITDA - Capex) | US$ Mn | 563 | (358) | 1,661 | 734 | 587 | (140) | 879 | 681 |
| Net Debt [2] | US$ Mn | 15,360 | 16,339 | 15,707 | 16,738 | 16,104 | 15,707 | 15,418 | 18,663 |
| Shareholder's Equity [2] | US$ Mn | 10,669 | 10,328 | 10,194 | 9,910 | 9,645 | 10,194 | 8,069 | 8,034 |
| **Key Ratios** | | | | | | | | | |
| EBITDA Margin | % | 36.8% | 32.5% | 42.4% | 42.3% | 42.6% | 43.5% | 44.4% | 46.0% |
| EBIT Margin | % | 13.4% | 5.9% | 10.6% | 9.4% | 10.9% | 13.7% | 13.9% | 17.1% |
| Net Profit Margin | % | 1.3% | 0.5% | -36.8% | -109.1% | -4.7% | -22.1% | -66.6% | -3.0% |
| Net Debt to Funded Equity Ratio | Times | 1.44 | 1.58 | 1.54 | 1.69 | 1.67 | 1.54 | 1.91 | 2.32 |
| Net Debt to EBITDA (Annualised)** | Times | 3.29 | 4.30 | 3.20 | 3.30 | 3.07 | 2.88 | 2.74 | 2.91 |
| Interest Coverage ratio | Times | 4.37 | 2.84 | 3.41 | 3.43 | 3.44 | 3.70 | 3.63 | 3.55 |
| Return on Shareholder's Equity (Post Tax) | % | 1.6% | 0.6% | -35.5% | -31.9% | -38.7% | -44.1% | -65.5% | -38.2% |
| Return on Shareholder's Equity (Pre Tax) | % | 4.3% | -2.1% | -41.5% | -35.0% | -39.4% | -44.3% | -54.5% | -22.8% |
| Return on Capital employed (Annualised) | % | 6.3% | 2.5% | 4.0% | 3.7% | 4.7% | 6.1% | 6.3% | 8.3% |
| **Valuation Indicators** | | | | | | | | | |
| Market Capitalization | Rs Bn | 1,595 | 1,331 | 2,404 | 1,885 | 2,339 | 2,404 | 3,053 | 2,296 |
| Market Capitalization | US$ Bn | 24.5 | 19.2 | 31.8 | 26.7 | 32.8 | 31.8 | 40.4 | 31.1 |
| Enterprise Value | Rs Bn | 2,596 | 2,461 | 3,592 | 3,066 | 3,488 | 3,592 | 4,219 | 3,675 |
| EV / EBITDA | Times | 8.52 | 9.36 | 9.68 | 8.58 | 9.33 | 8.70 | 9.91 | 7.75 |
| P/E Ratio | Times | 145.10 | 346.26 | (6.95) | (7.25) | (8.62) | (6.95) | (6.52) | (9.94) |

*Note 1: Average exchange rates used for Rupee conversion to US$ is (a) Rs 64.44 for the financial year ended March 31, 2018 (b) Rs 69.86 for the financial year ended March 31, 2019 (C) Rs 70.73 for the financial year ended March 31, 2020 ( d) Rs 70.10 for the quarter ended September 30, 2019 (e) Rs 71.02 for the quarter ended December 31, 2019 (f) Rs 72.14 for the quarter ended March 31, 2020 (g) Rs 75.82 for the quarter ended June 30, 2020 (h) Rs 74.31 for the quarter ended September 30, 2020 based on the RBI Reference rate.*
*Note 2: Closing exchange rates used for Rupee conversion to US$ is (a) Rs 65.18 for the financial year ended March 31, 2018 (b) Rs 69.16 for the financial year ended March 31, 2019 (c) Rs 75.68 for the financial year ended March 31, 2020 (d) Rs 70.56 for the quarter ended September 30 ,2019 (e) Rs 71.36 for the quarter ended December 31 ,2019 (f) Rs 75.68 for the quarter ended March 31 ,2020 (g) Rs 75.59 for the quarter ended June 30 ,2020 (h) Rs 73.86 for the quarter ended September 30 ,2020 being the RBI Reference rate.*
*Note 3: With the adoption of Ind AS116 "Leases", effective April 1, 2019, the results and ratios of period commencing April 1, 2019 are not comparable with the past period results.*

** The difference of Rs 548 Mn in Q2'20 is on account of transition related impact on IFRS 16 'Leases' (corresponding to Ind AS 116 'Leases') adoption by one of the associate company of the Group.*

*** The net debt for Q2'21 includes the impact of the AGR judgment by the Hon'ble Supreme Court.*

# SECTION 2

# BHARTI AIRTEL - AN INTRODUCTION

## 2.1 Introduction

We are one of the world's leading providers of telecommunication services with presence in 18 countries representing India, Sri Lanka, 14 countries in Africa and Joint Ventures in 2 more countries. As per United Nations data published on January 01, 2013, the population of these 18 countries represents around 24% of the world's population.

We provide telecom services under wireless and fixed line technology, national and international long distance connectivity and Digital TV; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand "airtel". 'Airtel Money' (known as 'Airtel Payments Bank' in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa. The Company also owns Tower Infrastructure pertaining to telecom operations through its subsidiary and joint venture entity.

The shares of Bharti Airtel Ltd are listed on the Indian Stock Exchanges, NSE & BSE.

## 2.2 Business Divisions

**2.2.1 India & South Asia** – We follow a segmented approach for our operations in India with clear focus on retail and corporate customers.

**B2C Services:**

**Mobile Services (India)** –We offer postpaid, pre-paid, roaming, internet and other value added services. Our distribution channel is spread across 1.06 Mn outlets with network presence in 7,907 census and 790,450 non-census towns and villages in India covering approximately 95.4% of the country's population.

Our 3G and 4G services are spread across the country offering high-speed internet access and a host of innovative services like Mobile TV, video calls, live-streaming videos, gaming, buffer-less HD video streaming and multi-tasking capabilities to our customers.

Our national long distance infrastructure provides a pan-India reach with 310,289 RKms of optical fiber.

**Homes Services** – The Company provides fixed-line telephone and broadband services for homes in 145 cities (including LCOs) pan-India. The product offerings include high-speed broadband on copper and fiber and voice connectivity, up to the speeds of 1 Gbps for the home segment.

**Digital TV Services** – Our Direct-To-Home (DTH) platform offers both standard and high definition (HD) digital TV services with 3D capabilities and Dolby surround sound. We currently offer a total of 655 channels including 87 HD channels (including 3 HD SVOD services), 62 SVOD services, 7 international channels and 3 interactive services.

**B2B Services:**

**Airtel Business –** We are India's leading and most trusted provider of ICT services with a diverse portfolio of services to enterprises, governments, carriers and small and medium business. For small and medium business, Airtel is a trusted solution provider for fixed-line voice (PRIs), data and other connectivity solutions like MPLS, VoIP, SIP trucking. Additionally, the Company offers solutions to businesses Audio, Video and Web Conferencing. Cloud portfolio is also an integral part of its office solutions suite, which offers Storage, compute, Microsoft office 365, ecommerce package through shopify and CRM packages on a pay as you go model.

Along with voice, data and video, our services also include network integration, data centers, managed services, enterprise mobility applications and digital media. Airtel Business provides 'One solution, bill, support, face' experience to our customers.

We offer global services in both voice and data including VAS services like International Toll Free Services and SMS hubbing. Our strategically located submarine cables and satellite network enable our customers to connect across the world including hard-to-reach areas. Our global network runs across 250,000 Rkms, covering 50 countries and 5 continents.

**Tower Infrastructure Services** – Our subsidiary, Bharti Infratel Ltd (Infratel), is India's leading provider of tower and related infrastructure and it deploys, owns & manages telecom towers and communication structures, for various mobile operators. It holds 42% equity interest in Indus towers, a joint venture with Vodafone group, Vodafone-idea and providence who hold 42%, 11.15% and 4.85% respectively. The Company's consolidated portfolio of 97,283 telecom towers, which includes 43,110 of its own towers and the balance from its 42% equity interest in Indus Towers, makes it one of the largest tower infrastructure providers in the country with presence in all 22 telecom circles. The Company has been the industry pioneer in adopting green energy initiatives for its operations.

Infratel is listed on Indian Stock exchanges, NSE and BSE.

**South Asia** – South Asia represents our operations in Sri Lanka. In Sri Lanka, we operate across 25 administrative districts with distribution network of over 53 K retailers across the country. Our 3.5G services are present across major towns in Sri Lanka.

**2.2.2 Africa**

Our subsidiary, Airtel Africa plc is present in 14 countries across Africa, namely: Nigeria, Chad, Congo B, Democratic Republic of Congo, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda. We offer post-paid, pre-paid, roaming, internet services, content, media & entertainment, and corporate solutions. 3G, 4G data and m-Commerce (Mobile Money) are the next growth engines for the Company in Africa. We offer 3G services, Mobile Money across all 14 countries and 4G services in 14 countries of Africa.

Airtel Africa plc is listed on London Stock Exchange (LSE) and Nigeria Stock Exchange (NSE).

## 2.3 Partners

SingTel, our strategic equity partner, has made one of their largest investments outside Singapore with us. This partnership has enabled us to expand and further enhance the quality of services to our customers. We also pioneered the outsourcing business model with long term strategic partnership in all areas including network equipment, information technology and call center. We partnered with global leaders who share our drive for co-creating innovative and tailor made solutions. To name a few, our strategic partners include ZTE, Ericsson, Nokia Siemens Networks (NSN), Huawei, Cisco, IBM, Avaya, etc.

# SECTION 3

# FINANCIAL HIGHLIGHTS

The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) and the underlying information.

*Detailed financial statements, analysis & other related information is attached to this report (page 28 - 31). Also, kindly refer to Section 7.3 - use of Non - GAAP financial information (page 33) and Glossary (page 54) for detailed definitions.*

## 3.1 Consolidated - Summary of Consolidated Financial Statements

### 3.1.1 Consolidated Summarized Statement of Operations (net of inter segment eliminations)

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **257,850** | **211,313** | **22%** | **497,237** | **418,692** | **19%** |
| EBITDA | 118,483 | 89,363 | 33% | 224,875 | 174,289 | 29% |
| *EBITDA / Total revenues* | *46.0%* | *42.3%* | | *45.2%* | *416%* | |
| EBIT | 44,117 | 19,930 | 121% | 77,396 | 35,975 | 115% |
| Finance cost (net) | 37,259 | 29,083 | 28% | 67,757 | 60,898 | 11% |
| Share of results of Joint Ventures/Associates | (423) | 3,154 | -113% | 1,243 | 4,086 | -70% |
| Profit before tax | 5,671 | (6,231) | 191% | 9,391 | (21,529) | 144% |
| Income tax expense | 5,729 | (1,874) | 406% | 7,473 | (7,704) | 197% |
| Profit after tax (before exceptional items) | (57) | (4,357) | 99% | 1,918 | (13,826) | 114% |
| Non Controlling Interest | 7,387 | 6,872 | 7% | 13,726 | 11,405 | 20% |
| Net income (before exceptional items) | (7,444) | (11,228) | 34% | (11,808) | (25,230) | 53% |
| Exceptional Items (net of tax) | 493 | 212,445 | -100% | 87,764 | 227,859 | -61% |
| Tax related Exceptional items | (211) | 11,499 | -102% | 66,406 | 10,538 | 530% |
| **Profit after tax (after exceptional items)** | **(339)** | **(228,301)** | **100%** | **(152,252)** | **(252,223)** | **40%** |
| Non Controlling Interest | 7,293 | 2,148 | 240% | 14,712 | 6,886 | 114% |
| **Net income** | **(7,632)** | **(230,449)** | **97%** | **(166,963)** | **(259,109)** | **36%** |
| Capex | 67,907 | 37,901 | 79% | 107,660 | 88,370 | 22% |
| Operating Free Cash Flow (EBITDA - Capex) | 50,577 | 51,461 | -2% | 117,215 | 85,919 | 36% |
| Cumulative Investments | 3,727,628 | 3,514,674 | 6% | 3,727,628 | 3,514,674 | 6% |

### 3.1.2 Consolidated Summarized Statement of Financial Position

*Amount in Rs Mn*

| Particulars | As at Sep 30, 2020 | As at Mar 31, 2020 |
|---|---|---|
| **Assets** | | |
| Non-current assets | 2,783,375 | 2,841,358 |
| Current assets | 619,818 | 766,432 |
| **Total assets** | **3,403,193** | **3,607,790** |
| **Liabilities** | | |
| Non-current liabilities | 1,451,832 | 1,271,619 |
| Current liabilities | 1,108,391 | 1,314,876 |
| **Total liabilities** | **2,560,223** | **2,586,495** |
| **Equity & Non Controlling Interests** | | |
| Equity | 593,393 | 771,448 |
| Non controlling interests | 249,577 | 249,847 |
| **Total Equity & Non Controlling Interests** | **842,970** | **1,021,295** |
| **Total Equity and liabilities** | **3,403,193** | **3,607,790** |

### 3.2 Region wise - Summary of Consolidated Financial Statements

#### 3.2.1 Summarized Statement of Operations (net of inter segment eliminations)

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended Sep 2020 | | | Quarter Ended Sep 2019 | | | Six Months Ended Sep 2020 | | | Six Months Ended Sep 2019 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | India SA | Africa | Total | India SA | Africa | Total | India SA | Africa | Total | India SA | Africa | Total |
| **Total revenues** | **188,471** | **71,660** | **257,850** | **154,608** | **59,157** | **211,313** | **365,390** | **136,173** | **497,237** | **309,056** | **114,590** | **418,692** |
| EBITDA | 86,032 | 32,453 | 118,483 | 63,298 | 26,082 | 89,363 | 164,000 | 60,878 | 224,875 | 124,021 | 50,288 | 174,289 |
| *EBITDA / Total revenues* | *45.6%* | *45.3%* | *46.0%* | *40.9%* | *44.1%* | *42.3%* | *44.9%* | *44.7%* | *45.2%* | *40.1%* | *43.9%* | *416%* |
| EBIT | 24,165 | 19,952 | 44,117 | 4,601 | 15,344 | 19,930 | 41,514 | 35,885 | 77,396 | 6,888 | 29,106 | 35,975 |
| Profit before tax | (3,768) | 13,019 | 5,671 | (17,071) | 10,633 | (6,231) | (3,911) | 21,405 | 9,391 | (37,607) | 18,688 | (21,529) |
| Income tax expense | (190) | 6,331 | 5,729 | (6,908) | 4,753 | (1,874) | (3,076) | 10,961 | 7,473 | (16,132) | 8,074 | (7,704) |
| Profit after tax (before exceptional items) | (3,578) | 6,687 | (57) | (10,163) | 5,880 | (4,357) | (834) | 10,444 | 1,918 | (21,475) | 10,614 | (13,826) |
| Non Controlling Interest | 3,591 | 3,659 | 7,387 | 3,878 | 2,832 | 6,872 | 7,822 | 5,835 | 13,726 | 6,547 | 4,642 | 11,405 |
| **Net income (before exceptional items)** | **(7,168)** | **3,028** | **(7,444)** | **(14,041)** | **3,048** | **(11,228)** | **(8,656)** | **4,608** | **(11,808)** | **(28,022)** | **5,972** | **(25,230)** |
| Exceptional Items (net of tax) | | | 493 | | | 212,445 | | | 87,764 | | | 227,859 |
| Tax related Exceptional items | | | (211) | | | 11,499 | | | 66,406 | | | 10,538 |
| **Profit after tax (after exceptional items)** | | | **(339)** | | | **(228,301)** | | | **(152,252)** | | | **(252,223)** |
| Non Controlling Interest | | | 7,293 | | | 2,148 | | | 14,712 | | | 6,886 |
| **Net income** | | | **(7,632)** | | | **(230,449)** | | | **(166,963)** | | | **(259,109)** |
| Capex | 56,761 | 11,146 | 67,907 | 27,576 | 10,326 | 37,901 | 91,510 | 16,150 | 107,660 | 71,117 | 17,252 | 88,370 |
| Operating Free Cash Flow (EBITDA - Capex) | 29,271 | 21,307 | 50,577 | 35,723 | 15,756 | 51,461 | 72,490 | 44,728 | 117,215 | 52,904 | 33,035 | 85,919 |
| Cumulative Investments | 3,063,713 | 637,824 | 3,727,628 | 2,903,597 | 586,118 | 3,514,674 | 3,063,713 | 637,824 | 3,727,628 | 2,903,597 | 586,118 | 3,514,674 |

### 3.2.2 Region wise Summarized Statement of Financial Position

*Amount in Rs Mn*

| Particulars | As at Sep 30, 2020 | | | |
|---|---|---|---|---|
| | India SA | Africa | Eliminations/Others | Total |
| **Assets** | | | | |
| Non-current assets | 2,345,981 | 574,767 | (137,373) | 2,783,375 |
| Current assets | 489,270 | 135,089 | (4,541) | 619,818 |
| **Total assets** | **2,835,251** | **709,856** | **(141,914)** | **3,403,193** |
| **Liabilities** | | | | |
| Non-current liabilities | 1,224,760 | 224,200 | 2,872 | 1,451,832 |
| Current liabilities | 871,220 | 239,459 | (2,288) | 1,108,391 |
| **Total liabilities** | **2,095,980** | **463,659** | **584** | **2,560,223** |
| **Equity & Non Controlling Interests** | | | | |
| Equity | 593,232 | 142,659 | (142,498) | 593,393 |
| Non controlling interests | 146,039 | 103,538 | 0 | 249,577 |
| **Total Equity & Non Controlling Interests** | **739,271** | **246,197** | **(142,498)** | **842,970** |
| **Total Equity and liabilities** | **2,835,251** | **709,856** | **(141,914)** | **3,403,193** |

### 3.3 Segment wise Summarized Statement of Operations

#### 3.3.1 India & South Asia

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **188,471** | **154,608** | **22%** | **365,390** | **309,056** | **18%** |
| EBITDA | 86,032 | 63,298 | 36% | 164,000 | 124,021 | 32% |
| *EBITDA / Total revenues* | *45.6%* | *40.9%* | | *44.9%* | *40.1%* | |
| EBIT | 24,165 | 4,601 | 425% | 41,514 | 6,888 | 503% |
| Capex | 56,761 | 27,576 | 106% | 91,510 | 71,117 | 29% |
| Operating Free Cash Flow (EBITDA - Capex) | 29,271 | 35,723 | -18% | 72,490 | 52,904 | 37% |
| Cumulative Investments | 3,063,713 | 2,903,597 | 6% | 3,063,713 | 2,903,597 | 6% |

#### 3.3.2 India

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **187,470** | **153,610** | **22%** | **363,364** | **307,056** | **18%** |
| EBITDA | 85,916 | 63,213 | 36% | 163,786 | 123,844 | 32% |
| *EBITDA / Total revenues* | *45.8%* | *412%* | | *45.1%* | *40.3%* | |
| EBIT | 24,404 | 4,878 | 400% | 42,034 | 7,425 | 466% |
| Capex | 55,903 | 27,469 | 104% | 90,318 | 70,692 | 28% |
| Operating Free Cash Flow (EBITDA - Capex) | 30,013 | 35,744 | -16% | 73,468 | 53,151 | 38% |
| Cumulative Investments | 3,046,309 | 2,888,882 | 5% | 3,046,309 | 2,888,882 | 5% |

**B2C Services**

**3.3.3 Mobile Services (India) –** comprises of Mobile Services and Network Groups building / providing fiber connectivity.

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **138,319** | **109,814** | **26%** | **267,090** | **218,482** | **22%** |
| EBITDA | 58,919 | 39,913 | 48% | 111,146 | 78,655 | 41% |
| *EBITDA / Total revenues* | *42.6%* | *36.3%* | | *416%* | *36.0%* | |
| EBIT | 6,799 | (11,449) | 159% | 8,449 | (23,869) | 135% |
| Capex | 41,736 | 19,639 | 113% | 67,321 | 56,065 | 20% |
| Operating Free Cash Flow (EBITDA - Capex) | 17,183 | 20,274 | -15% | 43,826 | 22,590 | 94% |
| Cumulative Investments | 2,433,322 | 2,392,024 | 2% | 2,433,322 | 2,392,024 | 2% |

### 3.3.4 Homes Services

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **5,873** | **5,475** | **7%** | **11,659** | **11,180** | **4%** |
| EBITDA | 3,424 | 2,471 | 39% | 6,938 | 4,995 | 39% |
| *EBITDA / Total revenues* | *58.3%* | *45.1%* | | *59.5%* | *44.7%* | |
| EBIT | 1,418 | 1,233 | 15% | 3,002 | 2,268 | 32% |
| Capex | 3,087 | 1,023 | 202% | 4,268 | 2,192 | 95% |
| Operating Free Cash Flow (EBITDA - Capex) | 338 | 1,447 | -77% | 2,670 | 2,802 | -5% |
| Cumulative Investments | 90,913 | 78,756 | 15% | 90,913 | 78,756 | 15% |

### 3.3.5 Digital TV Services

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **7,548** | **7,893** | **-4%** | **14,997** | **15,282** | **-2%** |
| EBITDA | 5,351 | 5,607 | -5% | 10,392 | 10,870 | -4% |
| *EBITDA / Total revenues* | *70.9%* | *71.0%* | | *69.3%* | *71.1%* | |
| EBIT | 2,945 | 3,243 | -9% | 5,456 | 6,855 | -20% |
| Capex | 3,469 | 2,052 | 69% | 5,926 | 4,488 | 32% |
| Operating Free Cash Flow (EBITDA - Capex) | 1,882 | 3,556 | -47% | 4,466 | 6,382 | -30% |
| Cumulative Investments | 104,500 | 93,046 | 12% | 104,500 | 93,046 | 12% |

*Note 4: On a comparable basis (adjusting for deferment of revenue, pursuant to accounting policy change) DTH revenue grew by 1.9% (Y-o-Y) for Q2'21 and 5.5% (Y-o-Y) for H1'21.*

## B2B Services

### 3.3.6 Airtel Business

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **35,821** | **33,312** | **8%** | **70,840** | **65,392** | **8%** |
| EBITDA | 13,377 | 9,396 | 42% | 26,088 | 17,051 | 53% |
| *EBITDA / Total revenues* | *37.3%* | *28.2%* | | *36.8%* | *26.1%* | |
| EBIT | 9,633 | 7,706 | 25% | 18,503 | 13,855 | 34% |
| Capex | 5,538 | 2,620 | 111% | 9,726 | 3,775 | 158% |
| Operating Free Cash Flow (EBITDA - Capex) | 7,840 | 6,776 | 16% | 16,362 | 13,276 | 23% |
| Cumulative Investments | 190,494 | 107,229 | 78% | 190,494 | 107,229 | 78% |

### 3.3.7 Tower Infrastructure Services

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **17,663** | **16,674** | **6%** | **34,084** | **33,935** | **0%** |
| EBITDA | 9,293 | 9,268 | 0% | 18,035 | 19,323 | -7% |
| *EBITDA / Total revenues* | *52.6%* | *55.6%* | | *52.9%* | *56.9%* | |
| EBIT | 6,247 | 6,125 | 2% | 11,754 | 12,482 | -6% |
| Share of results of joint ventures/associates | 2,882 | 4,866 | -41% | 5,902 | 7,508 | -21% |
| Capex | 2,073 | 2,136 | -3% | 3,077 | 4,172 | -26% |
| Operating Free Cash Flow (EBITDA - Capex) | 7,220 | 7,132 | 1% | 14,958 | 15,151 | -1% |
| Cumulative Investments | 216,914 | 206,935 | 5% | 216,914 | 206,935 | 5% |

### 3.3.8 South Asia – comprises of operations in Sri Lanka.

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **1,116** | **1,106** | **1%** | **2,204** | **2,194** | **0%** |
| EBITDA | 116 | 84 | 37% | 214 | 177 | 21% |
| *EBITDA / Total revenues* | *10.4%* | *7.6%* | | *9.7%* | *8.0%* | |
| EBIT | (240) | (277) | 14% | (520) | (537) | 3% |
| Capex | 858 | 107 | 705% | 1,192 | 425 | 181% |
| Operating Free Cash Flow (EBITDA - Capex) | (742) | (22) | -3265% | (978) | (248) | -294% |
| Cumulative Investments | 17,404 | 14,715 | 18% | 17,404 | 14,715 | 18% |

### 3.3.9 Africa
### In USD Constant Currency – Note 5

*Amount in US$ Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Total revenues** | **963** | **805** | **20%** | **1,818** | **1,562** | **16%** |
| EBITDA | 436 | 353 | 24% | 813 | 681 | 19% |
| *EBITDA / Total revenues* | *45.3%* | *43.8%* | | *44.7%* | *43.6%* | |
| EBIT | 269 | 205 | 31% | 480 | 390 | 23% |
| Capex | 149 | 147 | 2% | 216 | 246 | -12% |
| Operating Free Cash Flow (EBITDA - Capex) | 287 | 206 | 39% | 597 | 435 | 37% |
| Cumulative Investments | 8,636 | 8,306 | 4% | 8,636 | 8,306 | 4% |

*Note 5: Closing currency rates as on March 31, 2020 considered for above financials up to EBIT. Actual currency rates are taken for Capex & Cumulative Investments.*

### 3.4 Region wise & Segment wise - Investment & Contribution

**Quarter Ended:**

*Amount in Rs Mn, except ratios*

| Segment | Quarter Ended Sep 2020 | | | | | | As at Sep 30, 2020 | |
|---|---|---|---|---|---|---|---|---|
| | Revenue | % of Total | EBITDA | % of Total | Capex | % of Total | Cummulative Investments | % of Total |
| Mobile Services | 138,319 | 73% | 58,919 | 68% | 41,736 | 74% | 2,433,322 | 80% |
| Homes Services | 5,873 | 3% | 3,424 | 4% | 3,087 | 5% | 90,913 | 3% |
| Digital TV Services | 7,548 | 4% | 5,351 | 6% | 3,469 | 6% | 104,500 | 3% |
| Airtel Business | 35,821 | 19% | 13,377 | 16% | 5,538 | 10% | 190,494 | 6% |
| Tower Infrastructure Services | 17,663 | 9% | 9,293 | 11% | 2,073 | 4% | 216,914 | 7% |
| South Asia | 1,116 | 1% | 116 | 0% | 858 | 2% | 17,404 | 1% |
| **Sub Total** | **206,341** | **109%** | **90,481** | **105%** | **56,761** | **100%** | **3,053,547** | **100%** |
| Eliminations / Others | (17,870) | -9% | (4,449) | -5% | 0 | 0% | 10,167 | |
| Accumulated Depreciation and Amortisation | | | | | | | (1,428,728) | |
| **Total (India SA)** | **188,471** | **100%** | **86,032** | **100%** | **56,761** | **100%** | **1,634,986** | |
| **India SA % of Consolidated** | **73%** | | **73%** | | **84%** | | **82%** | |
| Africa | 71,660 | | 32,453 | | 11,146 | | 637,824 | |
| Accumulated Depreciation and Amortisation | | | | | | | (150,352) | |
| **Total (Africa)** | **71,660** | | **32,453** | | **11,146** | | **487,472** | |
| **Africa % of Consolidated** | **28%** | | **27%** | | **16%** | | **17%** | |
| Eliminations / Others | (2,282) | | (1) | | 0 | | 26,092 | |
| Eliminations / Others % of Consolidated | -1% | | 0% | | 0% | | 0% | |
| **Consolidated** | **257,850** | | **118,483** | | **67,907** | | **3,727,628** | |

**Six Months Ended:**

*Amount in Rs Mn, except ratios*

| Segment | Six Months Ended Sep 2020 | | | | | | As at Sep 30, 2020 | |
|---|---|---|---|---|---|---|---|---|
| | Revenue | % of Total | EBITDA | % of Total | Capex | % of Total | Cummulative Investments | % of Total |
| Mobile Services | 267,090 | 73% | 111,146 | 68% | 67,321 | 74% | 2,433,322 | 80% |
| Homes Services | 11,659 | 3% | 6,938 | 4% | 4,268 | 5% | 90,913 | 3% |
| Digital TV Services | 14,997 | 4% | 10,392 | 6% | 5,926 | 6% | 104,500 | 3% |
| Airtel Business | 70,840 | 19% | 26,088 | 16% | 9,726 | 11% | 190,494 | 6% |
| Tower Infrastructure Services | 34,084 | 9% | 18,035 | 11% | 3,077 | 3% | 216,914 | 7% |
| South Asia | 2,204 | 1% | 214 | 0% | 1,192 | 1% | 17,404 | 1% |
| **Sub Total** | **400,874** | **110%** | **172,814** | **105%** | **91,510** | **100%** | **3,053,547** | **100%** |
| Eliminations / Others | (35,484) | -10% | (8,814) | -5% | 0 | 0% | 10,167 | |
| Accumulated Depreciation and Amortisation | | | | | | | (1,428,728) | |
| **Total (India & SA)** | **365,390** | **100%** | **164,000** | **100%** | **91,510** | **100%** | **1,634,986** | |
| **India SA % of Consolidated** | **73%** | | **73%** | | **85%** | | **82%** | |
| Africa | 136,173 | | 60,878 | | 16,150 | | 637,824 | |
| Accumulated Depreciation and Amortisation | | | | | | | (150,352) | |
| **Total (Africa)** | **136,173** | | **60,878** | | **16,150** | | **487,472** | |
| **Africa % of Consolidated** | **27%** | | **27%** | | **15%** | | **17%** | |
| Eliminations / Others | (4,326) | | (3) | | 0 | | 26,092 | |
| Eliminations / Others % of Consolidated | -1% | | 0% | | 0% | | 1% | |
| **Consolidated** | **497,237** | | **224,875** | | **107,660** | | **3,727,628** | |

# SECTION 4

# OPERATING HIGHLIGHTS

The financial figures used for computing ARPU, Revenue per Site, Gross revenue per employee per month, Personnel cost per employee per month are based on Ind-AS.

## 4.1 Customers - Consolidated

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| India | 000's | 320,605 | 305,689 | 4.9% | 304,703 | 5.2% |
| South Asia | 000's | 2,865 | 2,847 | 0.6% | 2,840 | 0.9% |
| Africa | 000's | 116,371 | 111,461 | 4.4% | 103,881 | 12.0% |
| **Total** | **000's** | **439,841** | **419,996** | **4.7%** | **411,424** | **6.9%** |

## 4.2 Mobile Services India

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Customer Base | 000's | 293,742 | 279,869 | 5.0% | 279,430 | 5.1% |
| Net Additions | 000's | 13,873 | (3,798) | 465.3% | 2,613 | 431.0% |
| Pre-Paid (as % of total Customer Base) | % | 94.8% | 94.8% | | 94.9% | |
| Monthly Churn | % | 1.7% | 2.2% | | 2.1% | |
| Average Revenue Per User (ARPU) | Rs | 162 | 157 | 3.4% | 128 | 26.7% |
| Average Revenue Per User (ARPU) | US$ | 2.2 | 2.1 | 5.5% | 1.8 | 19.5% |
| Revenue per towers per month | Rs | 233,150 | 220,942 | 5.5% | 195,769 | 19.1% |
| ***Voice*** | | | | | | |
| Minutes on the network | Mn | 860,854 | 820,246 | 5.0% | 716,642 | 20.1% |
| Voice Usage per customer | min | 1,005 | 994 | 1.1% | 848 | 18.4% |
| ***Data*** | | | | | | |
| Data Customer Base | 000's | 162,185 | 149,089 | 8.8% | 124,242 | 30.5% |
| *Of which 4G data customers* | *000's* | 152,685 | 138,294 | 10.4% | 103,111 | 48.1% |
| *As % of Customer Base* | *%* | 55.2% | 53.3% | | 44.5% | |
| Total MBs on the network | Mn MBs | 7,639,997 | 7,239,836 | 5.5% | 4,828,577 | 58.2% |
| Data Usage per customer | MBs | 16,409 | 16,655 | -1.5% | 13,116 | 25.1% |

### 4.3 Homes Services

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Homes Customers | 000's | 2,578 | 2,449 | 5.3% | 2,350 | 9.7% |
| Net additions | 000's | 129 | 34 | 276.5% | 8 | 1603.4% |
| Average Revenue Per User (ARPU) | Rs | 783 | 802 | -2.4% | 777 | 0.8% |
| Average Revenue Per User (ARPU) | US$ | 10.5 | 10.6 | -0.4% | 11.1 | -4.9% |

### 4.4 Digital TV Services

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Digital TV Customers | 000's | 17,387 | 16,838 | 3.3% | 16,207 | 7.3% |
| Net additions | 000's | 549 | 226 | 143.1% | 181 | 204.0% |
| Average Revenue Per User (ARPU)* | Rs | 148 | 149 | -0.7% | 162 | -9.1% |
| Average Revenue Per User (ARPU) | US$ | 2.0 | 2.0 | 1.3% | 2.3 | -14.2% |
| Monthly Churn | % | 1.5% | 1.3% | | 1.6% | |

**Restated ARPU including impact of Revenue deferment for Sep'19 is Rs 152.*

### 4.5 Network and Coverage – India

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| **Mobile Services** | | | | | | |
| Census Towns | Nos | 7,907 | 7,907 | 0 | 7,906 | 1 |
| Non-Census Towns and Villages | Nos | 790,450 | 789,572 | 878 | 786,268 | 4,182 |
| Population Coverage | % | 95.4% | 95.4% | | 95.3% | |
| Optic Fibre Network | R Kms | 310,289 | 306,788 | 3,501 | 294,867 | 15,422 |
| Network towers | Nos | 201,192 | 196,145 | 5,047 | 185,582 | 15,610 |
| *Of which Mobile Broadband towers* | *Nos* | 199,464 | 194,205 | 5,259 | 181,825 | 17,639 |
| Total Mobile Broadband Base stations | Nos | 537,206 | 506,957 | 30,249 | 461,891 | 75,315 |
| **Homes Services-** Cities covered | Nos | 145 | 117 | 28 | 100 | 45 |
| **Airtel Business -** Submarine cable systems | Nos | 7 | 7 | 0 | 7 | 0 |
| **Digital TV Services** | | | | | | |
| Districts Covered | Nos | 639 | 639 | 0 | 639 | 0 |
| Coverage | % | 99.8% | 99.8% | | 99.8% | |

**Districts covered is as per 2011 census.*

### 4.6 Tower Infrastructure Services

#### 4.6.1 Bharti Infratel Standalone

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Total Towers | Nos | 43,110 | 42,339 | 771 | 41,050 | 2,060 |
| Total Co-locations | Nos | 76,565 | 75,435 | 1,130 | 76,176 | 389 |
| **Key Indicators** | | | | | | |
| Sharing Revenue per sharing operator per month | Rs | 47,400 | 45,173 | 4.9% | 46,095 | 2.8% |
| Average Sharing Factor | Times | 1.78 | 1.79 | | 1.86 | |

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**Additional Information:**

#### 4.6.2 Indus Towers

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Total Towers | Nos | 128,984 | 127,291 | 1,693 | 124,692 | 4,292 |
| Total Co-locations | Nos | 237,541 | 235,192 | 2,349 | 231,500 | 6,041 |
| Average Sharing Factor | Times | 1.84 | 1.85 | | 1.86 | |

#### 4.6.3 Bharti Infratel Consolidated

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Total Towers | Nos | 97,283 | 95,801 | 1,482 | 93,421 | 3,862 |
| Total Co-locations | Nos | 176,332 | 174,216 | 2,117 | 173,406 | 2,926 |
| Average Sharing Factor | Times | 1.82 | 1.82 | | 1.86 | |

### 4.7 Human Resource Analysis – India

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Total Employees | Nos | 15,518 | 16,047 | (529) | 15,854 | (336) |
| Number of Customers per employee | Nos | 20,660 | 19,050 | 1,611 | 19,219 | 1,441 |
| Personnel cost per employee per month | Rs | 125,811 | 139,742 | -10.0% | 117,612 | 7.0% |
| Gross Revenue per employee per month | Rs | 4,026,930 | 3,653,738 | 10.2% | 3,229,674 | 24.7% |

## 4.8 Africa

### 4.8.1 Operational Performance (In Constant Currency)

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Customer Base | 000's | 116,371 | 111,461 | 4.4% | 103,881 | 12.0% |
| Net Additions | 000's | 4,910 | 857 | 473.1% | 4,211 | 16.6% |
| Monthly Churn | % | 5.3% | 5.7% | | 4.5% | |
| Average Revenue Per User (ARPU) | US$ | 2.8 | 2.6 | 8.8% | 2.6 | 6.8% |
| ***Voice*** | | | | | | |
| Voice Revenue | $ Mn | 517 | 456 | 13.4% | 464 | 11.5% |
| Minutes on the network | Mn | 80,375 | 71,891 | 11.8% | 60,795 | 32.2% |
| Voice Average Revenue Per User (ARPU) | US$ | 1.5 | 1.4 | 9.6% | 1.5 | -0.4% |
| Voice Usage per customer | min | 235 | 218 | 8.1% | 199 | 18.1% |
| ***Data*** | | | | | | |
| Data Revenue | $ Mn | 283 | 267 | 6.0% | 215 | 31.3% |
| Data Customer Base | 000's | 39,596 | 36,972 | 7.1% | 31,910 | 24.1% |
| *As % of Customer Base* | % | 34.0% | 33.2% | | 30.7% | |
| Total MBs on the network | Mn MBs | 293,919 | 279,541 | 5.1% | 162,394 | 81.0% |
| Data Average Revenue Per User (ARPU) | US$ | 2.5 | 2.5 | -0.4% | 2.3 | 6.9% |
| Data Usage per customer | MBs | 2,576 | 2,607 | -1.2% | 1,748 | 47.3% |
| ***Mobile Money*** | | | | | | |
| Transaction Value | $ Mn | 11,637 | 9,038 | 28.7% | 7,442 | 56.4% |
| Transaction Value per Sub | US$ | 199 | 164 | 21.4% | 166 | 20.3% |
| Airtel Money Revenue | $ Mn | 100 | 81 | 22.3% | 74 | 33.9% |
| Active Customers | 000's | 20,120 | 18,529 | 8.6% | 15,521 | 29.6% |
| Airtel Money ARPU | US$ | 1.7 | 1.5 | 15.4% | 1.7 | 3.0% |
| ***Network & coverage*** | | | | | | |
| Network towers | Nos | 24,246 | 23,471 | 775 | 21,936 | 2,310 |
| *Owned Towers* | Nos | 4,561 | 4,569 | (8) | 4,461 | 100 |
| *Leased Towers* | Nos | 19,685 | 18,902 | 783 | 17,475 | 2,210 |
| Of which Mobile Broadband towers | Nos | 22,250 | 21,171 | 1,079 | 18,274 | 3,976 |
| Total Mobile Broadband Base stations | Nos | 63,705 | 51,963 | 11,742 | 40,187 | 23,518 |
| Revenue Per Site Per Month | US$ | 13,408 | 12,257 | 9.4% | 12,361 | 8.5% |

*Constant currency rates as on March 31, 2020 considered for above KPIs.*

### 4.8.2 Human Resources Analysis

| Parameters | Unit | Sep-20 | Jun-20 | Q-on-Q Growth | Sep-19 | Y-on-Y Growth |
|---|---|---|---|---|---|---|
| Total Employees | Nos | 3,453 | 3,432 | 21 | 3,184 | 269 |
| Number of Customers per employee | Nos | 33,701 | 32,477 | 1,225 | 32,626 | 1,075 |
| Personnel cost per employee per month | US$ | 6,933 | 6,470 | 7.1% | 6,652 | 4.2% |
| Gross Revenue per employee per month | US$ | 92,948 | 83,094 | 11.9% | 84,295 | 10.3% |

# SECTION 5

# MANAGEMENT DISCUSSION AND ANALYSIS

## 5.1 India SA

### 1. Key Industry Developments

**A.** Pursuant to the Judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement') including subsequent supplementary judgments, and in the absence of any potential reliefs, the Group provided for Rs. 368,322 Mn for the periods up to March 31, 2020 on the basis of demands received and the period for which demands have not been received having regard to assessments carried out in earlier years and the guidelines / clarifications in respect of License Fees and Spectrum Usage Charges ('AGR Provision').

On July 20, 2020 the Hon'ble Supreme Court, after hearing all parties, observed that the amounts of AGR dues given by DoT in their modification application is to be treated as final ('DoT Demand') and there can be no scope of re-assessment or recalculation. Consequently, without prejudice and on prudence, during the quarter ended June 30, 2020 the Group had further recorded an incremental provision of Rs. 107,444 Mn (including net interest on total provision created considering interest rate as per the affidavit filed by DoT on March 16, 2020 with effect from the date of Court Judgement) to give effect of the differential amount between the AGR provision and the DoT demand along with provision for subsequent periods for which demands have not been received computed on the basis of the License Agreement read with the guidelines / clarifications and the Court Judgment, which had been presented as exceptional item. During the quarter ended September 30, 2020, the Company has continued to recognize its AGR obligations based on Court Judgement and guidelines/clarifications received from DoT in respect of License Fees and Spectrum Usage Charges.

Further, in its judgment dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. The Group has represented to DoT that it has already paid more than 10% of the total dues as demanded by DoT and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

**B.** On September 30, 2020, TRAI has issued "Telecom Consumers Protection (Eleventh Amendment) Regulations, 2020". The salient points include:-

- The international mobile roaming service is inactive by default for all consumers and shall be activated only on the request of a consumer and once activated, it may be deactivated at any time on the request of the consumer.
- In case of existing consumers, the specific choice of every consumer to continue with or to discontinue the activated international mobile roaming service, if applicable, may be obtained through SMS, email or mobile application, if available within thirty days

**C.** On September 22, 2020, TRAI has issued recommendations on "Traffic Management Practices (TMPs) and Multi-Stakeholder Body for Net Neutrality". The salient points include:-

- The DoT may establish a multi-stakeholder body (MSB) to ensure that Internet Access Providers adhere to the provisions of net neutrality in their license.
- The DoT may define the process for the creation and maintenance of a repository of reasonable TMPs.
- The Internet Access Providers shall submit, to both the DoT and the MSB, the TMPs that it employs for managing their networks.

**D.** On September 18, 2020, TRAI has issued direction on "Tariff Publication" mandating each tariff offer in the nature of Postpaid plans, Plan Vouchers, STV/Combo vouchers/ Add on Packs shall be made available to the subscribers at customer care centers, the point of sale, retail outlets and on the website & App.

**E.** On September 18, 2020, TRAI has issued directions for "Tariff Advertisements" mandating the TSPs to promptly highlight additional terms & conditions (T&Cs) in all tariff advertisements with specific link of such T&Cs on the TSP website and mobile application.

**F.** On September 14, 2020, TRAI has issued recommendations on "Regulatory Framework for Over-The-Top (OTT) Communication Services. The salient points include:-

- Market forces may be allowed to respond to the situation without prescribing any regulatory intervention.
- No regulatory interventions are required in respect of issues related with Privacy and security of OTT services at the moment.
- It is not an opportune moment to recommend a comprehensive regulatory framework for various aspects of services referred to as OTT services, beyond the extant laws and regulations prescribed presently

**G.** On August 27, 2020, TRAI issued direction granting the clearance for generating Unique Porting Code (UPC) if the outstanding payment due from postpaid subscriber in the previous bill is Rs. 10 or less and nonpayment disconnection request should not be raised if the amount is Rs. 10 or less.

**H.** On August 17, 2020, TRAI issued recommendations on "Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing" clarifying that an increment of 0.5% on SUC rate should apply on the spectrum holding in specific band in which sharing is taking place, and not on the entire spectrum holding.

**I.** TRAI Recommendations dated July 28, 2020 on "Provision of Cellular Backhaul Connectivity via Satellite through VSAT under Commercial VSAT CUG Service Authorization". The salient points include:-

- The Commercial VSAT CUG Service provider should be permitted to provide backhaul connectivity for cellular mobile services through satellite using VSAT to the Access Service providers.

- Sharing of active & passive infrastructure owned by a licensee under any of the service authorizations be permitted.
- Reduction in SUC payout from current 4% of AGR to 1% of AGR in the commercial VSAT License i.e. a reduction in SUC payout by approximately Rs.3.5 Crs (basis AGR for FY 2019-20)
- Reduction in SUC payout for VSAT links used in NLD License from current formula based payout which are exorbitantly high to 1% of AGR from Satellite services

**J.** On July 10, 2020, TRAI has issued "The Telecommunication Interconnection (Second Amendment) Regulations, 2020". The salient points of the regulation include:-

- The regulation does away with the requirement to have Interconnection at Short Distance Charging Center (SDCC) and mandates it at the Long Distance Charging Area (LDCA) Level.
- Now the SDCC call from Fixed Network can be handed over at LDCC POI itself which would lead to Capex/ Opex reduction & faster rollout of Fixed Network Services.

## 2. Key Company Developments

### A. COVID-19

With the series of unlocks throughout the country, we see a gradual return to normalcy. However, while the economy opens up, the COVID pandemic continues. Delivering uninterrupted services and great end user experience while ensuring safety of our employees and partners continues to remain our key priority. We continue to drive awareness about digital channels for online recharges and payments, as well as redressal of customer complaints.

- **Network:** Connectivity has become even more essential across all realms of life – work, education or entertainment. We accelerated the pace of our infrastructure deployment to support growing customer needs. Our network teams continue to ensure urgent response for service restoration where impacted, while simultaneously improving the overall network experience of customers through digital tools and analytics.

- **Governance:** We continue to closely track all developments through a 24*7 war room with rigorous cadence of leadership meetings chaired by the CEO to monitor safety of our employees and partners, review network and customer experience along with business performance.

- **Safety & Society:** Our utmost priority remains safety of our employees and partnerships. We have provided all sanitation essentials to our workforce on the field and stepped up hygiene measures across all our offices. All our retail stores are maintaining social distancing norms, restricting number of customers inside the store at any time. We reopened our offices across the country with voluntary attendance ensuring strict adherence to local regulations. We have also ensured comprehensive insurance coverage for our employees, and extended financial support to our partners wherever critical for medical expenses. We tied up with various hospitals across India, appointed a national health advisor, and empanelled a network of doctors to ensure immediate medical consultation, not only for our employees but for their families as well.

### B. Digital Innovations & Customer Delight

Airtel is consistently working on strengthening its innovative core to anticipate and lead change in the global digital landscape.

- Wynk Music from Airtel launched an innovative campaign #ExpresswithHellotune, to enable customers to share their current moods and feeling with friends and loved ones through music, with a song of their choice. The campaign was aimed at giving a platform to millions of Airtel customers to use music to express how they feel to their friends and family by playing them a song when they call.

- **Wynk**, our music streaming app launched Navratri Nights, a first-of-its kind **online concert** series to ring in the festive spirit with LIVE performances from some of the biggest artists in the industry. The concert series aimed at digitally recreating the experience of a live concert through advanced digital technologies. Accessible on a host of mediums, it enabled music listeners to post messages, song requests and interact with the artists in real time. Wynk Stage is also a boon for artists as they can overcome physical barriers to reach out to a much larger fan base with the help of Airtel's digital footprint.

- Our B2B customers have been asking us how we can help them in delivering brilliant experiences to consumers through digital channels. And towards this, we have launched **Airtel IQ** – a cloud based omni-channel communications platform that enables voice, SMS, IVR and more through a unified channel. Be it a consumer ordering food online and tracking her order by calling the delivery agent or someone arranging for a home sample collection by a pathology lab. The entire communication between the consumer and the brand gets orchestrated over Airtel IQ in a timely, seamless and privacy safe fashion. Already, some of India's biggest brands are running their consumer communication on Airtel IQ and giving us very positive feedback.

  We believe that with Airtel IQ, we are well positioned to become a major player in the fast growing India cloud communications market that is already close to a billion dollars. Airtel IQ will be amongst the many digital services we will bring to market as part of our strategy of building new revenues streams by leveraging the strength of our networks and digital assets.

- To change entertainment forever, Airtel announced the launch of its new **Airtel Xstream Bundle**. The Airtel Xstream Bundle combines the power of Airtel Xstream Fiber with speeds upto 1 Gbps, Unlimited Data, the first of its kind Airtel Xstream Android 4K TV Box and access to all OTT content. The plan further includes Airtel Xstream Box worth Rs 3999 and offers complimentary access to premier video streaming apps. All Airtel Xstream Fiber plans will now offer unlimited data to enable customers to binge on their favourite content.

- Airtel announced the launch of **Airtel Secure** - a comprehensive suite of advanced cyber security solutions to help businesses tide over potential cyber threats. As part of Airtel Secure, Airtel unveiled its state-of-the-art Security Intelligence Centre. Located in the National Capital Region, the Airtel Security Intelligence Centre rates amongst the best in India with access to advanced technology and AI / ML tools to mitigate potential threats. Airtel also announced strategic partnerships with Cisco and Radware to bring world leading security solutions to the businesses.
- With the commissioning of the undersea optic fiber link between Chennai and Andaman and Nicobar by the Hon'ble

Prime Minister of India Sh. Narendra Modi, Airtel became the first mobile operator to launch 'Ultra-Fast 4G' services in Andaman and Nicobar. Airtel has been serving customers in Andaman and Nicobar since 2005.

**C. Strategic Alliances & Partnerships**

- Airtel announced a multi-year, Strategic Collaboration Agreement (SCA) with Amazon Web Services (AWS) to deliver a comprehensive set of innovative cloud solutions to large enterprise and small and medium enterprise (SME) customers in India. Under the agreement, Airtel Cloud, a multi-cloud product and solutions business, will build an AWS Cloud Practice supported by AWS Professional Services, as well as develop differentiated Airtel Cloud products and capabilities leveraging AWS services, Airtel's data center capabilities, and Airtel's network and telecoms offerings.

- As part of its strategy to offer best-in-class entertainment to customers in India, Airtel announced a partnership with VOOT to bring more premium digital content on to its Airtel Xstream platform. Under the partnership, Airtel Xstream users got access to premium VOOT content across multiple screens - on TV over the Airtel Xstream Box as part of the Airtel Xstream Bundle, on smartphone with the Airtel Xstream app, and on PC at www.airtelxstream.in

- Airtel partnered with the Government of Tamil Nadu to bring quality online learning classes to students in the state through Airtel's digital platforms. Content from Kalvi TV - the State Government operated education channel - was made available for FREE on Airtel Digital TV as well as Airtel Xstream app for smartphones and tablets.

- Airtel renewed its agreement with Ericsson to provide pan-India managed network operations through Ericsson Operations Engine. The three-year deal will see Airtel launching Ericsson Operation Engine during 2020. Ericsson will deploy the latest automation, machine learning and artificial intelligence (AI) technologies to enhance Airtel's mobile network performance and customer experience. Ericsson will also manage Airtel's network operations center and field maintenance activities across India.

**D. Mergers, Acquisitions and Divestments**

- As part of its strategy to scale up its cloud offerings, Airtel announced a strategic stake in tech startup Waybeo under the Airtel Startup Accelerator Program. Under this program, Waybeo's solutions will get larger distribution reach while giving Airtel access to Waybeo's proven as well as emerging technologies.

- On April 25, 2018, Bharti Infratel Limited ('Infratel'), a subsidiary of the Company, and Indus Towers Limited ('Indus'), a joint venture of the Infratel and their respective shareholders and creditors entered into a proposed scheme of amalgamation and arrangement (under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas. The combined company, which will fully own the respective businesses of Infratel and Indus (being presented as part of the Group's 'Tower Infrastructure Services' operating segment), will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges. The Scheme has received approval from Competition Commission of India and No Objection from the Securities Exchange Board of India through BSE Limited and National Stock Exchange of India Limited. The Scheme has also received the second motion approval from the Hon'ble Chandigarh Bench of the National Company Law Tribunal (NCLT) earlier. Further, approval of Department of Telecommunications for FDI has also been received on February 21, 2020.

  On August 31, 2020, Infratel's Board of Directors provided its authorization to proceed with the Scheme and to comply with the procedural requirements for completion of merger including approaching NCLT to make the Scheme effective subject to completion of certain procedural condition precedents. The certified copy of the NCLT order approving the Scheme has been allowed for filing with the Registrar of Companies ('ROC') on October 22, 2020 and the Scheme shall become effective from the date when the same is filed with the ROC.

**E. Rewards & Recognitions**

- AirtelThanks App was recognized as a most innovative mobile applications which is driven by technological and advanced business model bringing unmatched benefits to consumers or enterprises in the mobile industry in the prestigious ET Telecom Awards 2020.

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

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

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

**F. Other Developments**

- On September 22, 2020, DoT accepted Airtel's request for Spectrum harmonization in Jammu & Kashmir and has allotted contiguous spectrum of 10 MHz in 2100 MHz band.

- Universal Service Obligation Fund (USOF) Projects:

  - On September 4, 2020, Airtel has signed a formal agreement with DoT for the execution of the project for the installation of 889 4G based mobile towers in identified 879 uncovered villages & 11 towers along National Highways in Meghalaya.

  - DoT has selected Airtel for the installation of 244 mobile towers which would provide coverage to 275 uncovered villages in the aspirational Districts of Bihar & Rajasthan.

### 5.2 Africa

**A. KEY COMPANY DEVELOPMENTS**

- In August 2020, Airtel Africa plc announced that its subsidiary Airtel Networks Kenya Limited ("Airtel Kenya") and Telkom Kenya Limited ("Telkom") have decided to no longer pursue completion of the M&A transaction. The

transaction was announced in February 2019 and was subject to the satisfaction of various conditions precedent, including regulatory approvals. Despite Airtel Africa plc and Telkom's respective endeavors to reach a successful closure, the transaction has gone through a very lengthy process that has led the parties to reconsider their stance.

- In August 2020, Airtel Africa announced a strategic partnership with Standard Chartered Bank, a leading international banking group, to drive financial inclusion across key markets in Africa by providing customers with increased access to mobile financial services. Standard Chartered and Airtel Africa work together to co-create new, innovative products aimed at enhancing the accessibility of financial services and ultimately, better serve people across Africa. In line with this, Airtel Money's customers will be able to make real-time online deposits and withdrawals from Standard Chartered bank accounts, receive international money transfers directly to their wallets, and access savings products amongst other services.

- In September 2020, Airtel Africa announced an expansion of its partnership with Mastercard by launching a Pay-on-Demand payments platform and drive the digital economy across Africa. This Pay-on-Demand platform enables safe, secure, and convenient consumer financing via Samsung devices with an embedded Knox security platform, through Airtel Africa's network. The partnership facilitates usage-based payments and builds creditworthiness.

  These partnerships align with the Group's strategy of expanding the range and depth of Airtel Money offerings to drive customer growth and penetration.

## 5.3 Share of Associates/Joint Ventures

### A. Robi Axiata Limited

Robi Axiata Limited is a joint venture between Axiata Group Berhad, of Malaysia and Bharti Airtel Limited, of India wherein Bharti Airtel holds 31.3% share. Bharti Airtel's stake has increased to 31.3% from 25% earlier, w.e.f. June 9, 2020.

Key operational and financial performance:

| Bangladesh | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Operational Performance** | | | | | |
| Customer Base | 000's | 47,977 | 49,718 | 49,004 | 48,194 |
| Data Customer as % of Customer Base | % | 67.0% | 64.9% | 63.8% | 63.8% |
| ARPU* | BDT | 115 | 124 | 122 | 126 |
| **Financial Highlights** (proportionate share of Airtel) | | | | | |
| Total revenues | Rs Mn | 4,272 | 4,139 | 3,957 | 3,945 |
| EBITDA | Rs Mn | 2,170 | 1,673 | 1,245 | 1,495 |
| *EBITDA / Total revenues* | % | *50.8%* | *40.4%* | *31.5%* | *37.9%* |
| Net Income | Rs Mn | 146 | 40 | (203) | 354 |

**As per Axiata published financials*

### B. Airtel Ghana Limited (AirtelTigo)

AirtelTigo is a joint venture between Bharti Airtel and Millicom wherein Airtel holds a non-controlling 49.95% share in the merged entity.

Key operational and financial performance:

| Ghana | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Sep-20 | Jun-20 | Mar-20 | Dec-19 |
| **Operational Performance** | | | | | |
| Customer Base | 000's | 5,106 | 4769 | 4727 | 4888 |
| Data Customer as % of Customer Base | % | 56.2% | 59.4% | 61.3% | 59.2% |
| ARPU | GHS | 12.4 | 12.7 | 14.2 | 13.1 |
| **Financial Highlights (proportionate share of Airtel)** | | | | | |
| Total revenues | Rs Mn | 1,183 | 1,182 | 1,334 | 1,212 |
| EBITDA | Rs Mn | 88 | 99 | 179 | 149 |
| *EBITDA / Total revenues* | % | 7.5% | 8.4% | 13.4% | 12.3% |
| Net Income* | Rs Mn | - | - | - | (530) |

**The share of loss in JV has been restricted to the remaining value of the investment*

*The company is in advanced stages of discussions for conclusion of the commercial agreement for the transfer of AirtelTigo on a going concern basis to the government of Ghana. Accordingly, Airtel has voluntarily taken a charge of Rs 1,841 Mn in the quarter ended Sep 30, 2020.*

### C. Airtel Payments Bank Limited

Airtel Payment Bank Limited became an associate of Bharti Airtel Limited w.e.f November 1, 2018.

Key operational and financial performance:

| Airtel Payments Bank Limited | Unit | Quarter ended | | | |
|---|---|---|---|---|---|
| | | Sep-20 | Jun-20 | Mar-20 | Dec-19 |
| **Operational Performance** | | | | | |
| Active users | 000's | 19,430 | 15,759 | 14,055 | 12,208 |
| **Financial Highlights** (proportionate share of Airtel) | | | | | |
| Total revenues | Rs Mn | 1,053 | 634 | 1,006 | 1,030 |
| EBITDA | Rs Mn | (1,036) | (1,022) | (1,083) | (943) |
| *EBITDA / Total revenues* | % | *-98.4%* | *-161.1%* | *-107.6%* | *-91.5%* |
| Net Income | Rs Mn | (1,062) | (1,057) | (1,131) | (992) |

### D. Indus Towers

Our subsidiary, Bharti Infratel Ltd (Infratel) holds 42% equity interest in Indus towers, a joint venture with Vodafone group, Vodafone-idea and providence who hold 42%, 11.15% and 4.85% respectively.

Key operational and financial performance:

| Indus Towers | Unit | Quarter Ended | | | |
|---|---|---|---|---|---|
| | | Sep-20 | Jun-20 | Mar-20 | Dec-19 |
| **Operational Performance*** | | | | | |
| Total Towers | Nos | 128,984 | 127,291 | 126,949 | 125,649 |
| Total Co-locations | Nos | 237,541 | 235,192 | 235,396 | 232,924 |
| Average Sharing Factor | Times | 1.8 | 1.9 | 1.9 | 1.9 |
| **Financial Highlights (proportionate share)** | | | | | |
| Total revenues | Rs Mn | 19,298 | 18,702 | 19,431 | 20,068 |
| EBITDA | Rs Mn | 9,284 | 9,493 | 8,568 | 10,169 |
| *EBITDA / Total revenues* | % | 48.1% | 50.8% | 44.1% | 50.7% |
| Net Income | Rs Mn | 2,882 | 3,020 | 2,445 | 3,852 |

*Operational performance is of Indus Towers

## 5.4 Results of Operations

*The financial results presented in this section are compiled based on the audited consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) and the underlying information.*

**Key Highlights – For the quarter ended September 30, 2020**

- **Overall customer base at ~440 Mn across 16 countries (up 6.9% YoY)**
- **Consolidated mobile data traffic at 7,949 Bn MBs (up 58.8% YoY)**
- **Total revenues of Rs 257.8 Bn; up 22.0% YoY, highest ever**
- **EBITDA at Rs 118.5 Bn; up 32.6% YoY; EBITDA margin up 3.7% YoY**
- **EBIT at Rs 44.1 Bn; up 121.4% YoY; EBIT margin up 7.7% YoY**
- **Consolidated net loss (before EI) of Rs 7.4 Bn vis-à-vis loss of Rs 11.2 Bn in the corresponding quarter last year**
- **Consolidated net loss (after EI) of Rs 7.6 Bn (Net loss of Rs 159.3 Bn in Q1'21) vis-à-vis a loss of Rs 230.4 Bn in the corresponding quarter last year**

**Results for the quarter ended September 30, 2020**

### 5.4.1 Bharti Airtel Consolidated

The outbreak of COVID-19 towards the end of FY 2019-20 caused widespread economic hardship for consumers, businesses and communities across the globe. As a connectivity provider, the company has been playing a vital role in keeping the nations and the customers connected as the need for communication increases with continued travel restrictions.

As on September 30, 2020, the Company had ~440 Mn customers, an increase of 6.9% as compared to 411 Mn in the corresponding quarter last year. Total minutes of usage on the network during the quarter were 952 Bn, representing a growth of 20.5% as compared to 790 Bn in the corresponding quarter last year. Mobile Data traffic grew 58.8% to 7,949 Bn MBs during the quarter as compared to 5,005 Bn MBs in the corresponding quarter last year.

Consolidated revenues for the quarter stood at Rs 257,850 Mn, up 22.0% (up 22.3% on a comparable basis) compared to Rs 211,313 Mn in the corresponding quarter last year.

India revenues for the quarter stood at Rs 187,470 Mn, up 22.0% (up 22.4% on a comparable basis) compared to Rs 153,610 Mn in the corresponding quarter last year.

Consolidated net revenues, after netting off access costs, license fees and cost of goods sold, stood at Rs 202,490 Mn, up 22.9% (up 23.3% on comparable basis) as compared to Rs 164,741 Mn in the corresponding quarter last year.

Consolidated opex (excluding access costs, costs of goods sold and license fees) increased by 12.0% YoY (up 4.0% QoQ) to Rs 85,150 Mn for the quarter ending September 30, 2020 primarily due to continued investment in network.

Consolidated EBITDA was at Rs 118,483 Mn during the quarter, compared to Rs 89,363 Mn in the corresponding quarter last year (up 32.6% YoY) and Rs 106,392 Mn in the previous quarter (up 11.4% QoQ). EBITDA margin for the quarter was at 46.0% as compared to 42.3% in the corresponding quarter last year and 44.4% in the previous quarter. India EBITDA margin for the quarter was at 45.8% as compared to 41.2% in the corresponding quarter last year and 44.3% in the previous quarter.

Depreciation and amortization expenses were at Rs 74,210 Mn vis-à-vis Rs 69,350 Mn in the corresponding quarter last year (up 7.0% YoY) and Rs 72,269 Mn in the previous quarter (up 2.7% QoQ).

EBIT for the quarter was at Rs 44,117 Mn as compared to Rs 19,930 Mn in the corresponding quarter last year and the resultant EBIT margin was at 17.1% as compared to 9.4% in the corresponding quarter last year.

Cash profits from operations (before derivative and exchange fluctuations) for the quarter were at Rs 80,480 Mn as compared to Rs 60,980 Mn in the corresponding quarter last year and Rs 75,622 Mn in the previous quarter.

Net finance costs for the quarter were at Rs 37,259 Mn as compared to Rs 29,083 Mn (up 28.1% YoY) in the corresponding quarter last year and Rs 30,498 Mn in the previous quarter (up 22.2% QoQ) largely led by increase in finance charges (mainly on account of recognition of additional regulatory liabilities) and decrease in investment income.

The resultant profit before tax and exceptional items for the quarter ended September 30, 2020 was Rs 5,671 Mn as compared to loss of Rs 6,231 Mn in the corresponding quarter last year and a profit of Rs 3,720 Mn in the previous quarter.

The consolidated income tax expense for the period of six months ended September 30, 2020 was Rs 7,473 Mn as compared to (negative) Rs 7,704 Mn in the corresponding period of last year.

Net loss before exceptional items for the quarter ended September 30, 2020 was Rs 7,444 Mn as compared to loss of Rs 11,228 Mn in the corresponding quarter last year and loss of Rs 4,363 in the previous quarter. After accounting for charge of Rs 188 Mn towards exceptional items (net of tax and non-controlling interests) (details provided below in 5.4.2), the resultant net loss for the quarter ended September 30, 2020 came in at Rs 7,632 Mn, compared to a loss of Rs 230,449 Mn in the corresponding quarter last year and net loss of Rs 159,331 Mn in the previous quarter.

The capital expenditure for the quarter was Rs 67,907 Mn as compared to Rs 37,901 Mn in the corresponding quarter last year and Rs 39,753 Mn in the previous quarter.

Consolidated net debt excluding lease obligations for the company stands at Rs 1,074,034 Mn as on September 30, 2020 compared to Rs 881,258 Mn as on September 30, 2019. This included an AGR related liability recognized on the balance sheet of Rs 234,427 Mn. Consolidated net debt for the company including the impact of leases stands at Rs 1,378,417 Mn as on September 30, 2020. The Net Debt-EBITDA ratio (annualized) and including the impact of leases for the quarter September 30, 2020 was at 2.91 times as compared to 3.30 times in the corresponding quarter last year and 2.74 times in the previous quarter. Excluding pending AGR dues, the Net Debt-EBITDA ratio (annualized) is at 2.41 times as on September 30, 2020.

### 5.4.2 Exceptional Items

The exceptional charge of Rs 493 Mn during the quarter ended September 30, 2020 comprises of cost relating to employee restructuring in one of the group's subsidiaries. Tax benefit due to



Results and ratios of periods commencing April 1, 2019 are basis Ind AS 116.
The term 'Comparable' refers to impact of accounting policy change deferring activation, installation & rental revenue over the life of the customer under DTH business in FY'20.

the deferred tax asset pertaining to one of the subsidiary recognized in this quarter of Rs 212 Mn is included under tax expense/ (credit). As a result, the overall net exceptional charge (after tax) is Rs 281 Mn. The net share allocated to non-controlling interests on the above exceptional items is Rs 93 Mn.

### 5.4.3 B2C Services – India

#### 5.4.3.1 Mobile Services

The company had 293.7 Mn customers as on September 30 2020, compared to 279.4 Mn in the corresponding quarter last year, an increase of 5.1% YoY. The company added 13.9 Mn customers during the quarter. With a decreased customer churn of 1.7% compared to 2.1% in corresponding quarter last year, the Company had Voice traffic on the network grew 20.1% YoY to 861 Bn Minutes during the quarter as compared to 717 Bn Minutes in the corresponding quarter last year.

4G data customer base stood at 152.7 Mn, increasing by 50 Mn YoY. The quarter continue to witness data traffic growth of 58.2% YoY. Total data traffic on the network stood at 7,640 Bn MBs as compared to 4,829 Bn MBs in the corresponding quarter last year. Average mobile data usage per customer increased by 25.1% YoY to 16.0 GBs as compared to 12.8 GBs in the corresponding quarter last year.

By the end of the quarter, the company had 201,192 network towers as compared to 185,582 network towers in the corresponding quarter last year. Out of the total number of towers, 199,464 are mobile broadband towers. The Company had total 537,206 mobile broadband base stations as compared to 461,891 mobile broadband base stations at the end of the corresponding quarter last year and 506,957 at the end of the previous quarter.

Revenue from mobile services increased by 26.0% to Rs 138,319 Mn as compared to Rs 109,814 Mn in the corresponding quarter last year. Overall ARPU for the quarter was Rs 162 as compared to Rs 128 in the corresponding quarter last year.
EBITDA for the quarter was Rs 58,919 Mn as compared to Rs 39,913 Mn in the corresponding quarter last year and Rs 52,227 Mn in the previous quarter. EBITDA margin was 42.6% during the quarter as compared to 36.3% in the corresponding quarter last year and 40.6% in the previous quarter.

EBIT during the quarter was at Rs 6,799 Mn as compared to (negative) Rs 11,449 Mn in the corresponding quarter last year and Rs 1,650 Mn in the previous quarter. The resultant EBIT margin was at 4.9% as compared to negative 10.4% in corresponding quarter last year and 1.3% in the previous quarter.

During the quarter, the Company has incurred a capex of Rs 41,736 Mn. After slowdown in site deployment due to COVID in Q1, we accelerated roll-outs in Q2 and added 5K+ sites to cross the 200,000 site count mark. We continue to remain focused on optimally augmenting our coverage and capacities to offer a differentiated network experience.

#### 5.4.3.2 Homes Services

As on September 30, 2020, the Company had Homes operations in 145 cities (including LCOs). The segment witnessed a revenue growth of 7.3% YoY, highest in the last 15 quarters. We added a strong customer base of ~129K during the quarter from 2.45 Mn in Q1'21 to 2.58 Mn in Q2'21, highest in the last 22 quarters. On a YoY basis, the customer base increased by 9.7%.

For the quarter ended September 30, 2020, revenues from Homes operations were Rs 5,873 Mn as compared to Rs 5,475 Mn in the corresponding quarter last year and Rs 5,786 in the previous quarter. The company accelerated LCO partnerships in non-wired cities, taking up the LCO partnership model live in 48 cities.

EBITDA for the quarter stood at Rs 3,424 Mn as compared to Rs 2,471 Mn in the corresponding quarter last year and Rs 3,514 Mn in the previous quarter. EBITDA margin stood at 58.3% during the quarter as against 45.1% in the corresponding quarter last year and 60.7% in the previous quarter. EBIT for the quarter ended September 30, 2020 was Rs 1,418 Mn as compared to Rs 1,233 Mn in the corresponding quarter last year and Rs 1,584 Mn in the previous quarter. The resultant EBIT margin was at 24.1% as compared to 22.5% in corresponding quarter last year and 27.4% in the previous quarter.

During the quarter ended September 30, 2020, the company incurred capital expenditure of Rs 3,087 Mn. The company focused on fast-track the network expansion by rolling out Fiber Home Passes and upgrading existing copper network.

#### 5.4.3.3 Digital TV Services

As on September 30, 2020, the Company had its Digital TV operations in 639 districts. The company added a strong customer base of 549K during the quarter from 16.8 Mn in Q1'21 to 17.4 Mn in Q2'21, a growth of 7.3% YoY from 16.2 Mn in the corresponding quarter last year. ARPU for the quarter was at Rs 148 as compared to Rs 152 (comparable) in the corresponding quarter last year.

Revenue from Digital TV services on a comparable basis was at Rs 7,548 Mn vis-à-vis Rs 7,407 Mn (comparable) in the corresponding quarter last year. Reported EBITDA for this segment was at Rs 5,351 Mn as compared to Rs 5,607 Mn in the corresponding quarter last year and Rs 5,041 Mn in the previous quarter. The reported EBITDA margin was at 70.9% in the current quarter as compared to 71.0% in the corresponding quarter last year and 67.7% in the previous quarter. Reported EBIT for the quarter was Rs 2,945 Mn as compared to Rs 3,243 Mn in the corresponding quarter last year and Rs 2,512 Mn in the previous quarter. The resultant EBIT margin was at 39.0% as compared to 41.1% in the corresponding quarter last year and 33.7% in the previous quarter.

During the current quarter, the company incurred a capital expenditure of Rs 3,469 Mn.

### 5.4.4 B2B Services – India: Airtel Business

Airtel Business segment revenues for the quarter was at Rs 35,821 Mn as compared to Rs 33,312 Mn in the corresponding quarter last year, an increase of 7.5% YoY.

EBITDA stood at Rs 13,377 Mn during the quarter as compared to Rs 9,396 Mn in the corresponding quarter last year, growth of 42.4% YoY. The EBITDA margin stood at 37.3% in the current quarter, as compared to 28.2% in the corresponding quarter last year and 36.3% in the previous quarter. EBIT for the current quarter has increased by 25.0% to Rs 9,633 Mn as compared to Rs 7,706 Mn during the corresponding quarter last year and the resultant EBIT margin was at 26.9% during the quarter as compared to 23.1% in the corresponding quarter last year.

The Company incurred a capital expenditure of Rs 5,538 Mn in Airtel Business during the quarter.

### 5.4.5 Tower Infrastructure Services

The financials of this segment reflect standalone operations of Bharti Infratel Limited (Infratel), a subsidiary of the company, with



Results and ratios of periods commencing April 1, 2019 are basis Ind AS 116.
The term 'Comparable' refers to impact of accounting policy change deferring activation, installation & rental revenue over the life of the customer under DTH business in FY'20.

the interest in Indus Tower Ltd (Indus) disclosed under share of profits from Joint Ventures/ Associates.

Revenues of Infratel for the quarter ended September 30, 2020 has increased by 5.9% to Rs 17,663 Mn as compared to Rs 16,674 Mn in the corresponding quarter last year. EBITDA during the quarter was at Rs 9,293 Mn compared to Rs 9,268 Mn in the corresponding quarter last year, up 0.3% YoY, and Rs 8,742 Mn in the previous quarter, up 6.3% QoQ. EBIT for the quarter was at Rs 6,247 Mn as compared to Rs 6,125 Mn in the corresponding quarter last year, up 2.0% YoY, and Rs 5,507 Mn in the previous quarter, up 13.4% QoQ.

As at the end of the quarter, Infratel had 43,110 towers with average sharing factor of 1.78 times compared to 1.86 times in the corresponding quarter last year. Including proportionate share of Indus in which Infratel holds 42% of stake, on a consolidated basis, Infratel had 97,283 towers with an average sharing factor of 1.82 times as compared to 1.86 times in the corresponding quarter last year.

Bharti Infratel incurred a capital expenditure of Rs 2,073 Mn during the quarter on a standalone basis. The share of profits of Indus during the quarter came in at Rs 2,882 Mn as compared to Rs 4,866 Mn in the corresponding quarter last year and Rs 3,020 Mn in the previous quarter.

### 5.4.6 Africa

As on September 30, 2020, the Company had an aggregate customer base of 116.4 Mn as compared to 103.9 Mn in the corresponding quarter last year, an increase of 12.0% YoY. Customer churn for the quarter has decreased to 5.3% as compared to 5.7% in the previous quarter. Total minutes on network during the quarter registered a growth of 32.2% to 80.4 Bn as compared to 60.8 Bn in the corresponding quarter last year.

Data customers during the quarter increased by 8 Mn to 39.6 Mn as compared to 32 Mn in the corresponding quarter last year. Data customers now represent 34.0% of the total customer base, as compared to 30.7% in the corresponding quarter last year. The total MBs on the network grew at a healthy growth rate of 81.0% to 293.9 Bn MBs compared to 162.4 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 2,576 MBs as compared to 1,748 MBs in the corresponding quarter last year, an increase of 47.3% YoY.

The total customer base using the Airtel Money platform increased by 29.6% to 20.1 Mn as compared to 15.5 Mn in the corresponding quarter last year. Total value of transactions on the Airtel money platform has witnessed a growth of 56.4% to $11,637 Mn in the current quarter as compared to $7,442 Mn in the corresponding quarter last year. Airtel Money revenue is at $99.5 Mn as compared to $74.3 Mn in the corresponding quarter last year reflecting a growth of 33.9%.

The company had 24,246 network towers at end of the quarter as compared to 21,936 network towers in the corresponding quarter last year. Out of the total number of towers, 22,250 are mobile broadband towers. The Company has total 63,705 mobile broadband base stations as compared to 40,187 mobile broadband base stations at the end of the corresponding quarter last year.

Africa revenues at $963 Mn in constant currency grew by 19.6% as compared to $805 Mn in the corresponding quarter last year as a result of continued strong performance in Nigeria and East Africa and Francophone.

Opex for the quarter is at $343 Mn in constant currency as compared to $290 Mn in the corresponding quarter last year and $312 Mn in the previous quarter. EBITDA in constant currency was at $436 Mn as compared to $353 Mn in the corresponding quarter last year and $377 Mn in the previous quarter. EBITDA margin was at 45.3% for the quarter (up 2% YoY, up 1% QoQ). Depreciation and amortization charges in constant currency were at $166 Mn as compared to $146 Mn in the corresponding quarter last year and $162 Mn in the previous quarter. EBIT in constant currency for the quarter was at $269 Mn as compared to $205 Mn in the corresponding quarter last year and $211 Mn in the previous quarter.

The resultant profit before tax and exceptional items for the quarter was at $191 Mn as compared to $128 Mn in the corresponding quarter last year and $134 Mn in the previous quarter. Capital expenditure during the quarter was $149 Mn for Africa operations.

### 5.5 Bharti's Three Line Graph

The Company tracks its performance on a three-line graph.

The parameters considered for the three-line graph are:

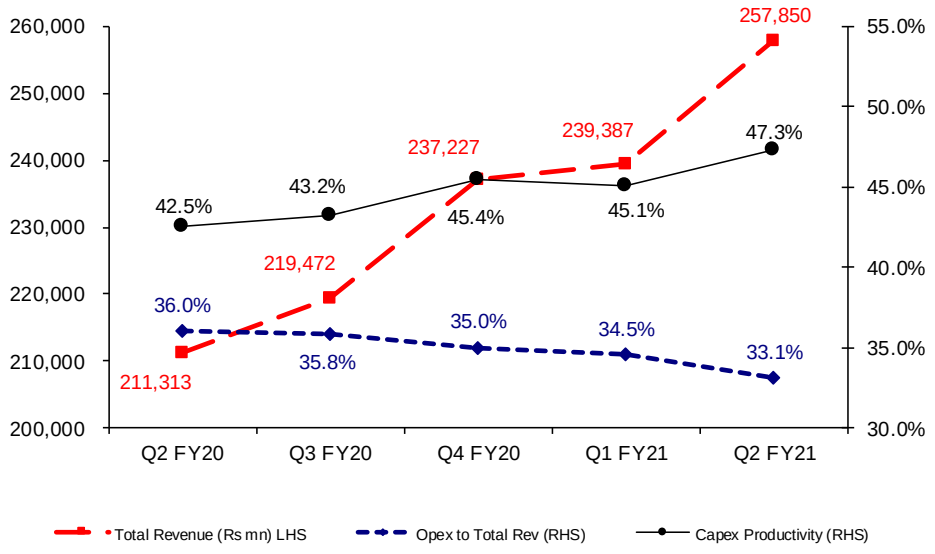
1. Total Revenues i.e. absolute turnover/sales

2. Opex Productivity – this is computed by dividing operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs (ii) network operations costs and (iii) selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company

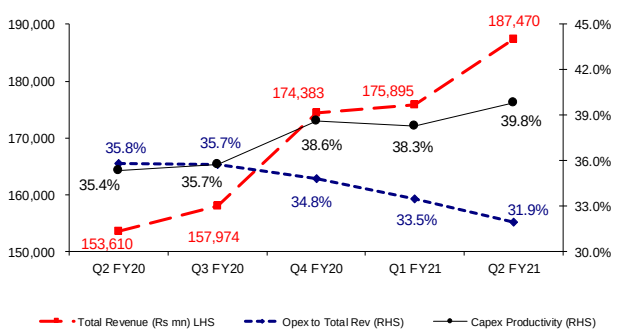
3. Capex Productivity – this is computed by dividing revenue for the quarter (annualized) by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

Given below are the graphs for the last five quarters of the Company:

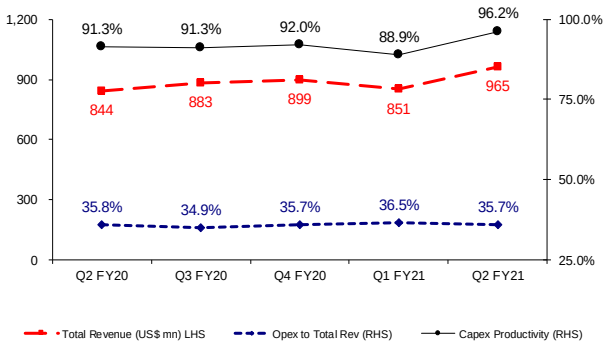
#### 5.5.1 Bharti Airtel – Consolidated




#### 5.5.2 Bharti Airtel – India




#### 5.5.3 Bharti Airtel – Africa



# SECTION 6

# STOCK MARKET HIGHLIGHTS

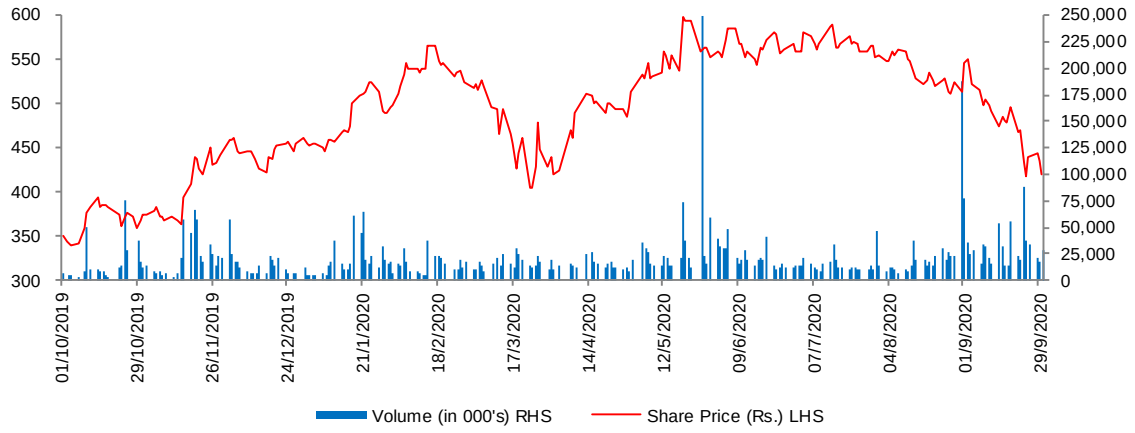
## 6.1 General Information

| Shareholding and Financial Data | Unit | |
|---|---|---|
| Code/Exchange | | 532454/BSE |
| Bloomberg/Reuters | | BHARTI IN/BRTI.BO |
| No. of Shares Outstanding (30/09/20) | Mn Nos | 5,456 |
| Closing Market Price - BSE (30/09/20) | Rs /Share | 421 |
| Combined Volume (NSE & BSE) (01/10/19 - 30/09/20) | Nos in Mn/day | 21.49 |
| Combined Value (NSE & BSE) (01/10/19 - 30/09/20) | Rs Mn /day | 10,739 |
| Market Capitalization | Rs Bn | 2,296 |
| Market Capitalization | US$ Bn | 31.09 |
| Book Value Per Equity Share | Rs /share | 108.77 |
| Market Price/Book Value | Times | 3.87 |
| Enterprise Value | Rs Bn | 3,675 |
| Enterprise Value | US$ Bn | 49.75 |
| Enterprise Value/ EBITDA | Times | 7.75 |
| P/E Ratio | Times | (9.94) |

## 6.2 Summarized Shareholding pattern as of Sep 30, 2020

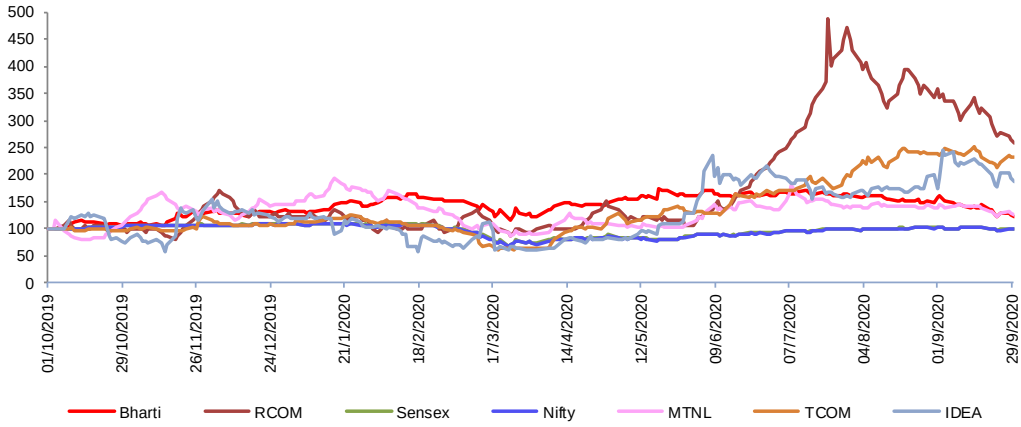
| Category | Number of Shares | % |
|---|---|---|
| **Promoter & Promoter Group** | | |
| Indian | 1,966,236,438 | 36.04% |
| Foreign | 1,101,344,767 | 20.19% |
| **Sub total** | **3,067,581,205** | **56.23%** |
| | | |
| **Public Shareholding** | | |
| Institutions | 2,143,738,529 | 39.29% |
| Non-institutions | 242,708,158 | 4.45% |
| **Sub total** | **2,386,446,687** | **43.74%** |
| | | |
| **Others** | **1,529,463** | **0.03%** |
| | | |
| **Total** | **5,455,557,355** | **100.00%** |

### 6.3 Bharti Airtel Daily Stock price (BSE) and Volume (BSE & NSE Combined) Movement




Source: Bloomberg

### 6.4 Comparison of Domestic Telecom Stock movement with Sensex and Nifty




| Q2'21 vs. Q2'20 Stock Movement | |
|---|---|
| Bharti | 19.9% |
| Sensex | -0.6% |
| NSE | -1.0% |
| Idea | 76.9% |
| RCOM | 157.1% |
| TCOM | 130.8% |
| MTNL | 50.9% |

Source: Bloomberg

# SECTION 7

# DETAILED FINANCIAL AND RELATED INFORMATION

## 7.1 Extracts from Audited Consolidated Financial Statements prepared in accordance with Indian Accounting Standards (Ind-As)

### 7.1.1 Consolidated Summarized Statement of Income (net of inter segment eliminations)

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Income** | | | | | | |
| Revenue | 257,850 | 211,313 | 22% | 497,237 | 418,692 | 19% |
| Other income | 1,489 | 3,466 | -57% | 6,294 | 6,411 | -2% |
| **Total** | **259,339** | **214,779** | **21%** | **503,531** | **425,103** | **18%** |
| **Expenses** | | | | | | |
| Network operating expenses | 54,564 | 49,689 | 10% | 105,600 | 96,325 | 10% |
| Access Charges | 29,229 | 26,389 | 11% | 57,240 | 52,016 | 10% |
| License fee / spectrum charges (revenue share) | 22,355 | 16,995 | 32% | 43,123 | 35,386 | 22% |
| Employee benefits | 11,008 | 9,464 | 16% | 22,574 | 18,105 | 25% |
| Sales and marketing expenses | 8,744 | 7,581 | 15% | 16,045 | 15,967 | 0% |
| Other expenses | 15,530 | 12,823 | 21% | 32,156 | 30,180 | 7% |
| **Total** | **141,430** | **122,941** | **15%** | **276,738** | **247,979** | **12%** |
| **Profit from operating activities before depreciation, amortization and exceptional items** | **117,909** | **91,838** | **28%** | **226,793** | **177,124** | **28%** |
| Depreciation and amortisation | 74,211 | 69,351 | 7% | 146,479 | 136,938 | 7% |
| Finance costs | 37,604 | 31,872 | 18% | 72,166 | 65,800 | 10% |
| Share of results of joint ventures and associates | 423 | (3,155) | -113% | (1,243) | (4,086) | -70% |
| **Profit before exceptional items and tax** | **5,671** | **(6,230)** | **191%** | **9,391** | **(21,528)** | **144%** |
| Exceptional items | 493 | 307,110 | -100% | 117,950 | 321,804 | -63% |
| **Profit before tax** | **5,178** | **(313,340)** | **102%** | **(108,559)** | **(343,332)** | **68%** |
| **Tax expense** | | | | | | |
| Current tax | 6,494 | 4,281 | 52% | 11,580 | 12,044 | -4% |
| Deferred tax | (977) | (89,320) | 99% | 32,112 | (103,153) | 131% |
| **Profit for the period** | **(339)** | **(228,301)** | **100%** | **(152,251)** | **(252,223)** | **40%** |

### 7.1.2 Consolidated Statement of Comprehensive Income

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | Six Months Ended | | |
|---|---|---|---|---|---|---|
| | Sep-20 | Sep-19 | Y-o-Y Growth | Sep-20 | Sep-19 | Y-o-Y Growth |
| **Profit for the period** | **(339)** | **(228,301)** | **100%** | **(152,251)** | **(252,223)** | **40%** |
| **Other comprehensive income ('OCI'):** | | | | | | |
| Items to be reclassified subsequently to profit or loss : | | | | | | |
| Net gains / (losses) due to foreign currency translation differences | (2,487) | 4,503 | -155% | (3,350) | 2,033 | -265% |
| Gains / (losses) on net investments hedge | 1,418 | (1,156) | 223% | 1,206 | (1,309) | 192% |
| Gains / (Losses) on cash flow hedge | 0 | (114) | 100% | 0 | (193) | 100% |
| Gains / (losses) on fair value through OCI investments | 99 | (126) | 179% | (90) | (107) | 16% |
| Tax credit / (charge) | (413) | 296 | -240% | (425) | 364 | -217% |
| | **(1,383)** | **3,403** | **-141%** | **(2,659)** | **788** | **-437%** |
| Items not to be reclassified to profit or loss : | | | | | | |
| Re-measurement gains / (losses) on defined benefit plans | 24 | 41 | -42% | 7 | (250) | 103% |
| Share of joint ventures and associates | (7) | 3 | -332% | (80) | (3) | -2189% |
| Tax credit / (charge) | (9) | (13) | 29% | (15) | 67 | -122% |
| | 8 | 31 | -76% | (88) | (186) | 52% |
| **Other comprehensive income / (loss) for the period** | **(1,375)** | **3,434** | **-140%** | **(2,747)** | **602** | **-556%** |
| **Total comprehensive income / (loss) for the period** | **(1,714)** | **(224,867)** | **99%** | **(154,998)** | **(251,621)** | **38%** |
| **Profit for the period Attributable to:** | **(339)** | **(228,301)** | **100%** | **(152,251)** | **(252,223)** | **40%** |
| Owners of the Parent | (7,632) | (230,449) | 97% | (166,963) | (259,109) | 36% |
| Non-controlling interests | 7,293 | 2,148 | 240% | 14,712 | 6,886 | 114% |
| **Other comprehensive income / (loss) for the period attributable to :** | **(1,375)** | **3,434** | **-140%** | **(2,747)** | **602** | **-556%** |
| Owners of the Parent | 1,798 | 1,119 | 61% | 1,094 | (831) | 232% |
| Non-controlling interests | (3,173) | 2,315 | -237% | (3,841) | 1,433 | -368% |
| **Total comprehensive income / (loss) for the period attributable to :** | **(1,714)** | **(224,867)** | **99%** | **(154,998)** | **(251,621)** | **38%** |
| Owners of the Parent | (5,834) | (229,330) | 97% | (165,869) | (259,940) | 36% |
| Non-controlling interests | 4,120 | 4,463 | -8% | 10,871 | 8,319 | 31% |
| **Earnings per share (Face value : Rs. 5/- each) (In Rupees)** | | | | | | |
| Basic | (1.40) | (44.92) | 97% | (30.62) | (53.04) | 42% |
| Diluted | (1.40) | (44.92) | 97% | (30.62) | (53.04) | 42% |

### 7.1.3 Consolidated Summarized Balance Sheet

*Amount in Rs Mn*

| Particulars | As at Sep 30, 2020 | As at Sep 30, 2019 | As at Mar 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment (inc CWIP and ROU) | 1,184,512 | 1,143,109 | 1,176,594 |
| Intangible assets | 1,125,882 | 1,169,282 | 1,158,784 |
| Investment in joint ventures and associates | 97,869 | 91,005 | 96,808 |
| **Financial Assets** | | | |
| - Investments | 17,710 | 20,215 | 20,278 |
| - Others | 27,344 | 12,853 | 23,465 |
| Income & Deferred tax assets (net) | 259,528 | 238,960 | 291,248 |
| Other non-current assets | 70,530 | 83,653 | 74,181 |
| | **2,783,375** | **2,759,077** | **2,841,358** |
| **Current assets** | | | |
| **Financial Assets** | | | |
| - Investments | 92,355 | 60,383 | 137,679 |
| - Trade receivables | 49,617 | 53,290 | 46,058 |
| - Cash and bank balances | 105,241 | 106,957 | 135,507 |
| - Other bank balances | 29,496 | 20,490 | 23,420 |
| - Others | 188,509 | 200,533 | 213,315 |
| Other current assets | 154,600 | 154,658 | 210,453 |
| | **619,818** | **596,311** | **766,432** |
| **Total Assets** | **3,403,193** | **3,355,388** | **3,607,790** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity attributable to owners of the Parent | 593,393 | 699,285 | 771,448 |
| Non-controlling interests ('NCI') | 249,577 | 170,316 | 249,847 |
| | **842,970** | **869,601** | **1,021,295** |
| **Non-current liabilities** | | | |
| **Financial Liabilities** | | | |
| - Borrowings | 1,283,470 | 1,112,440 | 1,154,470 |
| - Others | 112,523 | 60,033 | 67,691 |
| Deferred tax liabilities (net) | 16,852 | 6,816 | 16,877 |
| Other non-current liabilities | 38,987 | 35,756 | 32,581 |
| | **1,451,832** | **1,215,045** | **1,271,619** |
| **Current liabilities** | | | |
| **Financial Liabilities** | | | |
| - Borrowings | 313,203 | 256,730 | 327,811 |
| - Trade Payables | 274,995 | 266,922 | 250,232 |
| - Others | 162,129 | 190,819 | 168,889 |
| Current tax liabilities (net) | 10,867 | 10,189 | 13,519 |
| Other current liabilities | 347,197 | 546,082 | 554,425 |
| | **1,108,391** | **1,270,742** | **1,314,876** |
| **Total liabilities** | **2,560,223** | **2,485,787** | **2,586,495** |
| **Total equity and liabilities** | **3,403,193** | **3,355,388** | **3,607,790** |

### 7.1.4 Consolidated Statement of Cash Flows

*Amount in Rs Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| **Cash flows from operating activities** | | | | |
| **Profit before tax** | **5,178** | **(313,340)** | **(108,559)** | **(343,332)** |
| ***Adjustments for -*** | | | | |
| Depreciation and amortisation | 74,211 | 69,351 | 146,479 | 136,938 |
| Finance costs | 37,110 | 31,465 | 70,867 | 65,393 |
| Dividend income | 0 | (11) | 0 | (57) |
| Net gain on FVTPL investments | (1,187) | (1,271) | (4,027) | (2,277) |
| Interest income | (486) | (785) | (2,244) | (2,039) |
| Net loss/ (gain) on derivative financial instruments | 1,439 | (722) | 2,154 | (529) |
| Net fair value gain on financial instruments | (112) | 0 | (292) | 0 |
| Other non-cash items | 2,307 | 303,597 | 120,872 | 321,460 |
| **Operating cash flow before changes in working capital** | **118,459** | **88,284** | **225,249** | **175,557** |
| ***Changes in working capital -*** | | | | |
| Trade receivables | 7,872 | (3,801) | (6,865) | (15,906) |
| Trade payables | 3,539 | (16,497) | 14,624 | (10,173) |
| Other assets and liabilities | (26,095) | 4,592 | (2,915) | 15,273 |
| **Net cash generated from operations before tax and dividend** | **103,775** | **72,577** | **230,094** | **164,751** |
| Income tax (paid) / refund | (3,397) | (6,189) | (13,476) | (13,377) |
| **Net cash generated from operating activities (a)** | **100,378** | **66,388** | **216,618** | **151,374** |
| **Cash flows from investing activities** | | | | |
| Net (Purchase) / proceeds from sale of PPE | (54,347) | (39,691) | (107,685) | (88,893) |
| Purchase of intangible assets, spectrum- DPL | (1,398) | (3,428) | (3,163) | (13,629) |
| Net movement in current investments | 49,218 | (4,244) | 48,386 | (12,839) |
| Net (Purchase) / Sale of non-current investments | 76 | 1,830 | 3,637 | 2,352 |
| Consideration / advance for acquisitions, net of cash acquired | 0 | 1,189 | 0 | 0 |
| Investment in joint venture / associate | 6 | 2 | (3,311) | (2,603) |
| Dividend received | 0 | 0 | 4,200 | 0 |
| Interest received | 299 | 882 | 2,540 | 2,502 |
| **Net cash (used in) / generated from investing activities (b)** | **(6,146)** | **(43,460)** | **(55,396)** | **(113,110)** |
| **Cash flows from financing activities** | | | | |
| Net Proceeds / (repayments) from borrowings | (76,170) | 52,163 | (80,463) | (53,277) |
| Net (repayment of) / proceeds from short-term borrowings | (6,490) | (55,053) | (28,951) | (138,852) |
| Repayment of lease liabilities | (11,389) | (6,372) | (25,257) | (18,231) |
| Purchase of treasury shares and proceeds from exercise of share | 7 | 2 | (13) | (81) |
| Interest and other finance charges paid | 98 | (14,643) | (21,237) | (57,914) |
| Dividend paid (including tax) | (17,113) | (3,784) | (22,791) | (11,558) |
| Proceeds from issuance of equity shares / perpetual bonds to Non-controlling interest | 0 | 54,799 | 0 | 55,030 |
| Share issue expenses of subsidiary | 0 | 251 | (15) | 0 |
| Net proceeds from issue of shares | 0 | 7 | 0 | 249,136 |
| Payment towards derivatives | 0 | 0 | 0 | (15,784) |
| **Net cash (used in) / generated from financing activities (c)** | **(111,057)** | **27,370** | **(178,728)** | **8,469** |
| **Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)** | **(16,825)** | **50,298** | **(17,506)** | **46,733** |
| Effect of exchange rate on cash and cash equivalents | (2,295) | 2,560 | (2,659) | 2,459 |
| Cash and cash equivalents as at beginning of the period | 129,494 | 50,127 | 130,539 | 53,793 |
| **Cash and cash equivalents as at end of the period** | **110,374** | **102,985** | **110,374** | **102,985** |

## 7.2 Consolidated Schedule of Net Debt & Finance Cost

### 7.2.1 Schedule of Net Debt in INR

*Amount in Rs Mn*

| Particulars | As at Sep 30, 2020 | As at Sep 30, 2019 | As at Mar 31, 2020 |
|---|---|---|---|
| Long term debt, net of current portion | 373,559 | 475,227 | 474,200 |
| Short-term borrowings and current portion of long-term debt | 247,870 | 148,593 | 265,428 |
| Deferred payment liability | 667,920 | 442,164 | 433,493 |
| **Less:** | | | |
| Cash and Cash Equivalents | 105,242 | 106,958 | 135,508 |
| Investments & Receivables | 110,073 | 77,769 | 155,102 |
| **Net Debt** | **1,074,034** | **881,258** | **882,512** |
| Lease Obligation | 304,383 | 299,807 | 306,078 |
| **Net Debt including Lease Obligations** | **1,378,417** | **1,181,065** | **1,188,590** |

### 7.2.2 Schedule of Net Debt in US$

*Amount in US$ Mn*

| Particulars | As at Sep 30, 2020 | As at Sep 30, 2019 | As at Mar 31, 2020 |
|---|---|---|---|
| Long term debt, net of current portion | 5,058 | 6,735 | 6,266 |
| Short-term borrowings and current portion of long-term debt | 3,356 | 2,106 | 3,507 |
| Deferred payment liability | 9,043 | 6,266 | 5,728 |
| **Less:** | | | |
| Cash and Cash Equivalents | 1,425 | 1,516 | 1,791 |
| Investments & Receivables | 1,490 | 1,102 | 2,050 |
| **Net Debt** | **14,542** | **12,489** | **11,662** |
| Lease Obligation | 4,121 | 4,249 | 4,045 |
| **Net Debt including Lease Obligations** | **18,663** | **16,738** | **15,707** |

### 7.2.3 Schedule of Finance Cost

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Interest on borrowings & Finance charges | 32,134 | 23,596 | 58,977 | 48,746 |
| Interest on Lease Obligations | 6,622 | 6,538 | 13,349 | 12,775 |
| Derivatives and exchange (gain)/ loss | 176 | 1,015 | 1,475 | 3,544 |
| Investment (income)/ loss | (1,673) | (2,066) | (6,044) | (4,168) |
| **Finance cost (net)** | **37,259** | **29,083** | **67,757** | **60,898** |

### 7.3 Use of Non-GAAP Financial Information

In presenting and discussing the Company's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with Ind-AS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

| Non – GAAP measure | Equivalent GAAP measure | Location in this results announcement of reconciliation and further information |
|---|---|---|
| Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA) | Profit from operating activities | Page 33 |
| Cash Profit from Operations before Derivative & Exchange (Gain)/Loss | Profit from operating activities | Page 33 |
| Capex | NA | NA |
| Operating Free Cash flow | NA | NA |
| Cumulative investments | NA | NA |

### 7.3.1 Reconciliation of Non-GAAP financial information based on Ind-AS

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| **Profit / (loss) from operating activities before depreciation, amortization and exceptional items To EBITDA** | | | | |
| Profit / (Loss) from Operating Activities | 117,909 | 91,838 | 226,793 | 177,124 |
| Add: CSR Costs (Inc charity donation) | 156 | 83 | 1,000 | 1,377 |
| Less: Finance Income (part of other Income) | 346 | 2,789 | 4,409 | 4,902 |
| Add: Non operating Expenses | 765 | 232 | 1,491 | 692 |
| **EBITDA** | **118,483** | **89,363** | **224,875** | **174,289** |
| **Reconciliation of Finance Cost** | | | | |
| Finance Cost | 37,604 | 31,872 | 72,166 | 65,800 |
| Less: Finance Income (Part of other income) | 346 | 2,789 | 4,409 | 4,902 |
| **Finance Cost (net)** | **37,259** | **29,083** | **67,757** | **60,898** |
| **Profit / (loss) from operating activities before depreciation, amortization and exceptional items to Cash Profit from Operations before Derivative & Exchange Fluctuation** | | | | |
| Profit / (Loss) from Operating Activities | 117,909 | 91,838 | 226,793 | 177,124 |
| Less: Finance cost | 37,604 | 31,872 | 72,166 | 65,800 |
| Add: Derivatives and exchange (gain)/loss | 176 | 1,015 | 1,475 | 3,544 |
| **Cash Profit from Operations before Derivative & Exchange Fluctuation** | **80,480** | **60,980** | **156,103** | **114,867** |

# SECTION 8

# REGION WISE COST SCHEDULES

## 8.1 India

### 8.1.1 Schedule of Operating Expenses

*Amount in Rs Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Access charges | 23,996 | 21,904 | 47,153 | 43,412 |
| Licence fees, revenue share & spectrum charges | 17,887 | 13,251 | 34,153 | 27,846 |
| Network operations costs | 41,870 | 38,627 | 81,051 | 75,324 |
| Cost of goods sold | 988 | 1,047 | 1,991 | 1,315 |
| Employee costs | 5,857 | 5,594 | 12,584 | 10,663 |
| Selling, general and adminstration expense | 12,163 | 10,785 | 25,187 | 27,349 |
| **Operating Expenses** | **102,761** | **91,208** | **202,120** | **185,910** |

### 8.1.2 Schedule of Depreciation & Amortization

*Amount in Rs Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Depreciation | 46,191 | 42,784 | 90,725 | 85,267 |
| Amortization | 15,253 | 15,533 | 30,386 | 29,977 |
| **Depreciation & Amortization** | **61,444** | **58,317** | **121,111** | **115,244** |

### 8.1.3 Schedule of Income Tax

*Amount in Rs Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Current tax expense | 2,408 | 1,632 | 5,240 | 7,183 |
| Deferred tax expense / (income) | (2,598) | (8,545) | (8,317) | (23,325) |
| **Income tax expense** | **(190)** | **(6,914)** | **(3,076)** | **(16,143)** |

### 8.2 South Asia

#### 8.2.1 Schedule of Operating Expenses

*Amount in Rs Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Access charges | 127 | 139 | 261 | 281 |
| Licence fees, revenue share & spectrum charges | 170 | 156 | 340 | 308 |
| Network operations costs | 356 | 357 | 738 | 716 |
| Cost of goods sold | 0 | 1 | (0) | 1 |
| Employee costs | 100 | 99 | 192 | 197 |
| Selling, general and adminstration expense | 246 | 270 | 460 | 514 |
| **Operating Expenses** | **1,001** | **1,021** | **1,990** | **2,018** |

#### 8.2.2 Schedule of Depreciation & Amortization

*Amount in Rs Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Depreciation | 330 | 342 | 683 | 673 |
| Amortization | 26 | 21 | 51 | 41 |
| **Depreciation & Amortization** | **356** | **362** | **734** | **714** |

### 8.3 Africa

#### 8.3.1 Schedule of Operating Expenses (In Constant Currency)

*Amount in US$ Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Access charges | 93 | 90 | 178 | 175 |
| Licence fees, revenue share & spectrum charges | 47 | 46 | 95 | 91 |
| Network operations costs | 174 | 145 | 332 | 274 |
| Cost of goods sold | 48 | 32 | 85 | 61 |
| Employee costs | 72 | 64 | 138 | 115 |
| Selling, general and adminstration expense | 99 | 82 | 190 | 178 |
| **Operating Expenses** | **533** | **460** | **1,019** | **895** |

#### 8.3.2 Schedule of Depreciation & Amortization (In Constant Currency)

*Amount in US$ Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Depreciation | 137 | 126 | 276 | 248 |
| Amortization | 29 | 20 | 52 | 40 |
| **Depreciation & Amortization** | **166** | **146** | **328** | **288** |

#### 8.3.3 Schedule of Income Tax (In USD Reported Currency)

*Amount in US$ Mn*

| Particulars | Quarter Ended | | Six Months Ended | |
|---|---|---|---|---|
| | Sep-20 | Sep-19 | Sep-20 | Sep-19 |
| Current tax expense | 55 | 39 | 102 | 71 |
| Deferred tax expense / (income) | 30 | 28 | 44 | 45 |
| **Income tax expense** | **85** | **68** | **146** | **116** |

# SECTION 9

# TRENDS AND RATIO ANALYSIS

## 9.1 Based on Statement of Operations Consolidated

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **257,850** | **239,387** | **237,227** | **219,472** | **211,313** |
| Access charges | 29,229 | 28,011 | 28,270 | 27,109 | 26,389 |
| Cost of goods sold | 4,541 | 3,828 | 3,738 | 3,418 | 3,420 |
| Licence Fee | 21,590 | 20,041 | 20,201 | 17,667 | 16,763 |
| **Net revenues** | **202,490** | **187,506** | **185,018** | **171,279** | **164,741** |
| Operating Expenses (Excl Access Charges, cost of goods sold & License Fee) | 85,150 | 81,857 | 82,750 | 78,522 | 76,055 |
| **EBITDA** | **118,483** | **106,392** | **103,263** | **93,501** | **89,363** |
| Cash profit from operations before Derivative and Exchange Fluctuations | 80,480 | 75,622 | 75,123 | 64,961 | 60,980 |
| EBIT | 44,117 | 33,279 | 32,464 | 24,008 | 19,930 |
| Share of results of Joint Ventures/Associates | (423) | 1,666 | 915 | 1,523 | 3,154 |
| Profit before Tax | 5,671 | 3,720 | (65) | (4,526) | (6,231) |
| **Profit after Tax (before exceptional items)** | **(57)** | **1,976** | **726** | **(5,419)** | **(4,357)** |
| Non Controlling Interest | 7,387 | 6,339 | 5,434 | 5,386 | 6,872 |
| **Net income (before exceptional items)** | **(7,444)** | **(4,363)** | **(4,708)** | **(10,805)** | **(11,228)** |
| Exceptional Items (net of tax) | 493 | 87,271 | 46,443 | 369 | 212,445 |
| Tax related Exceptional items | (211) | 66,617 | 4,053 | (1,139) | 11,499 |
| **Profit after tax (after exceptional items)** | **(339)** | **(151,912)** | **(49,770)** | **(4,649)** | **(228,301)** |
| Non Controlling Interest | 7,293 | 7,419 | 2,599 | 5,704 | 2,148 |
| **Net income** | **(7,632)** | **(159,331)** | **(52,370)** | **(10,353)** | **(230,449)** |
| Capex | 67,907 | 39,753 | 113,385 | 51,831 | 37,901 |
| Operating Free Cash Flow (EBITDA - Capex) | 50,577 | 66,638 | (10,122) | 41,670 | 51,461 |
| Cumulative Investments | 3,727,628 | 3,666,845 | 3,630,640 | 3,569,521 | 3,514,674 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 11.3% | 11.7% | 11.9% | 12.4% | 12.5% |
| Cost of goods sold | 1.8% | 1.6% | 1.6% | 1.6% | 1.6% |
| Licence Fee | 8.4% | 8.4% | 8.5% | 8.0% | 7.9% |
| Net revenues | 78.5% | 78.3% | 78.0% | 78.0% | 78.0% |
| Operating Expenses (excluding access charges, cost of goods sold & license fee) | 33.0% | 34.2% | 34.9% | 35.8% | 36.0% |
| EBITDA | 46.0% | 44.4% | 43.5% | 42.6% | 42.3% |
| Cash profit from operations before Derivative and Exchange Fluctuations | 31.2% | 31.6% | 31.7% | 29.6% | 28.9% |
| EBIT | 17.1% | 13.9% | 13.7% | 10.9% | 9.4% |
| Share of results of JV / Associates | -0.2% | 0.7% | 0.4% | 0.7% | 1.5% |
| Profit before Tax | 2.2% | 1.6% | 0.0% | -2.1% | -2.9% |
| Profit after Tax (before exceptional items) | 0.0% | 0.8% | 0.3% | -2.5% | -2.1% |
| Non Controlling Interest | 2.9% | 2.6% | 2.3% | 2.5% | 3.3% |
| Net income (before exceptional items) | -2.9% | -1.8% | -2.0% | -4.9% | -5.3% |
| Profit after tax (after exceptional items) | -0.1% | -63.5% | -21.0% | -2.1% | -108.0% |
| Non Controlling Interest | 2.8% | 3.1% | 1.1% | 2.6% | 1.0% |
| Net income | -3.0% | -66.6% | -22.1% | -4.7% | -109.1% |

## India & South Asia

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **188,471** | **176,919** | **175,540** | **159,002** | **154,608** |
| Access charges | 24,096 | 23,260 | 23,303 | 22,124 | 21,952 |
| Cost of goods sold | 989 | 1,003 | 949 | 743 | 1,047 |
| Licence Fee | 18,058 | 16,435 | 16,518 | 14,533 | 13,407 |
| **Net revenues** | **145,329** | **136,221** | **134,770** | **121,602** | **118,202** |
| Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs) | 60,437 | 59,014 | 61,154 | 57,158 | 55,697 |
| **EBITDA** | **86,032** | **77,968** | **74,622** | **65,119** | **63,298** |
| EBIT | 24,165 | 17,350 | 14,835 | 6,559 | 4,601 |
| Profit before Tax | (3,768) | (143) | (15,814) | (12,097) | (17,071) |
| **Profit after Tax (before exceptional items)** | **(3,578)** | **2,743** | **(10,762)** | **(6,072)** | **(10,163)** |
| Non Controlling Interest | 3,591 | 4,231 | 1,840 | 2,726 | 3,878 |
| **Net income (before exceptional items)** | **(7,168)** | **(1,487)** | **(12,602)** | **(8,799)** | **(14,041)** |
| Capex | 56,761 | 34,749 | 95,476 | 41,155 | 27,576 |
| Operating Free Cash Flow (EBITDA - Capex) | 29,271 | 43,219 | (20,854) | 23,964 | 35,723 |
| Cumulative Investments | 3,063,713 | 3,010,127 | 2,978,435 | 2,938,934 | 2,903,597 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 12.8% | 13.1% | 13.3% | 13.9% | 14.2% |
| Cost of goods sold | 0.5% | 0.6% | 0.5% | 0.5% | 0.7% |
| Licence Fee | 9.6% | 9.3% | 9.4% | 9.1% | 8.7% |
| Net revenues | 77.1% | 77.0% | 76.8% | 76.5% | 76.5% |
| Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs) | 32.1% | 33.4% | 34.8% | 35.9% | 36.0% |
| EBITDA | 45.6% | 44.1% | 42.5% | 41.0% | 40.9% |
| EBIT | 12.8% | 9.8% | 8.5% | 4.1% | 3.0% |
| Profit before Tax | -2.0% | -0.1% | -9.0% | -7.6% | -11.0% |
| Profit after Tax (before exceptional items) | -1.9% | 1.6% | -6.1% | -3.8% | -6.6% |
| Non Controlling Interest | 1.9% | 2.4% | 1.0% | 1.7% | 2.5% |
| Net income (before exceptional items) | -3.8% | -0.8% | -7.2% | -5.5% | -9.1% |

## India

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **187,470** | **175,895** | **174,383** | **157,974** | **153,610** |
| Access charges | 23,996 | 23,157 | 23,087 | 22,067 | 21,904 |
| Cost of goods sold | 988 | 1,003 | 948 | 770 | 1,047 |
| Licence Fee | 17,887 | 16,265 | 16,352 | 14,368 | 13,251 |
| **Net revenues** | **144,598** | **135,469** | **133,996** | **120,769** | **117,408** |
| Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs) | 59,822 | 58,359 | 60,526 | 56,428 | 54,988 |
| **EBITDA** | **85,916** | **77,870** | **74,475** | **65,015** | **63,213** |
| EBIT | 24,404 | 17,630 | 15,052 | 6,861 | 4,878 |
| Profit before Tax | (3,425) | 226 | (15,319) | (11,621) | (16,583) |
| **Profit after Tax (before exceptional items)** | **(3,235)** | **3,113** | **(10,267)** | **(5,590)** | **(9,669)** |
| Non Controlling Interest | 3,591 | 4,231 | 1,840 | 2,726 | 3,878 |
| **Net income (before exceptional items)** | **(6,825)** | **(1,118)** | **(12,107)** | **(8,316)** | **(13,547)** |
| Capex | 55,903 | 34,415 | 95,207 | 40,823 | 27,469 |
| Operating Free Cash Flow (EBITDA - Capex) | 30,013 | 43,455 | (20,732) | 24,191 | 35,744 |
| Cumulative Investments | 3,046,309 | 2,993,277 | 2,962,082 | 2,923,204 | 2,888,882 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 12.8% | 13.2% | 13.2% | 14.0% | 14.3% |
| Cost of goods sold | 0.5% | 0.6% | 0.5% | 0.5% | 0.7% |
| Licence Fee | 9.5% | 9.2% | 9.4% | 9.1% | 8.6% |
| Net revenues | 77.1% | 77.0% | 76.8% | 76.4% | 76.4% |
| Operating Expenses (Excl Access Charges, cost of goods sold, License Fee & CSR Costs) | 31.9% | 33.2% | 34.7% | 35.7% | 35.8% |
| EBITDA | 45.8% | 44.3% | 42.7% | 41.2% | 41.2% |
| EBIT | 13.0% | 10.0% | 8.6% | 4.3% | 3.2% |
| Profit before Tax | -1.8% | 0.1% | -8.8% | -7.4% | -10.8% |
| Profit after Tax (before exceptional items) | -1.7% | 1.8% | -5.9% | -3.5% | -6.3% |
| Non Controlling Interest | 1.9% | 2.4% | 1.1% | 1.7% | 2.5% |
| Net income (before exceptional items) | -3.6% | -0.6% | -6.9% | -5.3% | -8.8% |

## South Asia

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **1,116** | **1,088** | **1,203** | **1,155** | **1,106** |
| Access charges | 127 | 134 | 143 | 140 | 139 |
| Cost of goods sold | 0 | (0) | 1 | 1 | 1 |
| Licence Fee | 170 | 170 | 166 | 165 | 156 |
| **Net revenues** | **818** | **784** | **894** | **849** | **810** |
| Operating Expenses (Excl Access Charges, cost of goods sold & License Fee) | 703 | 686 | 747 | 744 | 726 |
| **EBITDA** | **116** | **98** | **147** | **106** | **84** |
| EBIT | (240) | (280) | (217) | (301) | (277) |
| Profit before Tax | (343) | (369) | (495) | (475) | (489) |
| **Profit after Tax (before exceptional items)** | **(343)** | **(369)** | **(495)** | **(481)** | **(494)** |
| Non Controlling Interest | 0 | 0 | 0 | 0 | 0 |
| **Net income (before exceptional items)** | **(343)** | **(369)** | **(495)** | **(481)** | **(494)** |
| Capex | 858 | 334 | 269 | 331 | 107 |
| Operating Free Cash Flow (EBITDA - Capex) | (742) | (236) | (122) | (225) | (22) |
| Cumulative Investments | 17,404 | 16,851 | 16,352 | 15,730 | 14,715 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 11.4% | 12.3% | 11.9% | 12.1% | 12.6% |
| Cost of goods sold | 0.0% | 0.0% | 0.1% | 0.1% | 0.0% |
| Licence Fee | 15.3% | 15.6% | 13.8% | 14.3% | 14.1% |
| Net revenues | 73.3% | 72.1% | 74.3% | 73.5% | 73.3% |
| Operating Expenses (excluding access charges, cost of goods sold & license fee) | 63.0% | 63.1% | 62.1% | 64.5% | 65.6% |
| EBITDA | 10.4% | 9.0% | 12.2% | 9.2% | 7.6% |
| EBIT | -21.5% | -25.8% | -18.0% | -26.1% | -25.1% |
| Profit before Tax | -30.7% | -34.0% | -41.1% | -41.1% | -44.2% |
| Profit after Tax (before exceptional items) | -30.7% | -34.0% | -41.1% | -41.6% | -44.7% |
| Non Controlling Interest | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net income (before exceptional items) | -30.7% | -34.0% | -41.1% | -41.6% | -44.7% |

**Africa: In INR**

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **71,660** | **64,513** | **64,888** | **62,692** | **59,157** |
| Access charges | 6,897 | 6,386 | 6,803 | 6,951 | 6,623 |
| Cost of goods sold | 3,552 | 2,826 | 2,789 | 2,703 | 2,404 |
| Licence Fee | 3,532 | 3,606 | 3,683 | 3,134 | 3,356 |
| **Net revenues** | **57,679** | **51,695** | **51,613** | **49,904** | **46,773** |
| Operating Expenses (Excl Access Charges, cost of goods sold & License Fee) | 25,599 | 23,523 | 23,179 | 21,878 | 21,159 |
| **EBITDA** | **32,453** | **28,425** | **28,640** | **28,331** | **26,082** |
| EBIT | 19,952 | 15,933 | 17,627 | 17,398 | 15,344 |
| Profit before Tax | 13,019 | 8,386 | 6,922 | 11,829 | 10,633 |
| **Profit after Tax (before exceptional items)** | **6,687** | **3,756** | **4,984** | **5,107** | **5,880** |
| Non Controlling Interest | 3,659 | 2,176 | 2,707 | 2,644 | 2,832 |
| **Net income (before exceptional items)** | **3,028** | **1,580** | **2,277** | **2,463** | **3,048** |
| Capex | 11,146 | 5,004 | 17,909 | 10,677 | 10,326 |
| Operating Free Cash Flow (EBITDA - Capex) | 21,307 | 23,421 | 10,731 | 17,654 | 15,756 |
| Cumulative Investments | 637,824 | 630,103 | 626,556 | 606,434 | 586,118 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 9.6% | 9.9% | 10.5% | 11.1% | 11.2% |
| Cost of goods sold | 5.0% | 4.4% | 4.3% | 4.3% | 4.1% |
| Licence Fee | 4.9% | 5.6% | 5.7% | 5.0% | 5.7% |
| Net revenues | 80.5% | 80.1% | 79.5% | 79.6% | 79.1% |
| Operating Expenses (excluding access charges, cost of goods sold & license fee) | 35.7% | 36.5% | 35.7% | 34.9% | 35.8% |
| EBITDA | 45.3% | 44.1% | 44.1% | 45.2% | 44.1% |
| EBIT | 27.8% | 24.7% | 27.2% | 27.8% | 25.9% |
| Profit before Tax (before exceptional items) | 18.2% | 13.0% | 10.7% | 18.9% | 18.0% |
| Profit after Tax (before exceptional items) | 9.3% | 5.8% | 7.7% | 8.1% | 9.9% |
| Non Controlling Interest | 5.1% | 3.4% | 4.2% | 4.2% | 4.8% |
| Net income (before exceptional items) | 4.2% | 2.4% | 3.5% | 3.9% | 5.2% |

**Africa: In USD Constant Currency**

*Amount in US$ Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **963** | **856** | **870** | **845** | **805** |
| Access charges | 93 | 85 | 91 | 93 | 90 |
| Cost of goods sold | 48 | 37 | 37 | 36 | 32 |
| Licence Fee | 47 | 48 | 50 | 43 | 46 |
| **Net revenues** | **775** | **685** | **692** | **673** | **636** |
| Operating Expenses (Excl Access Charges, cost of goods sold & License Fee) | 343 | 312 | 313 | 297 | 290 |
| **EBITDA** | **436** | **377** | **382** | **380** | **353** |
| EBIT | 269 | 211 | 233 | 231 | 205 |
| Profit before tax (before exceptional items) | 191 | 134 | 163 | 159 | 128 |
| Capex | 149 | 66 | 246 | 150 | 147 |
| Operating Free Cash Flow (EBITDA - Capex) | 287 | 311 | 136 | 229 | 205 |
| Cumulative Investments | 8,636 | 8,336 | 8,280 | 8,498 | 8,306 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 9.7% | 9.9% | 10.4% | 11.1% | 11.2% |
| Cost of goods sold | 5.0% | 4.4% | 4.3% | 4.3% | 4.0% |
| Licence Fee | 4.9% | 5.6% | 5.8% | 5.1% | 5.8% |
| Net revenues | 80.5% | 80.1% | 79.5% | 79.6% | 79.0% |
| Operating Expenses (excluding access charges, cost of goods sold & license fee) | 35.7% | 36.5% | 36.0% | 35.2% | 36.1% |
| EBITDA | 45.3% | 44.0% | 43.9% | 44.9% | 43.8% |
| EBIT | 27.9% | 24.7% | 26.8% | 27.3% | 25.5% |
| Profit before tax (before exceptional items) | 19.8% | 15.7% | 18.7% | 18.8% | 15.9% |

*Note 6: Closing currency rates as on March 31, 2020 considered for above financials up to PBT. Actual currency rates are taken for Capex & Cumulative Investments.*
*Note 7: PBT excludes any realized / unrealized derivatives and exchange (gain) / loss for the period.*

## Africa: In USD Reported Currency

*Amount in US$ Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **965** | **851** | **899** | **883** | **844** |
| Access charges | 93 | 84 | 94 | 98 | 94 |
| Cost of goods sold | 48 | 37 | 39 | 38 | 34 |
| Licence Fee | 47 | 48 | 51 | 44 | 48 |
| **Net revenues** | **776** | **682** | **715** | **703** | **667** |
| Operating Expenses (Excl Access Charges, cost of goods sold & License Fee) | 345 | 310 | 321 | 308 | 302 |
| **EBITDA** | **437** | **375** | **397** | **399** | **372** |
| EBIT | 269 | 210 | 244 | 245 | 219 |
| Profit before Tax | 175 | 111 | 97 | 167 | 151 |
| **Profit after Tax (before exceptional items)** | **90** | **50** | **69** | **73** | **84** |
| Non Controlling Interest | 49 | 29 | 38 | 37 | 40 |
| **Net income (before exceptional items)** | 41 | 21 | 32 | 36 | 43 |
| Capex | 149 | 66 | 246 | 150 | 147 |
| Operating Free Cash Flow (EBITDA - Capex) | 287 | 309 | 151 | 248 | 224 |
| Cumulative Investments | 8,636 | 8,336 | 8,280 | 8,498 | 8,306 |

| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|
| **As a % of Total revenues** | | | | | |
| Access charges | 9.6% | 9.9% | 10.5% | 11.1% | 11.2% |
| Cost of goods sold | 5.0% | 4.4% | 4.3% | 4.3% | 4.1% |
| Licence Fee | 4.9% | 5.6% | 5.7% | 5.0% | 5.7% |
| Net revenues | 80.5% | 80.1% | 79.5% | 79.6% | 79.1% |
| Operating Expenses (excluding access charges, cost of goods sold & license fee) | 35.7% | 36.5% | 35.7% | 34.9% | 35.8% |
| EBITDA | 45.3% | 44.1% | 44.1% | 45.2% | 44.1% |
| EBIT | 27.8% | 24.7% | 27.2% | 27.7% | 25.9% |
| Profit before Tax | 18.2% | 13.0% | 10.8% | 19.0% | 18.0% |
| Profit after Tax (before exceptional items) | 9.4% | 5.8% | 7.7% | 8.3% | 9.9% |
| Non Controlling Interest | 5.1% | 3.4% | 4.2% | 4.2% | 4.8% |
| Net income (before exceptional items) | 4.2% | 2.5% | 3.5% | 4.0% | 5.1% |

## 9.2 Financial Trends of Business Operations

### Mobile Services India

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **138,319** | **128,771** | **129,529** | **111,653** | **109,814** |
| EBITDA | 58,919 | 52,227 | 50,796 | 40,109 | 39,913 |
| *EBITDA / Total revenues* | *42.6%* | *40.6%* | *39.2%* | *35.9%* | *36.3%* |
| EBIT | 6,799 | 1,650 | 265 | (8,249) | (11,449) |
| Capex | 41,736 | 25,585 | 69,968 | 25,415 | 19,639 |
| Operating Free Cash Flow (EBITDA - Capex) | 17,183 | 26,643 | (19,173) | 14,694 | 20,274 |
| Cumulative Investments | 2,433,322 | 2,392,875 | 2,370,219 | 2,350,313 | 2,392,024 |

### Homes Services

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **5,873** | **5,786** | **5,725** | **5,546** | **5,475** |
| EBITDA | 3,424 | 3,514 | 3,012 | 3,302 | 2,471 |
| *EBITDA / Total revenues* | *58.3%* | *60.7%* | *52.6%* | *59.5%* | *45.1%* |
| EBIT | 1,418 | 1,584 | 1,768 | 1,094 | 1,233 |
| Capex | 3,087 | 1,182 | 973 | 2,661 | 1,023 |
| Operating Free Cash Flow (EBITDA - Capex) | 338 | 2,332 | 2,038 | 642 | 1,447 |
| Cumulative Investments | 90,913 | 87,891 | 85,959 | 94,119 | 78,756 |

### Digital TV Services

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **7,548** | **7,448** | **6,035** | **7,922** | **7,893** |
| EBITDA | 5,351 | 5,041 | 3,648 | 5,441 | 5,607 |
| *EBITDA / Total revenues* | *70.9%* | *67.7%* | *60.5%* | *68.7%* | *710%* |
| EBIT | 2,945 | 2,512 | 1,465 | 3,011 | 3,243 |
| Capex | 3,469 | 2,457 | 2,514 | 3,509 | 2,052 |
| Operating Free Cash Flow (EBITDA - Capex) | 1,882 | 2,584 | 1,134 | 1,931 | 3,556 |
| Cumulative Investments | 104,500 | 101,032 | 98,585 | 96,553 | 93,046 |

** On account of deferment of revenue in Q4'20 (Pursuant to accounting policy change), Q4'20 numbers are not comparable with other period numbers.*

## Airtel Business

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **35,821** | **35,019** | **33,762** | **33,176** | **33,312** |
| EBITDA | 13,377 | 12,711 | 13,466 | 12,125 | 9,396 |
| *EBITDA / Total revenues* | *37.3%* | *36.3%* | *39.9%* | *36.5%* | *28.2%* |
| EBIT | 9,633 | 8,869 | 9,824 | 8,075 | 7,706 |
| Capex | 5,538 | 4,188 | 18,814 | 7,628 | 2,620 |
| Operating Free Cash Flow (EBITDA - Capex) | 7,840 | 8,523 | (5,347) | 4,498 | 6,776 |
| Cumulative Investments | 190,494 | 186,503 | 182,902 | 160,565 | 107,229 |

## Tower Infrastructure Services

*Amount in Rs Mn, except ratios*

| Particulars | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
| **Total revenues** | **17,663** | **16,421** | **16,826** | **16,662** | **16,674** |
| EBITDA | 9,293 | 8,742 | 9,032 | 8,782 | 9,268 |
| *EBITDA / Total revenues* | *52.6%* | *53.2%* | *53.7%* | *52.7%* | *55.6%* |
| EBIT | 6,247 | 5,507 | 5,557 | 5,686 | 6,125 |
| Share of results of Joint ventures / Associates | 2,882 | 3,020 | 2,445 | 3,852 | 4,866 |
| Capex | 2,073 | 1,004 | 2,937 | 1,611 | 2,136 |
| Operating Free Cash Flow (EBITDA - Capex) | 7,220 | 7,738 | 6,095 | 7,171 | 7,132 |
| Cumulative Investments | 216,914 | 213,575 | 214,277 | 210,237 | 206,935 |

### 9.3 Based on Statement of Financial Position

**Consolidated**

*Amount in Rs Mn, except ratios*

| Particulars | As at | | | | |
|---|---|---|---|---|---|
| | Sep 30, 2020 | Jun 30, 2020 | Mar 31, 2020 | Dec 31, 2019 | Sep 30, 2019 |
| Equity attributable to equity holders of parent | 593,393 | 609,902 | 771,448 | 688,287 | 699,285 |
| Equity attributable to parent & non controlling interest | 842,970 | 858,446 | 1,021,295 | 911,205 | 869,601 |
| Net Debt | 1,378,417 | 1,165,405 | 1,188,590 | 1,149,193 | 1,181,065 |
| Net Debt (US$ Mn) | 18,663 | 15,418 | 15,707 | 16,104 | 16,738 |
| Capital Employed = Equity attributable parent & Non controlling interest + Net Debt | 2,221,387 | 2,023,850 | 2,209,885 | 2,060,398 | 2,050,666 |

| | Sep 30, 2020 | Jun 30, 2020 | Mar 31, 2020 | Dec 31, 2019 | Sep 30, 2019 |
|---|---|---|---|---|---|
| Return on Equity (Post Tax) | -38.2% | -65.5% | -44.1% | -38.7% | -31.9% |
| Return on Equity (Pre Tax) | -22.8% | -54.5% | -44.3% | -39.4% | -35.0% |
| Return on Capital Employed | 8.3% | 6.3% | 6.1% | 4.7% | 3.7% |
| Net Debt to EBITDA (Annualised) | 2.91 | 2.74 | 2.88 | 3.07 | 3.30 |
| Assets Turnover ratio | 43.7% | 41.6% | 40.2% | 40.7% | 38.6% |
| Interest Coverage ratio (times) | 3.55 | 3.63 | 3.70 | 3.44 | 3.43 |
| Net debt to Equity attributable to equity holders of parent (Times) | 2.32 | 1.91 | 1.54 | 1.67 | 1.69 |
| **Per share data (for the period)** | | | | | |
| Net profit/(loss) per common share (in Rs) | (1.40) | (29.22) | (9.69) | (2.02) | (44.92) |
| Net profit/(loss) per diluted share (in Rs) | (1.40) | (29.22) | (9.69) | (2.02) | (44.92) |
| Book Value Per Equity Share (in Rs) | 108.8 | 111.8 | 141.4 | 134.1 | 136.4 |
| Market Capitalization (Rs Bn) | 2,296 | 3,053 | 2,404 | 2,339 | 1,885 |
| Enterprise Value (Rs Bn) | 3,675 | 4,219 | 3,592 | 3,488 | 3,066 |

### 9.4 Operational Performance – India

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| **Total Customers Base** | **000's** | **320,605** | **305,689** | **309,754** | **308,738** | **304,703** |
| **Mobile Services** | | | | | | |
| Customer Base | 000's | 293,742 | 279,869 | 283,667 | 283,036 | 279,430 |
| Net Additions | 000's | 13,873 | (3,798) | 631 | 3,606 | 2,613 |
| Pre-Paid (as a % of total Customer Base) | % | 94.8% | 94.8% | 94.8% | 94.9% | 94.9% |
| Monthly Churn | % | 1.7% | 2.2% | 2.6% | 2.6% | 2.1% |
| Average Revenue Per User (ARPU) | Rs | 162 | 157 | 154 | 135 | 128 |
| Average Revenue Per User (ARPU) | US$ | 2.2 | 2.1 | 2.1 | 1.9 | 1.8 |
| Revenue per towers per month | Rs | 233,150 | 220,942 | 227,659 | 202,375 | 195,769 |
| ***Voice*** | | | | | | |
| Minutes on the network | Mn | 860,854 | 820,246 | 821,900 | 758,897 | 716,642 |
| Voice Usage per customer | min | 1,005 | 994 | 965 | 898 | 848 |
| ***Data*** | | | | | | |
| Data Customer Base | 000's | 162,185 | 149,089 | 148,578 | 138,443 | 124,242 |
| *Of which 4G data customers* | *000's* | 152,685 | 138,294 | 136,309 | 123,793 | 103,111 |
| *As % of Customer Base* | *%* | 55.2% | 53.3% | 52.4% | 48.9% | 44.5% |
| Total MBs on the network | Mn MBs | 7,639,997 | 7,239,836 | 6,452,825 | 5,547,223 | 4,828,577 |
| Data Usage per customer | MBs | 16,409 | 16,655 | 14,972 | 13,928 | 13,116 |
| **Homes Services** | | | | | | |
| Homes Customers | 000's | 2,578 | 2,449 | 2,414 | 2,352 | 2,350 |
| Net Additions | 000's | 129 | 34 | 63 | 2 | 8 |
| Average Revenue Per User (ARPU) | Rs | 783 | 802 | 803 | 787 | 777 |
| Average Revenue Per User (ARPU) | US$ | 10.5 | 10.6 | 11.2 | 11.1 | 11.1 |
| **Digital TV Services** | | | | | | |
| Digital TV Customers | 000's | 17,387 | 16,838 | 16,613 | 16,308 | 16,207 |
| Net additions | 000's | 549 | 226 | 304 | 101 | 181 |
| Average Revenue Per User (ARPU)* | Rs | 148 | 149 | 123 | 162 | 162 |
| Average Revenue Per User (ARPU) | US$ | 2.0 | 2.0 | 1.7 | 2.3 | 2.3 |
| Monthly Churn | % | 1.5% | 1.3% | 1.0% | 1.8% | 1.6% |

**Comparable ARPU (adjusting for revenue deferment, pursuant to accounting policy change) Q4'20: Rs 154; Q3'20: Rs 153; Q2'20: Rs 152.*

### 9.5 Network and Coverage Trends - India

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| **Mobile Services** | | | | | | |
| Census Towns | Nos | 7,907 | 7,907 | 7,907 | 7,906 | 7,906 |
| Non-Census Towns & Villages | Nos | 790,450 | 789,572 | 788,185 | 786,719 | 786,268 |
| Population Coverage | % | 95.4% | 95.4% | 95.4% | 95.3% | 95.3% |
| Optic Fibre Network | R Kms | 310,289 | 306,788 | 304,907 | 299,592 | 294,867 |
| Network towers | Nos | 201,192 | 196,145 | 194,409 | 189,857 | 185,582 |
| *Of which Mobile Broadband towers* | *Nos* | 199,464 | 194,205 | 192,068 | 187,240 | 181,825 |
| Total Mobile Broadband Base stations | Nos | 537,206 | 506,957 | 503,883 | 473,859 | 461,891 |
| **Homes Services -** Cities covered | Nos | 145 | 117 | 111 | 103 | 100 |
| **Airtel Business -** Submarine cable systems | Nos | 7 | 7 | 7 | 7 | 7 |
| **Digital TV Services** | | | | | | |
| Districts Covered | Nos | 639 | 639 | 639 | 639 | 639 |
| Coverage | % | 99.8% | 99.8% | 99.8% | 99.8% | 99.8% |

** Districts covered is as per 2011 census.*

### 9.6 Tower Infrastructure Services

#### 9.6.1 Bharti Infratel Standalone

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| Total Towers | Nos | 43,110 | 42,339 | 42,053 | 41,471 | 41,050 |
| Total Co-locations | Nos | 76,565 | 75,435 | 75,715 | 76,322 | 76,176 |
| **Key Indicators** | | | | | | |
| Sharing Revenue per sharing operator per month | Rs | 47,400 | 45,173 | 45,715 | 45,018 | 46,095 |
| Average Sharing Factor | Times | 1.78 | 1.79 | 1.82 | 1.85 | 1.86 |

**Additional Information**

#### 9.6.2 Indus Towers

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| Total Towers | Nos | 128,984 | 127,291 | 126,949 | 125,649 | 124,692 |
| Total Co-locations | Nos | 237,541 | 235,192 | 235,396 | 232,924 | 231,500 |
| Average Sharing Factor | Times | 1.84 | 1.85 | 1.85 | 1.86 | 1.86 |

#### 9.6.3 Bharti Infratel Consolidated

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| Total Towers | Nos | 97,283 | 95,801 | 95,372 | 94,244 | 93,421 |
| Total Co-locations | Nos | 176,332 | 174,216 | 174,581 | 174,150 | 173,406 |
| Average Sharing Factor | Times | 1.82 | 1.82 | 1.84 | 1.85 | 1.86 |

### 9.7 Human Resource Analysis - India

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| Total Employees | Nos | 15,518 | 16,047 | 15,872 | 15,777 | 15,854 |
| Number of Customers per employee | Nos | 20,660 | 19,050 | 19,516 | 19,569 | 19,219 |
| Personnel Cost per employee per month | Rs | 125,811 | 139,742 | 125,189 | 114,429 | 117,612 |
| Gross Revenue per employee per month | Rs | 4,026,930 | 3,653,738 | 3,662,279 | 3,337,637 | 3,229,674 |

### 9.8 Africa

#### 9.8.1 Operational Performance (In Constant Currency)

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| Customer Base | 000's | 116,371 | 111,461 | 110,604 | 107,140 | 103,881 |
| Net Additions | 000's | 4,910 | 857 | 3,464 | 3,258 | 4,211 |
| Monthly Churn | % | 5.3% | 5.7% | 5.3% | 5.2% | 4.5% |
| Average Revenue Per User (ARPU) | US$ | 2.8 | 2.6 | 2.7 | 2.7 | 2.6 |
| ***Voice*** | | | | | | |
| Voice Revenue | $ Mn | 517 | 456 | 494 | 484 | 464 |
| Minutes on the network | Mn | 80,375 | 71,891 | 68,870 | 65,086 | 60,795 |
| Voice Average Revenue Per User (ARPU) | US$ | 1.5 | 1.4 | 1.5 | 1.5 | 1.5 |
| Voice Usage per customer | min | 235 | 218 | 211 | 206 | 199 |
| ***Data*** | | | | | | |
| Data Revenue | $ Mn | 283 | 267 | 245 | 232 | 215 |
| Data Customer Base | 000's | 39,596 | 36,972 | 35,443 | 32,887 | 31,910 |
| *As % of Customer Base* | % | 34.0% | 33.2% | 32.0% | 30.7% | 30.7% |
| Total MBs on the network | Mn MBs | 293,919 | 279,541 | 219,015 | 189,798 | 162,394 |
| Data Average Revenue Per User (ARPU) | US$ | 2.5 | 2.5 | 2.4 | 2.4 | 2.3 |
| Data Usage per customer | MBs | 2,576 | 2,607 | 2,145 | 1,967 | 1,748 |
| ***Mobile Money*** | | | | | | |
| Transaction Value | US$ Mn | 11,637 | 9,038 | 8,031 | 8,001 | 7,442 |
| Transaction Value per Subs | US$ | 199 | 164 | 155 | 166 | 166 |
| Airtel Money Revenue | $ Mn | 100 | 81 | 81 | 79 | 74 |
| Active Customers | 000's | 20,120 | 18,529 | 18,294 | 16,634 | 15,521 |
| Airtel Money ARPU | US$ | 1.7 | 1.5 | 1.6 | 1.6 | 1.7 |
| ***Network & coverage*** | | | | | | |
| Network towers | Nos | 24,246 | 23,471 | 22,909 | 22,253 | 21,936 |
| *Owned towers* | Nos | 4,561 | 4,569 | 4,548 | 4,454 | 4,461 |
| *Leased towers* | Nos | 19,685 | 18,902 | 18,361 | 17,799 | 17,475 |
| Of which Mobile Broadband towers | Nos | 22,250 | 21,171 | 20,378 | 19,133 | 18,274 |
| Total Mobile Broadband Base stations | Nos | 63,705 | 51,963 | 47,082 | 43,174 | 40,187 |
| Revenue Per site Per Month | US$ | 13,408 | 12,257 | 12,809 | 12,718 | 12,361 |

#### 9.8.2 Human Resources Analysis

| Parameters | Unit | Sep-20 | Jun-20 | Mar-20 | Dec-19 | Sep-19 |
|---|---|---|---|---|---|---|
| Total Employees | Nos | 3,453 | 3,432 | 3,363 | 3,286 | 3,184 |
| Number of Customers per employee | Nos | 33,701 | 32,477 | 32,888 | 32,605 | 32,626 |
| Personnel Cost per employee per month | US$ | 6,933 | 6,470 | 6,327 | 6,416 | 6,652 |
| Gross Revenue per employee per month | US$ | 92,948 | 83,094 | 86,225 | 85,739 | 84,295 |

# SECTION 10

# KEY ACCOUNTING POLICIES AS PER Ind-AS

### Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment loss. All direct costs relating to the acquisition and installation of property and equipment are capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets.

| Assets | Years |
|---|---|
| Building | 20 |
| Building on leased land | 20 or lease term whichever is lower |
| Network equipment | 3-25 |
| Customer premises equipment | 3-7 |
| Computer equipment | 3 |
| Furniture & Fixture and office equipment | 1 – 5 |
| Vehicles | 3 – 5 |
| Leasehold improvements | Period of the lease or upto 20 years, as applicable, whichever is less |

Freehold land is not depreciated. The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Costs of additions and substantial improvements to property and equipment are capitalized. The costs of maintenance and repairs of property and equipment are charged to operating expenses.

- **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognized at the date of acquisition.

Goodwill is not subject to amortization but is tested for impairment annually and when circumstances indicate, the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash- generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill are not reversed in future periods.
On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss recognized in the statement of profit and loss on disposal.

- **Other Intangible assets**

Identifiable intangible assets are recognized when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

The intangible assets that are acquired in a business combination are recognized at its fair value there at. Other intangible assets are recognized at cost. These assets having finite useful life are carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight-line method over the expected useful life of intangible assets.

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

**a. Licenses (including spectrum)**
Acquired licenses and spectrum are amortized commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two years to twenty five years.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

**b. Software:** Software are amortized over the period of license, generally not exceeding five years.

**c. Other acquired intangible assets:** Other acquired intangible assets include the following:

Rights acquired for unlimited license access: Over the period of the agreement which ranges up to five years.

Distribution network: One year to two years

Customer base: Over the estimated life of such relationships.

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

The useful lives and amortization method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortization method is accounted prospectively, and accordingly the amortization is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the borrowing costs that are directly attributable to the acquisition or construction of qualifying assets and are presented separately in the balance sheet.

- **Investment in Joint Ventures and Associates**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures and associates are accounted for using equity method from the date on which Group obtains joint control over the joint venture / starts exercising significant influence over the associate.

Accounting policies of the respective joint venture and associate are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind-AS. The Group's investments in its joint ventures and associates are accounted for using the equity method. Accordingly, the investments are carried at cost less any impairment loss as adjusted for post-acquisition changes in the Group's share of the net assets of investees. Losses of a joint venture or an associate in excess of the Group's interest in that joint venture or associate are not recognized. However, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

- **Leases**

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

**Group as a lessee**

On initial application of Ind AS 116, the Group recognized a lease liability measured at the present value of all the remaining lease payments, discounted using the Group's incremental borrowing rate at April 1, 2019 whereas the Group has elected to measure right-of-use asset at its carrying amount as if Ind AS 116 had been applied since the lease commencement date, but discounted using the lessee's incremental borrowing rate at April 1, 2019. The Group has elected not to recognize a lease liability and a right-of-use asset for leases for which the lease term ends within twelve months of April 1, 2019 and has accounted for these leases as short-term leases. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

For new lease contracts, the Group recognizes a right-of-use asset 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 incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments), any variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments including due to changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

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

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements 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 right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the balance sheet, the right-of-use assets and lease liabilities are presented separately.

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

**Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Group as a lessor**

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

Amounts due from lessees under a finance lease are recognized 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 recognized 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 recognized on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognized as operating lease. The contracted price is recognized 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.

- **Derivative financial instruments**

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognized at fair value. They are subsequently re-measured at their fair value, with changes in fair value being recognized in the statement of profit and loss within finance income / finance costs.

- **Hedging activities**

**i. Fair value hedge**

Some of the group entities use certain type of derivative financial instruments (viz. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest rate swaps to hedge the risk of changes in fair value of recognized borrowings attributable to the hedged interest rate risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortized to profit or loss over the period to remaining maturity of the hedged item.

**ii. Cash flow hedge**

The Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable either to a recognized item or a highly probable forecast transaction. The effective portion of changes in the fair value of derivative financial instruments (or its components), that are designated and qualify as Cash flow hedges, are recognized in the other comprehensive income and held in Cash flow hedge reserve. Any gains / (losses) relating to the ineffective portion, are recognized immediately in the statement of profit and loss. The amounts accumulated in Equity are re-classified to the statement of profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss.

**iii. Net investment hedge**

The Group hedges its certain net investment in foreign subsidiaries which are accounted for similar to cash flow hedges. Accordingly, any foreign exchange differences on the hedging instrument (viz. borrowings) relating to the effective portion of the hedge is recognized in other comprehensive income and held in foreign currency translation reserve, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognized in the statement of profit and loss. The amounts accumulated in equity are included in the statement of profit and loss when the foreign operation is disposed or partially disposed.

- **Revenue recognition**

Revenue is recognized upon transfer of control of promised products or services to customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. In order to determine if it is acting as a principal or as an agent, the Group assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

**(i) Service revenues**

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging and value added services and Direct to Home (DTH). It also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services.

Usage charges are recognized based on actual usage. Subscription charges are recognized over the estimated customer relationship period or subscription pack validity period, whichever is lower. Customer onboarding revenue and associated cost is recognized upon successful onboarding of customer i.e. upfront. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customer.

The billing / collection in excess of revenue recognized is presented as deferred revenue in the Balance Sheet whereas unbilled revenue is recognized under other current financial assets.

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

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are

recognized on provision of services and over the period of respective arrangements.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commission on transfer of monies from one customer wallet to another. Such commissions are recognized as revenue at a point in time on fulfilment of those services by the Group.

**(ii) Multiple element arrangements**

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices.

**(iii) Equipment sales**

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories, for which revenue is recognized when the control of such equipment is transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not distinct performance obligation, revenue is recognized over the customer relationship period.

- **Interest income**

The interest income is recognized using the effective interest rate method.

- **Cost to obtain or fulfill a contract with a customer**

The Group incurs certain cost or fulfill contract with the customer viz. intermediary commission, etc. where based on Group's estimate of historic average customer life derived from customer churn rate is longer than 12 months, such costs are deferred and are recognized over the average expected customer life.

- **Dividend income**

Dividend income is recognized when the Company's right to receive the payment is established.

- **Exceptional items**

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

- **Foreign currency transactions**

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, recognized 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 assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into Rupees (functional currency of parent) at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into Rupees at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognized in other comprehensive income and held in foreign currency translation reserve. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

- **Income-taxes**

Income tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognized 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. Further, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Moreover, deferred tax is recognized on temporary differences arising on investments in subsidiaries, joint ventures and associates - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

- **Transactions with non-controlling interests**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The differences between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

# SECTION 11

# GLOSSARY

## Technical and Industry Terms

| Company Related | |
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| Asset Turnover | Asset Turnover is defined as total revenues, for the preceding (last) 12 months from the end of the relevant period, divided by average assets. Asset is defined as the sum of non-current assets and net current assets. Net current assets are computed by subtracting current liabilities from current assets. Average assets is calculated by considering average of Opening and closing assets for the relevant period. |
| Average Customers | Average customers are derived by computing the average of the monthly average customers for the relevant period. |
| Average Co-locations | Average co-locations are derived by computing the average of the Opening and Closing co-locations for the relevant period. |
| Average Sharing Factor | It is calculated as the average of the opening and closing number of co-locations divided by the average of the opening and closing number of towers for the relevant period. |
| Average Towers | Average towers are derived by computing the average of the Opening and Closing towers for the relevant period. |
| Book Value Per Equity Share | Total stockholder's equity as at the end of the relevant period divided by outstanding equity shares as at the end of the relevant period. |
| Capex | It includes investment in gross fixed assets and capital work in progress for the period. |
| Capital Employed | Capital Employed is defined as sum of equity attributable to parent & non-controlling interest and net debt. |
| Cumulative Investments | Cumulative Investments comprises of gross value of property, plant & equipment (including CWIP & capital advances) and intangibles including investment in associates. |
| Cash Profit From Operations before Derivative & Exchange Fluctuation | It is not an Ind-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for interest expense before adjusting for derivative & exchange (gain)/ loss. |
| Churn | Churn is calculated by dividing the total number of disconnections during the relevant period by the average customers; and dividing the result by the number of months in the relevant period. |
| Co-locations | Co-location is the total number of sharing operators at a tower, and where there is a single operator at a tower, 'co-location' refers to that single operator. Co-locations as referred to are revenue generating Co-locations. |
| Customer Base | Customers generating revenue through recharge, billing or any outgoing activity. |
| Customers Per Employee | Number of customers on networks of a business unit as at end of the relevant period divided by number of employees in the respective business unit as at end of the relevant period. |
| Data Customer Base | A customer who used at least 1 MB on GPRS / 3G / 4G network in the last 30 days. |
| Data Usage per Customer | It is calculated by dividing the total MBs consumed on the network during the relevant period by the average data customer base; and dividing the result by the number of months in the relevant period. |
| DTH / Digital TV Services | Direct to Home broadcast service |
| Earnings Per Basic Share | It is computed by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. |

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| Earnings Per Diluted Share | The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.<br>Net profit or loss attributable to ordinary shareholders is adjusted for the after-tax effect of the following: (1) dividends on potential ordinary shares (for example, dilutive convertible preferred shares); (2) interest recognized on potential ordinary shares (for example, dilutive convertible debt); and (3) any other changes in income or expense resulting from the conversion of dilutive potential ordinary shares (e.g., an entity's contribution to its non-discretionary employee profit-sharing plan may be revised based on changes in net profit due to the effects of items discussed above). |
| EBITDA | Earnings/ (loss) before interest, taxation, depreciation and amortization. It is not an Ind-AS measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for CSR costs, finance income (part of other income) and license fees on finance income. |
| EBITDA Margin | It is computed by dividing EBITDA for the relevant period by total revenues for the relevant period. |
| EBIT | EBITDA adjusted for depreciation and amortization. |
| Enterprise Valuation (EV) | Calculated as sum of Market Capitalization, Net Debt and finance lease obligations as at the end of the relevant period. |
| EV / EBITDA (times) | For full year ended March 31 2018, 2019 and 2020, It is computed by dividing Enterprise Valuation as at the end of the relevant period (EV) by EBITDA for the relevant period (LTM). For quarterly computation, Computed by dividing Enterprise Valuation as at the end of the relevant period (EV) by annualized EBITDA for the relevant period. |
| Finance Lease Obligation (FLO) | Finance Lease Obligation represents present value of future obligation for assets taken on finance lease. |
| Gross Revenue per Employee per month | It is computed by dividing the Gross Revenue (net of inter-segment eliminations) by the closing number of employees in a given business unit and number of months in the relevant period. |
| Interest Coverage Ratio | EBITDA for the relevant period divided by interest on borrowing for the relevant period. |
| Market Capitalization | Number of issued and outstanding shares as at end of the period multiplied by closing market price (BSE) as at end of the period. |
| Mobile Broadband Base stations | It includes all the 3G and 4G Base stations deployed across all technologies i.e. 900/1800/2100/2300 Mhz bands. |
| 4G Data Customer | A customer who used at least 1 MB on 4G network in the last 30 days. |
| Mobile Broadband Towers | It means the total number of network towers (defined below) in which unique number of either 3G or 4G Base stations are deployed, irrespective of their technologies. Total numbers of Mobile Broadband Towers are subset of Total Network Towers. |
| Minutes on the network | Duration in minutes for which a customer uses the network. It is typically expressed over a period of one month. It includes incoming, outgoing and in-roaming minutes. |
| Network Towers | Comprises of Base Transmission System (BTS) which holds the radio trans receivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period. |
| Net Debt | It is not an Ind-AS measure and is defined as the long-term debt, net of current portion plus short-term borrowings, current portion of long-term debt and lease liabilities minus cash and cash equivalents. The debt origination cost and Bond fair value hedge are not included in the borrowings |

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| Net Debt to EBITDA (Annualized) | For the full year ended March 31 2018,2019 and 2020, it is Computed by dividing net debt at the end of the relevant period by EBITDA for the relevant period (LTM).For Quarterly computation, It is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized). |
| Net Debt to Funded Equity Ratio | It is computed by dividing net debt as at the end of the relevant period by Equity attributable to equity holders of parent as at the end of the relevant period. |
| Net Revenues | It is not an Ind-AS measure and is defined as total revenues adjusted for access charges, cost of goods sold and license fees for the relevant period. |
| Operating Free Cash flow | It is computed by subtracting capex from EBITDA. |
| Personnel Cost per Employee per month | It is computed by dividing the Personnel Cost by the closing number of employees in a given business unit and number of months in the relevant period. |
| Price-Earnings Ratio – P/E Ratio | It is computed by dividing the closing market price (BSE) as at end of the relevant period by the earnings per basic share for the relevant period (LTM). |
| Profit / (Loss) after current tax expense | It is not an Ind-AS measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense. |
| Return On Capital Employed (ROCE) | For the full year ended March 31, 2018, 2019 and 2020, ROCE is computed by dividing the EBIT for the period by the average (of opening & Closing) Capital employed. For the quarterly computation, it is computed by dividing the EBIT(annualized for the relevant period) by average capital employed. Average capital employed is calculated by considering average of opening and closing capital employed for the relevant period). |
| Return On Equity (Post Tax) | For the full year ended March 31, 2018, 2019 and 2020, it is computed by dividing net profit for the period by the average (of opening and closing) Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding (last) 12 months from the end of the relevant period by the average equity attributable to equity holders of parent (Average parent equity is calculated by considering average of opening and closing parent equity for the relevant period). |
| Return On Equity (Pre Tax) | For the full year ended March 31, 2018, 2019 and 2020, it is computed by dividing profit before tax & MI (after exceptional items) for the period by the average (of opening and closing) total Equity. For the quarterly computations, it is computed by dividing profit before tax & MI (after exceptional items) for the preceding (last) 12 months from the end of the relevant period by the average total equity (Average total equity is calculated by considering average of opening and closing total equity for the relevant period). |
| Revenue per Site per month | Revenue per Site per month is computed by: dividing the total mobile revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period. |
| Sharing revenue per Sharing Operator per month | It is calculated on the basis of the total revenues less energy and other pass through accrued during the relevant period divided by the average number of co-locations for the period, determined on the basis of the opening and closing number of co-locations for the relevant period. |
| Submarine Cable | Submarine cable system refers to owned cables and excludes cable capacity purchased on IRU. |
| Total Employees | Total on-roll employees as at the end of respective period and excludes 42% of Indus Towers employees in India. |
| Total Equity | Includes equity attributable to shareholders (both parent and non-controlling interest). |
| Total MBs on Network | Includes total MBs consumed on the network (uploaded & downloaded) on our network during the relevant period. |
| Towers | Infrastructure located at a site which is permitted by applicable law to be shared, including, but not limited to, |

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| | the tower, shelter, diesel generator sets and other alternate energy sources, battery banks, air conditioners and electrical works. Towers as referred to are revenue generating Towers. |
| Total Operating Expenses | It is defined as sum of employee costs, network operations costs and selling, general and administrative cost for the relevant period. |
| Voice Minutes of Usage per Customer per month | It is calculated by dividing the voice minutes of usage on our network during the relevant period by the average customers; and dividing the result by the number of months in the relevant period. |

**Regulatory & Others**

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| 3G | Third - Generation Technology |
| 4G | Fourth - Generation Technology |
| BSE | The Stock Exchange, Mumbai |
| RBI | Reserve Bank of India |
| GSM | Global System for Mobile Communications. |
| ICT | Information and Communication Technology |
| GAAP | Generally Accepted Accounting Principles |
| KYC | Know Your Customer |
| IAS | International Accounting Standards |
| IFRS | International Financial Reporting Standards |
| Ind-AS | Indian Accounting Standards |
| NSE | The National Stock Exchange of India Limited. |
| Sensex | Sensex is a stock index introduced by The Stock Exchange, Mumbai in 1986. |
| PPE | Property, plant and equipment |
| VoIP | Voice over Internet Protocol |
| SA | South Asia |
| KPI | Key Performance Indicator |
| LTM | Last twelve month |
| FTTH | Fiber-to-the home |
| VAS | Value added service |
| MPLS | Multi-Protocol Label Switching |

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