



August 08, 2024

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

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001, India
Scrip Code: 544162

Sub: Notice of 29th Annual General Meeting, Annual Report and Audited Financial Statements for financial year 2023-24

Dear Sir / Ma'am,

This is in furtherance to our communication dated August 2, 2024 wherein the Company *inter-alia* informed about the 29th Annual General Meeting (AGM) of the Company.

Please note that the AGM will be held on **Friday, August 30, 2024 at 03:30 P.M. (IST) through Video Conferencing/ Other Audio Visual Means** in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ('Circulars').

In terms of the said Circulars, the AGM notice including e-voting instructions, Annual Report and audited financial statements for the financial year 2023-24 is being sent to all the members of the Company whose e-mail addresses are registered with the Company/ Depository Participant(s) as on Friday, August 2, 2024. AGM Notice may be referred for detailed instructions on registering e-mail addresses (s) and voting/ attendance for the AGM.

The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all resolutions (as set out in the AGM notice) to those members, who shall hold equity shares as on the **cut-off date i.e. Friday, August 23, 2024**. The remote e-voting shall commence from **9.00 A.M. (IST) on Monday, August 26, 2024 and end at 5:00 P.M. (IST) on Thursday, August 29, 2024**.

The AGM notice including e-voting instructions, Annual Report and audited financial statements for FY 2023-24, are enclosed herewith and are available on the Company's website at <https://www.bharti-hexacom.in/results-annual-results.html>

The above intimation is being made under Regulations 30, 34 and 44 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on record.

Thanking you,
Sincerely Yours,

For Bharti Hexacom Limited

Richa Gupta Rohatgi
Company Secretary & Compliance Officer

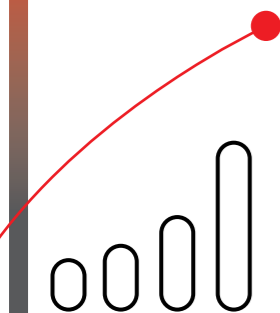
Encl:

- 1. Annual Report and audited financial statements for FY 2023-24**
- 2. Notice of AGM**

Customer Obsessed Performance Driven



Performance



₹ 70,888 Mn.

Revenue from Operations
↑ 8% YoY

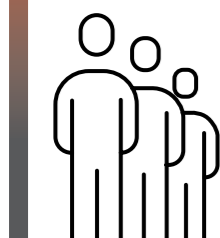
₹ 34,905 Mn.

EBITDA
↑ 21% YoY

₹ 5,044 Mn.

Net Profit
↓ 8% YoY

KPIs



1

Revenue Market Share
Northeast*

2

Revenue Market Share
Rajasthan*

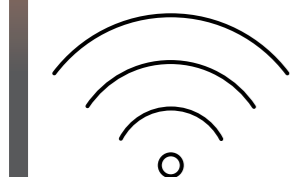
~28 Mn.

Customers

₹ 204

Average Revenue per User (Mobile)

Network



2,010 MHz

Spectrum
holding

79,800+

Mobile broadband base
stations

25,700+

Network towers

96.2%

Population coverage

Bharti Hexacom Limited, is a part of Bharti Airtel Group, one of the leading communication solutions provider.

Our performance is driven by a steadfast commitment to provide best-in-class services and superior offerings to customers at competitive prices. Industry leading revenue growth and operational excellence are testaments of our simple and clear strategy.

Strong parentage enables us to extensively leverage Data Science and Digital tools to serve our customers better. Our obsession is to deliver superior customer experience by leveraging technology and simplified customer journeys with an omni-channel approach.

We are expanding our future ready network to offer high speed internet services with 4G/5G offerings, even in difficult terrains.

Our premiumisation strategy, hunger for quality customers and razor-sharp execution has yielded consistent revenue market share gains. Focus on driving cost efficiencies has delivered strong operating cash flows, and a robust balance sheet. The Company is well placed to capitalise on growth opportunities and create value for stakeholders.



We are thrilled to present our inaugural annual report. Dive in and discover our journey to success.

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About the Report

This annual report aims to provide a comprehensive overview of the performance, strategy, governance, and value creation of Bharti Hexacom Limited (“the Company” or “Bharti Hexacom”) for the financial year ended March 31, 2024. The report is intended to provide detailed information to all stakeholders.

Reporting Frameworks and Guidelines

The Annual Report of FY 2023-24 has been published in line with the following:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Secretarial Standards issued by the Institute of Company Secretaries of India
- Business Responsibility and Sustainability Reporting (BRSR) on voluntary basis in accordance with the requirements of the Securities and Exchange Board of India

Reporting Period and Cycle

- Reporting period – FY 2023-24 (April 1, 2023 to March 31, 2024)
- Reporting cycle – Annual

External Assurance









BDO India LLP has carried out an independent assurance on sustainability disclosures presented in the BRSR on a limited basis. The ‘Independent Assurance Statement’ issued by BDO India LLP forms part of this report. The statutory auditors, Deloitte Haskins & Sells LLP, Chartered Accountants, have provided assurance on the financial statements and the ‘Independent Auditor’s Report’ has been duly incorporated into this report.

Data Integrity and Review

We collected and analysed relevant data captured through our integrated data management system applying stringent internal controls to support our disclosures for this Report. We aim to provide information that is accurate and reliable and at the same time unbiased, comparable, and comprehensible. Wherever applicable, we have taken care to cite any significant limitations in the information provided.



Our Stakeholders

	Customers
	Channel partners
	Investors
	Suppliers
	Employees
	Network partners
	Regulatory bodies
	Community

Key Company information

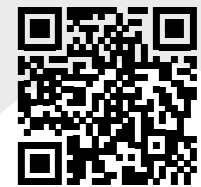
Bharti Hexacom Limited
 ISIN: INE343G01021
 BSE Code: 544162
 NSE Code: BHARTIHEXA
 CIN: L74899DL1995PLC067527

Fair Usage of Third-party Trademarks

All third-party trademarks referenced by Bharti Hexacom Limited herein remain the property of their respective owners. Any references by Bharti Hexacom to any third-party trademarks in this Report is merely being used to identify the corresponding engagement that Bharti Hexacom has entered into with the brand/trademark owners, and shall be considered fair use under trademark law.

Cautionary Statements

Some information in this report may contain forward-looking statements which include statements regarding Company’s expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as “believe”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will” or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



▲
 Scan the above QR code to know more about us

Landmark Year

Impressive Market Debut

Marking a significant milestone in its corporate journey, Bharti Hexacom was listed on the BSE Limited and National Stock Exchange of India Limited on April 12, 2024. The Company's shares were listed at a premium of 32% on the exchanges.

Our ₹ 4,275 Crore IPO, one of the large public issues, was a resounding success, attracting investors across all categories with issue been oversubscribed by ~30 times.*

IPO Details*

April 12, 2024

Listing Date

₹ 4,275 Crore

Issue Size

₹ 542 to ₹ 570

Price Band Per Share

₹ 755

Listing Price



*Source: Data from National Stock Exchange of India Limited

About Bharti Hexacom

Performing with Zeal, Winning Customers for Life

Bharti Hexacom has been transforming lives and delivering an enriching experience to millions of customers everyday by providing seamless connectivity and offering best-suited solutions.

We are consistently executing with our simple and clear strategy:

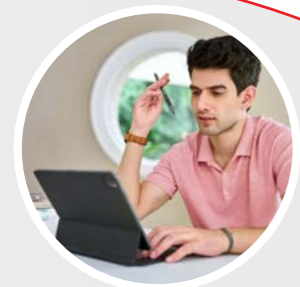
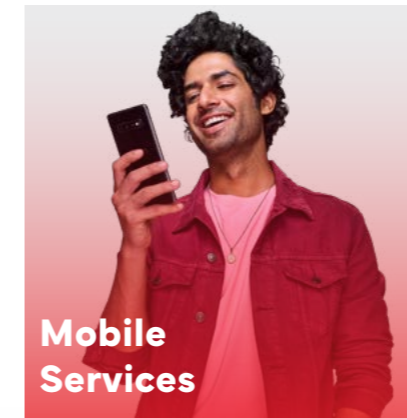
- Winning with Quality Customers
- Delivering Brilliant Experiences
- Driving Operational Excellence

A strong spectrum portfolio with a large pool of mid-band spectrum holding (1800/2100/2300 MHz bands) comes to our advantage to effectively deploy 5G Plus services on non-standalone network architecture. Our 5G network offers best coverage at the lowest Total Cost of Ownership (TCO).

We offer a comprehensive range of services including mobile, fixedline telephone and broadband to customers in Rajasthan and Northeastern telecommunication circles.

Our offerings include family plans and converged solutions under the Airtel Black proposition in partnership with our parent company to accelerate postpaid penetration. Our strategy to win quality customers has enabled us to deliver consistent revenue market share gains in both circles.

Services we provide



Vision

- Enrich the lives of customers
- Win customers for life through an exceptional experience



Objectives

- Grow market share
- Grow revenue
- Drive down cost



Values

- Alive
- Inclusive
- Respectful

Where We Operate

Present in High Potential Markets

We operate in markets with immense opportunities and potential for telecom density improvement.

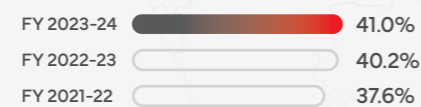
We are serving **Rajasthan** and **Northeast** circles of India.

Rajasthan circle



Revenue Market Share

41.0%

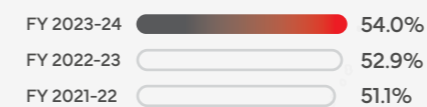


Numbers represent exit quarter RMS as per TRAI AGR report

The maps featured on this spread is a creative representation

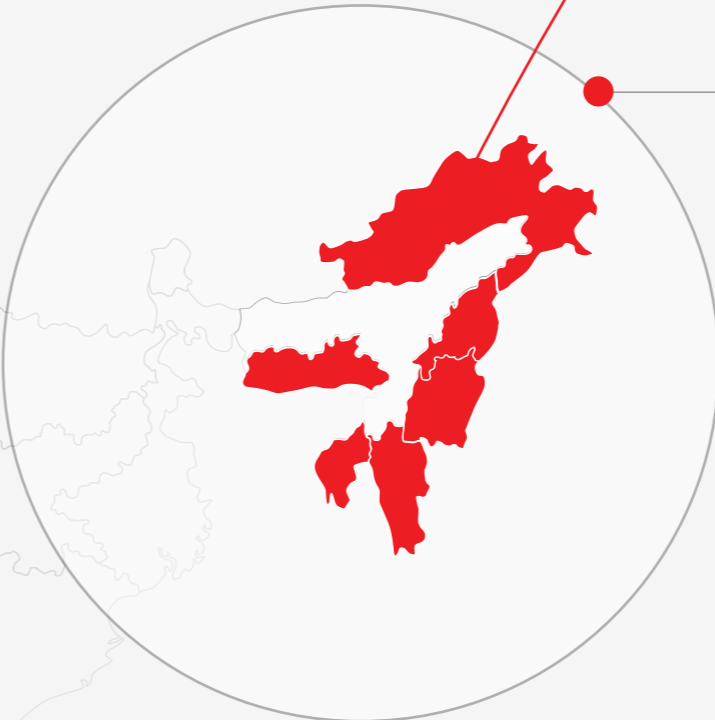
Revenue Market Share

54.0%



Northeast circle*

*Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura



85.7%

National Teledensity

82.2%

Teledensity in Rajasthan

80.6%

Teledensity in Northeast

As per TRAI subscriber report

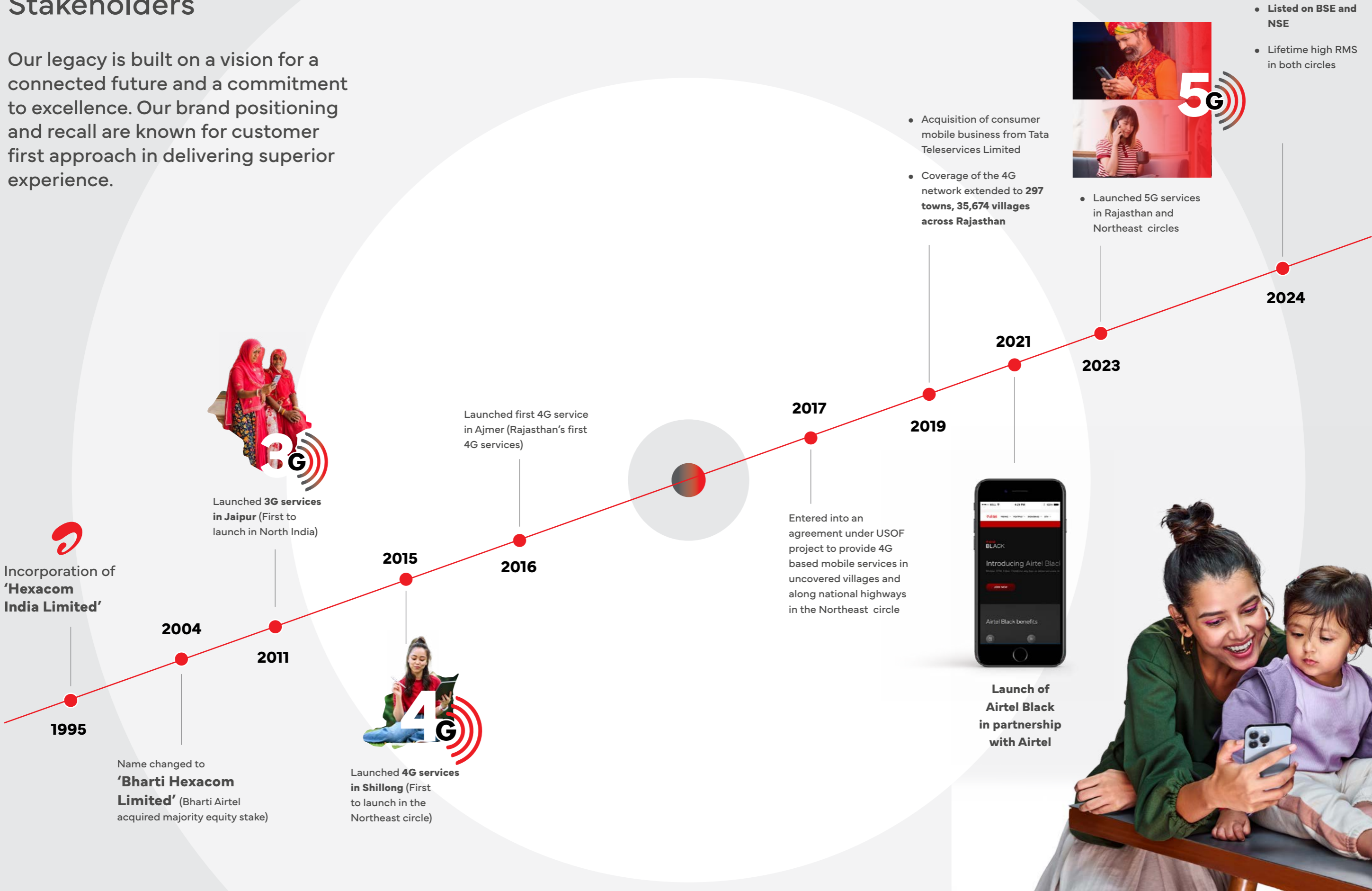
The maps featured on this spread is a creative representation



Milestones

Creating Value for Stakeholders

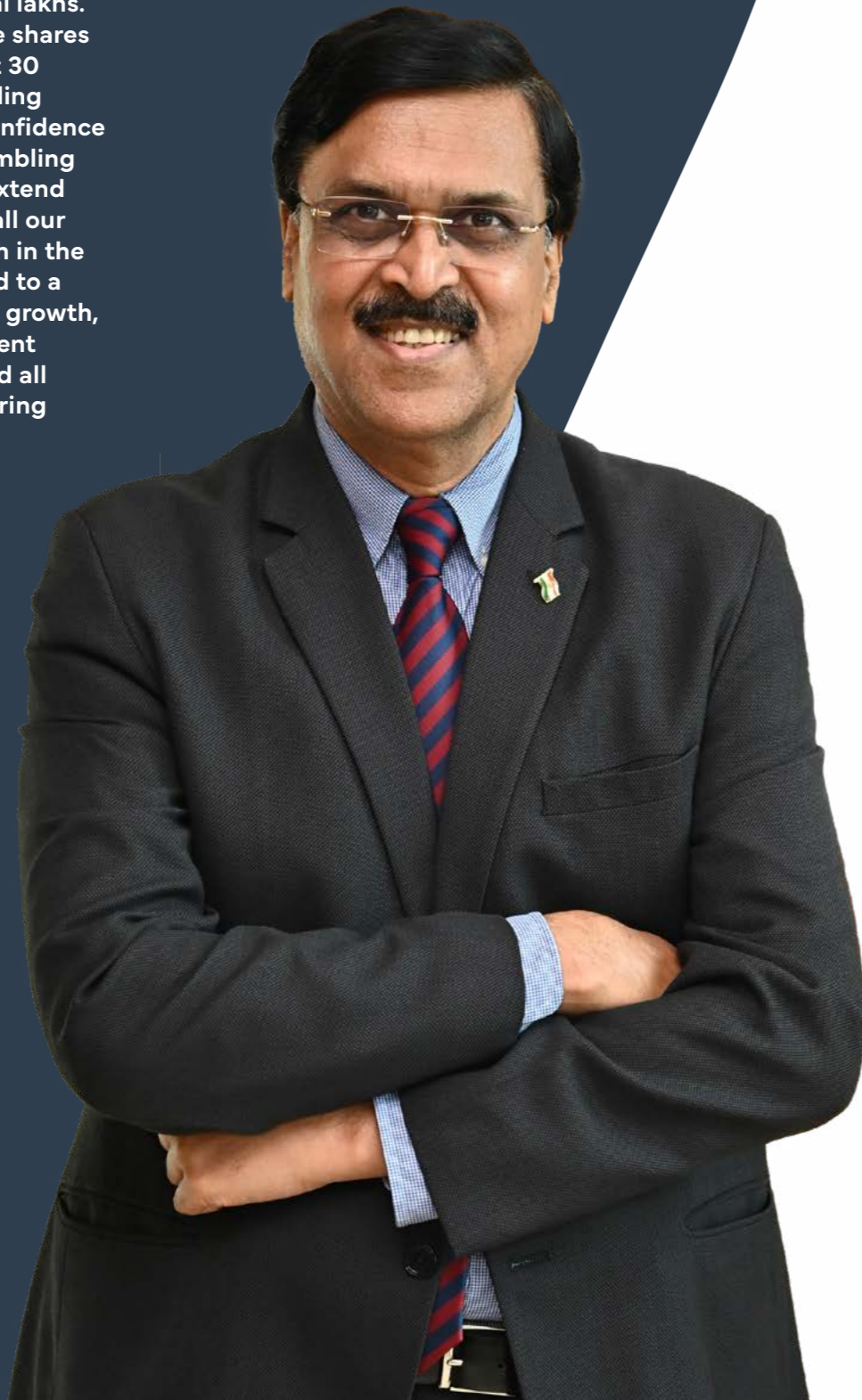
Our legacy is built on a vision for a connected future and a commitment to excellence. Our brand positioning and recall are known for customer first approach in delivering superior experience.



Message from the Chairman

Dear Shareholders,

The year 2023-24 was a momentous one leading to a significant milestone for the Company when the number of its shareholders increased from 2 to several lakhs. The recent IPO of 7.5 Crore shares was oversubscribed about 30 times, making it a resounding success, a great vote of confidence in the Company, and a humbling experience for all of us. I extend my heartfelt gratitude to all our investors for reposing faith in the Company. We look forward to a future of transformational growth, steadfast in our commitment to serve our customers and all stakeholders with unwavering dedication.



The Indian economy has shown remarkable resilience in the face of global uncertainties and sustained its performance, driven by strong investment outlay by the Government of India in the areas of manufacturing, infrastructure, supply chain, logistics, and more. The structural policy framework paves the way for a vision of sustainable and long-term growth for the nation. In addition, Central Bank's agility to address global shocks and inflationary pressures has been supporting the country's economic progress.

The telecom industry is the backbone of India's digital economy and a principal catalyst for its overall growth. This sector is playing a pivotal role in expanding connectivity and providing value added services to facilitate businesses to thrive and grow. FY 2023-24 was notable year for the industry with a rapid 5G rollout across the country.

5G has the potential to create new capabilities and enable new business opportunities for a host of industries, including education, healthcare, transportation, gaming, financial services and many more. In the areas with low fixed line penetration, 5G can unleash growth opportunities and meet high data demand through fixed wireless access (FWA) offerings. The Government's supportive approach towards the sector continues and the new Telecommunications Act will promote investment in the sector along an orderly growth path.

Rajasthan and Northeast, the telecom circles in which your Company operates, provide long-term growth opportunities. Though not densely populated, these regions, with significant scope of expansion of digital services, contribute significantly to the nation's economy. Both mobile and fixed line data penetration is lower than the national average in Rajasthan and the Northeast,

providing the potential for long-term growth for the telecom industry. The Government's focus on improving connectivity and infrastructure in these regions further opens the doors to promising opportunities.

Over the years, Bharti Hexacom has made significant investments across these regions to bolster connectivity and support economic growth. In FY 2023-24, we invested about ₹ 20 billion in the business, one of the highest in the history of the Company, contributing to the rapid rollout of 5G services and expanding our coverage in rural areas.

The Company added 2.5 million 4G/5G customers with total data customers now accounting for 72.3% of the total base as compared to 55.6% three years back. Over the last three years, the Company has expanded home broadband offerings to 93 cities from 23 cities in FY 2020-21, through innovative and trusted local cable operator partnerships across the regions. Our simple strategy to attract quality customers by giving them exceptional experience has fortified our leadership in Northeast and consistently narrowed the gap in Rajasthan. As a result, we ended FY 2023-24 with lifetime-high revenue market share in both markets.

Superior revenue growth, coupled with organic operating leverage and operational excellence driven by our relentless focus on driving cost efficiencies, has led to strong EBITDA growth over the years. Operating free cash generation and prudent capital allocation supported sustained deleveraging for the Company. Net-debt to EBITDA for FY 2023-24 stood at 2.2x as compared to 2.8x in FY 2022-23. With no renewal of spectrum till FY 2029-30 and the past dues limited to payment of instalments for spectrum auctions of 2021 and 2022, your Company is headed to having an even more robust balance sheet.

Looking ahead, we remain committed to our simple and clear strategy of providing a bouquet of top quality telecom services and the best consumer experience under the Airtel brand to our ever-growing number of customers. This will be made possible by our excellent leadership and management team, comprising professionals with technical expertise and dedication. We are excited about the opportunities that lie ahead and with the Indian telecom sector entering an era of increased profitability, we are optimistic about the potential of your company to deliver many years of achievement, growth and success.

Bharti Hexacom is deeply conscious of its responsibility to the environment and its obligation to the society at large. Beyond immediate business priorities, the Company is also taking concrete steps to reduce its environmental footprint and adopt energy conservation and technology absorption initiatives. Additionally, it is committed to transparency and effective governance and fostering a diverse and inclusive workplace while maintaining stringent health and safety standards.







We owe our success in FY 2023-24 to the efforts of our Board of Directors, management team, and our employees. I would also like to extend my gratitude to our customers, suppliers, agents, and all our partners and shareholders for their contribution and support.

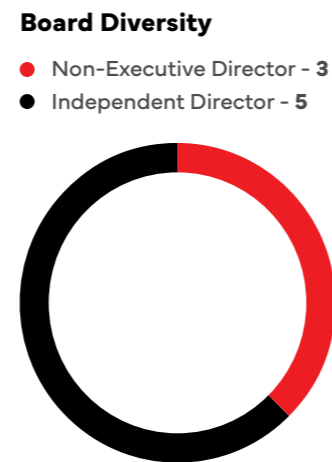
I thank the outgoing directors Shri. Sanjeev Kumar, Shri. Surajit Mandol, Mr. Rahul Vatts, Mr. Ravinder Arora and Ms. Vidyut Gulati for their contribution to the Company and welcome Mr. Ashok Tyagi, Mr. Arvind Kohli, Mr. Arun Gupta, Mr. Kapal Kumar Vohra and Ms. Nalina Suresh as Independent Directors to the Board.

Jagdish Saksena Deepak
Chairman

Board of Directors

Ensuring Robust Governance

 Mr. Jagdish Saxena Deepak Chairperson	 Mr. Ashok Tyagi Independent Director	 Mr. Arvind Kohli Independent Director
 Mr. Arun Gupta Independent Director	 Mr. Devendra Khanna Non-Executive Director	 Mr. Kapal Kumar Vohra Independent Director
 Ms. Nalina Suresh Independent Director	 Mr. Soumen Ray Non-Executive Director	



 Mr. Jagdish Saxena Deepak Chairperson	 Mr. Ashok Tyagi Independent Director	 Mr. Arvind Kohli Independent Director
<p>Nationality - Indian</p> <p>Age - 65 years</p> <p>DIN - 02194470</p> <p>Date of appointment - May 20, 2022</p> <p>Tenure on Board ~2 years</p> <p>Term ending on - Not applicable</p> <p>Shareholding - Nil</p> <p>No. of Directorship in other Indian public companies - 1</p> <p>Directorship in other Indian listed companies - Nil</p> <p>Committee membership and chairpersonship in other Indian public companies</p> <p>Member: 1 Chairperson: Nil</p>	<p>Nationality - Indian</p> <p>Age - 70 years</p> <p>DIN - 00784563</p> <p>Date of appointment - February 14, 2022</p> <p>Tenure on Board ~2.3 years</p> <p>Term ending on - February 13, 2027</p> <p>Shareholding - Nil</p> <p>No. of Directorship in other Indian public companies - 1</p> <p>Directorship in other Indian listed companies - Nil</p> <p>Committee membership and chairpersonship in other Indian public companies</p> <p>Member: Nil Chairperson: Nil</p>	<p>Nationality - Indian</p> <p>Age - 63 years</p> <p>DIN - 00001920</p> <p>Date of appointment - March 22, 2023</p> <p>Tenure on Board ~1.2 years</p> <p>Term ending on - March 21, 2028</p> <p>Shareholding - Nil</p> <p>No. of Directorship in other Indian public companies - 9</p> <p>Directorship in other Indian listed companies - Nil</p> <p>Committee membership and chairpersonship in other Indian public companies</p> <p>Member: 6 Chairperson: 3</p>
<p>Area of expertise</p> <p>Leadership, Financial Expertise, Strategic Management, Industry & Sector Experience, Corporate Governance & Legal, Technology and People Management</p>	<p>Area of expertise</p> <p>Leadership, Strategic Management, ESG Proficiency, Financial Expertise and Corporate Governance & Legal</p>	<p>Area of expertise</p> <p>Leadership, Strategic Management, ESG Proficiency, Financial Expertise, Corporate Governance & Legal and People Management</p>
<p>Board Committees</p> <ul style="list-style-type: none"> ■ Audit Committee ■ Risk Management Committee ■ Nomination and Remuneration Committee 	<ul style="list-style-type: none"> ■ Stakeholders' Relationship Committee ■ Corporate Social Responsibility Committee 	<ul style="list-style-type: none"> ● C - Chairperson ■ M - Member

Notes:

- Above details have been provided as on May 14, 2024 in accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Membership and Chairpersonship of only the Audit Committee and the Stakeholders' Relationship Committee across all public limited companies are considered. Chairpersonship of the Committee is not included in the count of membership of the Committee.

Board of Directors contd...

M C M



Mr. Arun Gupta
Independent Director

Nationality - Indian

Age - 48 years

DIN - 00002157

Date of appointment -
December 22, 2023

Tenure on Board ~5 months

Term ending on - December 21, 2028

Shareholding - Nil

No. of Directorship in other Indian public companies - 1

Directorship in other Indian listed companies - Nil

Committee membership and chairpersonship in other Indian public companies

Member: 1

Chairperson: Nil

Area of expertise

Leadership, Strategic Management, ESG Proficiency, Financial Expertise, Corporate Governance & Legal and People Management

Notes:

- Above details have been provided as on May 14, 2024 in accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Membership and Chairpersonship of only the Audit Committee and the Stakeholders' Relationship Committee across all public limited companies are considered. Chairpersonship of the Committee is not included in the count of membership of the Committee.

M



Mr. Devendra Khanna
Non-Executive Director

Nationality - Indian

Age - 63 years

DIN - 01996768

Date of appointment -
August 10, 2013

Tenure on Board ~10.9 years

Term ending on -Not applicable

Shareholding - 2 shares as a nominee of Bharti Airtel Limited (Promoter)

No. of Directorship in other Indian public companies - 2

Directorship in other Indian listed companies - Nil

Committee membership and chairpersonship in other Indian public companies

Member: 1

Chairperson: Nil

Area of expertise

Leadership, ESG Proficiency, Financial Expertise, Strategic Management, Industry & Sector Experience, Corporate Governance & Legal, Technology and People Management

M M



Mr. Kapal Kumar Vohra
Independent Director

Nationality - Indian

Age - 65 years

DIN - 07384162

Date of appointment -
December 22, 2023

Tenure on Board ~5 months

Term ending on - December 21, 2028

Shareholding - Nil

No. of Directorship in other Indian public companies - 1

Directorship in other Indian listed companies - 1

Committee membership and chairpersonship in other Indian public companies

Member: Nil

Chairperson: 2

Area of expertise

Leadership, Financial Expertise, Strategic Management, Corporate Governance & Legal and People Management

M



Ms. Nalina Suresh
Independent Director

Nationality - Indian

Age - 53 years

DIN - 10429755

Date of appointment -
December 22, 2023

Tenure on Board ~5 months

Term ending on - December 21, 2028

Shareholding - Nil

No. of Directorship in other Indian public companies - Nil

Directorship in other Indian listed companies - Nil

Committee membership and chairpersonship in other Indian public companies

Member: Nil

Chairperson: Nil

Area of expertise

Leadership, ESG Proficiency, Strategic Management, Technology and People Management

Notes:

- Above details have been provided as on May 14, 2024 in accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Membership and Chairpersonship of only the Audit Committee and the Stakeholders' Relationship Committee across all public limited companies are considered. Chairpersonship of the Committee is not included in the count of membership of the Committee.

M M C



Mr. Soumen Ray
Non-Executive Director

Nationality - Indian

Age - 50 years

DIN - 09484511

Date of appointment -
February 14, 2022

Tenure on Board ~2.3 years

Term ending on - Not applicable

Shareholding - Nil

No. of Directorship in other Indian public companies - 5

Directorship in other Indian listed companies - Nil

Committee membership and chairpersonship in other Indian public companies

Member: 1

Chairperson: Nil

Area of expertise

Leadership, ESG Proficiency, Financial Expertise, Strategic Management, Industry & Sector Experience, Corporate Governance & Legal, Technology and People Management

Board Committees

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

● C – Chairperson

■ M - Member

Business Model

Our Value Creation Paradigm

We value our customers and stakeholders while achieving sustainable growth and maintaining a competitive edge. We accomplish this through regular engagement with them.



Our Strategy

Our aim is to win customers for life by delivering superior experience and differentiated offerings.



Our Business Model

Customer Obsession

Customers are at forefront of our strategy. We acquire and retain quality customers by delivering brilliant experience and providing simplified journeys with an omni-channel approach.

Building Future-ready Network

We are expanding our network and future proofing it with use of advanced technology and digital tools while embedding sustainability at the core.

Our Products and Services



Mobile Services



Home and Office Broadband Services

Channels

Online Sales and Recharge touchpoints

Extensive Network of Retail Stores

Distribution Partners



Performing diligently to address stakeholder expectations



Customers

- Service quality
- Innovation through technology
- Data protection



Employees

- Performance review and feedback
- Training and development
- Health, safety and wellbeing



Investors

- Return on investment
- Short-term and long-term financial viability
- Risk management



Community

- Transform the lives of children and youth through education
- Promoting employment of local youth as teachers, e-learning as well as community awareness on girl child's education



Suppliers

- Fair trade practice
- Protecting interests and providing opportunities to minority suppliers
- Sustainable supply chain



Regulatory bodies

- Policies and procedures that shape the present and future of business, promoting growth and development



Channel partners

- Skill development and Capacity building
- Sustained marketing support
- Extensive product portfolio



Network partners

- User satisfaction and productivity
- Enhancing and expanding network quality
- Optimising energy efficiency



Symphony

of unparalleled connectivity,
convenience and experience

Customer experience is paramount to us and we relentlessly work towards delivering excellence. We are obsessed with delighting our customers with best-in-class services. Our investments are directed towards building future ready digital network, wanting our customers to be able to surf, stream, chat and enjoy multiple benefits at blazing speeds.

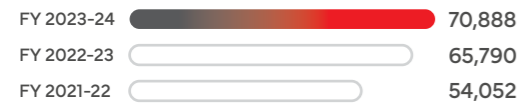
Key Performance Indicators

Consistently Delivering

Revenue from Operations

(Amount in ₹ Mn.)

70,888



EBITDA

(Amount in ₹ Mn.)

34,905



Net Profit

(Amount in ₹ Mn.)

5,044



Return on Capital Employed

(in %)

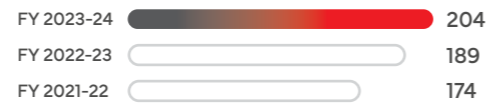
14.1



Average Revenue per User (Mobile)

(Amount in ₹)

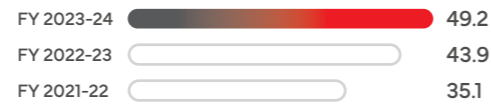
204



EBITDA Margin

(in %)

49.2



Net Cash Flow from Operations

(Amount in ₹ Mn.)

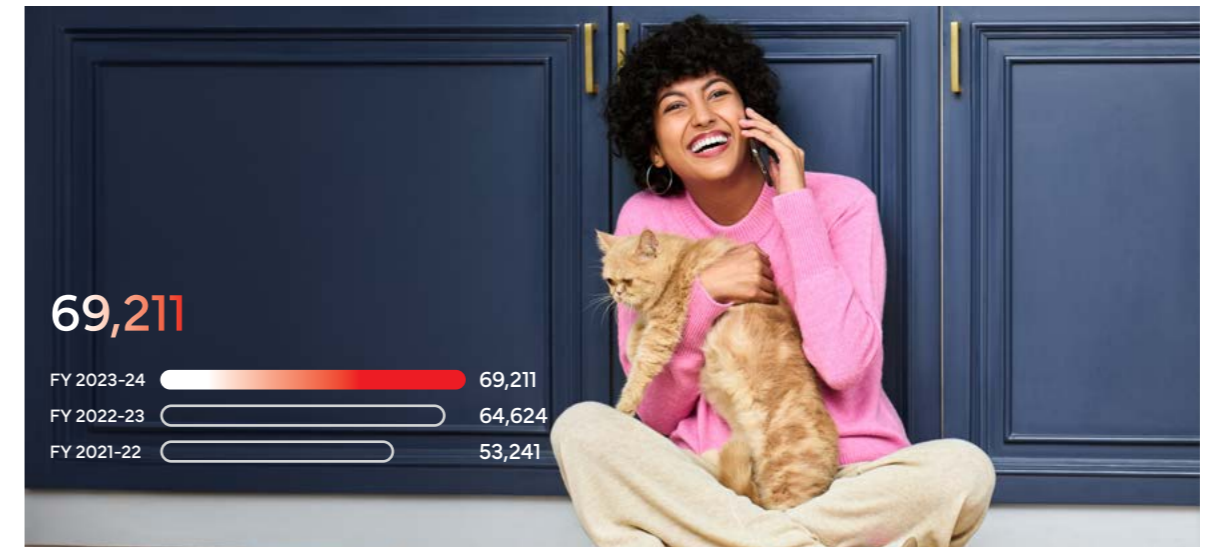
35,461



Segment-wise Analysis

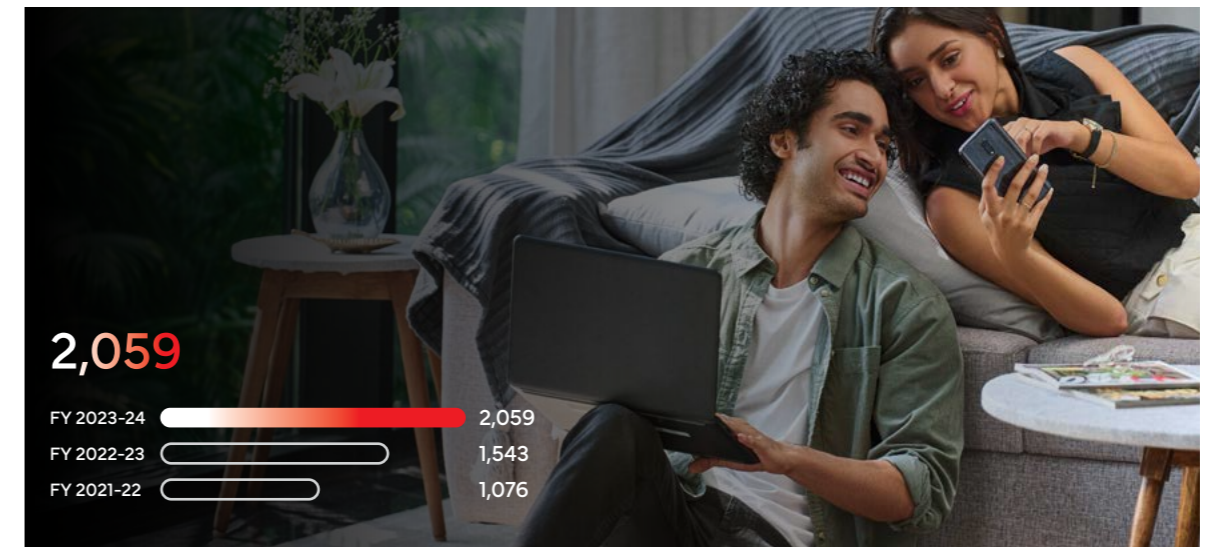
Mobile Services

(Amount in ₹ Mn.)



Home and Office Broadband Services

(Amount in ₹ Mn.)



Strong Credit Rating

Backed by our strong operational and financial performance, we maintain a robust credit rating.

**CRISIL AA+/
Stable/CRISIL A1+**

Ratings reaffirmed



Culture

of entrepreneurship, high performance and growth

We cultivate a culture of entrepreneurship and a sense of ownership within our teams, inspiring them to deliver excellence.

We empower our people with cutting-edge digital tools to leverage advance technologies, driving operational efficiency.

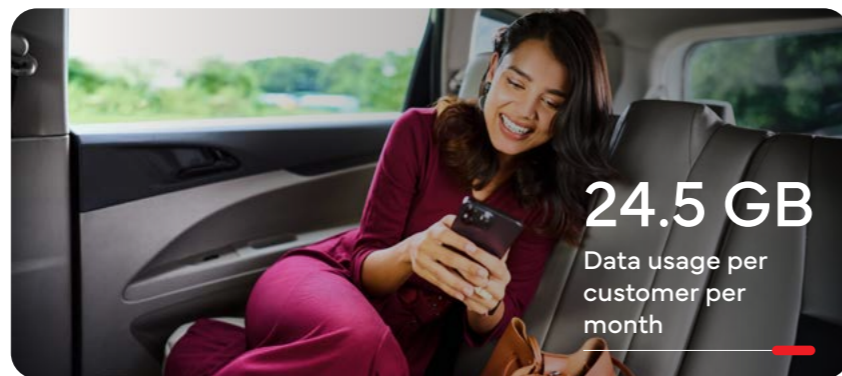
Customer Experience

Ensuring Superior Customer Experience

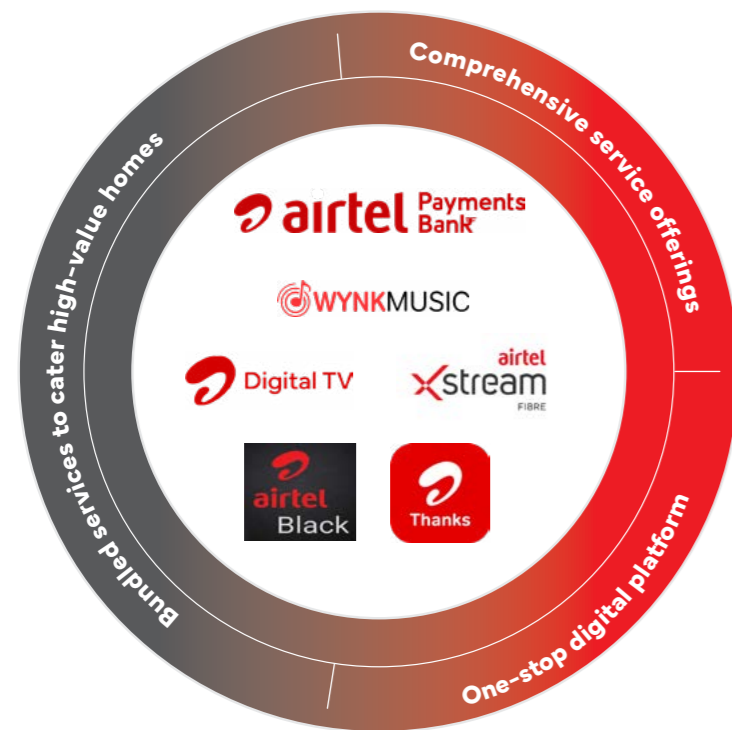
We continuously invest in our network and digital infrastructure, implement strategic changes to future-proof networks and ensure great customer experience with seamless connectivity and ultra-fast internet speeds. This helps us reduce customer interactions and enhance service resilience.

Driving Sustained ARPU Growth

Our strategy to premiumise portfolio is enabled by continued 2G customers to 4G/5G upgrades, growing postpaid penetration, data monetisation and international roaming. This has been the driving force for industry leading ARPU growth. Our differentiated international roaming offering with single roaming pack for facilitating travel across 184 countries provides cost effectiveness and flexibility to customers.



Customer-centric Service Offerings Backed by Strong Parentage



Extensive Distribution and Service Network

Our sales and distribution network spans across the rural and urban areas of the Rajasthan and Northeast circles. Our distribution partners are digitally empowered to sell services under the brand 'Airtel' through the 'Mitra' app, which has been licensed to us by one of Airtel's affiliates. This facilitates mobile recharge transactions between distributors and retailers, and supports onboarding of new customers.

89,000+
Retail touchpoints



Across all our large format retail stores

Sales and Marketing

We target quality customers across rural and urban areas. Our marketing strategy focuses on providing a seamless experience throughout the customer lifecycle, from initial contact to referral, while utilising data science to personalise marketing efforts and optimise campaign effectiveness.

Customer Care and Experience Enhancement

At Bharti Hexacom, we prioritise every customer interaction across various touchpoints, including social media, web platforms, applications, call centres, emails and physical stores. We actively listen to customer feedback to continuously improve and refine our services.

To streamline communication and expedite resolutions, we have introduced self-service platforms like the 'Airtel Thanks' app. This app, along with our website and mobile application, offers online support, enhancing the ease and speed of service for our customers.



Information Security and Privacy

We recognise the critical importance of maintaining robust cybersecurity measures. Any potential security breach or Compromise to our technology systems could lead to significant reputational damage, the initiation of legal proceedings and the imposition of penalties. Therefore, we remain vigilant and proactive in our approach to data security.



Information Privacy Policy

Our information privacy policy aligns with all applicable laws, providing management direction and support to ensure the privacy of personal information collected by us. This policy provides a framework for the collection, creation, processing, storage, retention, dissemination, disclosure and destruction of personal information in accordance with relevant laws, regulations and contractual obligations.

Data Leakage Protection Strategy

While we have a strong track record of protecting our data, we acknowledge the ever-present risk of security breaches. To mitigate this risk, we have implemented a comprehensive data leakage protection strategy that safeguards information at its most vulnerable points. This strategy includes:

- **Endpoint Protection** - All endpoints are equipped with specialised software that monitors various channels for potential data leakage. When a potential violation is detected, an alert is generated and the incident is promptly investigated.
- **Email and Web Gateways** - Similar protective measures are deployed on the email gateway and web gateway to monitor email communications and internet-bound traffic. This ensures that any potential data leakage via these channels is swiftly identified and addressed.

A centralised team monitors alerts generated by these systems and investigates any potential incidents. All security incidents are tracked to closure and reviewed monthly to identify areas for improvement. We are constantly evaluating new technologies to further enhance our data security posture.

Corporate Social Responsibility

Driving a Meaningful and Positive Impact

The Bharti Airtel Foundation strives to make a meaningful and positive impact on society while prioritising sustainable development.



Focus Areas



Education and Skills Development

Promoting education and vocational skills, especially for children, along with livelihood enhancement projects



Technology and Innovation

Supporting technology initiatives both in schools and in partnership with higher educational institute



Social Equity and Welfare

Promoting gender equity and socio-economic upliftment

Bharti Airtel Foundation

Bharti Airtel Foundation (formerly Bharti Foundation), the philanthropic arm of Bharti Enterprises, was established in 2000 to drive socio-economic transformation by proactively implementing and supporting programmes for quality education and skill development. Over the years, the Foundation has increasingly focused on digitisation efforts. By collaborating with stakeholders, the Foundation aims to bridge the gap by bringing technology and high-quality digital content to students and teachers in rural India.

The Foundation functions as an institutionalised body dedicated to undertaking CSR initiatives for the Bharti Enterprises. These programmes are aligned with Sustainable Development Goals, specifically targeting Quality Education, Gender Equality and Partnership for the Goals, resonating with national initiatives in collaboration with like-minded stakeholders aligning with the objectives outlined in the National Education Policy.

Satya Bharti School programme, launched in 2006, is the Foundation's flagship initiative, that provides free quality education to underprivileged children in rural India, with a special focus on girls.

Satya Bharti School Programme			
Holistic development of students	Child-friendly and technology-enabled infrastructure	Teacher development and school leadership development	Parents' community involvement and engagement

Learnings from the Satya Bharti Schools have enabled the Foundation to form large-scale partnerships with government schools. Through these programmes, the Foundation supports innovative solutions in primary, elementary, and senior secondary schools to develop replicable and scalable initiatives.



Management Discussion & Analysis

Overview

The telecom sector has been pivotal in propelling the growth of the digital economy and accelerating overall economic development of the country. Over the years, the sector has emerged as a strong growth multiplier, playing a key role in India's digital transformation. Digitalisation is transforming the ecosystem for customers, enterprises and governments. The proliferation of data over the past decade has fuelled growth across various industries, including e-commerce, finance, healthcare, education, gaming, OTT, and more.

Telecom operators are making significant strides towards advancement of the industry. In FY 2023-24, telecom operators accelerated investments in 5G roll out, making it one of the fastest roll outs globally. The Telecom Bill 2023, passed by the Parliament in January 2024, simplifies licensing, ensures spectrum availability and introduction of a graded penalty regime to enhance ease of doing business. Effective implementation of the bill is expected to augment the long-term financial health of the industry. Operators have made substantial investments in technological advancements and the maintenance of large networks to provide customers with ubiquitous connectivity. Considering the topography and climatic challenges, deployment and maintaining networks in Rajasthan and the Northeast region requires greater efforts and sustained investments. Coupled with one of the lowest tariffs globally, the industry faces the challenge of low return ratios.

As of March 2024 Rajasthan had a tele-density of 82.16% and the Northeast region had 80.55%, compared to the national tele-density of 85.69%. Moreover, penetration of fixed line internet is significantly low both in Rajasthan and the Northeast region, versus the national average of approximately 9%¹. The potential for penetration improvement, growing demand for connectivity and data services to augur well for growth prospects in these regions.

Growing 5G adoption is expected to further drive data consumption with the emergence of use cases, enabled by significantly faster speeds and lower latency. 5G handset shipments are growing with the pace of network expansion by telecom service providers while mass adoption would be hinged upon availability of affordable handset options. The trend is evidenced by the increase in 5G shipments of total smartphone shipments from 43% at the start of the year to 71% in Q4 FY 2023-24.²

Bharti Hexacom's focus on simple and cogent strategy of acquiring and retaining high-value customers by offering brilliant experience at competitive prices has consistently driven revenue market share (RMS) improvement. Effective strategy implementation and razor sharp execution resulted to life high revenue market share. In the Northeastern region, the Company is a market leader with an RMS of 53.9% as on Q3 FY 2023-24. In Rajasthan, the Company has narrowed the gap with the market leader, achieving an RMS of 40.6% over the same period.³ Family plans and converged offering under the Airtel Black proposition have contributed to increasing the Company's market share in the post-paid segment. The Company's consistent strategy has enabled it to deliver industry-leading ARPU, even in absence of tariff hike.

The company is well positioned, to benefit from industry tailwinds, backed by the strong parentage of Bharti Airtel. It significantly benefits from Bharti Airtel's vast digital infrastructure, fibre assets and the Airtel

brand. This enables the Company to drive growth, ensure prudent capital allocation and maintain its competitive edge. Bharti Hexacom is judiciously investing in expanding and improving network infrastructure across the regions it operates.

The Company's healthy revenue and EBITDA growth underscore its operational excellence. It has a strong balance sheet with 2.2x net debt to EBITDA and sustained cash generation, which enables it to adequately invest in growth opportunities.

Indian Economy

The Indian economy exhibited strong growth and continued outperformance over other large emerging economies. The strong growth momentum was supported by policy framework and structural reforms. Factors such as governments' capital expenditure on infrastructure, manufacturing push, and acceleration of a digital economy are some of the drivers supporting this growth momentum. The central bank's focus on managing inflation and proactive policy interventions ensured financial stability and provided much needed impetus to economic growth. As per second advances estimates (SAE), India recorded GDP growth of 7.6% in FY 2023-24⁴, a notable improvement over the preceding growth rate of 7% during FY 2022-23 and marking the third consecutive year of above 7% growth.

Challenges on the supply side persisted due to global factors and posed constraints to the economy's growth trajectory. Disruptions in global trade and increased transportation costs, exacerbated by incidents such as the Red Sea conflict, presented hurdles to supply chain operations.

Investment cycle uptrend was supported by sustained capex spends by the government, improving capacity utilisation and production linked incentives (PLI) announced across various sectors are expected to enable corporate sector investment revival.

The favorable economic conditions in India, coupled with improved domestic macroeconomic fundamentals, led to a surge in capital inflows during the year. Among the Emerging markets, India stood out by attracting the highest foreign portfolio investments (FPI), marking the second highest influx since FY 2014-15. Gross foreign direct investments (FDI) were largely flat while net FDI experienced moderation due to increased repatriation.

In summary, India's robust economic performance in FY 2023-24 can be attributed to a combination of factors, including healthy domestic demand, demographic advantages and growth focused policy framework.

¹CRISIL Assessment of Telecom Industry in India March'24

²Counterpoint Research - India smartphone shipment report

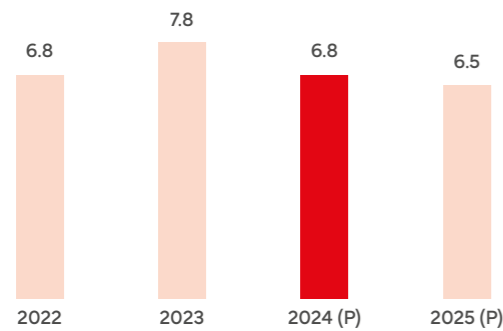
³TRAI Q3 FY 2023-24 AGR report

⁴RBI Press Releases - Indian Economy Report

Outlook

The Indian economy is expected to remain buoyant with continued support from structural policy reforms. The IMF projects strong forecasts for India, with an estimated GDP growth of around 6.8% in 2024, up by 30 basis points from its January 2024 projection. The softening of inflation and a potential rate easing during the year will support the growth momentum. The optimism is backed by various factors, including continuous growth in manufacturing sector, services sector, strong corporate and bank balance sheets, and increase in domestic demand.

India growth trend (%)



*Data as per IMF World Economic Outlook Report Apr'24

Outlook

Prospects for the Indian economy remain bright, backed by sustained investments by the government across key sectors. Along with structural policy framework aimed at promoting manufacturing, developing infrastructure, enhancing the ease of doing business, boosting digital connectivity and more. The government's digital agenda has empowered households and businesses, and most significantly, fostered financial inclusion. The telecom industry's continued investments in building large networks and adopting the latest technological advancements have paved the way for India's digital transformation, fuelling economic growth and improving the quality of life for citizens.

The advent of 5G is expected to further revolutionise the country's digital landscape by offering ultrafast speeds with low latency and reliable connectivity. Telecom operators are heavily investing in expanding coverage and create data capacity to meet the future demand stemming from increasing data requirements, adoption of connected devices and more.

Additionally, government initiatives, including the USOF programme, BharatNET and the 4G saturation programme aim to support network rollout and provide connectivity in Rajasthan and the Northeast region.

These regions hold substantial growth potential, especially in terms of bridging the penetration gap with the national penetration levels in mobile and fixed line broadband services. Given the low fixed-line broadband penetration in Rajasthan and Northeast region, 5G could present growth opportunity for Fixed Wireless Access (FWA). Bharti Hexacom is adequately investing in expanding its network across urban and rural areas, exemplified by rolling out 5G using non-standalone network architecture. The Company has strong mid-band spectrum holding (1800/2100/2300 MHz) along with holding in 900 MHz, 3500 MHz, and 26 GHz bands.

Despite the topographical and climatic challenges in building fixed line broadband infrastructure, the FWA offering through the 5G network could improve penetration overtime. Over the years, Bharti Hexacom has invested more than ₹ 200 Bn in building a vast network to deliver superior customer experiences. The Company is well-positioned to capitalise on growth opportunities as it continues to expand coverage in rural areas, invest in 5G expansion and rapidly rollout home passes through its asset-light LCO partnership model.

Industry Overview

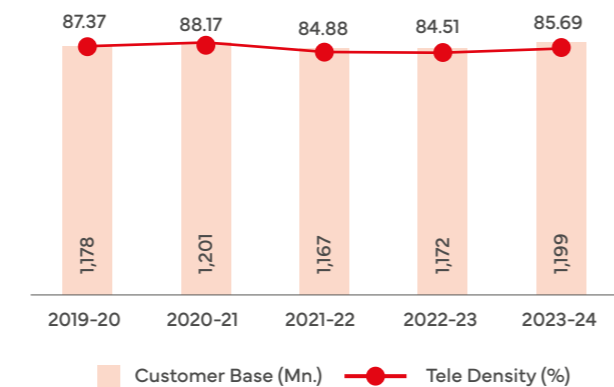
Indian Telecom Sector

India's total telecom users base stood at 1,199.28 Mn. as on March 31, 2024. The telecom industry saw healthy customer additions in FY 2023-24 underscored by penetration improvement. In the current year, customer base grew by 230 basis points while the tele-density was at 85.69% as on March 31, 2024. The urban tele-density stood at 133.72%, whereas the rural teledensity stood at 59.19% as on March 31, 2024.

Among the service areas, Rajasthan has a tele-density of 82.16% and the Northeastern region has 80.55%.

The wire-line customer base stood at 33.79 Mn. as at March 31, 2024, vis-à-vis, 28.41 Mn. as at March 31, 2023.

Tele Density: India (%)



(Source: Telecom Regulatory Authority of India report as on March 31, 2024)

Developments in Regulations

The year saw several regulatory changes and developments, which include:

A

TRAI recommendations on 'Licensing framework and Regulatory mechanism for submarine cable landing in India' dated June 19, 2023

- International submarine cable should be allowed to carry domestic traffic on dedicated fibre pairs between two Indian cities, on the condition that such traffic is not transmitted/routed outside India.
- Stub cables should be allowed to be laid up to any distance within the Exclusive Economic Zone (EEZ).
- Cable Landing Stations (CLS) operators should be classified as 'essential services' and 'critical information infrastructure'.
- Two categories of CLS locations need to be recognised in the licensing framework:
 - Main CLS – Owners of the main CLS will seek clearance for submarine cable landings in India.
 - CLS Point of presence (PoPs) – Owners of CLS PoPs will have certain security and reporting obligations.
- National long distance licenses may establish domestic submarine cables connecting two or more cities on the Indian coastline.
- National long distance / international long distance licenses should be amended to explicitly provide for terrestrial connectivity between different CLSs.

B

TRAI recommendation on 'Rationalisation of Entry Fee and Bank Guarantees (BG) dated September 19, 2023

- The Entry fee should be reduced for the various licenses, registrations, authorisation and permission (except for GMPCS and VSAT Authorisations under the UL).
- For some authorisations, such as ISP-C, M2M and Audio-Tex, a NIL entry fee is recommended.
- The ceiling of ₹ 15 Crore on the entry fee under the UL should be removed.
- The Entry fee should be charged only at the time of entry and not during the renewal of license.
- Financial bank guarantee and performance bank guarantee should be merged into a single BG.
- For the initial year, the amount of this consolidated BG has to be as recommended (for instance, ₹ 2 Crore per circle for access services, ₹ 40 lakh for ISP-A). Thereafter, it has to be higher than the initial year BG or 20% of the estimated sum payable (of LF and other unsecured dues).
- Electronic bank guarantees should be adopted by the DoT for ease of doing business.

C

Digital Personal Data Protection Act, 2023 ("DPDPA")

The bill was passed by Lok Sabha on August 07, 2023 and by Rajya Sabha on August 09, 2023, and received Presidential assent on August 11, 2023. The Act broadly provides for the following as notified in the official gazette on August 11, 2023:

- Obligations on entities collecting personal data i.e. data fiduciaries like Airtel.
- Rights of individuals to obtain personal data, correct inaccurate data, erase data, and prevent disclosure of personal data.
- An independent data protection board.
- Creating trust between persons and entities processing personal data.
- Remedies for unauthorized and harmful processing of personal data.

D

Telecommunications Bill, 2023

The Bill broadly provides for the following, as notified in the official gazette December 24, 2023:

- Licensing**
 - Shift from multiple nomenclatures of license, registration, permission and more to 'authorisation' for providing telecom services, for establishing, operating, maintaining or expanding telecom networks and for possessing radio equipment.
- Spectrum**
 - Auction is recognised as the preferred mode of spectrum assignment, but administrative assignment is allowed for specific purposes like national security and defence, law enforcement and crime prevention, public broadcasting services, radio backhaul for telecommunication services, certain satellite-based services such as teleports, television channels, Direct To Home, Headend In The Sky, Digital Satellite News Gathering, Very Small Aperture Terminal, Global Mobile Personal Communication by Satellites, National Long Distance, International Long Distance, Mobile Satellite Service in L and S bands, Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL), among others.
 - Statutory framework for spectrum-related aspects such as sharing, trading, leasing, surrender, harmonisation and more.

• **Breach of terms and conditions of authorization or spectrum assignment**

- Voluntary undertaking' to enable disclosure of breaches.
- Tiered structure for dispute resolution – Adjudicating Officer, Designated Appeals Committee and TDSAT.

• **Right of way (RoW)**

- The RoW permission mechanism is defined for both public and private properties.
 - For public property – permission in a time-bound manner.
 - For private property – negotiation and mutual agreement.
- Provision for establishing common ducts in infrastructure projects on an open-access basis.

• **Universal Service Obligation Fund (USOF)**

- The Universal Service Obligation Fund to be renamed as 'Digital Bharat Nidhi'.
- Its scope has been expanded to include underserved urban areas, in addition to rural and remote areas.
- It can also be applied to support R&D in telecom services, pilot projects and more.

• **User-related**

- It is mandatory to use verifiable biometric-based identification for the identification of users.
- A statutory duty is imposed on users to provide correct information.
- A framework for the protection of users from certain specified messages (in consonance with TRAI's regulations) is in place.

• **National Security**

- Provisions for lawful interception.
- Statutory framework for trusted source regimes.

• **Civil Penalty and Offences**

- Contraventions like providing telecom services without authorisation, unlawful interception and obtaining SIMs through fraud or cheating have been recognised as criminal offences and will attract imprisonment and/or a fine.
- However, some other contraventions listed in the Third Schedule, like the use of SIMs in excess of the prescribed number, contravention of the provisions of Section 28 (measures for protection of users) and more would attract civil penalties.

E Spectrum Auctions 2024

- DoT, on March 08, 2024, issued the Notice Inviting Applications (NIA) for the auction of all the available spectrum in the 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz, 3300 MHz and 26 GHz bands.
- The cumulative reserve price of the 10523.15 MHz spectrum put to auction is ₹ 96,317.65 Crore.
- The last date for bid submission is May 06, 2024 and live auction likely in June, 2024.

F TRAI Recommendations on the 'Introduction of Calling Name Presentation (CNAP) Service in Indian Telecommunication Network' dated February 23, 2024

- The CNAP service allows subscribers to see the caller's name along with the calling number.
- TRAI has recommended that the service should be offered to subscribers on a voluntary basis.
- The caller's name should be sourced from the name provided by the CAF for individual subscribers, whereas entities with bulk or business connections can use a 'preferred name'-such as a trademark or trade name.

G TRAI Recommendations on "Usage of Embedded SIM for Machine-to-Machine (M2M) Communications" dated March 21, 2024

- Provisions for integration of the SM-DP of Indian TSP with the foreign SM-SR will be included in telecom licenses.
- TSPs with UASL, UL/UL-VNO (Access), UL/UL-VNO (M2M) and registered M2MSPs can own and manage SM-SRs in the country.
- The 901.XX IMSI (global IMSI series) allocated to Indian entities should not be permitted for providing M2M services in India.
- Any M2M eSIM in an imported device on international roaming should be mandatorily reconfigured into profiles of Indian TSPs within 6 months of activation of roaming or on change of ownership of the device, whichever is earlier.
- The Indian TSP/M2MSP will have to integrate its SM-SR with the SM-DP of Indian TSPs within 3 months of the request of the concerned OEM/M2MSP.
- The Indian TSP/ M2MSP will have to switch its SM-SR with the SM-SR of another Indian entity within 6 months of the request of the concerned OEM/M2MSP.

Financial Review

Particulars	FY 2023-24		FY 2022-23	
	₹ Mn.	USD Mn. *	₹ Mn.	USD Mn. *
Gross revenue	70,888	857	65,790	819
EBITDA before exceptional items	34,905	422	28,884	359
Interest, Depreciation & Others before exceptional items	22,642	274	21,546	268
Profit before exceptional items and Tax	12,263	148	7,338	91
Profit before tax	9,233	112	7,338	91
Tax expense	4,189	51	1,846	23
Profit for the year	5,044	61	5,492	68
Earnings per share (In ₹ / USD)	10.09	0.12	10.98	0.14

*1 USD = ₹ 82.74 Exchange Rate for financial year ended March 31, 2024 (1 USD = ₹ 80.37 for financial year ended March 31, 2023).

The Company achieved revenues of ₹ 70,888 Mn., for the year ended March 31, 2024, as compared to ₹ 65,790 Mn. in the previous year, this represents a growth of 7.7%. This growth was driven by customer additions and sustained ARPU improvement.

The Company incurred operating expenditure (excluding access charges, cost of goods sold, license fees and Charity and Donation costs) of ₹ 23,098 Mn.-an increase of 7.4% over the previous year.

EBITDA stood at ₹ 34,905 Mn., increasing by 20.8% over the previous year on reported basis. The Company's EBITDA margin for the year reached 49.2% as compared to 43.9% in the previous year, demonstrating continued focus on driving cost optimisation and improving operational efficiencies.

Depreciation and amortisation costs for the year were higher by 12.0% to ₹ 17,392 Mn., as the Company continued to strengthen its network coverage and provide ubiquitous connectivity.

Key ratios:

Key Ratios	Units	FY 2023-24	FY 2022-23	YoY %
Capex Productivity	%	56.55	57.22	-1
Opex Productivity	%	32.58	32.70	0
Interest Coverage Ratio	Times	6.23	5.02	1.21
Net Debt to Shareholders' Equity	Times	1.69	1.92	(0.24)
EBITDA Margin	%	49.24	43.90	5
Net Profit Margin	%	7.1	8.3	-1
Return on Shareholders' Equity	%	11.40	13.95	-3

Liquidity & Funding

As on March 31, 2024, the Company had cash and cash equivalents amounting to ₹ 398 Mn. and short-term investments of ₹ 2,376 Mn. During the year ended March 31, 2024, the Company generated operating free cash flow of ₹ 14,670 Mn. The net debt excluding lease obligations for the Company stands at ₹ 45,573 Mn. as on March 31, 2024, compared to ₹ 51,678 Mn. as on March 31, 2023. The net debt for the Company, including the impact of leases stands at ₹ 78,273 Mn. as on March 31, 2024. The Net Debt-EBITDA

Consequently, EBIT for the year was at ₹ 17,513 Mn., growing by 31.2% and resulting in a margin of 24.7% vis-à-vis 20.3% in the previous year.

Net finance costs totalled ₹ 5,250 Mn., lower by ₹ 764 Mn. compared to previous year, primarily due to the repayment of NCDs.

Consequently, the profit before taxes and exceptional items amounted to ₹ 12,263 Mn., compared to a profit of ₹ 7,338 Mn. in the previous year.

Exceptional items (net of tax) during the year stood at ₹ 4,071 Mn., majorly due to interest charge pertaining to tax treatment of adjusted revenue linked variable license fees.

After accounting for exceptional items and Taxes, the resultant net profit for the year ended March 31, 2024, was at ₹ 5,044 Mn., as compared to a net profit of ₹ 5,492 Mn. in the previous year.

The capital expenditure for the financial year ending March 31, 2024, was ₹ 20,235 Mn.

ratio including the impact of leases as on March 31, 2024, was at 2.24 times as compared to 2.81 times as on March 31, 2023. The Net Debt-Equity ratio was at 1.69 times as on March 31, 2024, as compared to 1.92 times as on March 31, 2023.

The Company has redeemed 15,000 listed, unsecured non-convertible debentures of face value of ₹ 1 Mn. each aggregating to ₹ 15,000 Mn. with interest on January 19, 2024.

Segment-wise Performance

Mobile Services

Overview

The Company has been consistently delivering on its stated strategy to attract and retain high value customers and premiumise portfolio. Hexacom has been able to offer best in class 5G experience at the lowest cost of ownership with deployment of non-standalone network architecture. Life-high revenue market share, industry leading ARPU growth and strong data customer addition is a testament to our strategy and relentless focus on delivering superior experience to our customers. As on March 31, 2024, our customer base stood at 27.34 Mn. The minutes on the network have increased by 9.3% to 352 Bn. The Company had 19.77 Mn. data customers at the end of March 31, 2024, of which 19.48 Mn. were mobile 4G+5G customers. The increased penetration through bundles with high inbuilt data has also led to the total MBs on the network growing by 21.1% to 4,910 PB.

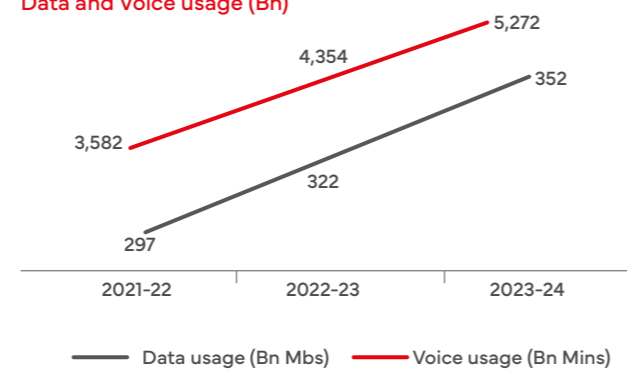
The Company's focus on acquiring and retaining quality customers and a relentless obsession with customer experience have resulted in a strong 4G and 5G customer base. Our premiumisation agenda to upgrade customers to higher value plans has been working well and contributing to ARPU growth. During the year, the segment revenues surged by 7% to ₹ 69,211 Mn. as compared to ₹ 64,624 Mn. in the previous year due to the focus on acquiring quality customers and driving premiumisation. The segment witnessed an uptick in the EBITDA margin that reached 49.4% during the year, compared to 44.0% in the last year.

EBIT margin for the year increased to 25.0%, compared to 20.43% in the previous year.

The Company had 25,704 network towers, compared to 21,672 network towers in the last year. Mobile broadband (MBB) base stations were 79,835 at the end of the year, compared to 70,057 at the end of the last year.

Particulars	FY 2023-24	FY 2022-23	Y-oY Growth
	₹ Mn.	₹ Mn.	%
Gross Revenues	69,211	64,624	7.1
EBIT	17,307	13,200	31.1

Data and Voice usage (Bn)



Homes and Offices

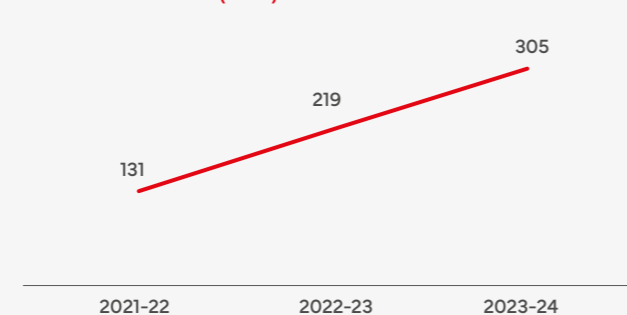
Overview

Homes and office services continues to accelerate rollouts on the back of an innovative asset-light local cable operator partnership model, which is now present in 93 cities. The customer base stands at 305 thousand, as compared to 219 thousand at the end of the previous year. During the year we scaled up our operations as we launched Airtel fibre in 6 new towns and increased our coverage by rolling out new fibre across major cities of operations, helping the county advance towards realising the vision of Digital India.

Revenues from Homes and office services stood at ₹ 2,059 Mn. for the year ended March 31, 2024, as compared to ₹ 1,543 Mn. in the previous year, representing a growth of 33.4%. EBITDA margin during the year was 34%.

Particulars	FY 2023-24	FY 2022-23	Y-oY Growth
	₹ Mn.	₹ Mn.	%
Gross Revenues	2,059	1,543	33.4
EBIT	205	151	35.8

Homes Subscribers: ('000)



SCOT analysis



Strengths

- **Leading player:** The Company is among the leading mobile operator with strong revenue market share in the areas where it operates.
- **Premium brand:** The Company offers services under the 'Airtel' brand, which is a well-known brand across the geographies where it has a presence.
- **Service portfolio:** The Company provides mobility, fixed line and broadband services in Rajasthan and the Northeast region, serving nearly 28 Mn. customers.
- **Convergence play:** The Company delivers comprehensive B2C offerings, including mobility and homes broadband services, along with bundled content offerings and Digital TV services, by leveraging its partnership with Bharti Airtel. The company's strategy to attract high value homes with an array of services presents a significant opportunity for convergence propositions under Airtel Black.
- **Future-proof network:** Over the years, the Company has deployed an extensive network infrastructure and continuously expands it to meet the growing demand for connectivity and high-speed data. By leveraging digital tools and data science for end-to-end management of networks, Bharti Hexacom has simplified network complexity.
- **Leverage from the parent:** The Company's relationship with Bharti Airtel Limited yields significant synergies, including access to digital infrastructure, an experienced management team and more.
- **Strong balance sheet:** The Company generated healthy operating cash flow amid high capex spends. Crisil has reaffirmed the Company's long-term credit rating at AA+ (Stable).



Opportunities

- **Industry structure:** In an already consolidated industry in terms of operators, there remains growth potential as operating regions have relatively lower tele-density compared to the national average.
- **Tariff Improvement:** India's mobile ARPU is significantly lower than its global counterparts, despite having one of the highest data usage. Considering evolving customer needs and the continued need for investments in networks and technological advancements, tariff repair improves financial health and creates value for stakeholders.
- **Tele-density:** With Rajasthan's tele-density of 82.16% and the Northeast region at 80.55%, compared to the national tele-density of 85.69%, there is scope for penetration improvement.
- **Smartphone penetration:** Higher smartphone adoption presents opportunities for incremental revenue as customers transition from feature phones to smartphones.
- **Post-paid penetration:** Post-paid customers constitute only ~4% of India's total mobile customer base. Bharti Hexacom's family plan offerings and converged plans under Airtel Black have the potential to improve post-paid penetration and drive revenue growth.
- **Home broadband landscape:** Fixed line penetration remains in low single digits in the Company's operating regions. Furthermore, growing demand for ultrafast internet and connected devices offers long-term growth opportunities.



Challenges

- **Supply chain limitations:** Network and non-network deployments may face delays due to shortage of required materials, exacerbated by global disruptions which may lead to cost inflation.
- **Low return ratios:** Substantially low ARPU and the continued capex requirement for expanding coverage and technological advancements can suppress return ratios.
- **5G monetisation:** Material use cases for 5G are awaited, apart from FWA, for monetizing the investments made in 5G spectrum and network rollout. These factors, coupled with free 5G data offerings in certain bundled plans, present a challenge.
- **Low return ratios:** Substantially low ARPU, along with the ongoing capex requirements for expanding coverage and technological advancements can suppress return ratios.



Threats

- **Intense competition:** The entry of disruptive players can lead to significant price erosion, adversely impacting the Company's profitability.
- **Adverse regulatory framework:** Changes in regulations, policies that are unfavourable for the industry can affect the Company's operations. Political instability, which leads to economic uncertainty, can negatively impact business.
- **Currency exposures:** Global macroeconomic uncertainties, trade tensions and commodity headwinds may pose a risk of currency fluctuations.
- **Pandemic/Disaster/War:** Adverse situations such as war, civil unrest, natural disasters, pandemics or other unforeseen phenomena can disrupt the Company's operations.

Risk and Mitigation Framework

Responsibility and accountability:

- **The Board of Directors** - The Board of Directors is the apex body that reviews critical risks as well as deliberates and approves action plans to effectively mitigate those risks. The Board conducts an annual evaluation of Bharti Hexacom's risk management framework. This is complemented by periodical evaluation and assessment by the Risk Management Committee (RMC). The RMC formulates a detailed risk management policy and monitors its implementation. The Chief Risk Officer, while working closely with the RMC, independently conducts a complete review of the risk assessments and associated management action plans.
- **The Company's Management** - The Circle CEOs of Bharti Hexacom's businesses are responsible for managing the strategic risks that may impact their operations. These risks are generally identified by their team and the leadership at the national level. The management team draws on internal audit reports to identify risks and scans internal and external environments to ascertain developments that could pose material risks to the Company. Internal audit reports are also considered for identifying key risks.
- **Operational Teams** - The Executive Committees (EC) of Rajasthan and the Northeastern telecommunication Circles manage risks at the operational level. The EC has local representation from all functions, including

central functions such as Finance, SCM, Legal and Regulatory and customer-facing functions such as Customer Service, Sales and Distribution and Networks. The Circle CEO is responsible for engaging functions and partners to manage risks. They also identify risks and escalate those to the central teams for agreement on mitigation plans.

Risk identification process

- Scan the entire business environment, internal and external, for potential risks.
- Classify the various risks in terms of probability, impact and nature.
- Develop an objective measurement methodology for such risks.
- Fix the accountability of people and positions to implement the mitigating action plans.
- Agree on detailed action plans to manage key risks.
- List and prioritise the key risks to be addressed and managed.
- Approve resources, including budgets for risk management.
- Review the progress of action plans, take stock of gross and net exposures and mandate corrective actions.
- Report progress to the Board and the Audit Committee/ Risk Management Committee.
- Report specific issues to the Audit Committee or the Risk Management Committee.

1 Regulatory and Political Uncertainties (Legal and Compliance)

Outlook > Stable

a. Definition

The Company majorly operates in seven states of India. Some of these regions are prone to political instability, civil unrest and other social tensions. Such conditions tend to affect the overall business scenario. In addition, regulatory uncertainties and changes, including escalating spectrum prices, subscriber verification norms and penalties, coupled with EMF norms, among others, are potential risks to the business.

b. Mitigating actions

As a responsible corporate citizen, the Company proactively engages with key stakeholders in the states in which it operates while also continuously assessing the impact of the changing political and social scenario. The Company contributes to the socio-economic growth of the states in its area of operation through high-quality services to its customers, improved connectivity, direct and indirect employment and contributions to the exchequer. Additionally, it maintains cordial relationships with governments and other stakeholders. The Circle CEOs are directly accountable for maintaining neutral government relations. The Company supports quality education across communities where the Bharti Airtel Foundation operates.

The Company, along with its parent, Bharti Airtel Limited, works with industry bodies, including the Cellular Operators Association of India (COAI), Confederation of Indian Industry (CII), Associated Chambers of Commerce of India (ASSOCHAM), GSMA, Internet Service Providers Association of India (ISPAI) and Federation of Indian Chambers of Commerce and Industry (FICCI), on espousing industry issues like penalties, right of way and tower sealing, among others.

The regulatory team, along with legal and network teams, keeps a close watch on compliance with regulations and laws, besides ensuring that the operations of the Company are within the prescribed framework and that a business continuity plan is in place that can be implemented wherever required.

c. Material issue for the Company



Regulatory compliance



Corporate governance and business ethics

2 Economic Uncertainties (Operational)

Outlook > Emerging

a. Definition

The Company focuses on growth opportunities in Rajasthan and Northeast regions, that are characterised by low-to-medium mobile penetration, low internet penetration and relatively lower per capita incomes, thus offering more growth potential. Slowing down of economic growth tends to affect consumer spending and might cause a slowdown in the telecom sector.

In the greater part of the previous year, there has been also some challenges in the Global Supply chain market due to geo political tensions, inflationary price pressure, recessionary environment and uncertain disruptions. Ensuring supply security has always been the core of our supply chain strategy.

b. Mitigating actions

As a regional player with presence across seven states, the Company has diversified its risks and opportunities across markets. To mitigate currency risks, it follows a prudent risk management policy, including hedging mechanisms to protect the cash flows. A prudent cash management policy ensures that surplus cash is up-streamed regularly to minimize the risks of blockages at times of capital controls.

To mitigate supply chain risks, company had implemented various digital systems and processes to ensure any disorder in the Global supply can be timely addressed and jointly mitigated with our partners. In addition, company also developed an ecosystem of suppliers, where majority of our partners are now manufacturing indigenously. The company's Supply Chain strategy aims at ensuring optimum & timely supplies through Innovation & process simplification in order to develop a sustainable supply chain network.

The Company adopts a pricing strategy that is based on the principles of mark-to-market, profitability and affordability, which ensures that margins are protected at times of cost inflation and market shares at times of market contraction.

c. Material issue for the Company



Regulatory compliance

3

Poor quality of networks and information technology including redundancies and disaster recoveries (Operational)
Outlook > Stable
a. Definition

Telecom networks are subject to risks of technical failures, partner failures, human errors, wilful acts or natural disasters. Equipment delays and failures, lack of spare parts, energy or fuel shortages, software errors, fibre cuts, lack of redundancy paths, weak disaster recovery fallback and partner staff absenteeism, among others, are a few examples of how network failures happen. This risk may have negative financial implications. The Company's IT systems are critical to running its customer-facing and market-facing operations, besides running internal systems. In some geographies or states, the quality of last-mile IT connectivity is sometimes erratic or unreliable, which affects the delivery of services, for instance, recharges, customer queries, distributor servicing, customer activation, billing and more.

b. Mitigating actions

The Company operates a state-of-the-art Network Operations Centre to monitor real-time network activity and take proactive action to ensure maximum network uptime.

Network planning is increasingly being done in-house to ensure that intellectual control over the architecture is retained within the Company. The Company continuously seeks to address issues (such as congestion, indoor coverage, call drops, modernisation and upgrades of data speeds, among others) to ensure better network quality. Its recent efforts include the transformation of microwave transmission, fibre networks, secondary rings/links and submarine cable networks. The Company consistently eliminates systemic congestion in the network and removes causes of technical failures through a quality improvement programme, as well as by embedding redundancies and carrying out internal checks to ensure that all preventive and corrective actions according to the process are in place to ensure network availability and quality for end users.

Tighter SLAs are reinforced with network partners. The performance of the Company's Network team is measured based on network stability, customer experience and competitor benchmarking. The Company follows a conservative insurance cover policy that provides value cover equal to the replacement value of assets against risks, such as fire, floods and other natural disasters. Disaster management guidelines have been shared with all stakeholders to ensure that all actions are in place, covering risk identification, preparedness for disasters, resource allocation, emergency response and reporting and disaster recovery. A Network Recovery Plan (NRP) is being followed by both circles in accordance with the BCP guidelines.

The Company's philosophy is to share infrastructure with other operators and enter into SLA-based outsourcing arrangements. It seeks to share relationships on towers, VSAT, data centres and other infrastructure. The Company has put in place redundancy plans for power outages, fibre cuts, VSAT breakdowns and so on, through appropriate backups such as generators and secondary links, among others. Similar approaches are deployed for IT hardware and software capacities; further, internal IT architecture teams continuously reassess the effectiveness of IT systems.

Operational processes such as alarm management, preventive maintenance and acceptance testing are being constantly automated with a vision to move towards zero-touch operations. The Company works with its partners to enhance network availability and reduce failures. Spare management and repair processes are also streamlined to ensure no spare shortages.

The continuous removal of single points of failure (SPOF) on fibre routes and equipment levels is being done. To improve transport resiliency, BSC, Core nodes Interconnectivity and signalling links are being shifted on the MPLS network.

An in-house developed workforce management tool now supports field and NOC teams to enhance productivity and facilitate the seamless flow of information to solve customer impact issues both proactively and reactively.

The Company continues to work towards climate-proofing the infrastructure by building geographical redundancies and resilience, multiple fibre paths for critical sites and strengthening tower infrastructure in cyclone- and flood-prone regions.

c. Material issue for Company


Network quality, expansion and satisfaction

4

Fiercely competitive battleground (Operational)
Outlook > Stable
a. Definition

The market continues to remain competitive in the acquisition space, with all operators trying to garner quality, high-value customers for their networks. Focus on cross-selling to gain a higher wallet share of customers has become the norm.

Quality network and competitive pricing remain the differentiating factors for customers to choose a particular network. The rollout of 5G sites, which began last year, remains the focus of network expansion.

Online content consumption is an area where our competition is spending heavily on acquiring exclusive content.

b. Mitigating actions

Coverage is the key aspect and deciding factor in selecting the network; therefore, it becomes increasingly important to roll out the network and expand coverage in rural areas. The Company continues to expand its coverage footprint in rural areas and its gap geographies.

The other important factor in deciding the choice of network is the ubiquitous data speed in rural and urban areas. While the use cases of 5G are still evolving, the Company continues to aggressively roll out 5G sites and provide unlimited 5G to aid customers in experiencing the 5G network.

The invigorated focus on Family plans and Airtel Black propositions is done with the agenda of cross-selling to customers and gaining a higher share of their wallets.

Additionally, the Company is fully engaged in ensuring that its consumers have a strong variety of content offerings to enjoy.

c. Material issue for Company


Corporate governance and business ethics

5

Increase in cost structures ahead of revenues thereby impacting liquidity (Operational/ Strategic)
Outlook > Stable
a. Definition

Across markets, cost structures have been increasing both from volumes (new site rollouts, capacity) and/or rate increases (inflation, wage hikes, energy and more). This is exerting pressure on margins and cash flows, thereby leading to a debt burden (leverage). The Company will continue to increase investments in its network to ensure quality of service, continue spending on distribution and maintaining world-class customer service.

b. Mitigating actions

The Company has institutionalised the War on Waste (WOW) Programme, an enterprise-wide cost-reduction programme. This has been rolled out across all functions and business units. All functions/business units are targeting cost reductions and cost efficiencies. The Company continues to focus on capex optimisation through various programmes like tower-sharing.

Digitisation and automation with significant programmes on self-care, paperless acquisition, e-bill penetration, online recharges, transitioning to green energy sources, indoor to outdoor conversion

and digital customer interactions are continuously monitored through the WoW initiatives.

The Company has been progressively keeping the debt levels within acceptable levels.

c. Material issue for Company


Innovation in product and services



Talent attraction and human capital development

6

Data Loss Prevention (Operational)
Outlook > Stable
a. Definition

Personal data is any data about an individual who is identifiable by or in relation to such data. In the online environment, where vast amounts of personal data are shared and transferred around the globe instantaneously, it is increasingly difficult for people to maintain control of their personal information. This is where data protection comes in.

Data protection refers to the practices and safeguards put in place to protect personal information and ensure that the concerned person has control over it. In short, the concerned person should be able to decide whether or not they want to share their information, who has access to it, for how long and for what purpose, as well as be able to modify some of this information and more. Data protection must strike a balance between the use of personal data for business purposes and ensuring compliance with applicable data privacy regulations.

Data privacy regulations have been passed by several countries, most notably the European Union, which passed the General Data Protection Regulation (GDPR) in 2018. India also passed the Digital Personal Data Protection Act in August 2023. The Company has already initiated its efforts to ensure compliance with the act. This risk may have negative financial implications for the Company.

b. Mitigating actions

The customer base of Bharti Hexacom has been expanding at a tremendous rate. The Company collects and processes personal data of its clients for various legitimate purposes. Also, it collects and processes the personal data of its employees, temporary staff and third-party personnel. The Company is committed to ensuring the privacy of personal data processed by implementing stringent processes and relevant technology controls.

The Company's privacy policy provides management direction and support to ensure the privacy of personal data collected to allow collection, processing, retention, dissemination and destruction of the personal

information in accordance with the applicable data privacy regulations and contractual obligations.

Data loss prevention (DLP) is a strategy for making sure that those in possession of sensitive information do not advertently or inadvertently share that information outside the virtual boundaries of the corporate network. The term is also used to describe software products that help organisations control what data end users can transfer. The data loss prevention strategy has been designed to protect information at its most vulnerable points, that is, at the endpoint, the web layer and the email layer.

All endpoints are equipped with specialised data loss prevention (DLP) software. This software helps monitor various channels for potential data leakage. Should a potential violation be detected, an alert is generated and the potential incident is investigated. Similar solutions are deployed on the email gateway and web gateway to monitor emails and internet-bound traffic, respectively. A centralised monitoring team reviews the alerts and raises an incident for investigation and resulting action. All incidents are tracked to closure in a time-bound manner. Additionally, a monthly review of all incidents and their closure is conducted to enable the organisation to regularly refine its existing policies. The Company continuously evaluates the data protection landscape for new and innovative technologies to further strengthen data security.

c. Material issue for Company



Information security and customer data privacy

7

Inability to provide high quality network experience with exponential growth in data demand (Strategic)

Outlook > Stable

a. Definition

To keep pace with rising data demand from customers and to ensure competitive parity in traffic, telecom companies are required to invest heavily in building data capacities and expanding broadband coverage. Operators are adopting new strategies to provide unlimited voice and significant data benefits to customers. Additionally, contemporary customers are looking for a seamless mobile internet experience and are technology agnostic.

b. Mitigating actions

The Company has launched 5G in NSA mode at 3,500 MHz in ~7k sites across 418 towns and 6,673 villages across the seven states within one and a half years of the allocation of spectrum. This is one of the fastest 5G rollouts in the world.

The Company also has sub-Ghz spectrum in Rajasthan and the Northeastern region to enable deeper indoor penetration and cover a larger population footprint than ever before.

The Company has added an additional 3.8k new 4G sites in the seven states to expand its footprint and strengthen coverage in rural and urban areas. This step aims at enhancing the customer experience.

The Company added capacity to the network for fulfilling customer needs stemming from increased data consumption. Various tools, including the addition of TDD, L2100, Twin Beams, m-MIMO and Spectrum, were used to enhance the capacity.

The Company is continuing to step up backhaul readiness and capacities on sites with increased fiberisation and capacity expansion of transmission backbone and internet to cater to additional data load.

The Company has been investing in the digitisation of its operations using automation and machine learning practices. Artificial Intelligence and Machine Learning (AIML)-based solutions are being developed to improve the customer experience through faster resolution of complaints and queries, along with efficiency in the network.

The Company has been accelerating the broadband rollout (Fibre to Homes) in multiple cities through the LCO model, bolstered with its own rollouts.

c. Material issue for Company



Innovation in product and services



Enhancing customer experience and satisfaction

8

Gaps in internal controls (financial and non-financial) (Operational)

Outlook > Stable

a. Definition

The Company serves its customers with an extensive load due to the voice network and huge data carried on wireless networks. Gaps in internal controls and/or process compliances not only lead to waste, fraud and losses but can also adversely impact the Company's brand. Also, any gaps in compliance with laws, regulations or contractual obligations may result in penal consequences, work disruptions or reputational damage.

b. Mitigating actions

The Company's business philosophy is to ensure compliance with all accounting, legal and regulatory requirements proactively. Compliance is meticulously monitored at all stages of operation. Substantial investments in IT systems and automated workflow processes help minimise human errors.

Besides internal audits, the Company also has a process of self-validation comprising several checklists and compliances, as well as a 'maker-checker' division of duties to identify and rectify deviations early on. The Company has implemented a 'Compliance Tool' that tracks and provides a comprehensive list of all those external compliances that the Company needs to abide by, function-wise. The Compliance Tool's ownership lies with the head of the respective function, along with oversight by the Legal team to ensure compliance.

The Company has Internal Financial Controls and a Risk and Compliance team that have tested these controls. The Risk and Compliance Team has asserted that the Company has in place adequate tools, procedures and policies to ensure the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets and prevention and detection of fraud and errors. The Corporate Financial Reporting team has asserted the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

c. Material issue for Company



Corporate governance and business ethics

9

Lack of Digitisation and Innovations (Strategic)

Outlook > Emerging

a. Definition

The digital transformation of the telecom sector is already accelerating at a rapid pace, with new technologies becoming the fulcrum for competition in a landscape that now transcends connectivity. Customer expectations have shifted, with a growing demand for digital content, apps and mobile financial services. AI-powered solutions, ultra-low-latency edge solutions, innovative digital tools for everyday tasks, sovereignty needs, SaaS and other platform-based products are rapidly evolving. With the advent of Generative AI, it is evident how quickly technological evolution impacts existing functionalities, potentially rendering existing infrastructure obsolete and making agility critical. Internal business processes need to quickly adopt the digital transformation to be able to cater to changing customer needs. The slower pace of the internal transformation could lead to a company catching up to the fast-changing customer preferences and requirements.

b. Mitigating actions

The Company prioritises digitisation for its customers by undertaking several digital initiatives. A 'Digital strategy' for its business is embedded within the Company's 'Business strategy' and powered by an agile operating model, which is fuelling a culture of innovation and agility to respond to changes in

the business environment. The Company prioritises digitisation for its customers by undertaking several digital initiatives in partnership with its parent – Bharti Airtel Limited and its associates. Digital strategy of the Company's new businesses is anchored in three pillars:

- Launch of new products with a digital-first approach
- Simplify the acquisition and experience of customers with omnichannel capabilities
- Make the core of business digital to improve experience and efficiency

The new product launch is powered by a digital-first approach to ensure a consistent experience at all touchpoints. The Company is driving the simplification of 'lead-to-order' and 'order-to-cash' cycles to boost conversions and improve service levels by empowering customers with the following initiatives -

- Digital discovery and buy
- Digital first onboarding and visibility
- Digital payments
- Digital self-serve platform

c. Material issue for Company



Digital inclusion and enhanced access to ICT

10

Climate Change and energy management (Strategic)

Outlook > Emerging

a. Definition

To counter changing climatic conditions and the re-occurrence of extreme weather events, the Company prioritises the development of new infrastructure in such a way that it can withstand evolving climate conditions. For existing infrastructure, some retrofitting would be required based on a field survey conducted by experts to make it climate-resilient. Such infrastructure has the potential to improve the reliability of service provision, increase asset life and prevent revenue loss.

Recently, the Company has witnessed a series of natural disasters, leading to severe impacts not only on livelihoods but also on engineering structures, which include telecommunication infrastructure. To mitigate the impact, especially caused by floods, heavy rainwater logging and cyclones, reengineering of infrastructure is recommended, particularly telecom infrastructure in these areas. This is because telecommunication plays a pivotal role at each stage of disaster management, from early warning and mitigation to response, extending to post-disaster recovery and rehabilitation as well.

The above climate-related risks may have negative financial implications for the Company. It may lead to the degradation of telecom infrastructure, adversely affect service availability and quality, increase business costs, impact maintenance and repair operations and pose health and safety risks to personnel.

b. Mitigating actions

To build the long-term resilience of its infrastructure amid extreme weather events, the Company has devised a climate-proofing plan. It has taken up formal science-based targets and implemented the ISO 14001 Environment Management System.

During its procurement process, the Company prioritises low-carbon technologies wherever feasible. Further, the Company tracks its assets and repairs or repurposes them before retiring them through a robust project management approach.

- Flood-prone areas design criteria:
 - New lean tower design with EPF at 3 m/ 5 m considering heavy flooding of areas near riverbanks or dam discharge streams.
 - Advance fuel filling on DG sets to avoid flood impacts.
 - Equipment to be preferably kept in higher-altitude areas to avoid the inundation of water.
 - Plinth to be kept high in flood-prone areas.
 - Plinth height (2 m), ToCo partners need to build the site with plinth depending on the area, historical data and the data published in the CWC report on the intensity of floods.
 - Passive infrastructure to be moved from ground to raised platform in high flood-prone areas.
 - Pathway access to passive infrastructure to be developed in low-lying areas.
 - Active infrastructure is to be moved to heights above the flood level in flood-prone areas.
 - Flood-resistant building materials, including concrete, masonry and composite materials, implement swales and drainage systems to be used.
 - Early flood warning systems are to be implemented.
 - Critical infrastructure or assets vulnerable to flooding (for instance, electrical equipment) to be retrofit.
- Water scarce areas design criteria:
 - Blue roofs, rainwater harvesting and reuse, greywater recycling and wastewater heat recovery systems to be installed.

- Water-efficient fixtures and appliances are to be used.
- Leak detection systems and regular inspections are to be implemented.
- Cyclone- and wind-prone areas design criteria:
 - TLVA/PLVA and tower strengthening activities are to be executed regularly based on historical data.
 - Storm-resistant building designs such as reinforced roofs, impact-resistant windows and secure foundations are to be adopted.
 - Towers in the cyclone-prone areas are to be designed to survive both high wind speed and peak wind speed.
 - Factor of safety in accordance with the IS codes to be considered while designing telecom infrastructure. (Zoning for Wind Load IS 875 Part-III and NBC 2016 indicate the wind speeds and wind load intensities in various parts of Rajasthan and the Northeast based on measured and collected data on wind speeds).
 - Along with Cell on Wheel removal and Microwave removal, unsafe towers are to be removed from high-wind areas.
 - Retrofit power equipment availability for ensuring immediate restoration with minimum cyclone impact.
 - RRUs to be installed behind the base station antenna to reduce wind exposure area.
 - MW of >1.2 m dia. to be avoided.
 - Microwave should be installed with supporting rod to avoid misalignment.
 - V clamp to be used instead of U clamp for improved grip.
 - Tower loading in terms of antennas and other equipment loads to follow the design document.
 - Preventive maintenance and health checkups for both active and passive infrastructure are to be conducted at regular intervals to mitigate the impact on operations.
 - For roof top tower (RTT), the base to be adequately designed to transfer load of tower on RCC grid of the concerned building with proper design check in compliance with the relevant IS codes.
 - Buildings taken on lease to have proper structural safety and is to be certified by the structural engineer of the Company.

- To ensure the safety of towers during disaster, the towers are to be designed by incorporating the provisions of the latest B.I.S. codes of practice governing the design.
- A structural safety certificate is to be obtained from a qualified structural engineer.
- Temperature-related design criteria:
 - White roofs or use light/highly reflective colours to bounce back solar radiation and reduce heat absorption.
 - Green roofs and vegetation for improving the insulation of buildings and heat removal.
 - Improve the glazing performance and install blinds/fixed external shading devices.
 - Heat-resistant materials are to be used.

c. Material issue for Company



Climate change and energy management of telecom infrastructure

Material developments in Human Resource

Bharti Hexacom prioritises creating an empowering and inclusive work environment that promotes the well-being and professional development of its employees. The Company focuses on attracting top talent and invests in their personal and professional growth while maintaining diversity, inclusion, and employee well-being at the core of its strategy.

The Company's people strategy had fueled initiatives in the following buckets to power the business strategy:

a. Organization and people effectiveness

Unlocking organisation and people effectiveness was achieved through multiple interventions. One of these was to set employees up for success from the beginning, with interventions that helped them understand the nuances of telecom and their ecosystem early on, resulting in a successful stint - decreasing both early and overall attrition.

Another priority was setting into motion a comprehensive talent plan to build future ready leaders with the right mix of experiences. Career frameworks, capability programs and holistic talent principles with a focus on individual development were put into place. Key talent was groomed through various learning interventions and career diversification, with a focus on depth and breadth of experiences.

For Bharti Hexacom's outsourced workforce, a focus is placed on strong fundamentals. Automated hiring and

lifecycle management tools have been implemented. Consistent policies with a focus on safety and compliance are a key priority.

b. Inclusion Imperative

This was a seminal year for Hexacom in getting more women into our workforce. This was achieved through gender balanced hiring across levels, employee resource groups, promoting flexible work arrangements, establishing inclusive infrastructure and policies and promoting a culture of inclusion.

c. Exceptional Employee Experience

The Company has implemented various technological advancements to create a seamless employee experience. It uses an automated, data-driven talent acquisition tool to enhance the candidate experience and has implemented end-to-end lifecycle management tools and processes.

Tapping into the social aspect, Bharti Hexacom's employees also enriched the lives of people in the larger community with volunteering programs.

Looking ahead, Bharti Hexacom's focus will be on improving customer experience through its extended workforce, further enhancing employee experience through digital solutions and continuing to progress on its diversity and inclusion journey.

Internal Controls

- The Company's philosophy towards internal controls is based on the principles of healthy growth and a proactive approach to risk management. Aligned with this philosophy, the Company has deployed a robust framework of internal controls that facilitates efficient conduct of business operations in compliance with the Company policy; a fair presentation of Bharti Hexacom's financial results in a manner that is complete, reliable and understandable; and adherence to regulatory and statutory compliances that safeguard investor interest by ensuring the highest level of governance. The Internal Control framework has been set up across the Company. This framework is assessed periodically and performance is measured via objective metrics and defined scorecards.
- Accounting hygiene and audit scores are driven centrally through the central financial reporting team and the Airtel Centre of Excellence (ACE), both teams being responsible for the accuracy of books of accounts, the preparation of financial statements and reporting the same in accordance with the Company's accounting policies. Regulatory and legal requirements, accounting standards, and other pronouncements are evaluated regularly to assess their applicability and impact on financial reporting. The relevant financial reporting requirements, documented in the Group Accounting Manuals, are communicated to relevant units and enforced throughout the Group. This, together

with the financial reporting calendar evidencing the tasks and timelines, forms the basis of the financial reporting process.

- Deloitte Haskins & Sells LLP, the Statutory Auditors, have done an independent evaluation of key internal controls over financial reporting (ICOFR) and expressed an unqualified opinion stating that the Company has, in all material respects, adequate ICOFR and such ICOFR was operating effectively as on March 31, 2024.
- The Company has in place an Internal Assurance (IA) function headed by the Internal Auditor. EY and ANB & Co. (ANB) are the Internal Assurance Partners of the Company. The internal assurance plan for the year is derived from a bottom-up risk assessment and directional inputs from the Audit Committee. The Audit Committee oversees the scope and coverage of the IA plan and evaluates the overall results of these audits during the quarterly Audit Committee meetings. Based on the approved audit plan, IA partners conduct internal audits to review internal financial, operational, IT, regulatory compliance and anti-fraud controls on a periodic basis. Any material weakness or control gap is presented to the Audit Committee members every quarter and the management team ensures that the mitigation plans are being implemented to address the weakness or gap both incidentally and systematically. Additionally, separate quarterly Audit Committee meetings, if required, are also held to review the progress made on previous gaps identified by Internal Assurance. During these meetings, functional Directors are invited from time to time to provide updates on improvements in controls and compliance within their

respective functions and updates on the progress of any transformational projects undertaken.

- A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same. The Company's Code of Conduct requires adherence to the applicable laws and company policies and also covers matters such as financial integrity, avoiding conflicts of interest, workplace behaviour, dealings with external parties and responsibilities to the community.
- The Airtel Centre of Excellence (ACE), based in Gurugram, Bengaluru and Chennai, is the captive shared service for financial accounting. The digitisation of ACE is being aimed at as part of the transformation agenda and includes initiatives such as system-based reconciliation and reporting processes with vividly defined segregation of duties. The Company operates on a single instance of Oracle, which ensures uniformity and standardisation in ERP configurations, charts of accounts and finance processes. The Company continuously examines its governance practices to enhance investor trust. Initiatives such as a virtual desktop interface for ultimate data security, self-validation checks, desktop reviews and regular physical verification are producing measurable outcomes through substantial improvements in control scores. The Oracle Governance Risk and Compliance (GRC) module has been implemented to strengthen existing controls pertaining to access rights for various ERPs, ensure the segregation of duties and prevent the possibility of access conflicts.

Business Responsibility & Sustainability Reporting



Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1995PLC067527
2.	Name of the Listed Entity	Bharti Hexacom Limited ('Bharti Hexacom' or 'Hexacom' or 'Company')
3.	Year of incorporation	1995
4.	Registered office address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi-110070, India
5.	Corporate address	Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi-110070, India
6.	E-mail	bhartihexacom@bharti.in
7.	Telephone	+91-11-4666 6100
8.	Website	https://bhartihexacom.in
9.	Financial year for which reporting is being done	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE), National Stock Exchange of India Limited (NSE) with effect from April 12, 2024
11.	Paid-up Capital	₹ 2,500 Mn.
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Company Secretary & Compliance Officer, Richa Gupta Rohatgi Telephone Number: +91-11-4666 6100 Email id: bhartihexacom@bharti.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis - Bharti Hexacom Limited, unless otherwise specified
14.	Name of assurance provider	BDO India LLP
15.	Type of assurance obtained	Limited Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Information and communication	Wired, wireless or satellite telecommunication activities	100

17. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/service	NIC code	% of total turnover contributed
1.	Wireless telecommunication activities		
i.	Activities of internet access by the operator of the wireless infrastructure (61201)	612	97.10
ii.	Activities of maintaining and operating, cellular and other telecommunication networks (61202)		
iii.	Activities of other wireless telecommunications activities (61209)		
2.	Wired telecommunication activities		
i.	Activities of basic telecom services: telephone, telex and telegraph (includes the activities of STD/ISD booths) (61101)	611	2.90
ii.	Activities of providing internet access by the operator of the wired infrastructure (61104)		

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants*	Number of offices	Total
National	Not applicable	11	11
International**	Not applicable	Not applicable	Not applicable

* Mobile towers are not included.

** Bharti Hexacom has no international operations.

19. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of states)	7
International (No. of countries)*	Not applicable

* Bharti Hexacom has no international operations.

b. What is the contribution of exports as a percentage of total turnover of the entity? 0.17%

c. A brief on types of customers: End consumers (B2C), Business customers (B2B)

IV. Employees

20. Details as at the end of financial year i.e., as on March 31, 2024

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	424	370	87	54	13
2.	Other than permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	424	370	87	54	13
Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	1,110	1,097	99	13	1
6.	Total workers (F + G)	1,110	1,097	99	13	1

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled employees						
1.	Permanent (D)	1	1	100	0	0
3.	Total differently abled employees (D)	1	1	100	0	0
Differently abled workers						
4.	Other than permanent (G)					
6.	Total differently abled workers (G)			Nil		

21. Participation/inclusion/representation of women:

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	10	1	10
Key Management Personnel	3	1	33

As on March, 31 2024.

22. Turnover rate for permanent employees and workers (disclose trends for the past 3 years):

Particulars	FY 2023-24 (in %)			FY 2022-23 (in %)			FY 2021-22 (in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	19.6	18.2	19.3	25.1	35.5	26.1	40.1	38.1	39.8

V. Holding, subsidiary and associate companies (including joint venture)
23. (a) Name of the holding/subsidiary/associate companies/joint ventures:

S. No.	Name of the holding /subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/ subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bharti Airtel Limited*	Holding company	70	Yes

* Bharti Airtel Limited ('Bharti Airtel' or 'Airtel') is the holding company of Bharti Hexacom Limited.

VI. CSR Details
24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes*

(ii) **Turnover:** ₹ 70,888 Mn.

(iii) **Net worth:** ₹ 43,514 Mn.

The CSR provisions were applicable to the Company, however the requirement to contribute 2% of average net profit of immediately preceding 3 years is not applicable.

VII. Transparency and disclosures compliances
25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities & NGOs	Yes, Communities & NGOs Grievance Redressal Policy	0	0	-	0	0	-
Shareholders/ Investors*	Yes, Shareholders Yes, Investors	0	0	-	0	0	-
Employees and workers	Yes	1	0	-	0	0	-
Customers	Yes, Telecom Charter	Customer complaints are resolved as per applicable legislations, including sector specific regulatory provisions under the Telecom Consumers Complaint Redressal Regulation, 2012 issued by TRAI and to the extent applicable, are also reported to the regulator as per the reporting requirement prescribed thereunder.					
Value chain partners-suppliers	Yes, Airtel Partner World	0	0	-	0	0	-
Others (channel partners)	Yes, Anmol Ratna Portal	11	0	-	16	0	-

* Investors include debenture holders.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Refer risk and opportunities provided in the Management Discussion and Analysis report forming part of this annual report.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC principles and core elements .

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web link of the policies, if available.	Refer Table 1 below								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name the national and international codes/certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Refer Table 2 below								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Refer Table 3 below								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Refer Table 3 below								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).	Refer 'Chairman message' section of the Annual Report								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board holds the highest position within Bharti Hexacom's Governance Framework, providing ultimate oversight on all Environmental, Social, and Governance (ESG) matters and related initiatives.								
9. Does the entity have a specified committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	ESG regime of Bharti Hexacom operates under group-wide regime of Bharti Airtel (holding company).								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by director/committee of the Board/any other committee									Frequency (Annually/Half yearly/ Quarterly/any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Quarterly								

* Bharti Hexacom operates under group-wide policies, procedures and practices of holding company i.e. Bharti Airtel Limited.

11.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has in place a robust Internal Assurance Group, led by the Chief Internal Auditor and ably supported by reputed independent firms as the Internal Assurance Partners, that serves as a mechanism for assessment evaluation of the working of all its key policies.								

12. If answer to question (1) above is "No" i.e. not all principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No).									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No).	Not applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No).									
It is planned to be done in the next financial year (Yes/No).									
Any other reason (please specify).									

Table 1: NGBRC principle wise policy mapping*:

Principle	Principle description	Bharti Hexacom Policies
P1	Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Bharti Hexacom Code of Conduct Ombudsperson Policy and Process Code of Conduct for Business Associates Tax Policy
P2	Product Lifecycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe	Code of Conduct for Business Associates
P3	Employee Well-being: Businesses should respect and promote the well-being of all employees, including those in their value chains	Human Rights Policy Ombudsperson Policy and Process
P4	Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders	Stakeholder Engagement Framework Ombudsperson Policy and Process
P5	Promoting Human Rights: Businesses should respect and promote human rights	Human Rights Policy Code of Conduct for Business Associates Ombudsperson Policy and Process
P6	Protection of Environment: Businesses should respect and make efforts to protect and restore the environment	Code of Conduct for Business Associates
P7	Responsible Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Bharti Hexacom Code of Conduct
P8	Support Inclusive Growth: Businesses should promote inclusive growth and equitable development	Bharti Hexacom Code of Conduct Corporate Social Responsibility Policy Stakeholder Engagement Framework
P9	Providing Customer Value: Businesses should engage with and provide value to their consumers in a responsible manner	Bharti Hexacom Code of Conduct Stakeholder Engagement Framework
















*Bharti Hexacom operates under group-wide policies, procedures and practices of holding company i.e. Bharti Airtel Limited.

Table 2: National and International standards*:

Principle	Principle description	Name of the national and international codes/ certifications/ labels/standards
P1	Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	i. Reporting in reference to GRI standards and International Integrated Reporting Framework ii. Independent assurance of non-financial information as per ISAE 3000 Assurance Standard iii. Signatory to United Nations Global Compact
P2	Product Lifecycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe	i. Science Based Targets initiative (SBTi) ii. Compliance with EMF radiation levels set by local regulations in line with ICNIRP (International Commission on Non-Ionizing Radiation Protection) iii. ISO 14001 : 2015 Environment Management System (EMS)
P3	Employee Well-being: Businesses should respect and promote the well-being of all employees, including those in their value chains	i. Signatory to United Nations Global Compact ii. ISO 45001 : 2018 Occupational Health and Safety Management System (OHS MS)
P4	Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders	i. Materiality assessment and stakeholder engagement in reference to GRI Standards and AccountAbility AA1000 principles
P5	Promoting Human Rights: Businesses should respect and promote human rights	i. Signatory to United Nations Global Compact
P6	Protection of Environment: Businesses should respect and make efforts to protect and restore the environment	i. Science Based Targets initiative (SBTi) ii. Compliance with EMF radiation levels set by local regulations in line with ICNIRP (International Commission on Non-Ionizing Radiation Protection) iii. ISO 14001 : 2015 Environment Management System (EMS)
P7	Responsible Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	i. Signatory to United Nations Global Compact ii. Board member of GSMA- Leading international telecom association
P8	Support Inclusive Growth: Businesses should promote inclusive growth and equitable development	i. CSR disclosures pursuant to Section 135 of the Companies Act, 2013 ii. Follow the guidance provided by ISO 26000
P9	Providing Customer Value: Businesses should engage with and provide value to their consumers in a responsible manner	i. ISO 27001 : 2013 Information Security Management System (ISMS) ii. ISO 22301 : 2019 Business Continuity Management System (BCMS) iii. TL9000 : Quality Management System

* Bharti Hexacom operates under group wide policies, procedures and practices of holding company i.e. Bharti Airtel Limited.

Table 3 – Specific commitments, goals, and targets*:

Status Legend			
	Target achieved		Over-achieved
	In-Progress		Not achieved
Specific commitments, goals and targets set by the entity	Performance	Mapped NGBRC Principle	Status
Climate change, energy efficiency and emission reduction To reduce our carbon emissions (scope 1 and scope 2) by 50.2% by FY ending March 2031, using FY 2020-21 as baseline as per science-based targets initiative and GSMA pact	1,111,205 tCO ₂ e carbon emissions (scope 1 and scope 2) in FY 2023-24	P2, P6	
To reduce our absolute scope 3 GHG emissions by 42% by FY ending 2031, using FY 2020-21 as baseline, as per science-based targets initiative	6,575,139 tCO ₂ e Scope 3 emissions in FY 2023-24	P2, P6	
In line with target set by GSMA under Carbon Action Plan for telecom industry, achieve net zero carbon emissions by 2050	Airtel plans to get the long-term (net zero) targets validated by SBTi within two years	P2, P6	
Resource efficiency and waste management Ensuring e-waste is sold to authorized recyclers/refurbishers to ensure environmentally sound waste management	E-waste is sold to authorized recyclers/refurbishers	P2, P6	
Implementing ISO 14001 (EMS) Environment Management System by FY ending March 2024**	Achieved ISO 14001 : 2015 Environment Management System (EMS)	P6	
Digital inclusion and enhanced access to ICT Committed to positively impact 150 million lives by 2025; by promoting digital inclusivity through extending high-speed 4G/5G data connectivity to data-starved regions and accelerating upgradation of feature phone users to smart phones, making device ownership affordable for low-income groups	Enabled 4G/5G network connections	P8	
Diversity and inclusion Ensuring at least 20% women employees by FY ending March 2025	15.8% women employees in workforce as on March 31, 2024	P3, P5	
Employee health and well-being Implementing ISO 45001 (OHS MS) Occupational Health and Safety Management System by FY ending March 2024**	Achieved ISO 45001 : 2018 Occupational Health and Safety Management System (OHS MS)	P3, P5	
Corporate Governance and business ethics Periodically conduct materiality assessment through formal stakeholder engagement to prioritise ESG focus areas	Revisited materiality assessment in FY 2023-24 to ensure continued applicability	P1, P4	
Enhancing customer experience and satisfaction To reduce B2C customer interactions by 20% by FY ending March 2025, using FY ended March, 2023 as baseline	~14% reduction in overall B2C customer interactions from FY 2022-23.	P9	
Maintain compliance with EMF radiation levels set by local regulations in line with ICNIRP Standards (International Commission on Non-Ionizing Radiation Protection)**	For all the base stations audited by DoT in FY 2023-24, the Company was compliant with EMF radiation levels	P2, P6, P9	

* Bharti Hexacom operates under group wide targets of holding company i.e. Bharti Airtel Limited.

** The scope of targets and performance is limited to Bharti Airtel Limited and Bharti Hexacom Limited.

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS
1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes*
Board of Directors Key Managerial Personnel (KMP)		Refer to the Corporate Governance Report (CGR) of this Annual Report on page 102	
Employees other than Board of Directors or KMPs	16	Code of Conduct, Prevention of Sexual Harassment, ESG, Safety (Road Safety, Women Safety, Electrical Safety, etc.), Prevention of Sexual Harassment, ICC training, information security, business continuity including privacy awareness. Additionally, all the employees go through Information Security Awareness Sessions at the time of Joining and annually thereafter. Information Security Related Posters are circulated on fortnightly basis and phishing exercise are carried out periodically.	100
Workers	8	Code of Conduct, Prevention of Sexual Harassment (POSH), Conflict of Interest (Col), insurance benefits, suraksha programme, safety (road safety, women safety, electrical safety, etc). Training session as well as mailers covering information security, business continuity, privacy.	100

* Percentage indicates details of trainings extended.

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): There are no such fines, settlement, and compounding fees on the Company or its directors/KMPs with regulators/law enforcement agencies/judicial institutions, in the financial year.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed: Not applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy: The Company has a zero-tolerance approach towards bribery and corruption and is committed towards acting transparently, ethically and with integrity in all its business dealings and relationships wherever the Company operates. Further, the Company has in place a robust group-wide Anti-Bribery and Anti-Corruption Policy (ABAC). This policy extends to all employees of the Company and its holding company and is subject to all local legal/regulatory requirements and amendments from time to time. Brief details of the ABAC Policy form part of the Code of Conduct of the Company which is available on the website ([click here](#)).

5. Number of directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption: There was no disciplinary action taken against any directors/KMPs/employees/workers by any law enforcement agency pertaining to bribery/corruption.

6. Details of complaints with regard to conflict of interest: No complaints were received with regard to conflict of interest of the directors and KMPs.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest: Not applicable.

8. Number of days of accounts payables ((accounts payable *365)/cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	74	72

Note: For computing above ratio, trade payable amount has been adjusted for regulatory disputed payables, Indemnification liability and lease component of leased assets, which do not form part of operating expense.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameters	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	Not applicable	Not applicable
	b. Number of trading houses where purchases are made from	Not applicable	Not applicable
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Not applicable	Not applicable
Concentration of sales	a. Sales to dealers/distributors as % of total sales	63.16	58.56
	b. Number of dealers/distributors to whom sales are made	977	1,064
	c. Sales to top 10 dealers/distributors as % of total sales to dealer/distributors	72.42	67.73
Share of RPTs in	a. Purchases (purchases with related parties/total purchases*)	54	61
	b. Sales (sales to related parties /total sales**)	10	16
	c. Loans & advances (loans & advances given to related parties/total loans & advances)	0	0
	d. Investments (investments in related parties/total investments made)	0	0

*Total Operating Expenditure.

**Total revenue from operations.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
8	<p>Overall ESG - Sustainability definition, NGRBC Principles, Code of Conduct for Business Associates, Human Rights Policy, Expectation from supplier's, ESG goals/commitment and BRSR core for value chain.</p> <p>Occupational health & safety - Session conducted with all network service providers by leadership team on health & safety to sensitize policy compliance, enhance governance and ensure continuous improvement.</p>	95.1

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same: Yes, Bharti Hexacom Limited has robust policies and processes in place, including the Code of Conduct and Policy on Related Party Transactions ('RPT Policy') to prevent any conflicts of interest involving directors and/or Key Managerial Personnel ('KMP'). Confirmation with regard to adherence to the Code of Conduct is obtained from all the directors and KMPs at the time of joining and thereafter, on an annual basis. In terms of the RPT Policy, a related party transaction in which any of the directors or the KMPs is concerned or interested requires prior approval of the Board in addition to the prior Audit Committee approval for all related party transactions. The concerned/interested Director recuses himself/herself and abstains from discussion and voting on such proposal for approval of the said transaction at the meeting of Audit Committee and Board, as applicable.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

Segment	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
Capex	1.20	Nil	<p>Improve energy efficiency:</p> <p>Hexacom's installation of battery banks, solar power, and DC air conditioning has resulted in significant diesel consumption reduction. This translates to lower CO₂ emissions, contributing positively to both environmental and social well-being.</p>

2. a. Does the entity have procedures in place for sustainable sourcing? Yes.

b. If yes, what percentage of inputs were sourced sustainably? 90.6.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for: (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) Other waste:

The substantial part of Hexacom products is managed within the internal network operations. The Company is committed to the importance of reusing, reducing, and recycling waste. The processes are designed to ensure sustainable recycling of waste, including plastic waste, through government-authorized recyclers. In addition, the Company, in accordance with Extended Producer Responsibility (EPR) guidelines, collaborates with service providers to responsibly collect plastic packaging for sustainable recycling.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same: Yes, Extended Producer Responsibility (EPR) is applicable to Hexacom under the plastic waste category. The Company collaborates with service providers to ensure execution of waste collection plan in line with collection target issued to them by Central Pollution Control Board (CPCB).

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chain

ESSENTIAL INDICATORS
1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	370	370	100	370	100	-	-	370	100	370	100
Female	54	54	100	54	100	54	100	-	-	54	100
Total	424	424	100	424	100	54	100	370	100	424	100

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Other than permanent workers											
Male	1,097	1,097	100	1,097	100	-	-	1,097	100	-	-
Female	13	13	100	13	100	13	100	-	-	-	-
Total	1,110	1,110	100	1,110	100	13	100	1,097	100	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.05	0.02

2. Details of retirement benefits, for the current and previous Financial Year:

Benefits*	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	As and when applicable	100	100	As and when applicable
ESI	0.23	59	Y	1.5	12	Y

* All statutory dues were provided to employees and workers as per applicable legislations.

3. Accessibility of workplaces Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard: The Company has assistive devices and accessibility support which are made available to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy: Yes, the policy is available via Company's intranet.

5. Return to work and retention rates of permanent employees that took parental leave:

Benefits	Permanent employees	
	Return to work rate	Retention Rate
Male	100%	100%
Female*	Not applicable	Not applicable
Total	100%	100%

*None of the female employees took parental leave in FY 2023-24.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent employees	Yes, the Company has 'Employee Resolution Query Management System', administered by human resource function, which addresses issues such as service conditions, organizational policies, performance evaluations and various operational matters.
Other than permanent workers	In addition to the above, the Company has a 'Code of Conduct' covering 'Whistle Blower Policy' that allows employees including contractual workers, to report concerns with reference to the Code of Conduct without any fear of retaliation. The Ombudsperson administers the whistle blower/vigil mechanism which allows employees to report any threatened or actual breach of the 'Code of Conduct'.

7. Membership of employees and worker in association(s) or unions recognized by the listed entity: Nil, as the Company does not have any employee association or union.

8. Details of training given to employees and workers:

Category	FY 2023-24				FY 2022-23					
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees*										
Male	370	370	100	370	100	358	358	100	358	100
Female	54	54	100	54	100	37	37	100	37	100
Total	424	424	100	424	100	395	395	100	395	100
Workers**										
Male	1,097	1,097	100	1,097	100	480	480	100	480	100
Female	13	13	100	13	100	8	8	100	8	100
Total	1,110	1,110	100	1,110	100	488	488	100	488	100

* Percentage indicates details of trainings extended.

** Role based training are provided to workers basis eligibility.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees*						
Male	370	370	100	358	358	100
Female	54	54	100	37	37	100
Total	424	424	100	395	395	100
Workers						
Male	1,097	364	33	480	53	11
Female	13	0	0	8	1	13
Total	1,110	364	33	488	54	11

* 100% of eligible employees have undergone performance and career development reviews.

10. Health and safety management system:
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes, the Company has a comprehensive Occupational Health and Safety Management System (OHS MS) and is ISO 45001 certified. The Company has a group-level safety charter called 'Suraksha Programme'. The Company implemented a comprehensive awareness campaign about the OHS system and its initiatives through training sessions, newsletters and workshops. Health & safety committees are established at both central and circle levels to ensure strict implementation of such policies.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Bharti Hexacom recognizes and accords highest priority to safety and well-being of its employees and other stakeholders. The Company has implemented a robust Hazard Identification and Risk Assessment (HIRA) system to undertake safety audits and identify work related hazards in its operations.

Health and safety audit:

- i. Conducting annual review of Occupational Health and Safety Management System (OHS MS) at Bharti Hexacom
- ii. Stakeholder consultation to understand and evaluate current operating procedures and identifying any gaps in the system
- iii. Control-focused recommendations to define management action plans, including responsibilities and timelines for implementation

Health and safety performance review:

- i. Monthly review of health and safety performance by management on pre-defined KPIs
- ii. Review of reported incidents, audit findings, progress on Health, Safety and Environment (HSE) goals, and changes to service line and operations
- iii. Based on the above review, improvement areas are identified followed by strengthening of internal controls for health and safety risk management

Incident investigation and risk analysis:

- i. Conduct health and safety risk assessment for reported incidents
- ii. Use a Risk Assessment Matrix (RAM) to evaluate incident severity
- iii. Identify work-related hazards and implement corrective actions based on the assessment

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks:

Yes, Bharti Hexacom has implemented procedures that allow its workers to report work-related hazards and be cautious of potential risks. They can report any work-related hazards through:

- i. Toll-free number on ID card to report risks/hazards
- ii. Central generic E-mail to report risks/hazards
- iii. Local E-mail to report risks/hazards
- iv. Incident reporting app (to report safety incidents and violation of Safety Policy)

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services:

Yes, Bharti Hexacom provides access to non-occupational medical and healthcare services to its employees and workers.

11. Describe the measures taken by the entity to ensure a safe and healthy workplace:

Bharti Hexacom has taken the following measures to ensure safe and healthy workplace:

- i. Bharti Hexacom prioritizes occupational health and safety through group-level 'Suraksha Programme'
- ii. A comprehensive group-level Health and Safety Policy and manual is in place to ensure a safe and incident-free workplace, including health promotion and disease prevention
- iii. A dedicated safety committee led by a safety officer, has been setup up at central level to monitor safety performance
- iv. Regular risk assessments and safety trainings for employees to identify any work-related hazards are undertaken followed by implementation of any corrective actions
- v. Fire evacuation drills are conducted quarterly, and security policies are in place to drive uniform security systems and processes across all Company assets
- vi. Safety incidents are promptly reported and investigated to prevent recurrence
- vii. Regular induction and refresher training are provided to all employees and associates/partners
- viii. Employee perception survey is conducted to assess employee satisfaction with existing safety practices and identify any areas for improvement
- ix. Various other measures are taken to promote employee health and well-being such as on-site doctors, free diagnostics, gym facilities and road safety awareness etc.

12. Number of complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

13. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

14. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions:

Bharti Hexacom has implemented the following measures to address safety-related risks and hazards:

- i. Strengthened its group-level Occupational Health and Safety Policy and protocols
- ii. Rolled out group-level Consequence Management Policy to prevent recurrence of safety incidents
- iii. Defined detailed safety protocols
- iv. Circulated interactive modules to employees and workers on various safety topics
- v. Rolled out 5 golden rules of safety to promote behavioral change
- vi. Conducted awareness sessions and sensitization through case studies
- vii. Conducted detailed investigation and root cause analysis of each safety incident and communicated learnings from each incident across all operations
- viii. Safety awareness campaign - Safe by choice duly linked with #AirtelSuraksha
- ix. SWAT - 'Safety Within And Together' for employee and workers' engagement on safety programs

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of?

	(Yes/No)
Employees	Yes
Workers	Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners: Bharti Hexacom has defined guidelines for value chain partners as part of its Code of Conduct for Business Associates to pay remuneration to their employees in compliance with the applicable laws and regulations which includes minimum wages, deduction from wages, overtime hours and associated applicable benefits. Further, the Company uses self-assessment surveys to ensure its key value chain partners have procedures in places to ensure compliance with regulatory requirements. Suppliers with significant procurement value were assessed through these self-assessment survey, and all of them have confirmed that they are taking adequate measures to ensure compliance with statutory dues requirements.

The Company also has a framework in place to validate regulatory compliance of manpower partners related to minimum wages, PF, ESIC, gratuity, maternity benefits etc.

3. Provide the number of employees having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of essential indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Not applicable	Not applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No): Bharti Hexacom prioritizes employee career progression through diverse learning interventions tailored to enhance skills and knowledge at various stages. The Company is in process of launching group-level program on 'Retirals' for employees transitioning into retirement. The program will include modules covering purpose and meaning, health and well-being, family relationships, financial security, coping with emotional aspects, and investment strategies.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	93.54
Working Conditions	93.54

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:

The Occupational Health and Safety (OHS) framework has been enhanced for relevant value chain partners in terms of:

- Communication of policies, procedures, learnings, and best practices
- Increased training and capacity building session
- Sensitization by the leadership team
- Health & safety reviews/audits tracked for closure
- Governance of health & safety incidents in value chain partners

These measures aim to ensure that the partners maintain high standards of health and safety practices.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity: At group-level, stakeholder engagement and materiality assessment is conducted, guided by the leading AA1000 stakeholder engagement standards to identify and prioritize key stakeholders. These stakeholders are directly or indirectly impacted by the business activities, products or services and associated performance, or to whom had, or in the future may have, legal, commercial, operational, or ethical/moral responsibilities or who can influence or have impact on strategic or operational decision-making.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), others	Frequency of engagement (Annually/Half Yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ol style="list-style-type: none"> Retail stores and contact centers across operational cities E-mail, SMS communication and Company website Social media engagement Airtel Thanks App 	On-going	<ol style="list-style-type: none"> Seeking consumer feedback on the services Delivering customer service and resolving customer queries
Investors/ Shareholders	No	<ol style="list-style-type: none"> General meetings Electronic correspondence 	Quarterly/ Annually/On-going	<ol style="list-style-type: none"> Answer to queries of investors on operations of the Company Bring transparency with the community of existing and potential investors
Employees	No	<ol style="list-style-type: none"> Company intranet portal Regular employee communication forums E-mail Annual employee surveys 	On-going	<ol style="list-style-type: none"> Learning and development Employee recognition and engagement activities Employee performance review and career development Employee safety and well-being

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), others	Frequency of engagement (Annually/Half Yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and network partners	No	i. Partner portal ii. Company website iii. Annual confluence meetings iv. Sustainability awareness session	On-going	i. New product /technology development ii. Material requirement planning iii. Regulatory compliances including NSDTS iv. Assessing supplier performance v. Commercial and contract discussion vi. Supplier recognition and engagement activities vii. Engagement on sustainability parameters
Channel partners	No	i. E-mail, SMS communication and Company website ii. Channel partner portal	On-going	i. Resolving channel partner queries and operational challenges ii. Commission and reward scheme iii. Sustained marketing support
Regulatory bodies	No	i. Electronic and physical correspondence ii. Face to face meetings	Need basis and on-going	i. Deliberations and inputs on acts, regulations, policies that have bearing on the operations and businesses ii. TRAI consultations iii. DoT directives, Policies iv. Access to renewable energy through open- access v. Rights of Way (RoW) for telecom, Telecommunications Act, 2023 vi. Digital Personal Data Protection Act, 2023 public policy – advocacy
Community*	Yes	i. Field visits and community meetings undertaken by Bharti Airtel Foundation during the implementation for Airtel group and program operations	Periodic	i. Education status of students enrolled ii. Community based issues such as hygiene, sanitation, girl-child education, etc. iii. Community participation in schools' activities and programs to build students' connect with communities

*Bharti Airtel Foundation is the philanthropic arm of Bharti Enterprises and is the implementation agency for carrying out CSR.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:

Bharti Hexacom's Board holds the highest responsibility for all Environmental, Social, and Governance (ESG) matters, prioritizing ESG and related initiatives. At group-level, materiality assessment is conducted every two to three years and the below mentioned key steps are followed:

- During materiality exercise the key internal and external stakeholders are engaged to gather their concerns and views, which are incorporated into the materiality assessment process to prioritize ESG topics
- Insights obtained from the stakeholder engagement are analyzed to develop the materiality matrix, which helps finalize the list of ESG topics
- The identified ESG topics are considered while defining the ESG targets and initiatives of the group

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity: Yes, at a group-level, stakeholder engagement is conducted as a component of materiality assessment exercise, aiming to identify and prioritize environmental and social concerns. Based on the stakeholder feedback received, material issues are identified and prioritized basis impact on stakeholders and business. These material topics are linked with adopted ambitious targets and integrated in the strategy.

PRINCIPLE 5

Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A)*	Total (C)	No. of employees/workers covered (D)	% (D/C) *
Employees						
Permanent	424	424	100	395	395	100
Total employees	424	424	100	395	395	100
Workers						
Other than permanent	1,110	1,110	100	488	488	100
Total workers	1,110	1,110	100	488	488	100

* Percentage indicates details of trainings extended.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	424	0	0	424	100	395	0	0	395	100
Male	370	0	0	370	100	358	0	0	358	100
Female	54	0	0	54	100	37	0	0	37	100
Workers										
Other than permanent	1,110	320	29	790	71	488	371	76	117	24
Male	1,097	316	29	781	71	480	366	76	114	24
Female	13	4	31	9	69	8	5	63	3	38

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category in ₹	Number	Median remuneration/ salary/ wages of respective category in ₹
Board of Directors (BoD)	Refer Annexure B of Board's report forming part of this Annual Report			
Key Managerial Personnel				
Employees other than BoD and KMP	370	675,458	54	615,000
Workers	1,097	229,482	13	252,074

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages*	11.64	8.48

* Permanent employees have been considered.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impact or issues caused or contributed to by the business: Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues: The Company has an 'Employee Resolution Query Management System', administered by human resource function, that addresses issues related to human rights such as discrimination at workplace, child labour, forced labour/involuntary labour and other human rights related issues.

In addition to the above, the Company has a 'Code of Conduct' covering 'Whistle Blower Policy' that allows employees including contractual workers, to report concerns with reference to 'Code of Conduct' relating to human rights violations, without any fear of retaliation. The ombudsperson administers the whistle blower/vigil mechanism which allows employees to report any threatened or actual breach of the 'Code of Conduct'.

6. Number of complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual harassment	1	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced labour /Involuntary labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/workers	1.49	0
Complaints on POSH upheld	1	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

Bharti Hexacom guarantees protection to complainants against any form of retaliation, punishment, intimidation, coercion, dismissal, or victimisation as per the group-level Ombudsperson Policy and Prevention of Sexual Harassment (POSH) Policy. This protection extends to those who report genuine concerns in good faith, regardless of whether their claims are proven. Anyone who attempts to victimise any person who complains, co-operates, or provides information/data relating to an investigation or complaint, is liable to face punitive action.

All matters and proceedings relating to the complaint including the identity of the complainant and respondent remain strictly confidential and is not disclosed except to a competent court or a governmental agency, that has the right under the law and regulation to obtain such information. Any person who breaches the confidentiality requirement is penalized.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No): Yes, human rights requirements form part of the key business agreements and contracts.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/Involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	100

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above: Human Rights Risk Assessment was conducted at group-level and key improvement areas were identified.

LEADERSHIP INDICATORS

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints: The Company has an "Employee Resolution Portal" to keep track of all complaints or grievances.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Human rights due diligence and compliance monitoring exercise was conducted at a group-level. This process had following key steps:

- Policy adoption: Implementing a comprehensive group-wide Human Rights Policy
- Process integration: Embedding processes that align with the established policy
- Regular assessments: Conducting periodic assessments of human rights practices across all operations
- Risk identification and evaluation: Proactively identifying and evaluating potential and existing human rights risks
- Risk mitigation and impact remediation: Implementing measures to mitigate risks and address any identified human rights impacts
- Risk integration and action: Integrating identified risks into business practices and taking appropriate actions
- Continuous monitoring and improvement: Regularly tracking progress, reviewing policies and processes, and adjusting as needed
- Impact communication: Transparently communicating on how the Company addresses human rights impacts

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of the Persons with Disabilities Act, 2016: The Company has assistive devices and accessibility support which are made available to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	93.54
Discrimination at workplace	93.54
Child Labour	93.54
Forced labour/Involuntary labour	93.54
Wages	93.54
Others – please specify	93.54

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above: There were no significant risks or concerns identified from assessments of critical value chain partners on human rights related issues.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Units	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	GJ	6,038	535
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	GJ	6,038	535
From non-renewable sources			
Total electricity consumption (D)	GJ	671,807	585,963
Total fuel consumption (E)	GJ	289,882	298,505
Energy consumption through other sources (F)	GJ	-	-
Total energy consumed from non-renewable sources (D+E+F)	GJ	961,689	884,467
Total energy consumed (A+B+C+D+E+F)	GJ	967,726	885,003
Energy intensity per rupee of turnover (total energy consumed / revenue from operations)	GJ/₹Mn.	13.65	13.45
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (total energy consumed / revenue from operations adjusted for PPP)	GJ/₹Mn.	3.69	3.70
Energy intensity in terms of physical output	GJ/TB	0.17	0.19

* Adjustment for PPP has been done by taking average dollar value.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency: BDO India LLP.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any: Not applicable for telecommunication sector.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Units	FY 2023-24	FY 2022-23
Water withdrawal by source			
(i) Surface water	Mn. L	-	-
(ii) Groundwater	Mn. L	0.85	0.85
(iii) Third party water	Mn. L	2.49	2.58
(iv) Seawater / desalinated water	Mn. L	-	-
(v) Others	Mn. L	-	-
Total volume of water withdrawal (i + ii + iii + iv + v)	Mn. L	3.34	3.43
Total volume of water consumption	Mn. L	0.56	0.56
Water intensity per rupee of turnover (total water consumption / revenue from operations)	Mn. L/₹ Mn.	0.00001	0.00001
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (total water consumption / revenue from operations adjusted for PPP)	Mn. L/₹ Mn.	0.000002	0.000002
Water intensity in terms of physical output	Mn. L/TB	0.0000001	0.0000001

* Adjustment for PPP has been done by taking average dollar value.

The water data for non-metered facilities is estimated by taking average water withdrawal as per National Building Code, 2016 and water consumption by domestic water supply, WHO.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency: BDO India LLP.

4. Provide the following details related to water discharged:

Parameter	Units	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment			
(i) To Surface water	Mn. L	-	-
- No treatment	Mn. L	-	-
- With treatment – please specify level of treatment	Mn. L	-	-
(ii) To Groundwater	Mn. L	0.02	0.02
- No treatment	Mn. L	-	-
- With treatment – Primary treatment	Mn. L	0.02	0.02
(iii) To Seawater	Mn. L	-	-
- No treatment	Mn. L	-	-
- With treatment – please specify level of treatment	Mn. L	-	-
(iv) Sent to third-parties	Mn. L	2.76	2.86
- No treatment	Mn. L	-	-
- With treatment – please specify level of treatment	Mn. L	-	-
(v) Others	Mn. L	-	-
- No treatment	Mn. L	-	-
- With treatment – please specify level of treatment	Mn. L	-	-
Total water discharged	Mn. L	2.78	2.88

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: BDO India LLP.

5. Has the entity implemented a mechanism for Zero Liquid Discharge (ZLD)? If yes, provide details of its coverage and implementation: Bharti Hexacom has implemented various water efficiency measures including wastewater recycling and reuse at its sites and planning to achieve Zero Liquid Discharge (ZLD) in future.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter*	Units	FY 2023-24	FY 2022-23
NOx	Metric Tonnes	145	146
Particulate matter (PM)	Metric Tonnes	7	7
Persistent organic pollutants (POP)	Metric Tonnes	Not applicable	Not applicable
Volatile organic compounds (VOC)	Metric Tonnes	Not applicable	Not applicable
Hazardous air pollutants (HAP)	Metric Tonnes	Not applicable	Not applicable
Carbon Monoxide (CO)	Metric Tonnes	82	84

* The air emissions have been calculated using DG Emissions standards by CPCB.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency: BDO India LLP.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Units	FY 2023-24	FY 2022-23
Total Scope 1 emissions - (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	21,389	22,170
Total Scope 2 emissions - (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	133,615	115,565
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (total Scope 1 and Scope 2 GHG emissions/revenue from operations)	tCO ₂ e/HMn.	2.19	2.09
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (total Scope 1 and Scope 2 GHG emissions/revenue from operations adjusted for PPP)	tCO ₂ e/HMn.	0.59	0.58
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ e/TB	0.028	0.030

* Adjustment for PPP has been done by taking average dollar value.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: BDO India LLP.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details:

S. No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along with summary)	Outcome of the initiative
1.	Solarization of towers	Onsite installation of solar technology to produce renewable energy at network sites	Resulting in renewable energy generation of 1,677,108 kWh
2.	Green sites	Transformation of the Company sites into eco-friendly ones. 33% of the network sites, have been tagged as green sites	Reduction of emissions
3.	Hybrid battery bank solutions	Installation of advanced VRLA (Valve-Regulated Lead-Acid) batteries and lithium-ion batteries	Resulting in saving of 98,335 L of diesel
4.	Network site sharing	Site sharing with partners to optimize the company resource consumption. 5% of newly rolled out sites are co-located.	Reduction of carbon emissions and waste significantly through higher utilization of passive infrastructure
5.	Power saving feature	Optimisation of RRU through AI/ML	Power saving as per traffic utilisation to effectively reduce GHG emissions
6.	Value chain Initiatives	<ul style="list-style-type: none"> i. Airtel has undertaken science-based target to reduce our absolute scope 3 GHG emissions by 42% by 2031 ii. Introduced guidelines for our suppliers to implement measures for energy efficiency and carbon emission reduction, as part of our Code of Conduct for Business Associates iii. Airtel is engaging with suppliers including equipment manufacturers to drive initiatives for enhancing energy efficiency of supplied equipment through innovative solutions 	Enhanced focus on ESG Impact across the value chain

9. Provide details related to waste management by the entity, in the following format:

Parameter	Units	FY 2023-24*	FY 2022-23
Plastic waste (A)	Metric Tonnes	-	1
E-waste (B)	Metric Tonnes	128	123
Battery waste (C)	Metric Tonnes	422	262
Biomedical waste (D)	Metric Tonnes	-	-
Radioactive waste (E)	Metric Tonnes	-	-
Other Hazardous waste. Please specify, if any. (G) (cables, lube oil)	Metric Tonnes	34	4
Other Non-hazardous waste generated (H). Please specify, if any. (Paper waste, organic waste and other miscellaneous waste)	Metric Tonnes	963	139
Total (A+B + C + D + E + G + H)	Metric Tonnes	1,547*	529*
Waste intensity per rupee of turnover (total waste generated / revenue from operations)	Metric Tonnes/HMn.	0.022	0.008
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (total waste generated / revenue from operations adjusted for PPP)	Metric Tonnes/HMn.	0.006	0.002
Waste intensity in terms of physical output	Metric Tonnes/TB	0.0003	0.0001
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations			
Category of waste			
(i) Recycled	Metric Tonnes	1,547**	538**
(ii) Re-used	Metric Tonnes	-	-
(iii) Other recovery operations	Metric Tonnes	-	-
Total	Metric Tonnes	1,547**	538**
For each category of waste generated, total waste disposed by nature of disposal method			
Category of waste			
(i) Incineration	Metric Tonnes	-	-
(ii) Landfilling	Metric Tonnes	-	-
(iii) Other disposal operations (landlord or municipal waste collection)	Metric Tonnes	-	-
Total	Metric Tonnes	-	-

* Assets transferred in past acquisition, which had reached end of economic life, were cleared.

* Calculations are based on approximate weight of sample lot items.

** Actual weight of waste sent to authorized recycler(s).

*** Adjustment for PPP has been done by taking average dollar value.

Due to above reasons and closing stock, of waste at FY closing which will be processed in due course, waste generated does not tally with waste recycled and disposed.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: BDO India LLP.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes: Bharti Hexacom has implemented the 3R strategy - reduce, reuse, and recycle to efficiently handle the waste produced in its facilities, production, and distribution processes. Further, the Company disposes all the hazardous waste, E-waste and other waste to authorized recyclers.

The Company has also established a set of supplier guidelines that mandate compliance with all relevant local, national, and international laws and conventions regarding hazardous wastes, persistent organic pollutants, and hazardous chemicals to decrease their usage. The guidelines also require suppliers to identify packaging materials that is safe, hygienic, recyclable, efficient and protective for transport of goods. Further, the Company also strives to use recyclable and recycled materials for production and packaging wherever feasible.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details: Bharti Hexacom Limited does not have any offices in protected areas.*

* Bharti Hexacom offices are not located within ecologically sensitive areas. This is based on assessment of the Company's facilities against the protected sites as identified by Protected Planet.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable*.

* Environmental Impact Assessment (EIA) is not applicable for the Company for the current financial year as per applicability defined in EIA Notification, 2020.

- 13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances:** Yes, the Company is compliant with all applicable environmental law/regulations/guidelines in India.

LEADERSHIP INDICATORS

- 1. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:** Not applicable.
- 2. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives:** Please refer essential indicator 8 of Principle 6 of this report.

- 3. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link:** Yes, the Company is group-level ISO 22301: 2019 certified/compliant for circle offices of Bharti Hexacom, MSCs, network warehouses and operational sites according to DoT requirement.

The Company has documented business continuity plans to effectively enable all its employees to operate from secondary locations, including remote working, providing necessary infrastructure and technology. Guidelines have been shared with relevant stakeholders for disaster preparedness which includes risk identification, resource allocation, emergency response/reporting and disaster recovery.

The Company also conducts tabletop exercises, application DR testing and process recovery testing periodically to assess the preparedness in case of a disaster. Further, the Company has Network Operations Centre to monitor real-time network activity and conservative insurance cover policy for asset protection from risks e.g., fire, floods.

- 4. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard:** There are no significant adverse environmental impacts concerning material regulatory penalties, uncontrolled large quantities of gas emissions, or hazardous waste discharge into water bodies arising from the Company's value chain partners, as per the self-assessment conducted.

Further, significant part of the Company's upstream scope 3 GHG emissions originate from telecom infrastructure providers. To address the same, the Company has undertaken multiple initiatives in collaboration with them to increase renewable energy usage and reduce fuel consumption.

- 5. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:** 93.54.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

- 1. a. Number of affiliations with trade and industry chambers/associations:** Bharti Hexacom has one industry affiliation.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to:**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	GSM Association (GSMA)	International

- 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:** No adverse orders were received from regulatory authorities.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ others – please specify)	Web link
1.	Network, Spectrum and Licensing - Efficient allocation, assignment methods to agencies like Indian Railways; Backhaul spectrum, Spectrum for Space Based Communications, New and Emerging spectrum bands, OTT Communications	TRAI CP on Assignment of Additional Spectrum to Indian Railways for its Safety and Security Applications	Yes	As and when required	Link 1
		TRAI CP on Open and De-licensed use of Unused or Limited Used Spectrum Bands for Demand Generation for Limited Period in Tera Hertz Range	Yes	As and when required	Link 2
		TRAI CP on Assignment of Spectrum in E&V Bands, and Spectrum for Microwave Access (MWA) & Microwave Backbone (MWB)	Yes	As and when required	Link 3
		TRAI CP on Regulatory Mechanism for Over-The-Top (OTT) Communication Services, and Selective Banning of OTT Services	Yes	As and when required	Link 4
		TRAI CP on Definition of International Traffic	Yes	As and when required	Link 5
		TRAI CP on Assignment of Spectrum for Space-based Communication Services	Yes	As and when required	Link 6
		TRAI CP on Introduction of Digital Connectivity Infrastructure Provider (DCIP) Authorization under Unified License (UL)	Yes	As and when required	Link 7
2.	Economic Regulations, Ease of doing business - Simplification of procedures related to Quality of Service, onboarding processes, approvals related to telecom and broadcasting	The Company positions and inputs were also shared with other chambers/associations, who incorporated points in their submissions to public consultations	No	As and when required	-
		TRAI CP on Regulation on Rating Framework for Digital Connectivity in Buildings or Areas (Quality of Service)	Yes	As and when required	Link 1
		TRAI CP on Review of Quality-of-Service Standards for Access Services (Wireless and Wireline) and Broadband Services (Wireless and Wireline)	Yes	As and when required	Link 2
		TRAI - Draft Regulation on Review of The Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023	Yes	As and when required	Link 3
		Know your customer (KYC) norms - simplification onboarding of sales channels, authentication for e-KYC activation	No	As and when required	-
The Company's positions and inputs were also shared with other chambers/associations, who incorporated points in their submissions to public consultations	No	As and when required	-		

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ others – please specify)	Web link
3.	Broadcasting – technological convergence, DTH Consumer impact, need to review regulatory and policy framework of tariff orders	TRAI CP on Pre-Consultation Paper on Inputs for Formulation of “National Broadcasting Policy” - inputs by Bharti Telemedia	Yes	As and when required	Link 1
		TRAI CP on Review of Regulatory Framework for Broadcasting and Cable services - inputs by Bharti Telemedia	Yes	As and when required	Link 2
		Comments on the Broadcasting Services (Regulation) Bill, 2023	No	As and when required	Link 3
		The Company’s positions and inputs were shared with other chambers/ associations, some of whom independently incorporated some inputs in their submissions	No	As and when required	-
4.	Technology & Consumer Affairs – emerging technology (AI); digital inclusion - digital connectivity, digital affordability, digital accessibility; Direct to Mobile (D2M); sustainability; R&D	TRAI CP on Encouraging R&D in Telecom, Broadcasting, and IT (ICT) Sectors	Yes	As and when required	Link 1
		TRAI CP on Digital Inclusion in the Era of Emerging Technologies	Yes	As and when required	Link 2
		Consultation on Direct Broadcasting to Mobile (D2M) by TEC (contribution by industry members in 3 phases and through industry bodies as well)	No	As and when required	Feb 2024 – Link 1
					Dec 2023 – Link 2
					Aug 2023 – Link 3
		TRAI CP on Encouraging Innovative Technologies, Services, Use Cases, and Business Models through Regulatory Sandbox in Digital Communication Sector	Yes	As and when required	Link 4
		Inputs given to industry bodies for TEC paper on “Vision, Action Plan and Strategy Paper on Circular Economy in Telecom Sector”	No	As and when required	-
Artificial Intelligence - Inputs given to industry bodies to submit inputs on TEC paper on ‘Standard for Assessing and Rating Robustness of Artificial Intelligence Systems in Telecom Networks and Digital Infrastructure’	No	As and when required	Link 5		

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ others – please specify)	Web link
5.	Electricity and Open Access: Electricity for Telecom towers at industrial rates (required to keep 99.95% uptime) and easing deployment of solar/renewable energy through Open Access Policies	Inputs were provided to relevant government ministries and departments highlighting challenges faced by TSPs in adoption of Green Open Access for Telecom Networks, and, Recommendations thereof Engagement and submissions to relevant stakeholders/central and State Governments to resolve challenges faced by Telecom networks to access Renewable Energy through open access. Associations also independently took inputs and wrote to policymakers/regulators	No	As and when required	-
6.	Rights of Way (RoW): Simplified, timebound permissions for RoW to establish Telecom infrastructure including for 5G network rollout	Inputs on RoW shared through various chambers and associations, on multiple state RoW policies and also through direct submissions on specific issues being faced by company in some states	No	As and when required	-
7.	Privacy and Security of customers	TRAI CP on Regulatory Mechanism for Over-The-Top (OTT) Communication Services, and Selective Banning of OTT Services	Yes	As and when required	Link 1
		Participation in Digital India Dialogues, and Meetings with relevant ministries	No	As and when required	-

PRINCIPLE 8**Businesses should promote inclusive growth and equitable development****ESSENTIAL INDICATORS****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:** Not applicable*.

* During the financial year, the Company has not acquired any land that would require SIA as per Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity: Not applicable*.

* During the financial year, the Company has not acquired any land that would require SIA as per Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

3. Describe the mechanisms to receive and redress grievances of the community: Bharti Hexacom has a group-level Community Grievance Redressal Policy which enables communities to express their concerns and grievances. This policy is transparent, just, fair, and timely, providing a mechanism for resolving grievances of community members.

The community members can send any concerns or grievances at the dedicated e-mail: community.grievance@airtel.com. The Company strives to proactively communicate the grievance redressal procedure to its external stakeholders, during its community and stakeholder engagement activities, to raise awareness and promote accessibility for communities to voice their concerns.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producer*	3.14	3.76
Directly from within India*	97.82	97.49

* This data pertains to procurement of goods only and does not include services.

5. Job creation in smaller towns – disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:

Location*	FY 2023-24**	FY 2022-23**
Rural	0.00	0.00
Semi-urban	0.00	0.00
Urban	1.39	1.69
Metropolitan	98.61	98.31

* Places have been categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan.

** Permanent employees have been considered.

LEADERSHIP INDICATORS**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):** Not applicable.**2. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)** Hexacom does not have any Preferential Procurement Policy as the Company believes in providing equal opportunities to all its suppliers.

(b) From which marginalized /vulnerable groups do you procure? Not applicable.

(c) What percentage of total procurement (by value) does it constitute? Not applicable.

3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not applicable.**4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:** Not applicable.**PRINCIPLE 9****Businesses should engage with and provide value to their consumers in a responsible manner****ESSENTIAL INDICATORS****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Bharti Hexacom offers various channels for customers to raise complaints and provide feedback:

- Customers can contact the dedicated customer care service through tele-calling or Airtel Thanks App
- Complaints can also be made through the toll-free complaint center number, email channel, or Airtel Thanks App
- Relationship centers are available for customers to reach out with any queries or complaints
- Customers can also visit Bharti Hexacom offices in person
- Each complaint/feedback is assigned a unique identification number and addressed within a pre-defined turnaround time
- Customers are notified of the resolution of the complaint through SMS and/or tele-calling

For more details on the mechanism to receive and respond to customer complaints, please refer to group-level [Telecom Charter](#).

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable*
Recycling and/or safe disposal	

* The Company provides telecom services and does not manufacture any physical products. In mobile services, no equipment is provided to customers except SIM card. In fixed line services, Customer Premises Equipment (CPE) is supplied (not sold) to customers for rendering the services. The ownership and effective control over the SIM/CPE always remain with us. Customer is required to return the SIM/CPE immediately upon termination of the relationship period or at the end of life.

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cybersecurity	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Delivery of essential services	Customer complaints are resolved as per applicable legislations, including sector specific regulatory provisions under the Telecom Consumers Complaint Redressal Regulation, 2012 issued by TRAI and to the extent applicable, are also reported to the regulator as per the reporting requirement prescribed thereunder.					

4. Details of instances of product recalls on account of safety issues: Not applicable*.

* The Company provides telecom services and does not manufacture any physical products. In mobile services, no equipment is provided to customers except SIM card. In fixed line services, Customer Premises Equipment (CPE) is supplied (not sold) to customers for rendering the services. The ownership and effective control over the SIM/CPE always remain with us. Customer is required to return the SIM/CPE immediately upon termination of the relationship period or at the end of life.

5. Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Yes, the Company at group-level has measures to safeguard data security and maintain the privacy of personal information. This includes:

- i. The implementation of internal controls
- ii. The development of group-level Bharti Airtel Information Security Policy (BISP), which outlines specific guidelines for information security and cybersecurity
- iii. Additionally, a group-level Information Security Risk Assessment and recovery strategy is in place that aligns with the ISO 27001 and ISO 22301 standards
- iv. To ensure the protection and confidentiality of customers' personal information, the Company has also established the group-level Bharti Airtel Information Privacy Policy (BIPP). [The Online Privacy Policy](#) serves to inform customers about the nature of information collected and their rights in relation to their data

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cybersecurity and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services: Bharti Hexacom follows the guidelines issued by the Advertising Standards Council of India (ASCI) and the guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022. Any specific complaints warranting any corrective measures are promptly addressed to resolve any possibility of miscommunication through advertisement.

7. Provide the following information relating to data breaches:

- (a) **Number of instances of data breaches:** 0
- (b) **Percentage of data breaches involving personally identifiable information of customers:** 0
- (c) **Impact, if any, of the data breaches:** Not applicable.

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available): Please refer to: <https://bhartihexacom.in>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services: Bharti Hexacom abides by TRAI's clause 17 of the Telecom Consumers Complaint Redressal Regulation, 2012 by releasing the Telecom Consumers Charter, which intends to enlighten customers about their entitlements, duties, quality benchmarks established by the Authority, and methods of addressing conflicts.

Furthermore, the Company adopts preventive measures to educate and create awareness amongst users on ways to protect themselves against fraudulent activities such as KYC frauds, sharing of passwords, etc. as mandated from the regulatory/licensor from time to time.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services: Ensuring consistent network coverage for customers is a crucial aspect of the Company's service, which it strives to maintain even during catastrophic events. The Company takes proactive measures to keep the customers informed about the launch of new sites and any mass outages in the Radio Access Network (RAN) through SMS.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief: Not applicable*.

* The Company provides telecom services and does not manufacture any physical products. In mobile services, no equipment is provided to customers except SIM card. In fixed line services, Customer Premises Equipment (CPE) is supplied (not sold) to customers for rendering the services. The ownership and effective control over the SIM/CPE always remain with us. Customer is required to return the SIM/CPE immediately upon termination of the relationship period or at the end of life.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No): Yes, the Company carries out customer satisfaction surveys for its services to gauge customer expectations and improve overall customer experience.



BDO India LLP | The Palm Springs Plaza | Sector-54, Golf Course Road | Gurgaon-122001

Independent Assurance Statement

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

Independent Assurance Statement on non-financial disclosures in Business Responsibility & Sustainability Reporting (BRSR) for the financial year 2023-24.

Introduction and objective of engagement

Bharti Hexacom Limited (the 'Company') has developed its Business Responsibility & Sustainability Reporting 2023-24 ('BRSR' or 'the Report') based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard.

BDO India LLP (BDO) was engaged by the Company to provide independent 'limited' assurance on non-financial sustainability disclosures in the report for the period 1st April 2023 to 31st March 2024.

The Company's responsibilities

The content of the Report and its presentation are the sole responsibilities of the Management of the Company. The Company's Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO's responsibility

BDO's responsibility, as agreed with the Management of the Company, is to provide assurance on the non-financial information of the Report as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard and criteria

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

We applied the criteria of 'Limited' Assurance.

Scope & boundary of assurance

We have assured non-financial information of the Report, pertaining to the Company's performance for the period 1st April 2023 through 31st March 2024 covering the boundary of the Company's operations.

Assurance methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the 'Scope and boundary of assurance'.

We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/omission of relevant information/data in the Report. Our review process included the following steps:

- Evaluation and assessment of the appropriateness of the quantification methods used to arrive at the non-financial/sustainability information of the Report;
- Review of consistency of data/information within the Report as well as between the Report and source;

- Engagement through discussions (face to face, where possible, and some virtual) with personnel at corporate level who are accountable for the data and information presented in the Report;
- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Collection of evidences on select reported information. In some cases, copies of evidences were not shared with us due to confidentiality, but were reviewed and noted by our team;
- Review of data collection and management procedures, and related internal controls.

We used our professional judgement as Assurance Provider and applied appropriate risk-based approach, for determining sample for review of non-financial information for verification. The reviews were conducted virtually and at Client's office in Gurgaon, where information and evidences were made available to us.

Inherent Limitations

There are inherent limitations in an assurance engagement, including, for example, the use of judgment and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Report may remain undetected.

Exclusions

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1st April 2023 to 31st March 2024);
- Review of the 'economic and/or financial performance indicators' included in the Reports or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topics other than those listed in the 'Scope and boundary of assurance';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our observations

The sustainability disclosures of the Company, as defined under the scope and boundary of assurance, are fairly reliable and the Company has appropriately consolidated data from different sources at the central level. However, the Company may consider augmented processes for data management and internal verification for enhancing accuracy and auditability of reported information.

Our conclusions

Based on the procedures performed, nothing has come to our attention that causes us not to believe that the disclosures of the Company within the 'Scope and boundary of assurance' are presented fairly as per the applied reporting standard.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP



Dipankar Ghosh

Partner & Leader | Sustainability & ESG
 Business Advisory Services
 Gurugram, Haryana
 29 July 2024

Board's Report

Dear Members,

Your Directors are pleased to present Twenty Ninth (29th) Board's Report on the business and operations of Bharti Hexacom Limited ("Hexacom/ the Company"), together with audited financial statements for the financial year ended March 31, 2024.

A. Overview

Bharti Hexacom Limited is a communications solutions provider offering mobile, fixed-line telephone and broadband services to customers in Rajasthan and the Northeast telecommunication circles in India, which comprises of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The Company offers its services under the brand 'Airtel'. Airtel is a global communications solutions provider with over 550 Mn. customers in 17 countries across South Asia and Africa.

B. Financial Highlights

In terms of the provisions of the Companies Act, 2013 ("Act"), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has prepared its standalone financial statements as per Indian Accounting Standards for FY 2023-24. The financial highlights of the Company for FY 2023-24, are as follows:

Particulars	₹ in Mn.)	
	FY 2023-24	FY 2022-23
Income including Other Income	73,375	67,192
Profit from operating activities before depreciation, amortization, finance cost, exceptional items and tax	36,099	29,259
Depreciation & Amortisation Expenses	17,392	15,533
Finance Expenses (Net)	6,444	6,388
Exceptional items	3,030	-
Profit before tax	9,233	7,338
Tax Expenses (current tax & deferred tax)	4,189	1,846
Profit after tax	5,044	5,492

Transfer to reserves

The Company has not transferred any amount to reserves during the financial year ended March 31, 2024.

Dividend

In line with Regulation 43A of the Listing Regulations, the Board of Directors of the Company have approved and adopted the Dividend Distribution Policy ("Dividend Policy") of the Company. The Dividend Policy sets out the parameters and circumstances which the Board may consider for recommendation and/or distribution of dividend to its shareholders and/or the utilization of the retained earnings of Company. The Dividend Policy is available on the Company's website at https://www.bhartihexacom.in/docs/policies/dividend_distribution_policy.pdf.

The Board of Directors in their meeting held on May 14, 2024 had recommended final dividend of ₹ 4/- per equity share (80%) of face value of ₹ 5/- each for the financial year 2023-24.

The said dividend, if approved by the members at the ensuing Annual General Meeting ("the AGM") will be paid to those Members whose name appears in the Register of Members (including Beneficial Owners) of the Company as at Friday, August 16, 2024 (Record

Date). The said dividend would involve cash outflow of ₹ 2,000 Mn. resulting in a payout of 39.65% of the standalone net profit of the Company for FY 2023-24.

In view of the applicable provisions of Income Tax Act, 1961, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. Your Company shall, accordingly make the payment of the final dividend after deduction of tax at source.

Share capital

Pursuant to the approvals of the Board and members dated December 28, 2023 and December 29, 2023, respectively, the equity shares of the Company were sub-divided from 250,000,000 equity shares of face value of ₹ 10/- each (Rupees Ten) to 500,000,000 equity shares of face value of ₹ 5/- each (Rupees Five).

Consequent to above change, the authorised share capital of the Company stood at ₹ 2,500,052,000 (Rupees Two Hundred Fifty Crore and Fifty-Two Thousand Only) divided into 500,000,000 (Fifty Crores) Equity Shares of ₹ 5/- (Rupees Five) each and ₹ 520 (Rupees Five Hundred and Twenty) redeemable, non-participating, non-cumulative preference shares of ₹ 100/- (Rupees Hundred) each as on March 31, 2024.

The paid up share capital of the Company stood at ₹ 2,500,000,000 (Rupees Two Hundred and Fifty Crores)

divided into 500,000,000 (Fifty Crores) equity shares of ₹ 5/- (Rupees Five) each as on March 31, 2024.

There has been no change in the paid up share capital of the Company from March 31, 2024 till the date of this report.

The entire shareholding of the Company is held in dematerialized form.

Debentures

The Company has not raised any funds through the issuance of Non-Convertible Debentures ("NCDs") during financial year 2023-24.

During the year under review, the Company had 15,000 and 20,000 listed, unsecured, rated, redeemable NCDs of the face value of ₹ 1 Mn. each listed on National Stock Exchange of India Limited. Out of these, 15,000 NCDs were redeemed on January 19, 2024 in accordance with the terms of issuance.

Subsequent to the closure of the financial year, the remaining 20,000 NCDs were redeemed in accordance with the terms of issuance on April 30, 2024. Accordingly, there are no outstanding NCDs as on the date of this report.

The details of Debenture Trustee are given hereunder:

Axis Trustee Services Limited

The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028

Tel: +91-22-62300451

Fax: 022-43253000

Email: debenturetrustee@axistrustee.in; compliance@axistrustee.in

Particulars of loans, guarantees or investments

The Company is in the business of providing telecom services (wireless telecommunications activities) which is covered under the definition of 'infrastructure facilities' in terms of Section 186 read with Schedule VI of the Act.

Particulars of investments, loans and guarantees form part of Note no. 7 to the financial statements provided in this Annual Report.

Deposits

There were no outstanding deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, at the end of financial year 2023-24 or the previous financial year.

Your Company did not accept any deposits during financial year 2023-24.

Change in the Nature of Business

There was no change in nature of the business of the Company during the financial year ended on March 31, 2024.

Ratings

During the year, there was no change in the credit ratings of the Company.

The credit ratings of the Company during the year ended March, 31 2024 was as follows:

Agency	Instrument	Ratings
CRISIL	Non- Convertible Debentures	AA+/ Stable
CRISIL & India Rating and Research Private Limited	Commercial Papers	A1+

The instruments with the above ratings are considered to have high degree of safety regarding timely servicing of financial obligation and carry very low credit risk.

Subsidiary Company, Joint Ventures and Associate Companies

The Company does not have any subsidiary, joint venture or associate company.

Significant Development

Initial Public Offering (IPO) and Listing

On April 12, 2024, the equity shares of your Company got listed on National Stock Exchange of India Limited and BSE Limited, post successful Initial Public Offer of 75,000,000 Equity Shares ("Equity Shares") (representing 15% of the paid-up share capital of the Company) having face value of ₹ 5/- each at a price of ₹ 570/- per Equity Share, including premium of ₹ 565/- per Equity Share aggregating to ₹ 42,750 Mn. comprising of an offer for sale (OFS/ the Offer) by Telecommunications Consultants India Limited (TCIL). The following were the important milestones/ dates for the Offer:

Date	Particulars
April 2, 2024	Anchor Issue
April 3, 2024	Opening of Offer period
April 5, 2024	Closing of Offer period
April 8, 2024	Basis of Allotment
April 10, 2024	Credit of shares to demat A/c of eligible investors
April 12, 2024	Listing of equity shares

Your Company completed its IPO successfully with participation of several leading domestic and global institutional investors as well as NRIs, HNIs and retail investors. The Board is gratified and humbled by the faith shown in the Company by its members.

The Board also places on record its appreciation for the support provided by various Authorities, Book Running Lead Managers, Stock Exchanges, Depositories, Counsels, Consultants, Auditors, other intermediaries and employees of the Company for making the IPO of the Company a grand success.

In addition to the above, there were no material changes and commitments affecting the financial positions of the Company which have occurred between the end of the financial year of the Company and the date of this Report.

D. Corporate Governance Report

We believe in following best in class Corporate Governance practices and have integrated the Corporate Governance principles across our operations. Our commitment to follow Corporate Governance practices is reflected in our Corporate Governance philosophy and the Code of Conduct.

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

A certificate from Deloitte Haskins & Sells LLP, Statutory Auditors affirming compliance of Corporate Governance norms as specified under Regulation 17 to 27 and 62 of the Listing Regulations during FY 2023-24 is annexed as **Annexure A** to this Report.

Directors

Appointment, Re-appointments, Retirements and Resignations

i. Retirement by rotation and subsequent re-appointment

Pursuant to the Section 152 and other applicable provisions, if any, of the Act and the Articles of

ii. Appointment and re-appointment of Director(s)

During the year, following appointments were made on the Board of Directors:

Name	Designation	Date	Reason	Term
Mr. Surajit Mandol*	Non-Executive Director	April 15, 2023	Appointment	N.A.
Mr. Arun Gupta	Independent Director	December 22, 2023	Appointment	5 years i.e. till
Mr. Kapal Kumar Vohra	Independent Director			December
Ms. Nalina Suresh	Independent Director			21, 2028 [#]

*The appointment of Mr. Surajit Mandol was approved by the shareholders in the Extraordinary General Meeting of the Company held on June 15, 2023. Subsequent to the end of the financial year, Mr. Mandol resigned from the directorship of the Company w.e.f. April 12, 2024.

Subsequent to the appointment of Mr. Arun Gupta, Mr. Kapal Kumar Vohra and Ms. Nalina Suresh as Additional Directors, their appointments were approved by the shareholders for a term of 5 years in the Extraordinary General Meeting of the Company held on December 29, 2023.

In the opinion of the Board, all the directors, including the directors appointed/ re-appointed during the year, possess the requisite qualifications, experience, expertise, proficiency and hold high standards of integrity.

iii. Resignation of Director(s)

During the year, Ms. Vidyut Gulati, Mr. Rahul Vatts, Non-Executive Directors and Mr. Ravinder Arora, Independent Director resigned from the Directorship of the Company with effect from December 22, 2023 due to their pre-occupation.

Further, upon the consummation of the IPO, the shareholders agreement entered between TCIL and Bharti Airtel Limited was automatically terminated. Accordingly, Mr. Sanjeev Kumar and Mr. Surajit Mandol, the nominee directors of TCIL stepped down from the Board of the Company w.e.f. April 12, 2024.

The Board, on behalf of the Company placed on record its appreciation for help, guidance and

Association of the Company, Mr. Soumen Ray Director of the Company will retire at the ensuing AGM and being eligible, has offered himself for re-appointment.

Based on performance evaluation and recommendation of Nomination and Remuneration Committee, the Board of Directors recommends his re-appointment as Non-Executive Director of the Company, liable to retire by rotation.

Brief resume, nature of expertise, disclosure of relationship between directors inter-se, details of directorships and committee memberships held in other companies by Mr. Soumen Ray, Director proposed to be re-appointed, along with his shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, are appended as an Annexure to the Notice of the 29th AGM.

The detailed profile of Mr. Soumen Ray is also available on the website of the Company at <https://www.bhartihexacom.in/corp-governance-board-director.html> and also forms part of the Notice of 29th AGM.

contribution made by all the outgoing directors during their tenure as directors of the Company.

Declaration by Independent Directors

Pursuant to Section 149(7) of the Act, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act, as amended, read with Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement without any external influence and that they are independent of the Management.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct and that they are registered on the databank of Independent Directors maintained by the Indian

Institute of Corporate Affairs. The Directors have further confirmed that they are not debarred from holding the office of director under any SEBI order or any other such authority.

The Board of Directors of the Company have taken on record the aforesaid declarations and confirmations submitted by the Independent Directors.

Key Managerial Personnel (KMP)

During the year, Mr. Akhil Garg was appointed as the Chief Financial Officer and Key Managerial Personnel of the Company in place of Mr. Kamal Dua w.e.f. November 07, 2023.

As on March 31, 2024 the Company had the following KMPs:

1. Mr. Marut Dilawari - Chief Executive Officer
2. Mr. Akhil Garg - Chief Financial Officer
3. Ms. Richa Gupta Rohatgi - Company Secretary and Compliance Officer

Board and Board Committees

The Company has a well balanced and diverse Board in compliance with statutory requirements and provides strategic guidance to the management of the Company.

In compliance with the statutory requirements, the Company has constituted mandatory Committees viz. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee.

In addition to the above, the Company has in place an Operating Committee viz. Committee of Directors to handle day to day operational matters of the Company.

In order to facilitate entire IPO process, an IPO Steering Committee and Committee of Independent Directors were also constituted during FY 2023-24. These Committees stand dissolved post listing of Company's equity shares.

During the year under review, all the recommendations made by the Committees of the Board, including the Audit Committee, were accepted by the Board.

The Board of Directors met 7 times during the FY 2023-24. A detailed update on the Board, its composition, governance of committees, number of Board and Committee meetings held during FY 2023-24 and attendance of the Directors/ Members thereat, is provided in the Report on Corporate Governance, which forms part of this Annual Report.

Board Evaluation

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. The Nomination and Remuneration Committee has formulated a robust and competent framework for evaluation of the

performance of the Board, its Committees, Individual Directors including the Chairman and CEO of the Company keeping in view the Board priorities and practices. The evaluation process for FY 2023-24 was conducted through structured and customised questionnaires keeping in view the industry in which Company operates. Analysis of the responses and summary of the results were placed before the Board of Directors and respective committees.

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

A detailed disclosure on the framework of Board Evaluation including outcome and action plan has been provided in the Report on Corporate Governance, which forms part of this Annual Report.

Familiarisation Programme

The Company has developed and adopted structured induction programs for orientation and training of directors at the time of their joining and during their term to ensure familiarisation of directors with the management and operations of the Company including business models, services, products, processes, culture and the industry in which it operates. Details of the familiarisation programme adopted by the Company for orientation and training of the directors is provided in the Report on Corporate Governance, which forms part of this Annual Report.

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section forming part of this Annual Report.

Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

E. Human Resources

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

In compliance with POSH Act, the Company has adopted a policy and has constituted Internal Complaints Committees for providing a redressal mechanism pertaining to any reported event of sexual harassment of employees at workplace and any such incident can be reported to the Internal Complaints Committee. Details regarding the policy, including the details of the complaints received and disposed off are provided in the Report on Corporate Governance and Business Responsibility & Sustainability Report, which forms part of this Annual Report.

Particulars of Employees

Disclosures relating to remuneration of Directors and employees u/s 197(12) of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure B** of this Report.

Disclosure relating to remuneration of employees u/s 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

F. Auditors

Statutory Auditors

In terms of the provisions of Section 139 of the Act, Deloitte Haskins & Sells LLP were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on September 30, 2022, for a period of 5 (five) consecutive years i.e. till the conclusion of 32nd AGM to be held in calendar year 2027.

Deloitte Haskins & Sells LLP have confirmed that they are not disqualified to continue as Statutory Auditors of the Company and satisfy the independence criteria in terms of the applicable provisions of the Act and Code of Ethics issued by the Institute of Chartered Accountants of India.

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

Cost Records

The Company has maintained the cost records as prescribed by the Central Government under Section 148(1) of the Act.

Cost Auditors

The Board, on the recommendation of the Audit Committee had approved the appointment of Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2024. The Cost Auditors will submit their report for FY 2023-24 within the timeframe prescribed under the Act and rules made thereunder.

Cost Audit report for the FY 2022-23 did not contain any qualification, reservation, disclaimer or adverse remark.

The Board, on the recommendation of Audit Committee, has re-appointed Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company for FY 2024-25.

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

Secretarial Auditors

The Company had appointed Makarand M. Joshi & Co, Company Secretaries, as Secretarial Auditors for the financial year ended March 31, 2024. The Secretarial Auditors have submitted their report, confirming, inter-alia, compliance by the Company of all the provisions of applicable corporate laws and does not contain any qualification, reservation, disclaimer or adverse remark.

The Secretarial Audit Report for FY 2023-24 is annexed as **Annexure C** to this report.

Makarand M. Joshi & Co., Company Secretaries have been re-appointed as Secretarial Auditors for the financial year 2024-25 by the Board on recommendation of the Audit Committee.

Internal Auditors and Internal Assurance Partners

The Company has in place a robust Internal Audit function, which is led by the Internal Auditor of the Company and ably supported by reputed independent professional firms (Internal Assurance Partners).

The audit conducted by the Internal Auditor and Internal Assurance Partners is based on an internal audit plan, which is reviewed each year by the Audit Committee. The Internal Auditor along with Internal Assurance Partners shares his findings on financial, safety, information security, compliance and reporting risks on a quarterly basis with the Audit Committee along with the exceptions report and mitigation plan. These audits are based on risk based methodology and, inter-alia, involve the review of internal controls and governance

processes, adherence to management policies and review of statutory compliances.

The work of Internal Assurance Partners is coordinated by the internal team led by Internal Auditor. This combination of internal team and expertise of Internal Assurance Partners ensures independence as well as effective value addition and protection.

The Board, on the recommendation of the Audit Committee, has re-appointed Ernst & Young LLP, Chartered Accountants and ANB & Co. Chartered Accountants as the Internal Assurance Partners for FY 2024-25.

G. Sustainability

Business Responsibility & Sustainability Report

Publication of Business Responsibility and Sustainability Report ("BRSR") pursuant to Regulation 34(2)(f) of the Listing Regulations is not mandatory for Company for FY 2023-24. However, as a commitment towards best in class sustainability practice and disclosures, the Company has voluntarily published BRSR for FY 2023-24 with limited assurance by BDO India LLP. The BRSR provides disclosure on initiatives taken from an environmental, social and governance perspective, in the prescribed format and forms part of this Annual Report and is also available on the Company's website at www.bhartihexacom.in.

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

The information as required under section 134(3) of the Act, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014 as may be applicable, has been annexed as **Annexure D** to this Report.

H. Policies, Compliance and Others

The Company has developed and adopted robust policies to ensure strict compliance with the Listing Regulations, the Act and other applicable laws. The list of all such policies along with the web link forms part of Report of Corporate Governance.

Risk Management

The Company believes that risk management is one of the strongest pillars of the Company which is key to ensure adequate controls and monitoring mechanisms for achieving sustainable value creation for all the stakeholders.

The Company has a robust risk management framework in place which plays an integral and inevitable role across the operations the Company. The Risk Management framework encompasses around governance structure, risk identification & categorization, risk prioritisation, risk mitigation, monitoring and reporting. The objective of Risk Management Framework is to have a well-defined approach towards risk. It lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the

short and foreseeable future. The Risk Management Framework suggests framing an appropriate mitigation plan for the key risks identified, so as to make sure that risks are proactively compensated or mitigated. The risk management framework can also be accessed at https://www.bhartihexacom.in/docs/policies/enterprise_risk_management_framework.pdf.

During the year, the Company has also reviewed the Risk Management Framework which lists out the principles and approach to the Risk Management process.

Understanding the importance of proactively identifying and managing the risk, the Board of Directors have constituted a Risk Management Committee, which focuses on risk management including determination of Company's risk appetite, risk tolerance, regular risk assessments and risk mitigation strategies etc. Mitigation plans to significant risks are well integrated with business plans and are reviewed on a regular basis by the senior leadership.

The Risk Management Framework is also periodically reviewed by the Board and the Audit Committee, which includes discussion with the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

Detailed update on Risk Management Framework (including Risk Governance; Risk Identification and prioritisation process; key strategic risks and impact thereof; and mitigation actions etc.) has been given under 'Risk and mitigation framework' section of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Corporate Social Responsibility (CSR) Policy

Your Company is conscious of its responsibility towards the society where it operates its business. Resonating with its core values, the Company has formulated the CSR Policy which focuses on providing education to underprivileged children of the society in the rural areas of the Country, health and sanitation programmes and rural development projects etc.

The said policy is available on the website of the Company at <https://www.bhartihexacom.in/docs/policies/CSR%20Policy.pdf>.

The details of members, their attendance along with terms of reference are set out in the Report on Corporate Governance forming part of this Annual Report. A brief on the initiatives undertaken at the group level forms part of this Annual Report.

In terms of applicable provisions of Section 135 of the Act, the Company was not obligated to contribute towards CSR activities during the financial year 2023-24. The annual report on Corporate Social Responsibility is annexed as **Annexure E** to this report.

Nomination & Remuneration Policy

The Board of Directors recognize the importance of having a diversified board viz. constructive discussion, better decision making and long-term value creation for all the stakeholders.

In order to ensure diversity, standardize the process of selection of an individual at the Board or senior management level and pursuant to the provisions of Section 178 of the Act read with Regulation 19 of the Listing Regulations, the Company has formulated and adopted a policy on Nomination, Remuneration and Board Diversity. The said Policy governs the appointment and remuneration of directors, senior management and Key Managerial Personnel and also lays down the criteria for determining qualifications, positive attributes, independence of a director and other matters.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors, reviewed and updated the aforesaid Policy during the Financial Year 2023-24. The Nomination and Remuneration Policy is available on the website of the Company https://www.bhartihexacom.in/docs/policies/BHL_NRC_Policy_new.pdf.

Vigil Mechanism

The Company has adopted a Vigil Mechanism/Whistle Blower Policy which forms part of Code of Conduct of the Company. It outlines the method and process for stakeholders to voice their genuine concerns about unethical conduct that may be actual or threatened breach with the Company's Code of Conduct. The code is available on the Company's website at <https://www.bhartihexacom.in/docs/policies/Code.pdf>.

A brief note on the highlights of the Whistle Blower Policy and compliance with Code of Conduct, is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

Related Party Transactions

The Company has adopted a well structured approach for approving and monitoring of all the transactions with related parties. The Audit Committee is empowered to engage external consultant to evaluate arm's length criteria and demand for additional information. Arrangements/ transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. Necessary disclosure with respect to the material related party transactions during the FY 2023-24, is given in the prescribed Form AOC-2 which is annexed as **Annexure F** to this report. In compliance with the requirement of Listing Regulations, names of related parties and details of transactions with them have been included in notes to the financial statements provided in this Annual Report. The updated Policy on the Related Party Transactions is available on the

Company's website at <https://www.bhartihexacom.in/docs/policies/RPT-Policy.pdf>.

A detailed note on the procedure adopted by the Company in dealing with contracts and arrangements with related parties is provided in the Report on Corporate Governance, which forms part of this Annual Report.

Internal Financial Controls

The Company has adequate internal financial controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. The key financial controls are automated and integrated into the operations, wherever possible, to ensure complete autonomy.

The Company has detailed work instructions, Standard Operating Procedures, policies, process and manuals which lays down roles, responsibility and actions required. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the management.

The Board periodically reviews the internal processes, systems and the internal financial controls and accordingly, the Directors' Responsibility Statement contains a confirmation as regards to the adequacy of the internal financial controls. Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, self-assessment, continuous monitoring by functional heads as well as testing of the internal financial control systems during the course of audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed adequately and are operating as intended.

Compliance Management

To ensure compliance with all the applicable laws, the Company has a strong and robust digital compliance tool. A comprehensive check list of compliances applicable to Company is prepared by an independent agency which is mapped to each owner of the compliance for confirming compliance. Additionally, in order to ensure completeness an independent agency periodically or on an event basis updates the recent amendments in applicable laws.

To ensure that compliances are completed within the defined timelines, automated email reminders are sent to individual owners to comply with the requirements within the stipulated timelines.

The respective function heads certifies the compliance mapped to their respective function for

onwards submission to the Board in summary form along with legal and regulatory update. To ensure comprehensiveness, periodic audits of compliance tool are conducted during internal audit and corrective actions are taken to ensure strict adherence.

A certificate of compliance with all applicable laws and regulations along with the summary of material litigations and mitigation plan, if any, is placed before the Audit Committee and Board of Directors on a quarterly basis.

Proceeding under Insolvency and Bankruptcy Code, 2016

There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as on March 31, 2024.

Transfer of amount to Investor Education and Protection Fund

There are no unclaimed/unpaid dividends during the year. Therefore, the Company was not required to transfer any amount to Investor Education and Protection Fund.

Annual Return

The draft Annual Return of the Company as on March 31, 2024 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and

Administration) Rules, 2014, is available on the website of the Company at <https://www.bhartihexacom.in/results-annual-results.html>.

Significant and Material Orders

During the FY 2023-24, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in the future.

Secretarial Standards

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

Acknowledgements

Your Directors take this opportunity to place on record their appreciation for the wholehearted support received from Central Government, the State Governments, Department of Telecommunications (DoT), SEBI, Stock Exchanges, Company's Bankers and Auditors, the employees, suppliers and all other business associates. We look forward to their continued support in future.

For and on behalf of the Board
For Bharti Hexacom Limited

Jagdish Saxena Deepak
 Chairman
 DIN: 02194470

Place: Gurugram
 Date: May 14, 2024

Annexure A

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of Bharti Hexacom Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated October 04, 2023, as amended.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Bharti Hexacom Limited ("the Company"), a high value debt listed entity, have examined the compliance of mandatory conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and 62 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10)

of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024 on comply or explain basis, read with the explanation mentioned under section Auditors' Certificate on Corporate Governance of Report on Corporate Governance.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Nilesh H. Lahoti
 Partner
 Date: May 14, 2024
 Place: Gurugram
 (Membership No. 130054)
 (UDIN: 24130054BKFRKR2105)

Annexure B

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- I. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023-24:

Particulars	Designation	Ratio to Median Remuneration	% Increase in Remuneration in Financial Year 2023-24
Chairman			
Mr. J S Deepak	Chairman	4.48	Nil
Non-Executive Director			
Mr. Devendra Khanna	Non-Executive Director	N.A.	-
Mr. Rahul Vatts ¹	Non-Executive Director	N.A.	-
Mr. Sanjeev Kumar ²	Non-Executive Director	N.A.	-
Mr. Soumen Ray	Non-Executive Director	N.A.	-
Mr. Surajit Mandol ³	Non-Executive Director	N.A.	-
Ms. Vidyut Gulati ¹	Non-Executive Director	N.A.	-
Independent Director			
Mr. Arun Gupta ⁴	Independent Director	*	*
Mr. Arvind Kohli	Independent Director	0.30	*
Mr. Ashok Tyagi	Independent Director	0.30	33.33%^
Mr. Kapal Kumar Vohra ⁴	Independent Director	*	*
Ms. Nalina Suresh ⁴	Independent Director	*	*
Mr. Ravinder Arora ¹	Independent Director	*	*
Chief Executive Officer			
Mr. Marut Dilawari	Chief Executive Officer	\$	-
Chief Financial Officer			
Mr. Akhil Garg ⁵	Chief Financial Officer	\$	-
Mr. Kamal Dua ⁵	Chief Financial Officer	\$	-
Company Secretary			
Ms. Richa Gupta Rohatgi	Company Secretary	\$	-

Notes:

1. Ceased to be Director w.e.f. December 22, 2023.
2. Ceased to be Non-Executive Director w.e.f. April 12, 2024.
3. Appointed as Non-Executive Director w.e.f. April 15, 2023, and ceased to be Non-Executive Director w.e.f. April 12, 2024.
4. Appointed as Independent Director w.e.f. December 22, 2023.
5. Appointed as Chief Financial Officer w.e.f. November 7, 2023.
6. Ceased to be Chief Financial Officer w.e.f. November 7, 2023.

[^]Change in remuneration of Independent Director vis-à-vis previous year, if any, is due to the change in committee membership and meetings attended and sitting fees paid in this regard.

^{*}Since the remuneration of these Directors is only for the part of the current year/previous year hence the ratio of their remuneration to median and increase in remuneration is not comparable.

⁵The KMPs viz. Chief Executive Officer, Chief Financial Officer and Company Secretary are the permanent employees of Bharti Airtel Limited (Holding Company) and hence do not draw any remuneration from the Company.

- II. **The percentage increase / (decrease) in the median remuneration of employees in the Financial Year:** The percentage increase in the median remuneration of employees in FY 2023-24 was 13.57%.
- III. **The number of permanent employees on the rolls of the Company as on March 31, 2024:** There were 424 employees on the rolls of the Company as on March 31, 2024.
- IV. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Employee Group	Average percentile increase/(decrease) in the salaries of employees for FY 2023-24
All permanent employees	13.57%
Executive Directors / Managerial Remuneration	Nil

- V. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration of Directors was as per the policy on Nomination, Remuneration and Board Diversity of the Company.

For and on behalf of the Board

Place: Gurugram
Date: May 14, 2024

Jagdish Saksena Deepak
Chairman
DIN: 02194470

Annexure C

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Auditor's Responsibility:

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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

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

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations') to the extent applicable to the Company.

Further, the listed entity being High Value Debt Listed Entity, during the review period it has complied with the provisions of Listing Regulations on Comply and Explain basis.

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in three cases where meetings are convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that, during the audit period:

- 1) The Company has taken shareholders' approval in extraordinary general meeting held on December 29, 2023 to split 25,00,00,000 Equity shares of ₹ 10 each to 50,00,00,000 equity of ₹ 5 each and has consequently, altered Memorandum of Association of the Company.
- 2) The Company has taken shareholders' approval in extraordinary general meeting held on January 19, 2024 for Initial public offer of equity share of the Company through offer for sale.
- 3) The Company has taken shareholders' approval in extraordinary general meetings held on December 29, 2023 and January 19, 2024 to alter various clause of Article of Association of the Company in line with Listing Regulations.

For Makarand M. Joshi & Co.
 Company Secretaries

Kumudini Bhalerao

Partner

FCS No. 6667

CP No. 6690

PR No: 640/2019

Place: Mumbai

Date: May 13, 2024

UDIN: F006667F000358260

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

'Annexure A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Makarand M. Joshi & Co.
 Company Secretaries

Kumudini Bhalerao
 Partner
 FCS No. 6667
 CP No. 6690
 PR No: 640/2019
 UDIN: F006667F000358260

Place: Mumbai
 Date: May 13, 2024

Annexure D

INFORMATION RELATED TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE (8)(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014
Particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014
A. Conservation of energy

The following initiatives were taken by the Company to reduce and conserve energy:

i. Steps taken or impact of Conservation of Energy

- **"Project Green City":** Working with our network infrastructure partners, we are transforming our sites into eco-friendly ones. 42% of our network sites, including both owned by Hexacom as well as by partners, have been tagged as green sites, consuming less than 100 litres of diesel per quarter.
- **Hybrid battery bank solutions:** To optimise energy use and lessen our reliance on diesel, we have installed cutting-edge lithium-ion and VRLA (Valve-Regulated Lead-Acid) batteries. We have added additional/ upgraded battery banks resulting in saving of 98,335 litres of diesel.
- **Auto-shutdown in non-peak hours:** An auto-resource shutdown feature has been implemented at many 5G radios and including all 4G radios, thereby reducing energy requirement during non-peak hours.
- **Optimisation through AI and ML:** AI (Artificial Intelligence) and Machine learning algorithms are implemented to bring the low traffic radio in sleep mode and allowing other cells to handle its traffic.
- **Sharing Site:** Through greater use of passive infrastructure, our site sharing strategy with partners has optimised our resource usage and reduces carbon emissions. 5% of newly rolled out sites are co-located.

ii. Steps taken to utilize alternate source of energy
Utilization of Green Energy

On-site solar panels have been installed at 3,186 of our network sites, including both owned by Hexacom as well as by partners across Rajasthan and Northeast during the reporting period. Total green electricity generated at such sites in the reporting period total to ~6,440,545 kWh resulting in an approximate savings of ~4,611 tCO_{2e}.

B. Technology Absorption:
1. The efforts made towards technology absorption

With an objective to provide best in class mobile broadband experience to our customers, added **3,177** 4G Base stations and **6,932** 5G Base stations in previous year. We now connect **488** towns and **67,169** villages through high-speed broadband.

In order to improve spectrum efficiency, the Company has taken below initiatives in the required regard:

- **Traffic Balancing:** For effective use of spectrum, through continuous traffic and layer balancing, we are able to maintain customer experience despite 20% increase in data volume. Auto load balancing module also developed for effective load balancing without manual intervention.
- **ASON Module:** We have Ducting Mitigation module developed in ASON module, which is live in all ducting impacted circles. In ASON we are working on IFLB, RET and TDD Lock module. Auto ASON Aggressor actions have been developed to control Aggressors impact.
- **5G Uptake:** We have effectively used 5G spectrum to maximize 5G uptake to offload 4G payload wherever possible, 5G camping strategy implemented for same.

Coverage and Capacity Solution:

- **6,932** 5G sites deployed to enhance data experience.
- **3,106** new 2G+4G sites deployed to improve coverage and data penetration in FY 2023-24.
- **3,226** Sites deployed L900 to improve indoor coverage penetration.
- **2,892** sites deployed L2100 and 763 TDD to enhance capacity to improve user experience.

2. Efforts to increase network reliability, security, accessibility etc. to support the Digital India mission

Mobile network is an essential service and its continuity needs to be ensured during any catastrophe, unforeseen situation of any kind etc.

- Scaling of core capacities to handle data growth and Business Continuity Plan. This will also help in increasing 5G adoption and offloading 4G network.

- Introduced Container based Network Functions.
- Introduced Fixed Wireless Access over Fix-line Broadband Stack.
- Improved International roaming experience by Scaling VoLTE IR for Voice and 5G-NSA roaming. Launched Inflight Data and Voice services.
- Dedicated resilient Core for IOT and M2M. Introduced 5G SA private core for Enterprises.
- Open API adoption for enterprise use cases at network.
- As part of our automation journey, we have automated the onboarding of new network functions via MANO.
- In response to the evolving threat landscape, we adopted a forward-looking strategy to enhance our security. Taking a bold step, we decided to incorporate advanced threat detection technologies, particularly Endpoint Detection and

Response (EDR), into our network infrastructure. This strategic move marked a pioneering effort in the global telecommunications landscape, as EDR had never been installed and tested on network workloads before.

- We initiated our implementation in 2021 by conducting thorough tests on a select group of unique nodes with the help of OEMs, and once proven effective, we proceeded to roll out in network. To date, we have successfully installed Endpoint Detection and Response on all critical network nodes out of EDR supported across all line of business.

C. Foreign Exchange earnings and outgo

Total foreign exchange used and earned for the financial year 2023-24:

- Total Foreign Exchange Earnings: ₹ 122 Mn.
- Total Foreign Exchange Outgo: ₹ 1,284 Mn.

For and on behalf of the Board

Jagdish Saksena Deepak
 Chairman
 DIN: 02194470

Place: Gurugram
 Date: May 14, 2024

Annexure E

Annual Report on the CSR activities pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. A brief outline of the Company's CSR policy:

(i) Key Objectives

At Bharti Hexacom Limited, we view it as our responsibility to contribute to society. We are committed to pursuing broader socio-economic and cultural objectives, consistently striving not only to meet but to exceed the expectations of the communities where we operate.

(ii) Focus Areas

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

- Promoting education including special education, employment enhancing vocation skills, especially among children and livelihood enhancement projects.
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Contributions or funds provided to technology incubators located with academic institutions which are approved by the Central Government.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iii) CSR Activities

The Company is a subsidiary of Bharti Airtel Limited ("Airtel"), which is an early adopter of CSR initiatives. Bharti Airtel Foundation ("the Foundation"), Group's philanthropic arm, which was established in the year 2000 with the objective of socio-economic transformation vide quality education, has been key partner for undertaking development programs for Bharti Airtel and its subsidiaries/ joint ventures. Over the years, the Foundation has amplified its efforts towards digitalisation through collaborations to bring technology and high-quality digital content to students in rural India.

The programs of Airtel Foundation are aligned with Sustainable Development Goals - Quality Education, Gender Equality, Sanitation (2014-18) and Partnership for the Goals. The programs resonate with national initiatives and government missions, aligning closely with the objectives outlined in the National Education Policy 2020.

Satya Bharti School program, launched in 2006, continues to foster holistic development of children through free quality education, with specific focus on girl child. The program is built on four key pillars viz., Holistic Development of Students, Child-Friendly & Technology enabled Infrastructure, Teacher Development & School Leadership Development, and Parents' Community Involvement & Engagement. Building on the learning from the Satya Bharti school Program, the Quality Support Program (QSP), launched in 2013, aims to enhance the overall schooling of students and teachers' experience in partner Government schools and transform these schools into vibrant institutions of learning through co-scholastic interventions. In addition, Bharti Airtel Foundation along with State Education Departments partner on mutually identified initiatives aligned with National Education Policy 2020 for scaling up in government schools at district and block level.

Detailed information on Company's CSR initiatives/ programs, are also covered under 'Corporate Social Responsibility' section of this Annual Report.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Soumen Ray	Non-Executive Director, Chairman	1	1
2	Mr. Arun Gupta ¹	Independent Director, Member	NA	NA
3	Mr. Arvind Kohli ¹	Independent Director, Member	NA	NA
4	Mr. Ravinder Arora ²	Independent Director, Member	1	1
5	Ms. Vidyut Gulati ²	Non-Executive Director, Member	1	0

1. Inducted as a member of Committee w.e.f. December 22, 2023.
2. Ceased to be the member of Committee w.e.f. December 22, 2023.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

The Composition of CSR Committee is disclosed on the website of the Company at <https://www.bhartihexacom.in/corp-governance-board-committees.html>.

The Company has adopted a CSR Policy in compliance with the provisions of the Act and the same is placed on the website of the Company at <https://www.bhartihexacom.in/docs/policies/CSR%20Policy.pdf>.

4. Executive summary along with weblinks of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable ("NA")**

5. (a) Average net profit of the Company as per section 135(5): **(54) Mn.**
 (b) Two percent of average net profit of the Company as per section 135(5): **NA**
 (c) Surplus arising out of the CSR projects, programmes or activities of the previous Financial Years: **NA**
 (d) Amount required to be set off for the Financial Year, if any: **NA**
 (e) Total CSR obligation for the Financial Year (b+c-d): **Nil**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **NA**
 (b) Amount spent in Administrative Overheads: **NA**
 (c) Amount spent on Impact Assessment, if applicable: **NA**
 (d) Total amount spent for the Financial Year (a+b+c): **NA**
 (e) CSR amount spent or unspent for the Financial Year: **NA**

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

- (f) Excess amount for set off, if any: **Nil**

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

7. Details of Unspent CSR amount for the preceding three Financial Years: **NA**
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NA**
9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135 (5): **NA**

Place: Gurugram
 Date: May 14, 2024

Soumen Ray
 Chairman CSR Committee
 DIN: 09484511

Marut Dilawari
 Chief Executive Officer

Annexure F

Form No. AOC-2

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

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

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

Not applicable.

All the contracts, arrangements or transactions entered in to by the Company with related parties during the financial year ended March 31, 2024, were at arm's length basis, in ordinary course of business and were approved by the Audit Committee.

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

Sr. No.	Particular	Details	Details
A	Name(s) of the related party and nature of relationship	Indus Towers Limited (Related Party)	Bharti Airtel Limited (Holding Company)
B	Nature of contracts /arrangements / Transactions	(a) availing of service(s) including passive infrastructure services required for active services viz. IBS, WiFi etc. and/ or services, including but not limited to, of project management or of provisioning, establishing, installation, operation and maintenance thereof; (b) rendering of service(s) including telecommunication services viz. landline, mobile, leased line broadband facility, SIM charges and USB Dongles etc; (c) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's employees, infrastructure, related owned/ third-party services and payment of taxes; (d) purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s) including passive infrastructure assets to meet its business objectives/ requirements; (e) selling or otherwise disposing of or leasing, or buying property(ies) to meet its business objectives/ requirements; and (f) transfer of resources, services or obligations to meet its business objectives/ requirements.	(a) availing and rendering of service(s) including telecommunication services viz. Voice, VAS, SMS, Bandwidth, Fibre, interconnect and inter circle arrangement service, etc. and related services; and (b) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's resources viz. employees, marketing, office space, infrastructure including IT assets, taxes and related owned/ third party services.

Sr. No.	Particular	Details	Details
C	Duration of the contracts/ arrangements/ transactions	All the contracts/ arrangements/ transactions are on ongoing basis unless otherwise specified under the Master Service Agreement.	All the contracts/ arrangements/ transactions are on ongoing basis unless otherwise specified under the Agreement.
D	Salient terms of the contracts or arrangements including the value, if any	The Company has an arrangement with Indus Towers Limited governing the detailed terms and conditions under which the Company avails passive infrastructure and related services from Indus Towers. The arrangement prescribes material terms and conditions w.r.t. sharing of passive infrastructure at sites, provision for related operation and maintenance service, corresponding obligations of both the parties and service level schedules applicable with respect to the said obligations. The arrangement also prescribes the tower sharing process, site access, acquisition and deployment timelines, the service levels and uptime to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, premiums and additional charges determined basis the installed active equipment of the Company etc. Please refer note no. 31 to the financial statements provided in this Annual Report.	The Company has an arrangement with Bharti Airtel Limited under which the Company avails and renders service(s) including telecommunication services viz., Voice, Data, VAS, SMS, Bandwidth, Fibre, interconnect and inter circle arrangement service etc; reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's resources viz. employees, marketing, office space, infrastructure including IT assets, taxes and related owned/ third party services; transfer/ lease of business asset(s) and/ or equipment's and related services from Bharti Airtel Limited. The arrangement prescribes w.r.t. sharing of assets, telecommunication services, reimbursement of expenses, corresponding obligations of both the parties to meet its business objectives/ requirements. Please refer Note no. 31 to the financial statements provided in this Annual Report.
E	Date(s) of approval by the Board, if any	The related party transactions are placed before the Audit Committee for its prior approval in compliance with the requirement of the Companies Act, 2013 and Listing Regulations every year before commencement of the Financial Year and for modifications, if any.	The related party transactions are placed before the Audit Committee for its prior approval in compliance with the requirement of the Companies Act, 2013 and Listing Regulations every year before commencement of the Financial Year and for modifications, if any.
F	Amount paid as advances if any	As per the terms of Master Service Agreement.	As per the terms of Agreement.

For and on behalf of the Board

Jagdish Saxena Deepak
Chairman
DIN: 02194470

Place: Gurugram
Date: May 14, 2024

Report on Corporate Governance

This Report on Corporate Governance unfolds into the ethical business practices, strong governance structure, policies, and procedures adopted by the Bharti Hexacom Limited (Bharti Hexacom/ Hexacom/ the Company) with an aim to create business driven by values and long term sustainable value creation for all its stakeholders. This report is divided into following:



A. Corporate Governance Philosophy and Governance Structure

Corporate Governance Philosophy

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

Our Corporate Governance principles are also embedded in our Code of Conduct which encompasses around:



This exhibits our commitment to best in class corporate governance practices with focus on ethics, transparency, integrity, accountability and sustainable success of the Company. Guided by our Code of Conduct, its principles are integrated in all our policies and processes to ensure alignment of all the business processes with the Code of Conduct.

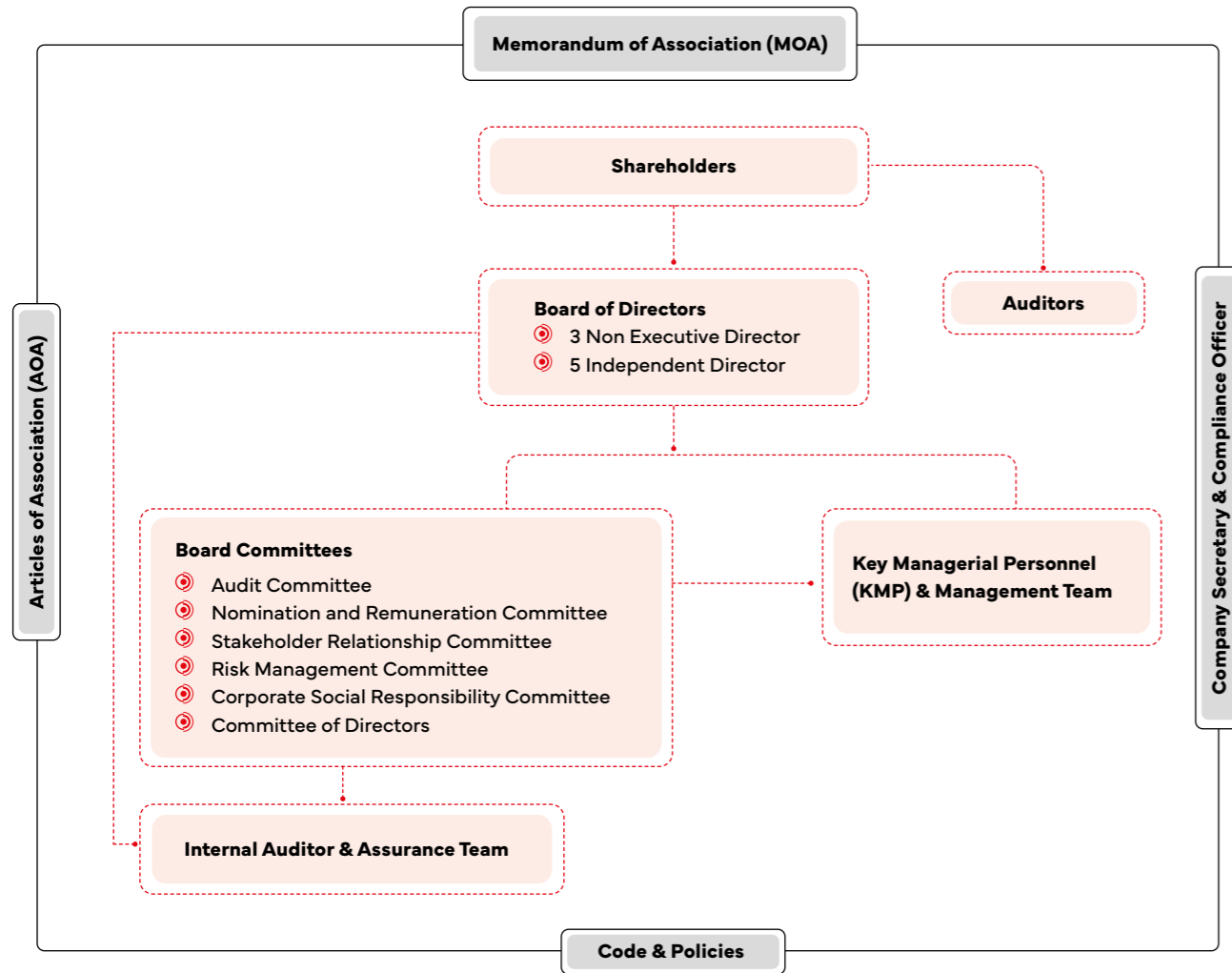
Corporate Governance is not just confined to a set of processes and compliances at Bharti Hexacom, it underlines the role that we see for ourselves for today, tomorrow and beyond. Corporate Governance practices at Bharti Hexacom are implemented through clear 'tone at the top', robust board and committees'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

Your Company strives to adopt and embrace the best practices and governance standards being followed across the globe and continuously reviews them to benchmark its practices with the highest industry standards. In our endeavor to achieve the highest standards of corporate governance, we continue to refine the ongoing practices to create a long term sustainable value for all stakeholders.

Governance Structure

We have built a strong, resilient and robust governance structure which underpins our growth journey through the years while ensuring that all the business practices are carried out within the governance framework.

Governance Structure of Bharti Hexacom as on date of this report



MOA & AOA: The business of the Company is carried out within the approved objectives of the Company stated in Memorandum of Association of the Company. The powers and responsibilities of the Board and Shareholders are defined in the Articles of Association, which provides clear guidance on the process to be followed while conducting business.

Shareholders: The shareholders are the ultimate owners of the Company. In compliance with the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Requirements Regulations), 2015 ("Listing Regulations") and other applicable provisions of law, approval of shareholders is taken on various matters including fund raising, financials, appointment & remuneration of directors, material related party transactions, appointment of statutory auditors etc. The Company seeks the approval of shareholders on various matters either at the Annual General Meeting or at the Extra-Ordinary General Meeting or through postal ballot if required.

Board of Directors: The Board of Directors is the apex body in management of affairs of the Company. It provides strategic guidance, develops policies and processes and ensures that the business is conducted sustainably and aligned with the Memorandum of Association of the Company and all applicable laws. The Board is headed by a Non-Executive Chairman, who ensures the effectiveness and robust Board culture. A

brief profile of all Directors, the nature of their expertise in specific functional areas etc. are available on the website of the Company at <https://www.bhartihexacom.in/corp-governance-board-director.html> and also provided separately in this Annual Report.

Board Committees: To ensure Board effectiveness, the Board has constituted various specialized committees to objectively deal with complex agenda items and provide their recommendation. The objective is to focus effectively on the issues and ensure expedient resolution of diverse matters. The Chairperson of each Committee briefs the Board on the decision, discussion and recommendation at its meeting. This helps the Board to focus on other strategic initiatives and utilize its time & efforts efficiently.

KMPs and the Management Team: The KMPs and the Management team of the Company closely work under the guidance of the Board and its Committees and deploys Board approved strategies. They also ensure the smooth management of the Company with focus on compliance, financial & operational performance and sustainability. The key performance indicators of KMPs and Management team include financials viz growth, margin, EBITA, working capital, revenue, etc. and non-financial parameters cover compliance, stakeholder management, digitisation, talent management, diversity, sustainability/ESG etc.

Auditors: The statutory auditors, secretarial auditors and cost auditors play a pivotal role in ensuring independence, fairness and transparency in disclosure of the financial statements and corporate law compliance. All the Auditors have direct access to the Audit Committee for reporting any observations or concerns to ensure complete independence throughout the Audit process.

Internal Auditor (IA) and Internal Assurance Partner: An Internal Auditor serves as a safeguard against potential operational, business, financial, and legal risks by continuously assessing the adequacy and effectiveness of internal controls. Supported by reputed external audit firms as internal assurance partner, the internal audit function reports directly to the Audit Committee, ensuring independence and objectivity.

Company Secretary and Compliance Officer

The Company Secretary and Compliance Officer plays a key role in effective management of the Board and its Committees while ensuring compliance, providing support and guidance on corporate governance practices by developing robust governance structure, processes, policies and effective communication/feedback channel amongst all the stakeholders.

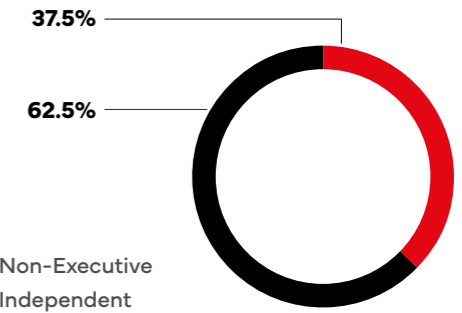
The roles and responsibility of Company Secretary includes (i) adherence to the Board processes and procedures; (ii) convening the Board, Committee and General meetings of the Company and ensure that relevant information is made available for effective decision making; (iii) the action points arising from the Board/Committee meetings are communicated to the management and an update is provided to the Board/Committee; (iv) assist the Board/Committee in developing the policies and processes around the applicable law viz. related party transactions, Board evaluation, Board familiarisation, Board/Committee roles and responsibilities, remuneration, loans and advances, investments, succession planning, compliance of applicable laws and other environmental, social and governance matters etc. for ensuring strict adherence to law in spirit; and (v) act as interface between the Board, management and external stakeholders.

B. BOARD OF DIRECTORS

Board Composition

The Company's Board is an optimum mix of Non-Executive and Independent Directors for effective governance and management. The Board composition is in compliance with the provisions of the Act and Listing Regulations. As on date of this report, the Board comprised of 8 members with a Non-Executive Chairman, besides 2 Non-Executive Directors and 5 Independent Directors.

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



Non-Executive Chairman **Separate Position of CEO and Chairman**

shareholders of the Company periodically approve the appointment/ re-appointment of all directors, including the rotational directors. There is no permanent Board seat.

The profiles of the Board members comprising their details of nationality, DIN, age, date of appointment, tenure on the Board, term-ending date, shareholding, directorships in Indian companies and membership in committees including listed companies etc. are provided under 'Board of Directors' section of this Annual Report.

None of the Director is a member of more than ten Committees or Chairperson of more than five Committees across all companies (including Bharti Hexacom Limited) in which they are Director as per the requirement of Regulation 26 of Listing Regulations.

Changes in the Board during the FY 2023-24

- Mr. Surajit Mandol was appointed as a Non-Executive Director on the Board of the Company w.e.f. April 15, 2023. His appointment was subsequently approved by the shareholders of the Company in the Extra-Ordinary General Meeting held on June 15, 2023.
- Mr. Arun Gupta, Mr. Kapal Kumar Vohra and Ms. Nalina Suresh were appointed as Independent Director(s) on the Board of the Company w.e.f. December 22, 2023. Their appointment was subsequently approved by the shareholders of the Company in the Extra-Ordinary General Meeting held on December 29, 2023.
- Due to their pre-occupation, Ms. Vidyut Gulati and Mr. Rahul Vatts, Non-Executive Directors resigned w.e.f. December 22, 2023.
- Mr. Ravinder Arora, Independent Director resigned from the Directorship of the Company with effect from December 22, 2023 due to his pre-occupation.

Changes in the Board subsequent to the FY 2023-24

Subsequent to the closure of the financial year and upon the consummation of the Initial Public Offer ("IPO") of the Company, the shareholders agreement between

Telecommunications Consultants India Limited (TCIL) and Bharti Airtel Limited was automatically terminated. Accordingly, Mr. Sanjeev Kumar and Mr. Surajit Mandol, the nominee directors of TCIL stepped down from the Board of the Company w.e.f. April 12, 2024.

Board Meetings

The Board meets at least once in a calendar quarter to, inter alia, approve the quarterly financial results and review the strategic business plan and operations of the Company. In case of any special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which are noted and confirmed at the subsequent Board meeting.

The Board has complete access to all the information about the Company. Following processes have been adopted to ensure that the Board is well equipped with all necessary information to effectively discharge its responsibilities:

- The Board and Committee meetings are governed by a structured agenda which is backed by comprehensive background information.
- Agenda papers, containing all relevant information are made available to the Board well in advance.
- Presentations are made to the Board by Business and Functional Heads on operations and various matters concerning the business of the Company, organization talent, culture and

The details of attendance in the Board Meetings and 28th Annual General Meeting of the Company held during the financial year 2023-24 is as under:

Attendance at Board Meetings and Annual General Meeting											
S. NO.	Name of Directors	Category	AGM held on Sep 29, 2023	Date of Board Meetings							% Attendance
				May 30, 2023	Aug 10, 2023	Nov 07, 2023	Dec 22, 2023	Jan 19, 2024	Feb 12, 2024	Mar 22, 2024	
1	Mr. Jagdish Saxena Deepak	Chairman & Non-Executive Director	☐	✓	✓	✓	☐	✓	☐	☐	100%
2	Mr. Devendra Khanna	Non-Executive Director	⊗	✓	☐	✓	☐	⊗	☐	⊗	71%
3	Mr. Soumen Ray	Non-Executive Director	⊗	☐	✓	✓	☐	☐	☐	☐	100%
4	Mr. Sanjeev Kumar ¹	Non-Executive Director	⊗	✓	☐	✓	☐	☐	☐	☐	100%
5	Mr. Surajit Mandol ²	Non-Executive Director	⊗	✓	✓	✓	☐	✓	☐	☐	100%
6	Ms. Nalina Suresh ³	Independent Director	NA	NA	NA	NA	NA	✓	☐	☐	100%
7	Mr. Arvind Kohli	Independent Director	☐	✓	✓	✓	☐	✓	☐	☐	100%
8	Mr. Ashok Tyagi	Independent Director	⊗	✓	✓	✓	☐	✓	☐	☐	100%
9	Mr. Kapal Kumar Vohra ³	Independent Director	NA	NA	NA	NA	NA	✓	☐	☐	100%
10	Mr. Arun Gupta ³	Independent Director	NA	NA	NA	NA	NA	✓	☐	☐	100%
11	Ms. Vidyut Gulati ⁴	Non-Executive Director	⊗	⊗	☐	✓	☐	NA	NA	NA	75%
12	Mr. Rahul Vatts ⁴	Non-Executive Director	☐	✓	☐	✓	☐	NA	NA	NA	100%
13	Mr. Ravinder Arora ⁴	Independent Director	☐	✓	✓	✓	☐	NA	NA	NA	100%

☐ Attended in person ☐ Attended through video conference ⊗ Leave of absence

1. Ceased to be a Director w.e.f. April 12, 2024.
2. Appointed as Non-Executive Director w.e.f. April 15, 2023 and ceased to be a Director w.e.f. April 12, 2024.
3. Appointed as Independent Director(s) w.e.f. December 22, 2023.
4. Ceased to be Director(s) w.e.f. December 22, 2023.

96%
Attendance at the
Board meeting during
FY 2023-24

succession planning for critical roles including the senior management.

- Independent access to the senior management of the Company.
- Draft minutes of the meetings are circulated to the Directors for their comments and the final Minutes are thereafter entered into the Minutes Book.
- Chairperson of each Committee updates the Board on the matters discussed by the Committees in their respective meetings.
- The Board does not step in the role of the management and mentors the senior management on various strategies to achieve the organisational goals.
- The Company has an effective post Board Meeting follow-up procedure.

During the financial year 2023-24, the Board met 7 times i.e. on May 30, 2023, August 10, 2023, November 7, 2023, December 22, 2023, January 19, 2024, February 12, 2024 and March 22, 2024. The Board met at least once in every calendar quarter and the gap between the two Board Meetings did not exceed 120 days. The quorum for every Meeting of Board was met as per the Act and the Listing Regulations. In addition to the above a few resolutions were passed by circulation which were duly noted by the Board in the subsequent Board Meeting.

Board Diversity and Structure

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

The Board represents a confluence of experience and expertise across diverse areas, ranging from finance, telecommunication, technology, general management, corporate governance, ESG proficiency and people management. The Board, along with its committees, provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

As on the date of the report, more than half of the Board (62.50%) comprises of Independent Directors which ensures safeguarding the interests of all stakeholders at large.

Skill Matrix of the Board

The Board of the Company comprises of qualified directors who possess relevant skills, expertise and competence to ensure the effective functioning of the Company. This has helped us in effective decision making and guidance at Board level leading to long term value creation for all the stakeholders.

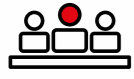
Skills/Expertise/Competencies	Summary
Leadership	Experience as Entrepreneur/ Business Leader/ CEO/ Industrialist, leading the operations of a large organization with an understanding of the consumer, operations, sales & marketing, business processes, strategic planning, risk management and governance.
Strategic Management	Giving strategic guidance to the management regarding organic and inorganic growth opportunities to enhance the profitability and value for investors, competitively and in a sustainable manner.
Industry and Sector Experience	Knowledge and experience in telecom sector to provide strategic guidance to the management in fast changing environment.
Technology	Ability to evaluate the impact of Digital / Information Technology across the value chain and understanding of emerging technologies.
Corporate Governance and Legal	Expert knowledge of high governance standards with an understanding of changing regulatory and legal framework. Protection of stakeholders' interest, observing best governance practices and identifying key governance risks.
Financial Expertise	Proficiency in financial management, financial reporting process, budgeting, treasury operations, audit and capital allocation. Ability to monitor the effectiveness of the risk management framework and practices.
ESG Proficiency	Ability to guide in improving Environmental, Social and Governance practices of the Company and evaluation of the Company's efforts towards social and environmental factors and driving corporate sustainability initiatives and ethics and values.
People Management	Experience of developing talent, planning succession and driving changes towards long-term growth. General know-how of business management, talent management and development, workplace health & safety.

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

Name of the Director	Leadership	Strategic Management	Industry and Sector Experience	Technology	Corporate Governance and Legal	Financial Expertise	ESG Proficiency	People Management
Mr. Jagdish Saxena Deepak	✓	✓	✓	✓	✓	✓	-	✓
Mr. Devendra Khanna	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Soumen Ray	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Nalina Suresh	✓	✓	-	✓	-	-	✓	✓
Mr. Arvind Kohli	✓	✓	-	-	✓	✓	✓	✓
Mr. Ashok Tyagi	✓	✓	-	-	✓	✓	✓	-
Mr. Kapal Kumar Vohra	✓	✓	-	-	✓	✓	-	✓
Mr. Arun Gupta	✓	✓	-	-	✓	✓	✓	✓

Board Membership Criteria and Selection Process

Robust Governance Structure around selection process



Nomination and Remuneration Committee

Developing and recommending to the Board, Policy on Nomination, Remuneration and Board Diversity.

Identifying need of appointing a candidate at Board keeping in view the current Board/Committee composition, industry dynamics and feedback from the Board.

Identifying, selecting and recommending to the Board, appointment of a candidate based on the criteria defined in the Policy on Nomination, Remuneration and Board Diversity.



Board of Directors

Constituting a Nomination and Remuneration Committee (NRC).

Approval of the Policy on Nomination, Remuneration and Board Diversity basis recommendation of the NRC.

Recommend identification of candidate at Board/Committee based on the current composition and industry dynamics.

Evaluate and deliberate on recommendation of appointment by NRC and recommend it to shareholders for approval.



Shareholders

Review the profile of candidate recommended by the Company for appointment at the Board.

Right to receive notice detailing the proposal, brief profile, rational for proposed appointment and ask relevant questions, clarifications and need on proposal to appoint the Director.

Right to vote on the resolution in relation to proposal for appointment of Director.

As per the Company's Policy on Nomination, Remuneration and Board Diversity, identifying and evaluating a suitable candidate for the Board is the responsibility of the Nomination and Remuneration Committee ("NRC").

Factors considered while selecting a candidate

While selecting a candidate, the NRC considers various criteria and leverages differences in factors w.r.t. background, knowledge, skills, abilities & thought (to exercise sound judgment), professional experience & functional expertise, educational, professional, cultural and geographical background, personal accomplishments, nationality, gender, race, ethnicity, age, experience and understanding of the telecommunication sector/ industry, marketing, technology, finance and other disciplines relevant to the business of the Company.

Approval process

The NRC, on identification of suitable candidate based on evaluation of aforesaid criteria, makes suitable recommendations to the Board. The Board, on the recommendation of the NRC, appoints and further recommends the appointment to the members of the Company, wherever applicable, for their approval.

The Policy on Nomination, Remuneration and Board Diversity is available at https://bhartihexacom.in/docs/policies/Item_No_20_Revised_Policy_on_Nomination_Remuneration_and_Board_Diversity.pdf.

Independent Directors

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

The Company issues formal letters of appointment to the Independent Directors at the time of their appointment/re-appointment. The terms and conditions of the appointment of Independent Directors are available on the Company's website at https://www.bhartihexacom.in/docs/policies/T_C_of_appointment_of_Independent_Director.pdf.

At the time of appointment and thereafter at the beginning of each financial year, the Independent

Directors submit a self-declaration, confirming their independence as set out in Regulation 16 of Listing Regulations, Section 149(6) of the Act, read with rules and Schedule IV thereto and compliance with various eligibility criteria laid down by the Company, among other disclosures and the Company also ensures that its Directors meet the above eligibility criteria.

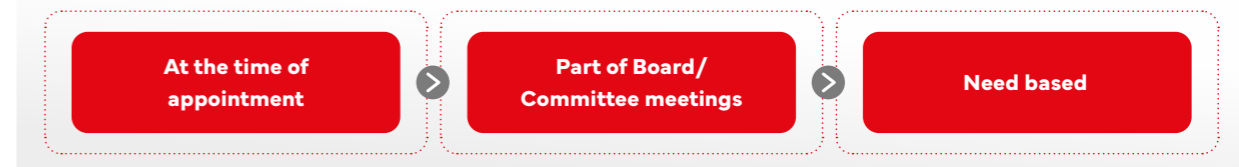
In terms of Regulation 25(8) of Listing Regulations, Independent Directors of the Company have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

Each of the Independent Directors have registered their names on the online databank maintained by the Indian Institute of Corporate Affairs. None of the Independent Directors of the Company serves as an Independent Director in more than seven listed companies or as a whole-time director in any listed company.

Based on the declarations received from Independent Directors, the Board of Directors confirm that all Independent Directors fulfill the criteria of independence and conditions specified in the Act, rules made thereunder and Listing Regulations and are independent of the management of the Company.

Familiarization Programme for Board Members

Structured familiarization Programme



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

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others. They are also provided documents containing policies, codes, annual reports, the Memorandum and Article of Association, brief profile of directors along with Board and Committee Composition. All the Directors are made aware of their role, functions, duties and responsibilities, details regarding remuneration, training and development, performance evaluation process etc. at the time of their appointment. The Board also has an active communication channel with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications for enabling a good understanding of the Company and its various operations.

As a part of ongoing familiarization, business/functional heads periodically presents update at the Board/Committee meetings to familiarize the Directors with Company's strategy, business performance, operations, finance, risk management framework, human resources, and other related matters. Business updates on relevant changes and regulatory updates are regularly circulated to the Directors to keep them abreast of significant developments in the Company.

The details of such familiarization programs are disclosed on the website of the Company at https://www.bhartihexacom.in/docs/policies/Familiarization_Programme_2024.pdf.

Meetings of Independent Directors

The Independent Directors meet separately at least once a year without the presence of the Management and Non-Executive Directors. During the year, the Independent Directors met twice i.e. on February 12, 2024 and March 23, 2024. The Independent Directors inter-alia discussed (i) strategic agenda items and various other Board-related matters; (ii) identified areas where they need clarity or information from the Management; (iii) Company's performance, operations and other critical matters; (iv) reviewed the performance of Non-Executive Directors, the Board as a whole and the Chairman of the Company, took into account the views of Non-Executive Directors; and (v) assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors have access to the Statutory Auditors, Secretarial Auditors, Cost Auditors, Internal Auditors and Assurance Partners, to discuss audit effectiveness, control environment and invite their general feedback.

Performance Evaluation

a. Objective & Overview

We believe that for an effective Board and Committee governance, there needs to be a strong and robust process of feedback through an annual evaluation of the Board, its committees and individual directors. This also helps the Board members in providing constructive feedback and understanding the right mix of background and competences, work on weaknesses and leverage on strengths.

In compliance with the provisions of the Act, the Nomination and Remuneration Committee ('NRC') had approved the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman and CEO. The process provides that the performance evaluation shall be carried out on an annual basis. The criteria for performance evaluation includes, inter alia, relevant experience and skills, preparedness and constructive contributions, participation in strategic long-term planning, integrity, focus on shareholder value creation, monitoring corporate governance practices and Board/Committee culture and dynamics.

The process and the questionnaire as approved by the NRC is aligned with the global standards.

During the financial year under review, the Board had completed the evaluation process, which included evaluation of the Board as a whole, the Board Committees and individual Directors including the Chairman and CEO, carried out by way of internal assessments based on combination of a detailed questionnaire and through verbal discussions.

b. Evaluation criteria

Board:

Diversity, composition, structure, effectiveness of board meetings, board meeting practices, performance of specific duties, balanced approach on devotion of time towards strategies, business, governance and compliance.

Evaluating Body:

Board

Board Committees:

Committee composition, diversity, skills, experience, effectiveness of performance basis the charter, decision making and contribution to the Board.

Evaluating Body:

Board and Board Committees

Individual directors:

Devotion of time, contribution at the meeting, preparedness of meetings, attendance, quality of inputs, leadership skills, competence, ability to bring in different perspectives, independent judgement, knowledge, etc.

Evaluating Body:

Peer Reviewed

Reviewing Body for Non-Independent Directors:

Independent Directors

Independent Directors:

The independent directors are additionally evaluated on independence, expertise and independent judgement, out-side in perspective, guidance, contribution to the board effectiveness.

Evaluating Body:

Board excluding Independent Directors

CEO:

Leadership skills, achievement of strategic goals and targets, business performance, talent and leadership management.

Evaluating Body:

Board

Chairman:

The Chairman is additionally evaluated on vision, strategic thinking, moderation capabilities at the meetings, encouraging participation of all the Board members, leadership management, Board management, openness to constructive feedbacks.

Evaluating Body:

Board

Reviewing Body:

Independent Directors

c. Outcome

All Directors participated in the evaluation process. The Chairman of the Nomination & Remuneration Committees, updated the Board on the overall process and outcome of the evaluation process.

The Board of Directors including Chairman were satisfied with the performance of the Board, its Committees, individual directors and CEO, and noted that there is adequate flow of information from Company to the Board and the suggestions and recommendations given by the Board are considered for follow up action and to optimize its effectiveness. The Board Committees are well-managed, functioning adequately and the meetings are held on a timely basis giving attention to each agenda item.

d. Action taken from outcome during last year

The Board reviewed the progress on suggestions made during Board Evaluation for previous year and noted that the actions were duly rolled out to satisfaction of the Board. The management continued strengthening the Board practices viz comprehensive agenda, management presentation on the progress and industry trends etc.

Remuneration of Directors

In terms of the Listing Regulations and the Act, the Board has approved a Policy on Nomination, Remuneration and Board Diversity for its Directors, KMPs and other Senior Management and it includes the criteria for making payments to the Non-Executive Directors. The Policy is directed towards rewarding performance based on a periodic review of the achievements.

Following are key features of the Policy on Nomination, Remuneration and Board Diversity:

- Criteria for appointment of Directors, Key Managerial Personnels and Senior Management includes size, mix, knowledge, skills, abilities & thought (to exercise sound judgement), professional experience, educational, professional, cultural & geographical background, personal accomplishments, integrity, criteria of independence (for Independent Directors), nationality, gender, age, experience, time commitment and understanding of the sector(s) & industry(ies) in which Company operates.
- Criteria for remuneration of Directors, Key Managerial Personnels and Senior Management based on factors such as level, composition, performance and balance in fixed and variable pay reflecting short term and long term targets. The said Policy is reviewed periodically and presently includes the following criteria of payment to Independent Directors:

Type	Commission	Additional commission basis committee position
Annual Commission on Net Profit (Calculated as per Section 198 of the Companies Act, 2013)*	₹ 12,50,000/- p.a.	Audit Committee-Chairman ₹ 2,50,000/- p.a. Nomination and Remuneration Committee-Chairman ₹ 2,50,000/- p.a.
Sitting Fee	₹ 25,000/- per Board and Committee meeting	-

* Subject to availability of sufficient profits and within an overall ceiling of 1% of the net profits for all Non-Executive Directors in aggregate.

The Commission is payable annually in the following manner:

- after the approval of shareholders for payment of commission; or
- in case the payment of commission is already approved by the shareholders of the Company, after the approval of financial results of the relevant financial year by the Board.

The detailed criteria for remuneration to other directors, KMPs and Senior Managements is provided in the said Policy which is also available on the website of the Company at https://bhartihexacom.in/docs/policies/Item_No_20_Revised_Policy_on_Nomination_Remuneration_and_Board_Diversity.pdf.

Details of the remuneration of Directors for the FY 2023-24

S. No.	Name of Director	Designations	Sitting Fees (₹)	Commission (₹)
1	Mr. Jagdish Saxena Deepak	Non-Executive Director	NA	30,00,000
2	Mr. Ashok Tyagi	Independent Director	2,00,000	-
3	Mr. Ravinder Arora	Independent Director	1,00,000	-
4	Mr. Arvind Kohli	Independent Director	2,00,000	-
5	Mr. Kapal Kumar Vohra	Independent Director	1,00,000	-
6	Ms. Nalina Suresh	Independent Director	1,00,000	-
7	Mr. Arun Gupta	Independent Director	1,00,000	-

Notes

- There are no inter-se relationships between our Board members.
- The remuneration paid to the Board members is as per terms laid out in the Policy on Nomination, Remuneration and Board Diversity.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions.
- Mr. Devendra Khanna, Mr. Rahul Vatts, Mr. Sanjeev Kumar, Mr. Soumen Ray, Mr. Surajit Mandol and Ms. Vidyut Gulati, Non-Executive Director(s) of the Company were not paid any sitting fees/ commission during the year with the Company.
- Except for Mr. Devendra Khanna, holding 2 shares as registered holder whose beneficial interest lies with Bharti Airtel Limited (Promoter), none of the Directors of the Company hold shares in the Company as on March 31, 2024.

C. BOARD COMMITTEES

The Board has constituted various Committees which play pivotal role in Board effectiveness and expedient resolution by providing expert opinion and guidance on the diverse matters.

In the financial year 2023-24, the Board has accepted all recommendations of its Committees. The Company Secretary of the Company acts as the Secretary to these Committees. The draft Minutes of the Committee Meetings are circulated to the respective Committee members for their comments and the final Minutes are thereafter entered into the Minutes Book. Minutes of the proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

The Constitution and charters of the Board Committees are available on the Company's website at <https://www.bhartihexacom.in/corp-governance-board-committees.html>.

Audit Committee

In compliance with the requirements of Section 177 of the Act and Regulation 18 of Listing Regulations, the Company has duly constituted an Audit Committee. The Audit Committee prima-facie monitors and provides effective supervision of the financial reporting process with a view to ensure accurate, timely and proper disclosures in the financial statements / results and the transparency, integrity, and quality of financial reporting.

During the financial year 2023-24, the Committee met 5 times i.e. on May 30, 2023, August 10, 2023, November 7, 2023, January 19, 2024 and February 12, 2024. In addition to the above, the Committee also passed few circular resolutions which were duly noted at the subsequent committee meeting.

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, Internal Auditor, Internal Assurance Partners and the Statutory Auditors are invited to the meetings of the Committee to provide necessary information.

The Chairperson of the Committee could not attend the last AGM, held on September 29, 2023 due to his preoccupation and had specifically authorized Mr. Ravinder Arora to attend on his behalf. The composition of the Audit Committee as on March 31, 2024 and the attendance of the members at the Audit Committee meetings held during the FY 2023-24 are given below:

Name	Attendance					% Attendance
	May 30, 2023	Aug 10, 2023	Nov 07, 2023	Jan 19, 2024	Feb 12, 2024	
Mr. Ashok Tyagi Chairman, Independent Director	✓	✓	✓	✓	☐	100%
Mr. Soumen Ray Member, Non-Executive Director	☐	✓	✓	✗	☐	80%
Mr. Arvind Kohli Member, Independent Director	✓	✓	✓	✓	☐	100%
Mr. Surajit Mandol ¹ Member, Non-Executive Director	✓	✓	✓	✓	☐	100%
Mr. Kapal Kumar Vohra ² Member, Independent Director	NA	NA	NA	✓	☐	100%
Mr. Arun Gupta ² Member, Independent Director	NA	NA	NA	✓	☐	100%
Mr. Ravinder Arora ³ Member, Independent Director	✓	✓	✓	NA	NA	100%

✓ Attended in person ☐ Attended through video conference ✗ Leave of absence

Note:

- Inducted as member of the Committee w.e.f. April 15, 2023 and ceased to be member of the Committee w.e.f. April 12, 2024.
- Inducted as member of the Committee w.e.f. December 22, 2023.
- Ceased to be member of the Committee w.e.f., December 22, 2023.
- Mr Sanjeev Kumar, Non-Executive Director, ceased to be member of the Audit Committee with effect from April 15, 2023

~96%
Attendance during
FY 2023-24

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

Key Responsibility	Frequency
(1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.	Quarterly
(2) Reviewing, with the management, the quarterly financial statements/annual financial statements, auditor's report thereon and management letters / letters of internal control weaknesses issued by the statutory auditor's before submission to the board for approval.	Annual
(3) Reviewing of management discussion and analysis of financial condition and results of operations.	Periodic
(4) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.	Quarterly
(5) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.	Annual
(6) Approval or any subsequent modification of transactions of the Company with related parties.	Periodic
(7) Evaluation of internal financial controls and risk management systems.	Annual
(8) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.	Periodic
(9) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.	Annual
(10) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.	Quarterly
(11) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.	Annual
(12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.	Periodic
(13) To review the functioning of the whistle blower mechanism.	Annual

Quarterly Annual Periodic

The Committee is governed through its formal Charter which may be referred to for its detailed purpose and objective, responsibilities and powers. The same is available on the Company's Website at <https://bhartihexacom.in/docs/corporateGovernance/Charter-Documents-Audit-Committee.pdf>.

Total fees for all services paid by the Company to the statutory auditors for FY 2023-24:

	(in ₹ Mn.)
Total Fees paid*	7

*Total fees paid to statutory auditors includes the fees paid/payable for all the services for FY 2023-24.

Audit Committee Report for Financial Year 2023-24

To the Shareholders of Bharti Hexacom Limited

Composition & Governance Structure

- 1. Composition:** As of March 31, 2024 the Committee comprised of 6 members, out of which 4 were Independent, and 2 were Non-Executive Directors. The Chairman of the Audit Committee is an Independent Director. Mr. Surajit Mandol, Non-Executive Director and nominee of Telecommunications Consultants India Limited ("TCIL"), and member of Audit Committee resigned with effect from April 12, 2024 due to termination of shareholders agreement between TCIL and Bharti Airtel Limited upon listing. The composition of the Committee is in compliance with the requirement of two-third being Independent Directors as prescribed under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 177 of the Companies Act, 2013 ("Act").
- 2. Roles and Responsibilities:** The Committee works within the framework of its Charter approved by the Board in line with Listing Regulations and the Act.
- 3. Internal Assurance Group (IAG):** The audit is conducted by the IAG led by Mr. Puneet Diwan, the internal Auditor and supported by Internal Assurance Partners and is based on an internal audit plan finalised each year in consultation with the Audit Committee. The audits are based on risk-based methodology and inter-alia involve the review of internal controls, governance processes, compliance, operations, business, adherence to management policies, statutory compliances etc. The IAG shares its findings on an ongoing basis along with suggestions on the corrective actions.
- 4. Statutory Auditors:** The Statutory Auditors have the responsibility of performing an independent audit of the Company's financial statements in accordance with the Indian Accounting Standards (Ind AS) and issuing a report thereon to the Audit Committee. The observations of IAG are also shared with the Statutory Auditors to ensure checks and balances in the entire process.

- 5. Secretarial and Cost Auditors:** The Secretarial and Cost Auditors are responsible for independently reviewing and auditing the compliance of the applicable laws and internal controls in their respective areas. They have unrestricted right to access the Audit Committee in case of any observations.
- 6. Chief Financial Officer:** The Chief Financial Officer periodically provides update on the financial statements, cashflows, future projections, need of capital, key ratios etc.
- 7. Meetings:** The Committee met 5 times in the year with a gap of not more than 120 days in the Financial Year 2023-24. All the meetings had proper quorum as per the requirement of Listing Regulations.

Matters taken up by Audit Committee during financial year 2023-24

In this regard, the Audit Committee reports as follows:

- I. Internal Audit:** The internal audit plan for the year was presented and approved by the Committee in the beginning of financial year 2023-24. The Internal Auditors along with the Internal Assurance Partner provided periodic update on the progress of Audit plan, its observations and actions taken by the management. Based on the reports submitted by the Internal Auditor and Internal Assurance Group and deliberations thereof, we noted that the Company has adequate internal controls as per the size and complexities of the business.
- II. Statutory Audit:** The Audit scope, fee, and the plan is approved by the Committee basis the discussion with the Statutory Auditors, Deloitte Haskins & Sells LLP. The Statutory Auditors provide an update on the statutory audit, its observations and corrective actions on quarterly basis with the Committee. The Statutory Auditors have issued the report for financial year 2023-24 with unmodified opinion and confirmed that the financial statements of the Company are made in accordance with the Indian Accounting Standards.
- III. Secretarial Audit:** The Committee reviewed the Secretarial Audit Report for FY 2023-24 by Makarand M. Joshi & Co., Company Secretaries and noted that there were no observations in the Secretarial Audit Report. The Secretarial Auditors had unrestricted access to the Audit Committee.
- IV. Cost Audit:** The Committee reviewed the Cost Audit Report for FY 2022-23 issued by Sanjay Gupta & Associates, Cost Accountants and noted that the Company has maintained proper cost records and there were no observations in the Cost Audit Report. The Cost Auditors had unrestricted access to the Audit Committee.
- V. Independence of Auditors:** The Committee has reviewed with the Management, the independence, effectiveness of Audit process

and performance of Statutory Auditor, Secretarial Auditor and the Cost Auditor (together referred to as "Auditors") and is of the view that the Auditors have relevant experience considering the complexity and size of the business and are independent of the management.

- VI. Performance and Independence of Internal Assurance Partners:** The Committee, along with the Management, reviewed the performance of the Internal Assurance Partners viz. Ernst & Young LLP and ANB & Co., Chartered Accountants and reviewed the adequacy of internal control systems. The eligibility and independence of Ernst & Young LLP and ANB & Co. was also reviewed by the Committee and the Committee is of the view that they have experience and expertise to handle audit in line with business complexities and size of the Company. Therefore, has recommended to the Board the re-appointment of Ernst & Young LLP and ANB & Co. as the internal assurance partners.

- VII. Review of Internal Controls:** The Committee has reviewed the internal financial controls for ensuring that the Company's accounts are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the Committee found that the Company's internal control systems overall are designed adequately and are operating satisfactorily. Where deficiencies or improvement areas in control systems are pointed out by the internal audit, the management has taken adequate steps or is in process of addressing those areas.

- VIII. Risk Management:** The Committee reviewed the Company's risk management systems from time to time and is of the view that the Company has robust Risk Management Framework.

- IX. Ombudsperson's Report:** The Committee reviewed the Ombudsperson's report and systems to ensure strong functioning of the Whistle Blower Mechanism and reporting concerns about unethical behavior, actual or suspected fraud, or

violation of the Company's Code of Conduct. The Committee believes that the Company has an effective Whistle Blower Mechanism and nobody has been denied access to this mechanism.

- X. Insider Trading:** The Committee reviewed the internal controls and systems in line with requirements of the Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), including the maintenance of the Structured Digital Data Base, list of Designated Persons, controls to pre-clearance and monitoring mechanism. The Committee is of the view that proper controls exist to ensure compliance with PIT Regulations.
- XI. Related Party Transactions:** The Committee reviewed the mechanism, management approach, and controls around the identification, monitoring, and approval of the transactions with Related Parties and is of the view that the systems are running efficiently. All the transactions with Related Parties during financial year 2023-24 were at arm's length and in ordinary course of business. The Committee is of the view that these transactions will be necessary for the Company to meet its business objectives and are at arm's length and in ordinary course of business.

- XII.** The Committee has been vested with the adequate powers to seek support and other resources from the Company. The Committee has access to the information and records as well. It also has the authority to obtain professional advice from external sources, if required.

In conclusion, the Audit Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit Committee's Charter.

Place: California

Date: May 14, 2024

Ashok Tyagi

Chairman, Audit Committee

Nomination and Remuneration Committee

In compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations, the Company has duly constituted a Nomination and Remuneration Committee ("NRC"). The NRC prima-facie ensures that the Company's nomination, remuneration and incentive policies, practices and key performance indicators of the Executive Directors, Key Managerial Personnel and the Senior Management are aligned with the Board's vision, values and overall business objectives and are appropriately designed to attract, motivate and retain them and to pursue the long term growth and success of the Company.

The Company Secretary acts as the Secretary of the Committee. Other Senior management members are also invited to the meeting to present reports relating to items being discussed at the meeting.

During the financial year 2023-24, the Committee met 4 times i.e. on May 30, 2023, November 7, 2023, December 22, 2023 and February 12, 2024. The composition as on March 31, 2024 and the attendance of the members at the NRC meetings held during the FY 2023-24 are given below:

Name	Attendance				% Attendance
	May 30, 2023	Nov 07, 2023	Dec 22, 2023	Feb 12, 2024	
Mr. Arvind Kohli ¹ Chairman, Independent Director	✓	✓	☐	☐	100%
Mr. Ashok Tyagi ² Member, Independent Director	NA	NA	NA	☐	100%
Ms. Nalina Suresh ² Member, Independent Director	NA	NA	NA	☐	100%
Mr. Ravinder Arora ³ Member, Non-Executive Director	✓	✓	☐	NA	100%
Ms. Vidyut Gulati ³ Member, Non-Executive Director	⊗	⊗	☐	NA	33.33%

✓ Attended in person ☐ Attended through video conference ⊗ Leave of absence

Notes:

- Inducted as Chairman of the Committee w.e.f. December 22, 2023.
- Inducted as member(s) of Committee w.e.f. December 22, 2023.
- Ceased to be the member(s) of Committee w.e.f. December 22, 2023.

~83%

Attendance during
FY 2023-24

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

Key Responsibility	Frequency
(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.	Annual
(2) Formulation of criteria for evaluation of performance of independent directors and the board of directors.	Annual
(3) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.	Annual
(4) Recommend to the board, all remuneration, in whatever form, payable to senior management.	Annual
(5) Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.	Annual
(6) Identify and recommend to the Board persons who are qualified to become directors and who may be appointed as key managerial personnel in accordance with the criteria laid down and their removal thereof.	Annual
(7) Review the Remuneration / Promotion / Increment / Performance Linked Incentive Policy, including remuneration structure, retention and termination policies.	Annual

Annual Periodic

The Committee is governed through its formal Charter which may be referred to for its detailed purpose and objective, responsibilities and powers. The same is available on the Company's Website at <https://bhartihexacom.in/docs/corporateGovernance/Charter-Nomination-Committee.pdf>.

Succession Planning

The Nomination and Remuneration Committee is preliminarily responsible to closely work with the Board and develop a strong and comprehensive succession planning framework for the Board of Directors and Senior Management to ensure smooth transition and a ready pipeline of talent to take up the next role. They are identified on the basis of various criteria viz performance, experience, expertise, capabilities to become a leader etc. These identified pool of talent are provided with need based training basis their strengths and are also provided mentors to take up the responsibility or next role in case of need.

Stakeholders' Relationship Committee

In compliance with the requirements of Section 178 of the Act and Regulation 20 of Listing Regulations, the Company has duly constituted a Stakeholders' Relationship Committee (SRC). The Company Secretary acts as the Secretary of the Committee. During the financial year 2023-24, the Committee met once on May 30, 2023. The Chairperson of the Committee was present at the last AGM, held on September 29, 2023.

The composition as on March 31, 2024, and the attendance of the members at the SRC meetings held during the FY 2023-24 are given below:

Name	Attendance	% Attendance
	May 30, 2023	
Mr. Arun Gupta ¹ Chairman, Independent Director	NA	NA
Mr. Kapal Kumar Vohra ² Member, Independent Director	NA	NA
Mr. Soumen Ray ² Member, Non-Executive Director	NA	NA
Mr. Rahul Vatts ³ Member, Non-Executive Director	✓	100%
Mr. Ravinder Arora ³ Member, Independent Director	✓	100%
Ms. Vidyut Gulati ³ Member, Non-Executive Director	⊗	-

✓ Attended in person ⊗ Leave of absence

Notes:

- Inducted as the Chairman of Committee w.e.f. December 22, 2023.
- Inducted as the member(s) of Committee w.e.f. December 22, 2023.
- Ceased to be the member(s) of Committee w.e.f. December 22, 2023.

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

- Consider and resolve the grievances of the security holders of the Company.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services if being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend/ warrants and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.
- Carrying out such other functions as may be specified by the Board from time to time or specified/ provided under the Act or Listing Regulations, or by any other regulatory authority.

The Committee is governed through its formal Charter which may be referred to for its detailed purpose and objective, responsibilities and powers. The same is available on the Company's Website at <https://bhartihexacom.in/docs/corporateGovernance/Charter-Stakeholders-Relationship-Committee.pdf>.

Complaints Status and Redressal Mechanism

During FY 2023-24, the Company did not receive any complaint from any shareholder/ security holder. There were no pending complaints as on March 31, 2024. To redress investor grievances, following matrix can be followed by shareholders/ security holders:

1. Investor Frequently Asked Questions/handbook

The Company has formulated Frequently Asked Questions/ shareholders handbook which provides answers to general queries of shareholders viz. dividend, demat, KYC updation, transmission, the turnaround timelines for resolving queries, contract details of Company and the Registrar and Transfer Agent etc. The same is available at <https://www.bhartihexacom.in/support-investor-support.html>.

2. Registrar and Share Transfer Agent (RTA)

All the functions relating to share registry are handled by the Company's Registrar and Share Transfer Agent viz. KFin Technologies Limited ('KFin'). The contact details of the RTA are mentioned in the "Address for Correspondence" section of this Report.

3. Company

While shareholder can directly reach out to Company in case of any query and grievance, it is advisable to reach out to RTA first and use Company as an escalation matrix. The contact details of the Company are mentioned in the "Address for Correspondence" section of this Report.

4. Scores and Online Dispute Resolution

The member can raise their grievances at the SCORES portal if their grievance is not redressed satisfactorily. In addition to SCORES, SEBI vide its Circular dated July 31, 2023 provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per this Circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against the Company or its RTA on delay or default in processing any investor services related request.

In compliance with SEBI guidelines, the details and link to ODR portal is available at the website of the Company at <https://www.bhartihexacom.in/support-investor-support.html>.

The Company did not receive any SCORES complaint during FY 2023-24.

Risk Management Committee

In compliance with the Regulation 21 of Listing Regulations, the Company has duly constituted a Risk Management Committee ("RMC"). The Board has constituted RMC to focus on functions relating to risk management such as determination of Company's risk appetite, risk tolerance and regular risk assessments including risk identification, quantification and evaluation etc. The Company Secretary acts as the Secretary of the Committee.

During the financial year 2023-24, the Committee met 3 times i.e. May 30, 2023, November 7, 2023 and February 12, 2024. The composition as on March 31, 2024, and the attendance of the members at the RMC meetings held during the FY 2023-24 are given below:

Name	Attendance			% Attendance
	May 30, 2023	Nov 07, 2023	Feb 12, 2024	
Mr. Arvind Kohli ¹ Chairman, Independent Director	✓	✓	☐	100%
Mr. Ashok Tyagi ² Member, Independent Director	NA	NA	☐	100%
Mr. Akhil Garg ³ Member, CFO	NA	NA	☐	100%
Mr. Ravinder Arora ⁴ Member, Independent Director	✓	✓	NA	100%
Mr. Surajit Mandol ⁵ Member, Non-Executive Director	✓	✓	☐	100%
Ms. Vidyut Gulati ⁴ Member, Non-Executive Director	⊗	⊗	NA	0%

✓ Attended in person ☐ Attended through video conference ⊗ Leave of absence

Notes:

- Inducted as the Chairman of the Committee w.e.f. December 22, 2023.
- Inducted as a member of Committee w.e.f. December 22, 2023.
- Inducted as a member of Committee w.e.f. December 22, 2023.
- Ceased to be the members of Committee w.e.f. December 22, 2023.
- Ceased to be the member of Committee w.e.f. April 12, 2024.

~83%

Attendance during
FY 2023-24

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

Key Responsibility	Frequency
(1) To formulate a detailed risk management policy which shall include: (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee. (b) Measures for risk mitigation including systems and processes for internal control of identified risks. (c) Business continuity plan.	☐
(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.	☐
(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.	☐
(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.	☐
(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.	☐
(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.	☐

☐ Periodic

Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of Section 135 of the Act, the Company has duly constituted the Corporate Social Responsibility Committee. The Committee evaluates and recommends the CSR proposals and Annual Report on CSR to the Board for approval, if any. The Company Secretary acts as the Secretary of the CSR Committee.

During the financial year 2023-24, the CSR Committee met once on May 30, 2023. The composition as on March 31, 2024, and the attendance of the members at the CSR meetings held during the FY 2023-24 are given below:

Name	Attendance	% Attendance
	May 30, 2023	
Mr. Soumen Ray Chairman, Non-Executive Director	☐	100%
Mr. Arvind Kohli ¹ Member, Independent Director	NA	NA
Mr. Arun Gupta ¹ Member, Independent Director	NA	NA
Mr. Ravinder Arora ² Member, Independent Director	✓	100%
Ms. Vidyut Gulati ² Member, Non-Executive Director	⊗	-

✓ Attended in person ☐ Attended through video conference ⊗ Leave of absence

Notes:

- Inducted as a member(s) of Committee w.e.f. December 22, 2023.
- Ceased to be the member(s) of Committee w.e.f. December 22, 2023.

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

- Formulate, monitor and recommend to the Board, CSR Policy and the activities to be undertaken by the Company along with Annual Action Plan.
- Devise a robust monitoring mechanism to ensure that the CSR projects/programs are undertaken effectively in accordance with the approval granted and are fully in compliance with applicable laws, rules and Regulations.
- Ensure that appropriate disclosures are made to the shareholders in the Company's annual reports.

Corporate Social Responsibility Report for the year ended March 31, 2024

The Report on Corporate Social Responsibility for the financial year 2023-24 under section 135 of the Act is annexed as Annexure E to the Boards' Report.

Committee of Directors

To cater various day-to-day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as Committee of Directors. The Committee comprises of 3 non-executive directors out of which 2 are independent.

During the financial year 2023-24, the Committee of Directors met 3 times i.e. August 10, 2023, November 07, 2023 and February 12, 2024.

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

1. Approve granting of loans, providing guarantee against the loans, purchasing and selling of securities of any company or body corporate.
2. Approve borrowing, creation of charge, security, sell dispose of the assets of the Company within the limit approved by the Board.
3. Approve investments in mutual funds, government securities, fixed deposits, and other treasury products.
4. Approve participation in tender process, merger, closure, consolidation of branch offices.
5. Approve purchase/sale, take of lease, rent offices for business requirements of the Company.

D. SENIOR MANAGEMENT

The Senior Management are the key executives who lead the Company in day to day management and execution at operational level in their respective areas. They play a pivotal role in cascading the organizational strategy and expectations.

The Senior Management has been identified by the Company in compliance with Regulation 16 of the Listing Regulations.

Members of Senior Management of the Company as on March 31, 2024 are as follows:

Sr.No	Name	Designation
1	Mr. Marut Dilawari	Chief Executive Officer
2	Mr. Akhil Garg	Chief Financial Officer
3	Ms. Richa Gupta Rohatgi	Company Secretary & Compliance Officer
4	Mr. Rajnish Verma	Chief Executive Officer, Northeast Circle
5	Mr. Rajesh Chhatani	Commercial Officer
6	Mr. Deepesh Sirohia	Commercial Officer

The changes in Senior Management held during FY 2023-24 is as under

Sr.No	Name	Designation	Date	Reason
1	Mr. Kamal Dua	Chief Financial Officer	November 7, 2023	Resignation
2	Mr. Akhil Garg	Chief Financial Officer	November 7, 2023	Appointment
3	Ms. Richa Gupta Rohatgi	Company Secretary & Compliance Officer	NA	Identified as per Regulation 16 of the Listing Regulations.
4	Mr. Rajnish Verma	Chief Executive Officer, Northeast Circle		
5	Mr. Rajesh Chhatani	Commercial Officer		
6	Mr. Deepesh Sirohia	Commercial Officer		

Individual profiles of the Senior Management is available on the website of the Company at <https://www.bhartihexacom.in/organization-structure.html>.

E. CODES, POLICIES AND FRAMEWORKS

Related Party Transactions

The Board of Directors have formulated a Policy on dealing with related party transactions pursuant to the provisions of the Act and the Listing Regulations. The Policy includes clear threshold limits and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

All transactions entered into by the Company with its related parties during the financial year ended on March 31, 2024, were in the ordinary course of business and on an arm's length basis and hence, do not attract the provisions of Section 188 of the Act. All transactions entered with related parties during the quarter are placed before the Audit Committee for its review and approval. As a process, omnibus approval is obtained for related party transactions on periodic basis for transactions which are repetitive in nature as per criteria for making the omnibus approval and unforeseen transactions, as long as they are in line with the Company's 'Policy on Related Party Transactions'. Only the Independent Directors who are members of the Audit Committee are allowed to vote on the matters relating to Related Party Transactions. The Audit Committee has full power to call for any information from the management and appoint third party to ensure that transaction are carried out in best interest of the Company.

The Company has not entered into any materially significant related party transaction that has potential conflict or is prejudicial to the interest of the Company and all the transaction with Related Parties were at arm's length and in ordinary course of business.

The Policy is uploaded on the website of the Company at <https://bhartihexacom.in/docs/policies/RPT-Policy.pdf>.

Members may refer to the financial statements for the details of transactions with related parties entered during the FY 2023-24.

Code of Conduct

The Company's Code of Conduct is a guiding document which reflects our commitment towards conducting business in ethical and transparent manner and ensuring compliance of all laws and regulations, providing safe and harassment free work place, avoiding conflict of interest at all times, fairness and mutual respect in all dealings, ethical conduct of business with zero tolerance towards bribery and corruption in any form and upholding and protecting the Company's reputation etc. The Code is applicable to the Board members, Senior Management and all the employees. As a process, an annual confirmation is sought regarding the compliance with the Code of Conduct. The Company also procures a quarterly confirmation of material financial and commercial transactions entered into by Senior Management Personnel with the Company that may have a potential conflict of interest.

Regular training programmes are conducted across locations to explain and reiterate the importance

of adherence to the Code. The Code of Conduct is uploaded on the website of the Company at <https://bhartihexacom.in/docs/policies/Code.pdf>.

Periodic internal audits are conducted to ensure effectiveness of the compliance with Code of Conduct and a report is presented to the Audit Committee as per the internal audit process and plan.

A declaration signed by the CEO, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the Financial Year ended March 31, 2024, is annexed as **Annexure A** to this report.

In addition to above, a group level Code of Conduct For Business Associates ("COC-BA"), which is also applicable and required to be adhered by individuals who supply products, equipments, material or provide services of various types to Company. The COC-BA mandates the Business Associates to maintain the highest standards of honesty, objectivity, and integrity in their personal and business conduct and refrain from any illegal, dishonest, unauthorized or unethical conduct including any kind of bribery or corruption at all time. The COC-BA also requires to monitor and report the ESG practices adopted by the Business Associates in line with COC-BA. The Company has also put in place process to select and evaluate the Business Associates on such parameters and take requisite actions viz. termination or trainings basis the gravity of a particular observation. The COC-BA is available at the website of the Company at https://www.airtel.in/partnerworld/Business_Code_of_conduct#:~:text=Business%20Associates%20are%20required%20to,providing%20their%20services%20to%20BHARTI.

Code on Prohibition of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated the Code of Conduct for Prevention of Insider Trading ("Code") to regulate and monitor trading by Designated Persons ("DPs") and their immediate relatives. The Code, inter alia, lays down the procedures to be followed by DPs while trading/dealing in Company shares/securities/ derivatives and while sharing Unpublished Price Sensitive Information ("UPSI"). The Code includes the obligations and responsibilities of DPs, to maintain the structured digital database, mechanism for prevention of insider trading and handling of UPSI, process to familiarize with the sensitivity of UPSI, transactions which are prohibited and manner in which permitted transactions in the securities of the Company shall be carried out etc.

Additionally, a Monitoring Committee has been constituted by the Board to review the list of DPs, conduct appropriate inquiries/ investigations regarding alleged violations of the Code, decide upon the penal consequences to be imposed for contravention of the code. There are various group level awareness programs conducted for the employees to understand the Code viz. circulation of emails, FAQs and taking live sessions etc.

The Company has also formulated a Code of Practices and Procedures for Fair Disclosure of UPSI as per the requirements of the Insider Trading Regulations.

Whistle Blower Policy/ Vigil Mechanism

The Company has adopted the Whistle Blower Policy/ Vigil Mechanism and has established the necessary mechanism for Directors and employees to report concerns about unethical behavior. The policy aims to ensure that genuine complainants are able to raise their concerns in full confidence, without any fear of retaliation or victimization and also allows for anonymous reporting of complaints. It contains a reporting mechanism, the manner in which all reported concerns are dealt with, confidentiality of the investigations and processes, protection of the whistleblower against any retaliation.

The Audit Committee periodically oversees the functioning of the vigil mechanism.

An independent office of Ombudsperson at group level administers the entire formal process from reviewing and investigating concerns raised, undertaking all appropriate actions for resolution thereof and regular monitoring of process. All employees of the Company (full-time or part-time) as well as external stakeholders (e.g. associate, strategic partners, vendors, suppliers, contractors and customers etc.) have full access to the Ombudsperson through secure hotline, email or even meetings in person.

All such instances are investigated while ensuring confidentiality of the identity of such complainant(s). Matters relating to financial misdemeanors, fraud or impropriety are investigated in consultation with the Internal Assurance Group, which undertakes the investigation of the same by itself or at times

The Complete list of corporate policies as per the requirements of the Act and Listing Regulations is provided below:

Sr. No	Policy Name	Short Description	Web Link
1	Code of Conduct	Provides for guiding principles and values one should follow to conduct business in ethical and transparent manner.	Click Here
2	Policy on materiality of and dealing with Related Party Transactions	Provides process of governance, identification, approvals around transactions with Related Parties.	Click Here
3	Whistle Blower Policy / Vigil Mechanism Policy	Provides for process to be followed for raising any concern under Code of Conduct, without fear of being victimized.	Click Here
4	CSR Policy	Provides for boundaries within which CSR activities should be undertaken along with governance for approvals, monitoring and reporting of CSR activities.	Click Here
5	Policy for Determination of Materiality for Disclosure of Information	Provides for process to be followed for identification and reporting of all material events/ information in line with Listing Regulations.	Click Here
6	Dividend Distribution Policy	Provides guidance on the factors considered while deciding payment of dividend, scenarios where dividend will not be paid etc.	Click Here
7	Nomination, Remuneration and Board Diversity Policy	Provides for governance process around selection and remuneration of Directors, Key Managerial Personnel and the Senior Management Personnel.	Click Here
8	Policy on Preservation and Archival of Statutory Documents & Records	Provides for the process to be followed for maintenance, preservation of documents/records, archival and disposal of documents.	Click Here
9	Enterprise Risk Management Framework	Provides for process around identification, categorization, prioritization, mitigation, monitoring and reporting of key Risks along with roles and responsibilities of the Board and Committees.	Click Here
10	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	Provides for principles of fair disclosure of any UPSI information on uniform basis to be followed by the Company.	Click Here

in consultation with the ombudsperson office. The external investigation agencies are also involved, in exceptional circumstances, if required. All investigations are endeavored to be completed in 90 days and final investigation reports are submitted to the competent disciplinary authority under the Policy.

During the FY 2023-24, One (1) whistle blower complaint was received and taken up for investigation and stood resolved as on March 31, 2024.

The Whistle Blower Policy/ Vigil Mechanism is uploaded on the Company's website at the web link: <https://bhartihexacom.in/docs/policies/BHL-WHISTLEBLOWER-POLICY.pdf>.

Policy on Materiality




The Company has robust policy for Determining Materiality of Event/ Information in line with the requirements of Regulation 30 of the Listing Regulations. The Policy inter-alia provides for the quantitative and qualitative criteria for determining of material event/ information including deemed material information, and timelines within which the information should be disclosed to exchange.

The policy is also available on the website of the Company <https://bhartihexacom.in/docs/policies/Materiality-Policy.pdf>.

In order to ensure compliance in spirit, the Company has also put in place a framework to create awareness on dealing with material events/ information for Senior Management and others.

F. GENERAL SHAREHOLDER INFORMATION

29th Annual General Meeting

Date & Time Friday, August 30, 2024 at 3:30 PM onwards	 Venue/Mode: Video Conferencing/ Audio Visual Means	 Weblink: https://emeetings.kfintech.com	 E-voting details: August 26, 2024 to August 29, 2024
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Financial Year

The Company has adopted the Financial Year of 12 months ending on March 31 every year.

Financial Calendar

Financial Year	Proposed Quarterly Schedule	Trading Window Closure
Results for the Quarter ending (Tentative)		
June 30, 2024	August 05, 2024	July 01, 2024 to August 07, 2024
September 30, 2024	October 28, 2024	October 01, 2024 to October 30, 2024
December 31, 2024	February 6, 2025	January 01, 2025 to February 08, 2025
March 31, 2025	May 13, 2025	April 01, 2025 to May 15, 2025
Date of Book Closure	N.A.	
Date of Dividend payment	Dividend if declared by the Shareholders in the ensuing AGM scheduled on August 30, 2024 shall be paid within 30 days from the date of declaration.	

Dividend and Dividend Pay-out Date

The Board has considered and recommended a dividend of ₹ 4/- (80%) per fully paid-up equity share of face value of ₹ 5/- each for the FY 2023-24, subject to approval of the members at the ensuing AGM.

Record date

The Dividend shall be paid within 30 days of approval at the ensuing AGM to the members whose name appears in the Register of Members as on Friday, August 16, 2024.

Listing Details

Type of Securities	Name and address of the Stock Exchange	Scrip code/ Symbol
Non-Convertible Debentures	National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra, Mumbai – 400001, India	Not Applicable
Equity Shares (w.e.f. April 12, 2024)	National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra, Mumbai – 400001, India BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001, India	BHARTIHEXA 544162

The annual listing fees and custodian fees for FY 2024-25 have been paid to Stock Exchanges and Depositories, respectively.

General Body Meetings

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

Financial Year	Location/ Mode	Date & Time	Special Resolution passed
2022-23	Video Conferencing	Friday, September 29, 2023 at 11:30 A.M (IST)	<ul style="list-style-type: none"> Approval of remuneration payable to Mr. Jagdish Saksena Deepak (DIN: 02194470), Non-Executive Director of the Company and Chairman.
2021-22	Video Conferencing	Friday, September 30, 2022 at 11:30 A.M. (IST)	<ul style="list-style-type: none"> Appointment of Mr. Ashok Tyagi as an Independent Director. Approval of remuneration payable to Mr. Jagdish Saksena Deepak (DIN: 02194470), Non-Executive Director of the Company and Chairman. Re-appointment of Mr. Rajiv Kumar Chaudhri as an Independent Director.
2020-21	Video Conferencing	Thursday, September 23, 2021 at 11:30 A.M. (IST)	No special resolution was passed.

Extra Ordinary General Meeting

During FY 2023-24, following special resolutions were passed at the Extra Ordinary General Meetings of the Company:

Date & Time	Location/ Mode	Special Resolutions
Thursday, June 15, 2023 at 5:00 P.M. (IST)	Video Conferencing	<ul style="list-style-type: none"> Appointment of Mr. Arvind Kohli as an Independent Director.
Friday, December, 29, 2023 at 12:00 P.M. (IST)	Video Conferencing	<ul style="list-style-type: none"> Appointment of Mr. Arun Gupta as an Independent Director. Appointment of Mr. Kapal Kumar Vohra as an Independent Director. Appointment of Ms. Nalina Suresh as an Independent Director. Amendment of Memorandum of Association of the Company. Amendment of Articles of Association of the Company.
Friday, January 19, 2024 at 6:00 P.M. (IST)	Physical at the registered office of the Company	<ul style="list-style-type: none"> Amendment of Articles of Association of the Company. Increase in investment limits for Non-Resident Indian and Overseas Citizen of India.

Postal Ballot

The Company did not pass any resolution through postal ballot during the financial year 2023-2024.

Means Of Communication

Quarterly Financial Results	<p>Following the highest standards of Corporate Governance, the Company has been announcing its audited financial results on a quarterly basis/ half yearly/ annual basis ("the results"). The results were published in prominent daily newspaper, viz. Financial Express (English daily- All editions).</p> <p>The results were also shared separately with Debenture Trustee and were disseminated on the website of NSE. The results are also available on the Company's website at www.bhartihexacom.in.</p> <p>Since, the Company has listed its equity shares on BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") w.e.f. April 12, 2024, the annual/half-yearly/quarterly results will be sent to both the stock exchanges and will be published in English-Daily and Hindi- Daily newspapers.</p>
Newspapers wherein results normally published	During the financial year 2023-24, the results were published in Financial Express (English daily) a prominent daily newspaper.
Website of the Company	The financial results, official news releases and other corporate announcements are also simultaneously uploaded on the Company's website at www.bhartihexacom.in .
Whether it also displays official news releases	Yes, wherever applicable.
The Presentations made to institutional investors or to the analysts	<p>Since the equity shares of the Company are listed w.e.f. April 12, 2024, the press release as and when issued will be disseminated to the Stock Exchanges, where the shares of the Company are listed and will be displayed on the Company's website at www.bhartihexacom.in.</p> <p>Not applicable.</p> <p>Since the equity shares of the Company got listed w.e.f. April 12, 2024, the Company will disseminate the details of analysts and investors met whenever scheduled, presentation and transcripts on the website of Stock Exchanges within the prescribed timeline and will also be displayed on the Company's website at www.bhartihexacom.in.</p>

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

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

Stock Market Data for the period April 1, 2023 to March 31, 2024

The equity shares of the Company were not listed on the Stock Exchanges during the period from April 1, 2023 to March 31, 2024.

Performance in comparison to broad based indices

Since the equity shares of the Company were not listed on the Stock Exchanges during the period from April 1, 2023 to March 31, 2024, no comparative data for stock price performance is available.

Share Transfer System

The equity shares of the Company are listed on stock exchanges w.e.f. April 12, 2024. The entire equity share capital of the Company is held in dematerialised form.

Further, Non Convertible Debentures issued by the Company are in Demat form and accordingly, no physical debenture certificates were required to be delivered during the year under review.

For the Financial Year 2023-24, the Company obtained an annual certificate from M/s. CL & Associates, Company Secretaries in Practice, as per the requirement of regulation 61(4) read with regulation 40(9) of the SEBI Listing Regulations and the same was filed with BSE and NSE on April 30, 2024, and is also available on the website of the Company at <https://www.bhartihexacom.in>.

Distribution of shareholding

By number of equity shares held as on March 31, 2024

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

By Category of equity shareholders as on March 31, 2024

S.No	Category	Number of Shares	%
I.	Promoter & Promoter Group		
	(i) Indian	350,000,000	70
	(ii) Foreign	0	0
	Total - Promoter & Promoter Group	350,000,000	70
II.	Public Shareholding		
	Institutions		
	(i) Mutual Funds	0	0
	(ii) Alternative Investment Fund	0	0
	(iii) Foreign Portfolio Investors	0	0
	(iv) Financial Institutions/Banks	0	0
	(v) Insurance Companies	0	0
	(vi) Qualified Institutional Buyer	0	0
	Total - Institutions	0	0
	(i) Individual shareholders holding nominal share capital up to ₹ 2 lakhs	0	0
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	0	0
	(iii) NBFCs Registered with RBI	0	0
	(iv) Trust	0	0
	(v) Non Resident Indians	0	0
	(vi) Clearing Members	0	0
	(vii) Non Resident Indian Non Repatriable (NRN)	0	0

S.No	Category	Number of Shares	%
(viii)	Bodies Corporate	150,000,000	30
(ix)	IEPF	0	0
	Total-Non-Institutions	0	0
	Total-Public Shareholding	150,000,000	30
III.	Non Promoter-Non Public – Shares	0	0
	Total	50,00,00,000	100

Commodity price risk or foreign exchange risk and hedging activities

The Company hedges its foreign currency exposure in respect of its imports and borrowings as per its laid down policies. The Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all. The Company does not have any exposure to commodity price risks. The detailed financial and capital risk are mentioned at Note 33 of the Financial Statements provided in this Annual Report.

Plant Locations

Being a service provider company, the Company does not have any plant locations. The Company's Circle Office addresses forms part of this Annual Report.

Address for Correspondence

Nature of Communication	Contact details
Registrar and Share Transfer Agent	KFin Technologies Limited Karvy Selenium Tower B, Plot number 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Telephone no. 040-67162222 Fax No. 040-23001153 Email: einward.ris@kfintech.com Website: www.kfintech.com
Debenture Trustee details	Axis Trustee Services Limited The Ruby, 2 nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028 Tel: +91-22-62300451 Fax: 022-43253000 Email: debenturetrustee@axistrustee.in ; compliance@axistrustee.in
For Corporate Governance, Investor Grievance and other Secretarial related matters.	Company Secretary and Compliance Officer Richa Gupta Rohatgi Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi 110070, India Tel No.: +91-11-4666 6100 Fax: +91-11-4666 6137 Email id: bhartiHexacom@bharti.in
For queries relating to Financial Statements	Head – Investor Relations Mr. Naval Seth Airtel Center, Plot No. 16, Udyog Vihar, Phase-IV, Gurugram – 122015, India Telephone no. +91-124-4222222, Fax no. +91-124-4248063 Email id: ir_bhl@bharti.in

Credit Rating

During the year, there was no change in the the credit rating of the Company. The credit rating has remained the same i.e. "AA+/Stable" by CRISIL for the Debentures issued by the Company. The instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligation. Such instruments carry very low credit risk. Further, CRISIL & India Rating and Research Private Limited have maintained a rating of "A1+" for the Commercial Papers issued by the Company.

Green Initiative

As a responsible Company, the Company supports 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents and continues to send all correspondence/ communication through email to those shareholders who have registered their email id with their Depository participants (DPs)/ Company's Registrar and Share Transfer Agent (RTAs).

Details of Non-compliance with regard to Capital Markets for the last three years

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

The Company had received notices from NSE dated January 12, 2022 and September 14, 2022 in relation to non-compliances of Regulation 60(2) and Regulation 50(1) of the Listing Regulations, with respect to notice of the record date for purposes of payment of interest on NCDs and prior intimation of meeting, respectively. On our representation, NSE by way of its letter dated June 19, 2023 has waived the levy of fine(s).

Compliance with discretionary requirements

i. The Board

The Chairperson of the Company is a Non-Executive Director.

ii. Shareholders' Rights

The quarterly results of the Company are published in English newspaper (Financial Express), having wide circulation in Delhi besides uploading the same on the website of the Company and can be accessed on <https://www.bhartihexacom.in/results-quarterly-results.html>. In view of the forgoing, the quarterly results of the Company are not sent to the Shareholders individually. The complete copy of the Annual Report is sent to the shareholders/debenture holders of the Company.

iii. Modified/Un-Modified Opinion(s) in Audit Report

The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. Auditors have issued their reports on the Standalone Financial statements/ results for financial year ended March 31, 2024, with un-modified opinion.

iv. Separate persons hold the positions of Chairman, and Managing Director & CEO

Separate individuals hold the positions of Chairman of the Board and CEO.

v. Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

Subsidiary Company and Material Subsidiary

The Company has no subsidiary company. Since the Company does not have a Subsidiary Company, the requirement of determining a material subsidiary is not applicable.

Auditors' Certificate on Corporate Governance

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 w.r.t. high value debt listed entity and regulation 62 of the Listing Regulations. In this regard, a certificate has been received from Deloitte Haskins & Sells LLP affirming compliance of Corporate Governance during FY 2023-24 on comply or explain basis and the same is attached to as Annexure A to the Board's Report.

CEO and CFO Certification

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

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

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

Prevention of Sexual Harassment

Company's commitment towards creating a respectful workplace that is free from any form of harassment and discrimination is exemplified by its 'zero-tolerance' approach towards any act of sexual harassment. The Company has a comprehensive policy which is in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A group level Internal Complaints Committee ("ICC") has been constituted as per procedure prescribed in the law. All such investigations are conducted as per the tenets of the law and the Company's policy. The list of ICC members has been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions with respect to the prevention of sexual harassment at workplace are conducted for all employees, including our associates. Following are the details of sexual harassment cases for financial year 2023-24:

1.	Number of complaints filed during the financial year	1(One)
2.	Number of complaints disposed off during the financial year	1(One)
3.	Number of complaints pending as at the end of the financial year	Nil

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
 Not Applicable.

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

During the financial year ended March 31, 2024, no loans or advances were provided by the Company to firms/companies in which directors were interested.

Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 of the Listing Regulations

The Company is committed towards good corporate governance and has taken necessary steps to ensure its adherence in true spirit.

The Company being a high value debt listed as on March 31, 2024 was required to comply with Corporate Governance provisions under Listing Regulations on a comply or explain basis. The Company complied with the provision of Listing Regulations except stated below:

1. Related Party Transaction

The equity shares of the Company got listed on April 12, 2024. During FY 2023-24, the Company was categorised as High Value Debt Listed Entity as per the provisions of Regulation 15 of SEBI Listing Regulations and accordingly, Regulations 16 to 27 of SEBI Listing Regulations were applicable on the Company on comply or explain basis. Prior to the listing of equity shares, the Company had only two shareholders i.e. Bharti Airtel Limited (holding 70% stake) and TCIL (holding 30% stake) and both were categorised as 'Related Party'. As per Regulation 23(4) of the SEBI Listing Regulations, Related Party is not allowed to vote to approve the Material Related Party Transactions. In light of the above, Bharti Airtel Limited and TCIL (the only shareholders of the Company), being Related Parties, were restricted to participate and vote to approve on the proposal related to the Material RPTs with Airtel and Indus Towers. In view of the aforesaid restriction and deadlock, all such Material RPTs with Airtel and Indus Towers were approved unanimously by the Audit Committee and the Board of Directors of the Company. It may be noted that both Bharti Airtel Limited and TCIL had representation on the Audit Committee and the Board. These transactions were at arm's length and in the ordinary course of business.

The Company has not entered into any materially significant related party transaction that has potential conflict or is prejudicial to the interest of the Company and all the transaction with Related Parties were at arm's length and in ordinary course of business.

2. Composition of the Board and the Audit Committee

As per Regulation 17 of the Listing Regulations, the Company was required to have on Board at least 1/3 of its Directors as Independent Directors. Further, as per Regulation 18 of the Listing Regulations at least 2/3 of the members of audit committee were required to be Independent Directors.

After considering the rigorous selection criteria and process followed by the Nomination and Remuneration Committee, and in line with the Nomination, Remuneration and Board Diversity, the compositions of the Board and the Audit Committee were aligned to requirements of Regulations 17 and 18 of the Listing Regulations w.e.f. December 22, 2023

3. Attendance of Audit Committee Chairperson at the Annual General Meeting of the Company

As per Regulation 18(1)(d) of the Listing Regulations, the chairperson of the audit committee is required to attend the Annual General Meeting of the Company. Mr. Ashok Tyagi, Chairperson of the Audit Committee could not attend the Annual General Meeting of the Company held on September 29, 2023 unavoidable circumstances. He authorized Mr. Ravinder Arora, Independent Director and then member of Audit Committee, to attend the meeting and respond to questions asked at Annual General Meeting on behalf of his behalf.

Disclosure of the number of agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III

As on March 31, 2024, there existed, shareholders' agreement dated August 30, 2004 ("Shareholders' Agreement"), read together with the addendum dated October 7, 2004 ("Addendum", and together with the Shareholders' Agreement, the "SHA") entered into amongst Telecommunications Consultants India Limited ("TCIL") and Bharti Airtel Limited ("Airtel", and together with TCIL, the "Parties"), as amended by the amendment agreement dated January 19, 2024 ("Amendment Agreement") executed by and amongst the parties stated in the SHA.

The SHA defined their inter-se rights and obligations as shareholders of the Company and to provide for certain reserved matters in connection with the ongoing management and operation of the Company.

However, upon listing of equity shares of the Company, the SHA has been automatically terminated.

Equity Shares in the Suspense Account

No shares of the Company are lying under the Suspense Demat account as on March 31, 2024.

Annexure A

Declaration of compliance with Code of Conduct

I hereby confirm that the Company has received from all members of the Board and Senior Management, for the financial year ended March 31, 2024, a confirmation that they are in compliance with the Company's Code of Conduct.

For Bharti Hexacom Limited

Marut Dilawari
 Chief Executive Officer

Date: May 14, 2024
 Place: Gurugram

Annexure B

Chief Executive Officer (CEO)/Chief Financial Officer (CFO) Certification

We, Marut Dilawari, CEO and Akhil Garg, Chief Financial Officer of Bharti Hexacom Limited, to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and Regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 14, 2024
Place: Gurugram

Marut Dilawari
CEO

Akhil Garg
Chief Financial Officer

Annexure C

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharti Hexacom Limited bearing CIN L74899DL1995PLC067527 and having registered office at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, South Delhi, New Delhi- 110070 (hereinafter to be referred as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and based on declarations received from respective Directors, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Original date of appointment in Company
1.	Mr. Ashok Tyagi	00784563	February 14, 2022
2.	Mr. Arun Gupta	00002157	December 22, 2023
3.	Mr. Arvind Kohli	00001920	March 22, 2023
4.	Mr. Devendra	01996768	August 10, 2013
5.	Mr. Jagdish Saksena Deepak	02194470	May 20, 2022
6.	Mr. Kapal Kumar Vohra	07384162	December 22, 2023
7.	Mr. Sanjeev Kumar*	07566882	February 01, 2021
8.	Mr. Soumen Ray	09484511	February 14, 2022
9.	Mr. Surajit Mandol*	10098016	April 15, 2023
10.	Ms. Nalina Suresh	10429755	December 22, 2023

* resigned from the Board w.e.f. April 12, 2024.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CL & Associates
Company Secretaries

Harish Chawla
(Partner)
Membership No. F9002
CP No. 15492
PR No. 4741/2023
UDIN: F009002F000361068

Date: May 13, 2024
Place: New Delhi

Independent Auditor's Report

To
The Members of
BHARTI HEXACOM LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Bharti Hexacom Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified

under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue from operations:</p> <p>We considered accuracy of revenues relating to prepaid mobile services as a key audit matter because of the complexity of the IT systems, significance of volumes of data processed by the IT systems and updation of tariff plans.</p> <p>Refer note 2.16 "Revenue recognition" for accounting policies, note 3.2.a 'Revenue recognition and presentation' under the head 'Critical judgements in applying the Company's accounting policies' and note 21 on disclosures related to Revenue from operations in the financial statements.</p>	<p>Principal Audit Procedures</p> <p>We obtained an understanding, evaluated the design, tested the implementation and operating effectiveness of (i) the general IT controls, automated controls, interfaces, and system generated reports relevant for revenue recognition by involving our IT specialist; (ii) control over tariff plan configuration in the relevant IT systems; and (iii) control over validation of rate charged in call data records (CDRs) with price masters.</p> <p>We tested reconciliations between prepaid application systems with general ledger, and performed verification of revenue recognised and deferred revenue.</p> <p>We performed independent testing to evidence that the amount charged, benefit given and validity provided to the subscribers are consistent with the approved tariff plans.</p> <p>We used data analytics to perform substantive analytical procedure to develop an expectation of the revenue basis number of subscribers and ARPU trends and compared the results of the expectation with actual revenue.</p> <p>We verified the appropriateness of the accounting policies and the disclosures related to Revenue from operations in notes 2.16, 3.2.a and 21 respectively in the financial statements.</p>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p>Provisions and contingencies relating to regulatory and tax matters:</p> <p>The Company has recognised provisions for probable outflows relating to tax and regulatory matters and have disclosed contingencies for tax and regulatory matters where the obligations are considered possible.</p> <p>The Company in consultation with the legal, tax and other advisers assess a likelihood that a pending matter relating to tax or regulatory will succeed. In performing this assessment, the Company has applied judgement and accordingly, has recognised provision where economic outflows are probable and disclosed contingent liabilities where economic outflows are considered possible.</p> <p>We have considered the provisions recorded and the contingencies relating to tax and regulatory matters as a key audit matter as there is significant judgement to determine the possible outcome of matters under dispute and determining the amounts involved, which may vary depending on the outcome of the matters.</p> <p>Refer note 2.15 "Contingencies" for accounting policies, note 3.1.d 'Contingent liabilities and provisions' under the head "Key sources of estimation uncertainties", note 17 "Provisions" for disclosure related to provisions for subjudice matters, note 4(iii) for Variable licence fees matter and Note 20 (I) in respect of details of Contingent liabilities in the financial statements.</p>	<p>Principal Audit Procedures:</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls relating to:</p> <ol style="list-style-type: none"> (1) identification, evaluation, recognition of provisions, disclosure of contingencies for matters under review or appeal with relevant adjudicating authorities by considering the assumptions and information used by management in performing this assessment; (2) completeness and accuracy of the underlying data / information used in the assessment. <p>For tax matters, with the help of our tax specialist, we evaluated the reasonableness of the management's positions by considering tax regulations and past decisions from tax authorities, new information and opinions obtained by the Company from its external tax advisors, where applicable.</p> <p>For regulatory matters, we evaluated the reasonableness of the management's positions by considering relevant assessment orders, court judgements, statutes, interpretations and amendments, circulars and external legal opinion obtained by the Company, where applicable.</p> <p>We also evaluated the disclosures provided in the notes to the financial statements concerning these matters.</p>

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility & Sustainability Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter as stated in (i)(vi) below for reporting related to requirements of audit trail.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as

on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 20 (l) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified

in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 14 (e) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the Company has used various accounting and related software for maintaining its books of account wherein the audit trail (edit log) feature was not enabled through-out the year for the accounting and related software used by the Company for maintaining its books of accounts. Further, the Company has enabled audit trail (edit log) feature for part of the year in certain accounting and related software for maintaining its books of account and operated during such period. (Refer note 38 of the financial statements).

Further, during the course of our audit, we did not come across any instances of audit trail (edit log) feature being tampered with for aforesaid accounting and related software for the part of the year for which the audit trail feature was enabled and operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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

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

Nilesh Lahoti
 (Partner)

Place: Gurugram
 Date: May 14, 2024

(Membership No. 130054)
 (UDIN: 24130054BKFRKL2713)

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Bharti Hexacom Limited** ("the Company") as at March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Nilesh Lahoti
 (Partner)

Place: Gurugram
 Date: May 14, 2024

(Membership No. 130054)
 (UDIN: 24130054BKFRKL2713)

Annexure "B" to the Independent Auditor's Report

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

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

- (i) In respect of Property, Plant and Equipment and Intangible Assets:-
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right of use assets except in the case of certain Plant and Machinery, where the Company is in the process of updating the records for situation of these assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company, except for customer premises equipment, optic fiber cables and bandwidth which due to their nature or location are not verifiable, has a program of verification of property, plant and equipment, capital work in-progress, and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, capital work-in progress and right of use assets (based on underlying agreements/other relevant documents and refer sub-clause (c) below) were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in property, plant and equipment and according to the information and explanations given to us and based on the examination of the property tax receipts and utility bills for self constructed buildings, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment, right of use assets and intangible assets during the year.
 - (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- (ii) In respect of Inventory:
 - (a) The Company does not have any inventory and hence reporting under clause 3 (ii) of the order is not applicable to the Company.
 - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.
 - (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
 - (iv) The Company has not granted any loans, made investment or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
 - (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
 - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. Sales tax, service tax, value added tax and duties of excise is not applicable on the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of dues	Amount Disputed (In ₹ Mn.)	Period to which the Amount Relates	Forum where dispute is pending
Custom Act, 1962	Custom Act	182	2001-2005	Supreme Court
Sub Total (A)		182		
Finance Act, 1994 (Service tax)	Service Tax	693	2004-2023	High Court
Finance Act, 1994 (Service tax)	Service Tax	15	2008-2013	Tribunal
Finance Act, 1994 (Service tax)	Service Tax	191	2016-2017	Assessing Officer
Sub Total (B)		899		
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	227	2006-10	Supreme Court
Sub Total (C)		227		
Goods and Service Tax Act, 2017	Assam GST	2	2017	1 st Appellate Authority
Goods and Service Tax Act, 2017	Nagaland GST	10	2017	1 st Appellate Authority
Goods and Service Tax Act, 2017	Rajasthan GST	6	2017-19	1 st Appellate Authority
Goods and Service Tax Act, 2017	Tripura GST	5	2017-18	Assessing Officer
Sub Total (D)		23		
Income Tax Act, 1961	Income Tax	75	FY 2003-04 to 2011-12	Supreme Court
Income Tax Act, 1961	Income Tax	16	FY 2015-16 to FY 2018-19	Income Tax Appellate Tribunal (ITAT)
Sub Total (E)		91		
Grand Total (A+B+C)		1,332		

The above-mentioned figures represent the total disputed cases without any assessment of probable, possible and remote, as done in case of contingent liabilities. Of the above cases, total amount paid under protest in respect of duties of custom, service tax, GST and income tax is ₹ 91 million, ₹ 51 million, ₹ 6 million and ₹ 28 million respectively.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) In respect of loans and borrowings:
- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company. Refer Note 15 to the financial statements.
- (e) The Company did not have any subsidiaries or associates or joint ventures during the year, hence reporting under clause (ix)(e) and (ix)(f) are not applicable.
- (x) In respect of issue of securities:
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) In respect of Fraud:
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

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

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

- (xiv) In respect of internal audit:

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

- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024.

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

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

- (b) During the year ended March 31, 2024, the Group does not have more than one CIC as part of the group. Subsequent to the year ended March 31, 2024, one of the group companies has been additionally classified as CIC.

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

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

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

Nilesh Lahoti
(Partner)

Place: Gurugram
Date: May 14, 2024

(Membership No. 130054)
(UDIN: 24130054BKFRKL2713)

Balance Sheet

(All amounts are in millions of Indian Rupee)

	Notes	As of	
		March 31, 2024	March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	5	53,444	40,708
Capital work-in-progress	5	1,969	4,563
Right-of-use assets	32	28,596	26,390
Intangible assets	6	54,110	44,643
Intangible assets under development	6	2,476	14,797
Financial assets			
- Investments	7	0	0
- Other financial assets	8	4,874	5,290
Income tax assets (net)		2,265	3,249
Deferred tax assets (net)	9	8,578	7,629
Other non-current assets	10	4,890	6,284
		161,202	153,553
Current assets			
Financial assets			
- Investments	7	2,376	10,460
- Trade receivables	11	4,446	1,489
- Cash and cash equivalents	12	398	555
- Other bank balances	13	345	332
- Other financial assets	8	10,514	9,119
Other current assets	10	5,893	7,021
		23,972	28,976
Total assets		185,174	182,529
Equity and liabilities			
Equity			
Equity share capital	14	2,500	2,500
Other equity	14f	43,887	39,595
		46,387	42,095
Non-current liabilities			
Financial liabilities			
- Borrowings	15	27,924	47,299
- Lease liabilities		28,306	25,451
- Other financial liabilities	16	-	0
Deferred revenue	21	6,817	6,029
Provisions	17	228	234
		63,275	79,013
Current liabilities			
Financial liabilities			
- Borrowings	15	20,422	15,394
- Lease liabilities		4,394	3,892
- Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		46	26
- Total outstanding dues of creditors other than micro enterprises and small enterprises		14,802	14,380
- Other financial liabilities	16	9,543	10,261
Deferred revenue	21	5,145	4,749
Provisions	17	11,968	11,032
Current tax liabilities (net)		7,785	624
Other current liabilities	19	1,407	1,063
		75,512	61,421
Total liabilities		138,787	140,434
Total equity and liabilities		185,174	182,529

The accompanying notes 1 to 38 form an integral part of these Financial Statements.

As per our report of even date

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

Nilesh H. Lahoti
Partner
Membership No: 130054

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

Marut Dilawari
Chief Executive Officer

Jagdish Saxena Deepak
Director
DIN: 02194470

Akhil Garg
Chief Financial Officer

Richa Gupta Rohatgi
Company Secretary

Place: Gurugram
Date: May 14, 2024

Statement of Profit and Loss

(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended	
		March 31, 2024	March 31, 2023
Income			
Revenue from operations	21	70,888	65,790
Other income	21.1	2,487	1,402
		73,375	67,192
Expenses			
Network operating expenses	22	16,849	15,863
Access charges		7,461	9,833
License fee / Spectrum charges		6,520	6,329
Employee benefits expense	23	1,054	903
Sales and marketing expenses	24	3,692	3,067
Other expenses	25	1,700	1,938
		37,276	37,933
Profit before depreciation, amortisation, finance costs, exceptional items and tax		36,099	29,259
Depreciation and amortisation expenses	26	17,392	15,533
Finance costs	27	6,444	6,388
Profit before exceptional items and tax		12,263	7,338
Exceptional items (net)	28	3,030	-
Profit before tax		9,233	7,338
Tax expense / (credit)			
Current tax	9	5,135	-
Deferred tax	9	(946)	1,846
		4,189	1,846
Profit for the year		5,044	5,492
Other comprehensive income:			
Items not to be reclassified to profit or loss:			
- Re-measurement loss on defined benefit plans		(3)	(3)
- Tax credit		1	1
Other comprehensive loss for the year		(2)	(2)
Total comprehensive income for the year		5,042	5,490
Earnings per share (Face value : ₹ 5 each)			
Basic and diluted earnings per share	29	10.09	10.98

The accompanying notes 1 to 38 form an integral part of these Financial Statements.

As per our report of even date

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

Nilesh H. Lahoti
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DIN: 02194470

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Richa Gupta Rohatgi
Company Secretary

Place: Gurugram
Date: May 14, 2024

Statement of Changes in Equity

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

	Equity share capital		Other equity - Reserves and surplus						Total	Total equity
	No. of shares (in '000)	Amount	Securities premium	Retained earnings	General reserve	Capital reserve	Capital redemption reserve ('CRR')	Debt redemption reserve ('DRR')		
As of April 1, 2022	250,000	2,500	1,040	31,292	900	873	0	-	34,105	36,605
Profit for the year	-	-	-	5,492	-	-	-	-	5,492	5,492
Other comprehensive loss (net of tax)	-	-	-	(2)	-	-	-	-	(2)	(2)
Total comprehensive income	-	-	-	5,490	-	-	-	-	5,490	5,490
Debt redemption reserve created	-	-	-	(1,500)	-	-	-	1,500	-	-
As of March 31, 2023	250,000	2,500	1,040	35,282	900	873	0	1,500	39,595	42,095
Profit for the year	-	-	-	5,044	-	-	-	-	5,044	5,044
Other comprehensive loss (net of tax)	-	-	-	(2)	-	-	-	-	(2)	(2)
Total comprehensive income	-	-	-	5,042	-	-	-	-	5,042	5,042
Transfer from DRR to retained earnings	-	-	-	1,500	-	-	-	(1,500)	-	-
Debt redemption reserve created	-	-	-	(2,000)	-	-	-	2,000	-	-
Transfer from CRR to retained earnings	-	-	-	0	-	-	(0)	-	-	-
Dividend to shareholders	-	-	-	(750)	-	-	-	-	(750)	(750)
Impact of split of shares (Refer Note 4(iv))	250,000	-	-	-	-	-	-	-	-	-
As of March 31, 2024	500,000	2,500	1,040	39,074	900	873	-	2,000	43,887	46,387

The accompanying notes 1 to 38 form an integral part of these Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti

Partner

Membership No: 130054

Place: Gurugram

Date: May 14, 2024

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

Marut Dilawari

Chief Executive Officer

Akhil Garg

Chief Financial Officer

Jagdish Saksena Deepak

Director

DIN: 02194470

Richa Gupta Rohatgi

Company Secretary

Statement of Cash Flows

(All amounts are in millions of Indian Rupee)

	For the year ended	
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Profit before tax	9,233	7,338
Adjustments for:		
Depreciation and amortisation expenses	17,392	15,533
Finance costs	6,441	6,374
Exceptional items (net)	3,030	-
Interest income	(773)	(85)
Net gain on Fair value through profit and loss (FVTPL) instruments	(421)	(290)
Provision for doubtful debts / bad debts written off	18	397
Other non-cash items (net)	18	34
Operating cash flow before changes in assets and liabilities	34,938	29,301
Changes in assets and liabilities		
Trade receivables	(2,975)	19,075
Trade payables	33	(769)
Provisions	652	652
Other financial and non-financial liabilities	1,510	2,056
Other financial and non-financial assets	1,477	966
Net cash generated from operations before tax	35,635	51,281
Income tax paid - (net)	(174)	(197)
Net cash generated from operating activities (a)	35,461	51,084
Cash flows from investing activities		
Purchase of property, plant and equipment and capital-work-in-progress	(20,583)	(9,448)
Proceeds from sale of property, plant and equipment	106	57
Proceeds from/ (purchase of) current investments (net)	8,505	(9,680)
Payment towards Spectrum (including deferred payment liability)*	(352)	(1,321)
Interest received	773	83
Net cash used in investing activities (b)	(11,551)	(20,309)
Cash flows from financing activities		
Repayment of long term borrowings	(15,000)	(24,400)
Repayment of short-term borrowings (net)	-	(28)
Interest and other finance charges paid [#]	(5,356)	(3,855)
Payment of lease liabilities	(2,930)	(2,831)
Dividend paid	(750)	-
Net cash used in financing activities (c)	(24,036)	(31,114)
Net decrease in cash and cash equivalents during the year (a+b+c)	(126)	(339)
Add : Cash and cash equivalents as at the beginning of the year	524	863
Cash and cash equivalents as at the end of the year (refer note 13)	398	524

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

[#]includes interest towards payment of deferred liabilities pertaining to spectrum acquired in auction of year 2022.

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

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

The accompanying notes 1 to 38 form an integral part of these Financial Statements.

As per our report of even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti

Partner

Membership No: 130054

Place: Gurugram

Date: May 14, 2024

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

Marut Dilawari

Chief Executive Officer

DIN: 02194470

Akhil Garg

Chief Financial Officer

Jagdish Saksena Deepak

Director

DIN: 02194470

Richa Gupta Rohatgi

Company Secretary

Notes to Financial Statements

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

1. Corporate information

Bharti Hexacom Limited ('the Company' or 'BHL') (CIN: L74899DL1995PLC067527) is domiciled and incorporated in India as a public limited company listed on the National Stock Exchange of India Limited and the BSE Limited. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The company is a subsidiary of Bharti Airtel Limited ('the parent'), a company registered in India. The registered address of the parent is Airtel Center, Plot no. 16, Udyog Vihar, Phase – IV, Gurugram – 122015, Haryana, India.

The Company is providing telecom services in Rajasthan and Northeast telecom circles in terms of Unified License (with Access Service Authorization) granted by the Department of Telecommunications ('DoT'), Government of India ('GoI'). The details as to the services provided by the Company are further provided in Note 21.

2. Summary of material accounting policies

2.1 Basis of preparation

These Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.

These Financial Statements are approved for issue by the Company's Board of Directors on May 14, 2024.

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

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

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

a higher degree of judgement or complexity, are disclosed in note 3.

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

New amendments adopted during the year

Amendments to Ind AS

MCA vide notification no. G.S.R. 242(E) dated March 31, 2023 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends following Ind AS (as applicable to the Company):

- Ind AS 102, Share-based Payments
- Ind AS 103, Business Combinations
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 12, Income Taxes
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 34, Interim Financial Reporting

The amendments are applicable for annual periods beginning on or after April 1, 2023, however these do not have material impact on the financial statement of the Company.

Amendments to Ind AS issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

2.2 Basis of measurement

The Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss ('FVTPL') (refer note 2.8) which are measured at fair value.

Fair value measurement

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

Notes to Financial Statements

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

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

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.3 Foreign currency transactions

a. Functional and presentation currency

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

b. Transactions and balances

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

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

2.4 Current versus non-current classification

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

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

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

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

2.5 Property, plant and equipment ('PPE')

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

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

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

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

Notes to Financial Statements

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

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

The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Buildings	20
Building on leased land	Lease term or 20 years, whichever is less
Leasehold improvements	Lease term or 20 years, whichever is less
Plant and equipment	
- Network equipment (including passive infrastructure)	3 – 25
- Customer premise equipment	3 – 5
Computers / servers	3 – 5
Furniture & fixtures and office equipments	2 – 5
Vehicles	3 – 5

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

2.6 Intangible assets

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

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

a. Software

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

b. Licenses (including spectrum)

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

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

c. Other acquired intangible assets

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

Further, the cost of intangible assets under development ('IAUD') includes the following:

- (a) the amount of spectrum allotted to the Company and related costs (including borrowing costs) that are directly attributable to the acquisition or construction of qualifying assets (refer note 6), if any, for which services are yet to be rolled out and are presented separately in the Balance Sheet.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.7 Impairment of non-financial assets

PPE, right-of-use assets ('ROU'), intangible assets and IAUD

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

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell

Notes to Financial Statements

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

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

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Reversal of impairment losses

Impairment losses are reversed in Statement of Profit and Loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU previously.

2.8 Financial instruments

a. Recognition, classification and presentation

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

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

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

The Company measures all the non-derivative financial liabilities at amortised cost.

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

b. Measurement – Non derivative financial instruments

i. Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at FVTPL, transaction costs that are attributable to the acquisition of the financial asset. However, trade

receivables that do not contain a significant financing component are measured at transaction price. All financial liabilities are recognised initially at fair value, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other transaction costs are expensed as incurred in the Statement of Profit and Loss.

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference between the transaction amount and the fair value (if any) is accounted for as follows:

- The difference is recognised as a gain or loss in the statement of Profit and Loss only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets.
- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

ii. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in other income.

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

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) from financial assets at FVTPL is recognised in the Statement of Profit and Loss within other income separately from the other gains/ losses arising from changes in the fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses ('ECL') associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve months, ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

Notes to Financial Statements

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

However, only in case of trade receivables, the company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

c. Derecognition

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

2.9 Leases

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

Company as a lessee

The Company recognises a ROU and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the Balance Sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

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

In the Balance Sheet, the ROU and lease liabilities are presented separately. In the Statement of Profit and Loss, interest expense on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the Statement of Profit and Loss. In the Statement of Cash Flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities.

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

Short-term leases and leases of low-value assets

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

Company as a lessor

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

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

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

Notes to Financial Statements

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

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

2.10 Taxes

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

a. Current tax

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

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

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

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and

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

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

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

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

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

Deferred tax assets and liabilities are off-set where there is a legally enforceable right to enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

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

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of C&CE and subject to an insignificant risk of changes in value). However, for the purpose of the Statement of Cash Flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of C&CE.

2.12 Equity share capital

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

Notes to Financial Statements

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

2.13 Employee benefits

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

a. Defined contribution plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the Balance Sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

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

c. Other long-term employee benefits

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

The Company provides for the liability towards the said benefits on the basis of actuarial valuation carried as at the reporting date, by an independent qualified actuary

using the projected-unit-credit method. The related re-measurements are recognised in the Statement of Profit and Loss in the period in which they arise.

2.14 Provisions

a. General

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

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

2.15 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and are disclosed only where an inflow of economic benefits is probable.

2.16 Revenue recognition

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

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

a. Service revenues

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

Notes to Financial Statements

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

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

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

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

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

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

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

c. Interest income

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

2.17 Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of PPE are included in non-current liabilities as deferred income and are credited to Statement of Profit and Loss on

a straight line basis over the expected lives of the related assets.

2.18 Borrowing costs

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

2.19 Exceptional items

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

2.20 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS.

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

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the year, unless issued at a later date during the period.

2.21 Dividend paid

Dividend to shareholders is recognised as a liability on the date of approval by the shareholders. However, interim dividend is recorded as a liability on the date of declaration by the Company's Board of Directors.

3. Key sources of estimation uncertainties and critical judgements

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

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

provide additional evidence about conditions existing as at the reporting date.

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

3.1 Key sources of estimation uncertainties

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

a. Useful lives of PPE

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

b. Taxes

Deferred tax assets are recognised for the unused tax losses for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

c. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

d. Contingent Liabilities and provisions

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Company. Management in consultation with the legal, tax and other advisers

assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

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

a. Revenue recognition and presentation

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as an agent by determining whether it has primary obligation basis pricing latitude and exposure to credit / inventory risks associated with the sale of goods / rendering of services. In the said assessment, both the legal form and substance of the agreement are reviewed to determine each party's role in the transaction.

b. Separating lease and non-lease components

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

c. Determining the lease term

Under Ind AS 116 if it is reasonably certain that a lease will be extended / will not be early terminated, the Company is required to estimate the expected lease period which may be different from the contractual tenure. The Company has various tower lease agreements with a right to extend / renew / terminate wherein it considers the nature of the contractual terms and economic factors to determine the lease term. After assessing such factors, the lease liability has been calculated using the remaining lease period until which significant exit penalties are payable.

d. Determining the incremental borrowing rate for lease contracts

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points).

Notes to Financial Statements

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

4. Significant transactions / new developments

i. Pursuant to a resolution passed in extra-ordinary general meeting dated December 29, 2023, shareholders have approved the split of each equity share of face value of ₹ 10 into two equity shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid-up capital of the Company was sub-divided from 250,000,000 equity shares of face value of ₹ 10 each to 500,000,000 equity shares of face value of ₹ 5 each.

The impact of split of shares has been retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.

ii. During the year ended March 31, 2024, the Company has redeemed 15,000 listed, unsecured, non-convertible debentures, of face value of ₹ 1 each aggregating to ₹ 15,000 with interest of ₹ 895 on January 19, 2024.

iii. On October 16, 2023, the Hon'ble Supreme Court of India pronounced a judgement regarding the tax treatment of adjusted revenue linked Variable License Fee ('VLF')

payable to DOT since July 1999 and held that it is capital in nature and not revenue expenditure for the purpose of computation of taxable income. This decision does not alter the total amount of VLF allowed as deduction over the license period but creates a timing difference wherein later years would have a higher deduction. This has resulted in an additional tax provision of ₹ 1,054 primarily due to change in effective tax rate on account of adoption of new tax regime. The interest charge of ₹ 2,977 on the above matter has been presented as an exceptional item (refer note 28). The above financial assessment is based on the Company's best estimate.

iv. During the year ended March 31, 2023, the Company participated in the latest spectrum auction conducted by the DoT, Government of India and acquired 1,804 MHz spectrum of 3.5 and 26 GHz bands and selective mid and low band spectrum. This entire spectrum bank was secured for a total consideration of ₹ 14,777 for 20 years. The said spectrum has been allocated by the DoT on August 17, 2022.

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

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

The following table presents the reconciliation of changes in the carrying value of PPE for year ended March 31, 2024 and March 31, 2023:

	Leasehold improvements	Buildings	Plant and equipment	Furniture & fixtures	Vehicles	Office equipments	Computer and servers	Total
Gross carrying value								
As of April 1, 2022	89	156	99,285	79	3	243	346	100,201
Additions	0	-	10,989	3	-	13	110	11,115
Disposals / adjustment	(0)	-	(919)	-	-	(1)	(0)	(920)
As of March 31, 2023	89	156	109,355	82	3	255	456	110,396
As of April 1, 2023	89	156	109,355	82	3	255	456	110,396
Additions	0	-	22,734	4	-	25	122	22,885
Disposals / adjustment	-	-	(9,877)	(1)	-	(14)	(6)	(9,898)
As of March 31, 2024	89	156	122,212	85	3	266	572	123,383
Accumulated depreciation								
As of April 1, 2022	85	103	61,129	66	2	179	238	61,802
Charge	0	7	8,598	3	-	17	72	8,697
Disposals / adjustment	-	-	(810)	-	-	(1)	-	(811)
As of March 31, 2023	85	110	68,917	69	2	195	310	69,688
As of April 1, 2023	85	110	68,917	69	2	195	310	69,688
Charge	0	7	9,741	3	1	20	108	9,880
Disposals / adjustment	-	-	(9,608)	(1)	-	(14)	(6)	(9,629)
As of March 31, 2024	85	117	69,050	71	3	201	412	69,939
Net carrying value								
As of March 31, 2023	4	46	40,438	13	1	61	145	40,708
As of March 31, 2024	4	39	53,162	14	-	65	160	53,444

The carrying value of the CWIP as of March 31, 2024 and March 31, 2023 is ₹ 1,969 and ₹ 4,563 respectively, which mainly pertains to plant and equipments.

CWIP Ageing Schedule

The following table presents the CWIP ageing schedule as of March 31, 2024 and March 31, 2023:

March 31, 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,924	45	-	-	1,969

March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,535	28	-	-	4,563

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6. Intangible assets

The following table presents the reconciliation of changes in the carrying value of intangible assets for the year ended March 31, 2024 and March 31, 2023:

	Licenses (including spectrum)	Other acquired intangibles	Total
Gross carrying value			
As of April 1, 2022	68,325	45	68,370
Additions	559	-	559
Disposals / adjustment	-	(4)	(4)
As of March 31, 2023	68,884	41	68,925
As of April 1, 2023	68,884	41	68,925
Additions	13,119	-	13,119
Disposals / adjustment	-	-	-
As of March 31, 2024	82,003	41	82,044
Accumulated amortisation			
As of April 1, 2022	20,714	44	20,758
Amortisation	3,528	0	3,528
Disposals / adjustment	-	(4)	(4)
As of March 31, 2023	24,242	40	24,282
As of April 1, 2023	24,242	40	24,282
Amortisation	3,651	1	3,652
Disposals / adjustment	-	-	-
As of March 31, 2024	27,893	41	27,934
Net Carrying Amount			
As of March 31, 2023	44,642	1	44,643
As of March 31, 2024	54,110	-	54,110

Weighted average remaining amortisation period of spectrum license as of March 31, 2024 and March 31, 2023 is 13.81 and 12.96 years, respectively.

The carrying value of IAUD as of March 31, 2024 and March 31, 2023 is ₹ 2,476 and ₹ 14,797 respectively, which mainly pertains to spectrum.

IAUD Ageing Schedule

March 31, 2024

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	145	2,331	-	-	2,476

March 31, 2023

	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	14,797	-	-	-	14,797

The Company has capitalised borrowing cost of ₹ 799 and ₹ 580 during the year ended March 31, 2024 and March 31, 2023 respectively. The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.2% for the year ended March 31, 2024 and March 31, 2023.

Notes to Financial Statements

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

7. Investments

Non-current

	As of			
	March 31, 2024		March 31, 2023	
	No. of units	Cost	No. of units	Cost
Government securities (NSC)	1	0	1	0
	1	0	1	0
Aggregate book / market value of unquoted investments		0		0

Current

	As of	
	March 31, 2024	March 31, 2023
	Investments carried at FVTPL	
Mutual funds (quoted)	137	10,460
Investments carried at amortised cost		
Commercial papers (quoted)	2,239	-
	2,376	10,460
Aggregate book / market value of quoted investments	2,376	10,460

8. Other financial assets

Non-current

	As of	
	March 31, 2024	March 31, 2023
	Claims recoverable*	2,514
Indemnification assets [^]	1,930	1,930
Security deposits	430	404
	4,874	5,290

Current

	As of	
	March 31, 2024	March 31, 2023
	Unbilled revenue (refer note 21)	440
Interest accrued on investments	9	8
Claims recoverable*	1,064	400
Indemnification assets [^]	8,953	8,289
Recoverable from related party (refer note 31)	17	49
Others	31	19
	10,514	9,119

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

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

Notes to Financial Statements

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9. Income tax

The major components of Income Tax expense are:

	For the year ended	
	March 31, 2024	March 31, 2023
Amounts recognised in Statement of Profit and Loss		
Current tax		
- For the year	1,271	-
- Adjustments for prior periods	3,864	-
	5,135	-
Deferred tax		
- Origination and reversal of temporary differences	1,864	1,846
- Adjustments for prior periods	(2,810)	-
	(946)	1,846
Income tax expense	4,189	1,846
Amounts recognised in OCI		
Deferred tax related to items charged to OCI during the year:		
- Re-measurement loss on defined benefit plans	(1)	(1)
Deferred Tax credited to OCI	(1)	(1)

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and income tax expense is summarised below:

	For the year ended	
	March 31, 2024	March 31, 2023
Profit before tax	9,233	7,338
Tax charge @ 25.168%	2,324	1,847
Effect of:		
Adjustment in respect to current income tax of previous years	1,054	-
Recognition of previously unrecognised losses and deductible temporary differences	-	(1)
Expense not deductible (net)	812	-
Others	(1)	-
Income tax expense	4,189	1,846

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

	For the year ended	
	March 31, 2024	March 31, 2023
Deferred tax asset / (liabilities)		
Trade receivables	536	500
Provision for employee benefits	20	18
Variable license fees	5,486	-
Fair valuation of financial instruments and exchange differences	(1)	(11)
Property, plant and equipments, intangible assets and leases	656	234
Government grants	977	722
Payables and non financial liability	904	806
Carry forward losses	-	5,360
Net deferred tax asset	8,578	7,629

	For the year ended	
	March 31, 2024	March 31, 2023
Deferred tax income / (expense)		
Trade receivables	36	23
Carry forward losses	(5,360)	(2,251)
Provision for employee benefits	2	1
Variable license fees	5,486	-
Fair valuation of financial instruments and exchange differences	10	(11)
Property, plant and equipments, intangible assets and leases	422	205
Government grants	255	192
Payables and non financial liability	98	(5)
Others	(3)	-
Net deferred tax income / (expense)	946	(1,846)

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

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance	7,629	9,474
Tax credit / (expense) recognised in Statement of profit or loss	946	(1,846)
Others	2	-
Tax credit recognised in OCI	1	1
Closing balance	8,578	7,629

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and carry forward tax losses / credits can be utilised.

Further, the company has not recognised deferred tax assets in respect of business combination losses and unabsorbed depreciation in relation to Tata Teleservices Limited amounting to ₹ 3,505 (March 31, 2023 ₹ 3,771) (including ₹ 1,919 (March 31, 2023 ₹ 1,919) towards unabsorbed depreciation) as of March 31, 2024 due to uncertainties of outcome of certain tax matters.

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

	As of	
	March 31, 2024	March 31, 2023
Expiry date		
Within five periods	1,586	1,852
Above five periods	-	-
Unlimited	1,919	1,919
	3,505	3,771

10. Other assets

Non-current

	As of	
	March 31, 2024	March 31, 2023
Advances (net)*	301	272
Cost to obtain a contract with a customer (refer note 21)	1,323	1,508
Capital advance	69	123
Taxes recoverable#	545	1,200
Prepaid expenses	2,591	3,094
Rent equalisation	40	66
Others	21	21
	4,890	6,284

Current

	As of	
	March 31, 2024	March 31, 2023
Taxes recoverable#	3,052	4,367
Advances to suppliers (net)**	251	232
Prepaid expenses	662	728
Cost to obtain a contract with a customer (refer note 21)	1,921	1,682
Others	7	12
	5,893	7,021

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

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

**Advance to suppliers are disclosed net of allowance of ₹ 97 and ₹ 89 as of March 31, 2024 and March 31, 2023, respectively.

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11. Trade receivables

	As of	
	March 31, 2024	March 31, 2023
Trade receivable considered good - unsecured*	6,285	3,128
Less: Allowances for doubtful receivables	(1,839)	(1,639)
	4,446	1,489

*It includes amount due from related parties (refer note 31).

Refer note 33 (1) (iv) for credit risk

Movement in allowances for doubtful receivables is as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance	1,639	1,580
Additions / (written back)	200	59
Closing balance	1,839	1,639

Trade receivable

The following table presents the trade receivable ageing as of March 31, 2024 and March 31, 2023:

March 31, 2024

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,197	2,270	75	73	64	1,156	5,835
(ii) Disputed Trade receivables - considered good	-	-	-	-	-	90	90
(iii) Disputed Trade receivables - credit impaired	-	-	-	-	-	360	360
Less: Allowance for doubtful receivables							(1,839)
Total Trade receivables							4,446

March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	788	502	89	76	69	1,179	2,703
(ii) Disputed Trade receivables - considered good	-	-	-	-	-	65	65
(iii) Disputed Trade receivables - credit impaired	-	-	-	-	-	360	360
Less: Allowance for doubtful receivables							(1,639)
Total Trade receivables							1,489

Notes to Financial Statements

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

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

	As of	
	March 31, 2024	March 31, 2023
Balances with banks		
On current accounts	24	82
Bank deposits with original maturity of 3 months or less	374	473
Cash on hand	0	0
	398	555

13. Other bank balances

	As of	
	March 31, 2024	March 31, 2023
Margin money*	354	340
Less :- Interest accrued (refer note 8)	9	8
	345	332

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

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

	As of	
	March 31, 2024	March 31, 2023
C&CE as per balance sheet	398	555
Bank overdraft	-	(31)
	398	524

14. Equity share capital

	As of	
	March 31, 2024	March 31, 2023
Authorised shares		
500,000,000 equity shares of ₹ 5 each (March 31, 2023- 250,000,000 equity shares of ₹ 10 each) (Refer note 4(i))	2,500	2,500
520 (March 31, 2023 - 520) preference shares of ₹ 100 each	0	0
	2,500	2,500
Issued, subscribed and fully paid-up shares		
500,000,000 equity shares of ₹ 5 each	2,500	2,500
(March 31, 2023- 250,000,000 equity shares of ₹ 10 each) (Refer note 4 (i))		
	2,500	2,500

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

	For the year ended			
	March 31, 2024		March 31, 2023	
	No. of shares (in '000)	Amount	No. of shares (in '000)	Amount
At the beginning of the year	250,000	2,500	250,000	2,500
Issued on account of split off of shares during the year (Refer Note 4(i))	250,000	-	-	-
Outstanding at the end of the year	500,000	2,500	250,000	2,500

b. Rights, Preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of ₹ 5 each. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements

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

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

	As of			
	March 31, 2024		March 31, 2023	
	No. of shares (in '000)	% holding	No. of shares (in '000)	% holding
Bharti Airtel Limited	350,000	70%	175,000	70%
Telecommunications Consultants India Limited ('TCIL') [#]	150,000	30%	75,000	30%

*Refer note 4(i).

[#]Post initial public offering of Company (refer note 38 (ii)), TCIL shareholding has reduced to 15%.

d. Shareholding of promoters[#]

Shares held by promoters as of March 31, 2024:

S No.		As of				% Change during the year
		April 1, 2023		March 31, 2024		
		No. of shares (in '000)	% of total shares	No. of shares (in '000)	% of total shares	
1	Bharti Airtel Limited ^{*^}	175,000	70.00	350,000	70.00	-

Shares held by promoters as of March 31, 2023:

S No.		As of				% Change during the year
		April 1, 2023		March 31, 2024		
		No. of shares (in '000)	% of total shares	No. of shares (in '000)	% of total shares	
1	Bharti Airtel Limited [*]	175,000	70.00	175,000	70.00	-

*5 shares held by nominees.

[#]For the purpose of disclosure, definition of promoter as per Companies Act, 2013 has been considered.

[^]Refer note 4(i).

e. Dividend

	For the period ended	
	March 31, 2024	March 31, 2023
A Declared and paid during the year		
Final dividend for FY 2022-23 : ₹ 3 per share (2021-22 : Nil per share)	750	-
B Proposed Dividend		
Proposed dividend for FY 2023-24 : ₹ 4 per share (2022-23 : ₹ 3 per share)	2,000	750

f. Reserve and surplus

- Retained earnings:** Retained earnings represent the amount of accumulated earnings of the Company, re-measurement differences on defined benefit plans and any transfer from general reserve.
- Securities premium:** Securities premium is used to record the premium on issue of equity shares. The same is utilised in accordance with the provisions of the Act.
- General reserve:** The Company has transferred a portion of its profit before declaring dividend in respective prior years to general reserve, as stipulated under the erstwhile Companies Act 1956. Mandatory transfer to general reserve is not required under the Act.
- Capital reserve:** It pertains to capital reserve acquired pursuant to the scheme of arrangement under the Act accounted under pooling of interest method and excess of purchase consideration over fair value of net assets (for certain business combinations).

Notes to Financial Statements

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

- v. **Capital redemption reserve:** The Company has created this reserve on redemption of redeemable preference shares out of the profits, as stipulated under the Act.
- vi. **Debenture redemption reserve:** The Company has created this reserve for redemption of debentures, as stipulated under the Act. Reclassified from retained earnings for previous periods, as applicable.

15 Borrowings

Non-current

	As of	
	March 31, 2024	March 31, 2023
Unsecured		
Deferred payment liabilities	28,938	28,299
Non convertible debentures*	21,087	36,228
	50,025	64,527
Less: Interest accrued	(1,682)	(1,865)
Less: Current maturities of long-term borrowings	(20,419)	(15,363)
	27,924	47,299

Current

	As of	
	March 31, 2024	March 31, 2023
Unsecured		
Working capital demand loan	3	-
Bank overdraft	-	31
	3	31
Current maturities of long term borrowings		
Unsecured		
Non convertible debentures*	19,999	14,970
Deferred payment liabilities	420	393
	20,419	15,363
	20,422	15,394

*Refer note 38(i).

Analysis of borrowings

The details given below are gross of debt origination cost.

15.1 Maturity of borrowings, interest rate and currency of borrowings

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

Borrowings	Interest rate (range)	As of March 31, 2024	Maturity Profile				Terms of repayment
			Within one year	between one and two years	between two and five years	Over five years	
Working capital demand loan	8.6% to 9.2%	3	3	-	-	-	Payable on demand
Non-Convertible debentures	5.9%	20,000	20,000	-	-	-	Bullet payment, payable on due date
Deferred payment liabilities for spectrum	7.2%-7.3%	14,219	420	452	1,560	11,787	15 to 18 installments, payable annual
Deferred payment liability for adjusted gross revenue	8.0%	14,124	-	-	8,240	5,884	6 installments, payable annual
Total		48,346	20,423	452	9,800	17,671	

Notes to Financial Statements

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

Borrowings	Interest rate (range)	As of March 31, 2023	Maturity Profile				Terms of repayment
			Within one year	between one and two years	between two and five years	Over five years	
Bank Overdraft	8.2%	31	31	-	-	-	Payable on demand
Non-Convertible debentures	5.9%-6.0%	35,000	15,000	20,000	-	-	Bullet payment, payable on due date
Deferred payment liabilities for spectrum	7.2%-7.3%	14,615	393	422	1,456	12,344	16 to 19 installments, payable annual
Deferred payment liability for adjusted gross revenue	8.0%	13,078	-	-	5,101	7,977	6 installments, payable annual
Total		62,724	15,424	20,422	6,557	20,321	

	Weighted average rate of interest	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	6.9%	48,346	3	48,343
March 31, 2024		48,346	3	48,343
INR	6.7%	62,724	31	62,693
March 31, 2023		62,724	31	62,693

16 Others financial liabilities

Non-current

	As of	
	March 31, 2024	March 31, 2023
Interest accrued (refer note 15)	-	0
	-	0

Current

	As of	
	March 31, 2024	March 31, 2023
Payable against capital expenditure	7,444	7,963
Security deposits	218	237
Dues to employees	31	31
Interest accrued (refer note 15)	1,682	1,865
Others*	168	165
	9,543	10,261

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

17 Provisions

Non-current

	As of	
	March 31, 2024	March 31, 2023
Asset retirement obligations	182	195
Gratuity	42	36
Other employee benefit plans	4	3
	228	234

Notes to Financial Statements

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

Current

	As of	
	March 31, 2024	March 31, 2023
Gratuity	12	13
Other employee benefit plans	21	19
Sub-judice matters	11,935	11,000
	11,968	11,032

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

The movement of provision towards ARO is as below:

	For the year ended	
	March 31, 2024	March 31, 2023
Opening Balance	195	171
Net additions / (reversals)	(2)	7
Net interest costs	(11)	17
	182	195

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

The movement of provisions towards sub-judice matters is as below:

	For the year ended	
	March 31, 2024	March 31, 2023
Opening	11,000	10,230
Provision made during the year [#]	935	770
Closing*	11,935	11,000

[#]It includes provision of ₹ 663 and ₹ 618 towards AGR pursuant to merger with TTSL for the year ended March 31, 2024 and 2023 respectively.

*Closing balance includes ₹ 8,953 and ₹ 8,289 for TTSL for the year ended March 31, 2024 and 2023 respectively. The Company has recognised an indemnification asset towards the said provisions.

18 Trade payable

	As of	
	March 31, 2024	March 31, 2023
Dues to micro and small enterprises	46	26
Others*	14,802	14,380
	14,848	14,406

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

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

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

Sr No	Particulars	For the year ended	
		March 31, 2024	March 31, 2023
1	Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period [^] .	183	85
2	Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006.	-	-
4	Amount of interest accrued and remaining unpaid at the end of each accounting period.	-	-
5	Amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

[^]Includes dues of micro and small enterprises included in other financial liabilities.

Notes to Financial Statements

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

Trade payable ageing

The following table presents the trade payable ageing as of March 31, 2024 and March 31, 2023:

March 31, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to micro and small enterprises (A)	-	40	6	-	-	-	46
(ii) Others (B)	8,991	974	101	6	2	64	10,138
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues – Others (D)	-	0	370	32	380	3,882	4,664
Total dues to micro and small enterprises (A + C)							46
Total Others (B + D)							14,802

March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to micro and small enterprises (A)	-	25	-	-	-	1	26
(ii) Others (B)	8,309	1,585	15	2	72	83	10,067
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues – Others (D)	-	1	24	371	1,136	2,781	4,313
Total dues to micro and small enterprises (A + C)							26
Total Others (B + D)							14,380

19 Other current liabilities

	As of	
	March 31, 2024	March 31, 2023
Taxes payable*	1,162	854
Advance from subscribers	245	209
	1,407	1,063

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

20 Contingencies and commitments

(I) Contingent liabilities*

Claims against the company not acknowledged as debt:

	As of	
	March 31, 2024	March 31, 2023
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Service tax and GST	763	686
- Income tax	-	645
- DoT demands**	1,240	1,175
- Other miscellaneous demands	21	21
(ii) Claims under legal cases including arbitration matters		
- Access Charges / port Charges	65	65
- Others	42	40
	2,131	2,632

*Per demand order.

**Includes self assessed amounts.

Notes to Financial Statements

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

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

a) Service tax and GST

The Company has received demands from service tax authorities in relation to CENVAT claimed on tower & related material and applicability of service tax on License Fees, Spectrum Usage Charges paid to DOT for the quarter ended June 30, 2017.

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

b) Income tax demand

Income tax demands mainly include the appeals filed by the Company before various appellate authorities against the disallowance by income tax authorities of certain expenses being claimed.

c) DOT demands

DOT demands mainly includes:

- Demands for the contentious matters in respect of subscriber verification guidelines including validity of certain documents allowed as proof of address / identity. Telecommunications Dispute Settlement and Appellate Tribunal ('TDSAT') has granted interim stay on the demand notices and the matters are pending for adjudication.
- DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Company had challenged the matter in TDSAT and it has set aside the respective circulars of DoT vide its Judgement dated April 22, 2010. Thereafter, DoT has challenged the order of TDSAT before the Supreme Court, which is pending for adjudication. An amount of ₹ 595 which pertains to pre-migration to Unified License 'UL' / Unified access Service License 'UASL' is disclosed as contingent liability as on March 31, 2024.

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

In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Company in January 2013. The company challenged the OTSC Demand and the High Court of Bombay vide its order dated January 28, 2013, stayed the enforcement of the demand and directed DoT not to take any coercive action. The DoT has filed its reply and this matter is currently pending with High Court of Bombay. The DoT has issued revised demands on the Company aggregating ₹ 4,737 in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the High Court of Bombay. The Company intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the TDSAT, vide its judgement dated July 4, 2019, has set aside the DoT order for levy of OTSC with retrospective effect. Accordingly, as per the said order of the TDSAT; DoT can levy OTSC on the Spectrum beyond 6.2 MHz allotted after July 1, 2008, only from the date of allotment of such spectrum and in case of Spectrum beyond 6.2 MHz allotted before July 1, 2008, only prospectively i.e. w.e.f. January 1, 2013.

Further, demand for OTSC on spectrum allotted beyond start-up and up-to the limit of 6.2 MHz has been set aside. The TDSAT has asked DoT to issue revise demands, if any, in terms of the above directions. The said telecom service provider filed an appeal before the Supreme Court against judgment passed by TDSAT. On March 16, 2020, the Supreme Court dismissed the appeal of the telecom service providers and did not interfere with the TDSAT judgement. Thereafter, the Telecom service provider had filed a review petition against the judgment dated March 16, 2020. The Supreme Court allowed the review petition and restored the telecom service provider appeal. The matter is pending adjudication before the Supreme Court.

DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. The Supreme Court vide order dated August 21, 2020, stayed the TDSAT judgement of July 4, 2019 in a case of another telecom service provider. The Supreme Court, vide order dated December 7, 2020, directed status quo to be maintained in case of another telecom service provider.

On account of prudence, of the total demands of ₹ 4,737, the Company had recorded a charge of ₹ 160 during the year ended March 31, 2020 and an interest charge thereon till March 31, 2024 amounting to ₹ 755. Balance demand amount of ₹ 4,577 (without interest) has continued to be disclosed as contingent liability.

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

Notes to Financial Statements

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

(II) Commitments

Capital commitments

The Company has contractual commitments towards capital expenditure (net of related advances paid) of ₹ 7,361 and ₹ 15,678 as of March 31, 2024 and March 31, 2023 respectively.

21 Revenue from operations

	For the year ended	
	March 31, 2024	March 31, 2023
Service revenue	70,888	65,790
	70,888	65,790

Disaggregation of revenue

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

Particulars	For the year ended					
	Mobile Services		Home and Office Services		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Geographical markets						
India	68,707	64,156	2,059	1,543	70,766	65,699
Outside India	122	91	-	-	122	91
	68,829	64,247	2,059	1,543	70,888	65,790
Major products / Service lines						
Data and Voice Services	67,718	63,143	2,011	1,522	69,729	64,665
Others	1,111	1,104	48	21	1,159	1,125
	68,829	64,247	2,059	1,543	70,888	65,790
Timing of revenue recognition						
Services transferred at a point in time	100	61	12	5	112	66
Services transferred over time	68,729	64,186	2,047	1,538	70,776	65,724
	68,829	64,247	2,059	1,543	70,888	65,790

Contract Balances

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

	As of	
	March 31, 2024	March 31, 2023
Unbilled revenue (refer note 8)	440	354
Deferred revenue	11,962	10,778

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

	For the year ended	
	March 31, 2024	
	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in deferred revenue at the beginning of the year	-	4,749
Increase due to cash received, excluding amounts recognised as revenue during the year	-	5,933
Transfer from unbilled revenue recognised at the beginning of the year to receivables	354	-

Notes to Financial Statements

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

Costs to obtain or fulfil a contract with a customer

Reconciliation of costs to obtain or fulfil contracts with customers

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

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance	3,190	2,259
Costs incurred and deferred	2,147	2,399
Less: Cost amortized	2,093	1,468
Closing balance	3,244	3,190

21.1 Other Income

	For the year ended	
	March 31, 2024	March 31, 2023
Net gain on marketable securities	421	290
Interest income	774	85
Government grant	1,192	984
Miscellaneous income	100	43
	2,487	1,402

The Company has entered into respective agreements with Universal Service Obligation Fund ('USOF') to provide mobile services in identified uncovered villages and seamless mobile coverage on the national highways in northeast region. The Company has recognised deferred income for front loaded subsidy (representing 50% of eligible USOF subsidy) on receipt of approved Proof of Concept (PoC) for a particular USOF site and for equated quarterly subsidy (representing remaining 50% of the eligible USOF subsidy receivable in twenty quarterly instalments) on quarterly basis. The deferred income is amortised over the period they are required to operate and maintain the asset. The company has recognized government grant of ₹ 1,192 and ₹ 984 during the year ended March 31, 2024 and March 31, 2023.

22 Network operating expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Power and fuel	7,798	7,861
Passive infrastructure charges	4,107	3,276
Repair and maintenance	2,764	1,908
Internet, bandwidth and leasedline charges	1,448	2,321
Others*	732	497
	16,849	15,863

*It includes charges towards installation, insurance and security.

23 Employee benefits expense

	For the year ended	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus	972	848
Contribution to provident and other funds	22	20
Defined benefit obligation/ other long term benefits	20	14
Staff welfare expenses	31	14
Others	9	7
	1,054	903

Notes to Financial Statements

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

23.1 Employee benefits

The details of significant defined benefit obligations are as follows:

	For the year ended			
	March 31, 2024		March 31, 2023	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Obligation:				
Balance as at beginning of the year	49	19	49	19
Current service cost	8	5	6	3
Interest cost	4	1	4	1
Benefits paid	(10)	(4)	(11)	(4)
Transfers	(0)	1	(2)	0
Remeasurements	3	(1)	3	0
Present value of obligation	54	21	49	19
Current portion	12	21	13	19
Non-current portion	42	-	36	-

As of March 31, 2024, expected contributions for the next annual reporting period is ₹ 12.

Amount recognised in OCI

	For the year ended	
	March 31, 2024	March 31, 2023
Experience losses	2	4
Losses / (gain) from change in demographic assumptions	0	(1)
Losses / (gain) from change in financial assumptions	1	(0)
Remeasurements on defined benefit plans	3	3

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

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

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2024	March 31, 2023
Discount rate	7.1%	7.4%
Rate of salary increase	7.0%	7.0%
Rate of attrition	13% to 27%	11% to 34%
Retirement age	58	58

Sensitivity analysis

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

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

	Change in assumption	As of	
		Gratuity	
		March 31, 2024	March 31, 2023
Discount rate	+1%	(2)	(2)
	-1%	2	2
Salary growth rate	+1%	2	2
	-1%	(2)	(2)

Notes to Financial Statements

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

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The table below summarises the maturity profile of the Company's gratuity liability:

	As of	
	March 31, 2024	March 31, 2023
Within one year	12	13
Between one and three years	16	15
Between three and five years	9	7
Above five years	17	14
Weighted average duration (in years)	3.63	2.96

24 Sales and marketing expense

	For the year ended	
	March 31, 2024	March 31, 2023
Sales commission and distribution expenses	2,766	2,221
Advertisement and marketing	392	434
Business promotion	42	50
Others	492	362
	3,692	3,067

25 Other expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Content cost	345	340
Legal & professional charges [^]	47	42
Customer care expenses	102	97
IT expenses	331	308
Bad debts written off	2	5
Provision for doubtful receivables	141	73
Collection and recovery expense	109	93
Printing and Stationery	320	260
Other administrative expenses [@]	303	720
	1,700	1,938

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

	For the year ended	
	March 31, 2024	March 31, 2023
Audit fee*	7	5
Reimbursement of expenses	0	0
Other services (including certification)	0	1
	7	6

As per the requirements of section 135 of the Act, the Company was not required to spend any amount for the year ended March 31, 2024 and March 31, 2023 on Corporate Social Responsibility expenditure.

[@]It includes short term and low value lease payments, printing and stationery, security, travelling and conveyance expenses, etc.

*Audit fees excludes ₹ 16 with respect to audit and certification services for initial public offering of the Company, which is borne by Telecommunication Consultants India Limited (selling shareholders).

Notes to Financial Statements

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

26 Depreciation and amortisation expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation on property plant and equipment	9,880	8,697
Depreciation on right of use assets	3,860	3,308
Amortisation	3,652	3,528
	17,392	15,533

27 Finance costs

	For the year ended	
	March 31, 2024	March 31, 2023
Interest expense	3,197	3,698
Net exchange (gain) / loss	(9)	26
Interest expense on leases	2,379	2,028
Other finance charges*	877	636
	6,444	6,388

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

28 Exceptional Items

For the year ended March 31, 2024, exceptional items comprise of the following:

- Interest charge of ₹ 2,977 pertaining to tax treatment of adjusted revenue linked Variable License Fee from revenue expenditure to capital in nature for the purpose of computation of taxable income.
- Charge of ₹ 53 on account of re-assessment of regulatory levies.

Tax expenses includes:

For the year ended March 31, 2024,

- Charge of ₹ 1,054 primarily due to change in effective tax rate due to adoption of new tax regime pertaining to tax treatment of adjusted revenue linked Variable License Fee from revenue expenditure to capital in nature for the purpose of computation of taxable income.
- Credit of ₹ 13 on exceptional item pertaining to re-assessment of regulatory levies.

29 Earnings per share ('EPS')

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

	For the year ended	
	March 31, 2024	March 31, 2023
Profit attributable to equity shareholder as per Statement of profit and loss (A)	5,044	5,492
Weighted average number of equity shares for calculation of basic / diluted EPS (in thousand) (B)	500,000	500,000
Earning per share		
Equity share of face value ₹ 5 per share		
Basic / diluted earnings per share (A) / (B) (Refer note 4(i))	10.09	10.98

Notes to Financial Statements

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

30 Segment Reporting

The Company's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided with each segment representing a strategic business unit. These business units are reviewed by one of the Directors of the Company (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of Financial Statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax, after excluding charity and donation cost. Accordingly, finance costs, non-operating expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments and reflected in the 'Eliminations' column.

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

The reporting segments of the Company are as below:

Mobile Services: These services cover voice and data telecom services provided through wireless technology (2G/4G/5G). This also includes intra city fibre networks.

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

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

Summary of the segmental information for the year ended and as of March 31, 2024 is as follows:

	Mobile Services	Homes and Office Services	Unallocated	Eliminations	Total
Revenue from external customers	68,829	2,059	-	-	70,888
Inter segment revenue	382	-	-	(382)	-
Total revenue	69,211	2,059	-	(382)	70,888
Segment results	17,307	205	-	-	17,512
Less:					
Finance costs (net)*					5,249
Exceptional items					3,030
Profit before tax					9,233
Other segment items					
Capital expenditure	19,769	1,265	-	-	21,034
Addition to ROU	6,398	15	-	-	6,413
Depreciation and amortisation expenses	16,897	495	-	-	17,392
As of March 31, 2024					
Segment assets	172,999	4,556	9,129	(1,510)	185,174
Segment liabilities	82,945	2,935	54,417	(1,510)	138,787

*net of interest income and net gain on fair value through profit and loss.

Notes to Financial Statements

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

Summary of the segmental information for the year ended and as of March 31, 2023 is as follows:

	Mobile Services	Homes and Office Services	Unallocated	Eliminations	Total
Revenue from external customers	64,247	1,543	-	-	65,790
Inter segment revenue	377	-	-	(377)	-
Total revenue	64,624	1,543	-	(377)	65,790
Segment results	13,200	151	-	-	13,351
Less:					
Finance costs (net)*					6,013
Profit before tax					7,338
Other segment items					
Capital expenditure	29,919	599	-	-	30,518
Addition to ROU	13,878	219	-	-	14,097
Depreciation and amortisation expenses	15,241	292	-	-	15,533
As of March 31, 2023					
Segment assets	171,392	2,960	9,026	(849)	182,529
Segment liabilities	77,706	2,114	61,463	(849)	140,434

* net of interest income and net gain on fair value through profit and loss.

Geographical information:

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

31 Related party disclosures

i. Parent Company

Bharti Airtel Limited

ii. Ultimate controlling entity *

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

iii. Entity having significant influence over the Company

Telecommunications Consultants India Limited (upto April 12, 2024)

iv. Entity having significant influence over the Parent Company*

Singapore Telecommunications Limited

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

a. Fellow Subsidiaries

- Indian

Bharti Airtel Services Limited

Bharti Telemedia Limited

Telesonic Networks Limited^ (merged with Bharti Airtel Limited w.e.f. February 01, 2023)

Nxtra Data Limited

Xtelify Limited (formerly known as Airtel Digital Limited)

Beetel Teletech Limited (w.e.f. January 01, 2024)

- Foreign

Airtel (Seychelles) Limited

Airtel Congo RDC S.A.

Airtel Congo S.A.

Airtel Gabon S.A.

Notes to Financial Statements

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

Airtel Malawi Public Limited Company
Airtel Madagascar S.A.
Airtel Networks Kenya Limited
Airtel Networks Zambia Plc
Airtel Rwanda Limited
Airtel Tanzania Public Limited Company
Airtel Tchad S.A.
Airtel Uganda Limited
Bharti Airtel Lanka (Private) Limited
Bharti Airtel Nigeria B.V.
Bharti Airtel Uganda Holdings B.V.
Celtel Niger S.A.

b. Entity where parent company exercises significant influence

Airtel Payments Bank Limited
Robi Axiata Limited
Hughes Communication India Private Limited
HCIL Comtel Private Limited

c. Joint venture of the Parent company

Indus Towers Limited
Smartx Services Limited
FireFly Networks Limited

d. Other related parties

Beetel Teletech Limited (upto December 31, 2023)
Centum Learning Limited
Jersey Airtel Limited
Bharti AXA Life Insurance Company Limited
Singtel Mobile Singapore Pte. Ltd

* There is no transaction with Ultimate Controlling entity and Entity having significant influence over Parent Company during the reported periods.

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

vi. Key Management Personnel

Nidhi Lauria, Chief Executive Officer (upto November 11, 2022)
Marut Dilawari, Chief Executive Officer (w.e.f. November 12, 2022)
Kamal Dua, Chief Financial Officer (upto November 7, 2023)
Akhil Garg, Chief Financial Officer (w.e.f. November 7, 2023)
Richa Gupta Rohatgi, Company Secretary

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

Notes to Financial Statements

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

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

	For the year ended March 31, 2024					
	Parent Company	Fellow subsidiaries	Entity where parent company exercise significant influence	Joint venture of the Parent company	Entity having significant influence over the Company	Other related parties
Purchase of fixed assets/bandwidth	1,194	26	10	695	-	101
Sale of fixed assets/IRU given	260	18	-	-	-	-
Rendering of services	7,266	24	5	0	-	18
Receiving of services	9,571	525	389	3,003	-	2
Expenses incurred on behalf of others	19	13	2	-	12	-
Expenses incurred on behalf of the company	1,743	645	-	-	-	-
Interest charged by others	-	20	-	-	-	-
Interest charged by the company	415	-	-	-	-	-
Reimbursement of energy expenses	-	-	-	4,136	-	-
Receiving of assets(ROU/Ind AS 116) **	-	11	-	5,188	-	-
Repayment of Lease liability	-	86	-	3,064	-	-
Guarantees and collaterals	(0)	-	-	-	-	-
Dividend paid	525	-	-	-	225	-

	For the year ended March 31, 2023					
	Parent Company^	Fellow subsidiaries	Entity where parent company exercise significant influence	Joint venture of the Parent company	Entity having significant influence over the Company	Other related parties
Purchase of fixed assets/bandwidth	832	8	-	13	-	40
Sale of fixed assets/IRU given	43	-	-	-	-	-
Rendering of services	10,220	22	10	-	-	4
Receiving of services	13,398	425	287	2,280	-	4
Expenses incurred on behalf of others	0	63	0	-	-	-
Expenses incurred on behalf of the company	1,635	580	-	-	-	-
Interest charged by others	-	15	-	-	-	-
Reimbursement of energy expenses	-	-	-	4,358	-	-
Receiving of assets(ROU/Ind AS 116) **	-	217	-	9,535	-	-
Repayment of Lease liability	-	35	-	3,081	-	-
Guarantees and collaterals	(3)	-	-	-	-	-

The details of significant transactions with related parties for the year ended March 31, 2024 and March 31, 2023 are provided below:-

	For the year ended	
	March 31, 2024	March 31, 2023^
(i) Receiving of services		
Parent Company		
Bharti Airtel Limited*	9,571	13,398
Joint venture of the parent company**		
Indus Towers Limited	3,003	2,280
(ii) Rendering of services		
Parent Company		
Bharti Airtel Limited	7,266	10,220

Notes to Financial Statements

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

	For the year ended	
	March 31, 2024	March 31, 2023 [^]
(iii) Reimbursement of energy expenses		
Joint venture of the parent company		
Indus Towers Limited	4,136	4,358
(iv) Purchase of fixed assets / bandwidth (net)		
Parent Company		
Bharti Airtel Limited	1,194	832
Joint venture of the parent company		
Indus Towers Limited	695	13
(v) Fund received / Expenses incurred on behalf of the company		
Parent Company		
Bharti Airtel Limited	1,743	1,635
(vi) Receiving / termination of assets(ROU)[#]		
Joint venture of the parent company [§]		
Indus Towers Limited	5,188	9,535
(vii) Dividend paid		
Parent Company		
Bharti Airtel Limited	525	-
Entity having significant influence over the Company		
Telecommunications Consultants India Limited	225	-

[#] Amount excluding goods and service tax.

^{*} Amount disclosed above is net of termination.

[§] During the year ended March 31, 2024 and March 31, 2023, the Company has made payment of ₹ 3,064 and ₹ 3,081 respectively in respect of lease liabilities.

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

	Parent Company [^]	Fellow subsidiaries	Entity where parent company exercise significant influence	Joint venture of the Parent company	Entity having significant influence over the Company	Other related parties
As of March 31, 2024						
Trade Receivables	1,842	10	1	0	-	3
Other Financial assets	7	1	5	98	12	-
Trade Payables	-	175	38	2,704	-	0
Guarantees and collaterals	47	-	-	-	-	-
Lease liabilities [@]	-	230	-	20,002	-	-
As of March 31, 2023						
Trade Receivables	356	0	12	-	-	3
Other Financial assets	42	6	-	98	-	-
Trade Payables	-	200	0	2,687	-	6
Guarantees and collaterals	47	-	-	-	-	-
Lease liabilities [@]	-	285	-	16,431	-	-

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

[^]Consequent to the amalgamation of Telesonic Networks Limited (Telesonic) and Nettle Infrastructure Investments Limited (Nettle) with Bharti Airtel Limited (Airtel) with appointed date of April 1, 2022, related party transactions of Telesonic and Nettle for the year ended March 31, 2023 have been included with Airtel and disclosed accordingly.

[@] It include discounted value of future cash payouts.

Notes to Financial Statements

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

32 Leases

Company as a lessee

Right-of-use assets ('ROU')

The following table presents the reconciliation of changes in the carrying value of ROU assets for the year ended March 31, 2024 and March 31, 2023:

	Bandwidth	Plant and equipment	Building	Leasehold land	Total
Balance as at April 1, 2022	958	11,943	93	3,330	16,324
Additions	-	13,155	300	643	14,098
Depreciation expense	(78)	(2,841)	(53)	(336)	(3,308)
Disposals / adjustments	-	(444)	(5)	(275)	(724)
Balance as at March 31, 2023	880	21,813	335	3,362	26,390
Balance as at April 1, 2023	880	21,813	335	3,362	26,390
Additions	-	6,103	63	248	6,414
Depreciation expense	(78)	(3,390)	(52)	(340)	(3,860)
Disposals / adjustments	-	(312)	(11)	(25)	(348)
Balance as at March 31, 2024	802	24,214	335	3,245	28,596

• Bandwidth

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

• Plant and equipment

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

• Building

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

• Leasehold land

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

Amounts recognised in profit or loss

Leases under Ind AS 116

Leases under Ind AS 116	For the year ended	
	March 31, 2024	March 31, 2023
Interest on lease liabilities	2,379	2,028
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	5	5

Amounts recognised in Statement of Cash Flows

Leases under Ind AS 116	For the year ended	
	March 31, 2024	March 31, 2023
Principal payment of lease liabilities	2,930	2,831

Notes to Financial Statements

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

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

Operating leases under Ind AS 116	For the year ended	
	March 31, 2024	March 31, 2023
Not later than one year	6,805	6,103
Later than one year but not later than five years	21,183	18,415
Later than five years	16,587	15,816
	44,575	40,334

Company as a lessor-operating lease

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

Amounts recognised in Statement of Profit and Loss

Leases under Ind AS 116	For the year ended	
	March 31, 2024	March 31, 2023
Lease income	492	505

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

Operating leases under Ind AS 116	For the year ended	
	March 31, 2024	March 31, 2023
Less than one year	257	325
One to two years	61	264
Two to three years	39	62
Three to four years	30	40
Four to five years	26	30
More than five years	59	82
	472	803

Company has entered into non-cancellable lease arrangements to provide dark fiber on IRU basis and tower assets on site-sharing basis. Due to the nature of these transactions, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2024 and March 31, 2023 and accordingly, the related disclosures are not provided.

33 Financial and capital risk

1. Financial Risk

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

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

Notes to Financial Statements

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

(i) Foreign currency risk

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

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and OCI is given in the table below:

	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
For the year ended March 31, 2024			
US Dollars	+5%	(25)	-
	-5%	25	-
EURO	+5%	2	-
	-5%	(2)	-
For the year ended March 31, 2023			
US Dollars	+5%	(21)	-
	-5%	21	-
EURO	+5%	0	-
	-5%	(0)	-

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

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

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

(ii) Interest rate risk

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

Borrowings

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

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

Interest rate sensitivity of borrowings

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

Interest rate sensitivity	Increase / decrease in basis points	Effect on profit before tax
For the year ended March 31, 2024		
INR - borrowings	+100	(0)
	-100	0
For the year ended March 31, 2023		
INR - borrowings	+100	(0)
	-100	0

Notes to Financial Statements

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

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

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

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

(iii) Price risk

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

(iv) Credit risk

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

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

Trade receivables

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

The Company uses a provision matrix to measure the ECL of trade receivables, which comprise a very large numbers of small balances. Refer Note 11 for details on the impairment of trade receivables. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are impaired if the payments are more than 90 days past due.

The ageing analysis of trade receivables as of the reporting date is as follows:

	Neither past due nor impaired	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade receivables as of March 31, 2024	2,197	1,971	162	103	13	4,446
Trade receivables as of March 31, 2023	788	348	101	19	233	1,489

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

Financial instruments and cash deposits

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

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from domestic at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Notes to Financial Statements

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

Moreover, the Company's senior management regularly monitors the rolling forecasts of the entity's liquidity reserve (comprising of the amount of available un-drawn credit facilities and Cash and cash equivalents) and the related requirements, to ensure they have sufficient cash on an on-going basis to meet operational needs while maintaining sufficient headroom at all times on its available un-drawn committed credit facilities, so that there is no breach of borrowing limits or relevant covenants on any of its borrowings. For details as to the Borrowings, refer Note 15.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents, cash generated from operations and available un-drawn credit facilities, will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

	As of March 31, 2024						
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings**	50,028	3	23,678	125	4,542	38,248	66,596
Other financial liabilities#	7,861	218	7,643	-	-	-	7,861
Trade payables	14,848	-	14,848	-	-	-	14,848
Lease liabilities	32,700	-	4,015	2,790	5,500	32,271	44,576
Financial liabilities	105,437	221	50,184	2,915	10,042	70,519	133,881

	As of March 31, 2023						
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings**	64,558	31	2,501	16,020	22,627	42,790	83,969
Other financial liabilities#	8,396	237	8,159	-	-	-	8,396
Trade payables	14,406	-	14,406	-	-	-	14,406
Lease liabilities	29,343	-	3,609	2,494	4,862	29,369	40,334
Financial liabilities	116,703	268	28,675	18,514	27,489	72,159	147,105

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

Interest accrued has been included in interest bearing borrowings and excluded from other financial liabilities.

The following table provides the reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities of Statement of Cash Flows:

	April 1, 2023	Cash flows	Non-cash changes		March 31, 2024
			Interest expense	Others	
Borrowings*	62,693	(15,000)	-	653	48,346
Interest accrued	1,865	(5,356)	6,453	(1,280)^	1,682
Lease liabilities	29,343	(2,930)	-	6,287	32,700

	April 1, 2022	Cash flows	Non-cash changes		March 31, 2023
			Interest expense	Others	
Borrowings*	71,983	(24,428)	-	15,138	62,693
Interest accrued	890	(4,830)	6,362	(558)^	1,865
Lease liabilities	18,701	(2,831)	-	13,473	29,343

* It does not include deferred payment liabilities and lease liabilities.

^ Mainly pertains to provision on regulatory matters, spectrum interest & interest capitalisation.

Notes to Financial Statements

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

(vi) Disclosure of non-cash transactions

	For the year ended	
	March 31, 2024	March 31, 2023
ROU additions during the year by means of lease	6,413	14,097
Acquisition of intangible assets and intangible assets under development acquired by means of deferred payment liability	-	13,456

2. Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio calculated as below:

	As of	
	March 31, 2024	March 31, 2023
Borrowings	48,346	62,693
Less: Cash and cash equivalents	398	555
Net Debt (A)	47,948	62,138
Equity	46,387	42,095
Total Capital (B)	46,387	42,095
Capital and Net Debt (C = A+B)	94,335	104,233
Gearing Ratio (A/C)	50.8%	59.6%

34 Fair Value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

		Carrying Value as of		Fair Value as of	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets					
FVTPL					
Investments-quoted	Level 1	137	10,460	137	10,460
Amortised cost					
Investments-quoted	Level 1	2,239	-	2,239	-
Trade receivables		4,446	1,489	4,446	1,489
Cash and cash equivalents		398	555	398	555
Other bank balances		345	332	345	332
Other financial assets		15,388	14,409	15,388	14,409
		22,953	27,245	22,953	27,245
Financial Liabilities					
Amortised cost					
Borrowings-fixed rate	Level 1	19,999	34,969	18,862	33,071
Borrowings-fixed rate	Level 2	28,344	27,693	27,595	26,893
Borrowings-floating rate		3	31	3	31
Trade payables		14,848	14,406	14,848	14,406
Other financial liabilities		9,543	10,261	9,543	10,261
		72,737	87,360	70,851	84,662

Notes to Financial Statements

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

The following methods / assumptions were used to estimate the fair values:

- The carrying value of other bank balances, trade receivables, trade payables, floating – rate borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments being subject to floating – rates.
- The fair value of non – current financial assets, other long-term borrowing and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2024 and March 31, 2023:

Financial liabilities	Inputs used
Fixed Rate borrowings	Prevailing interest rates in market, future payouts, Interest rates

During the year ended March 31, 2024 and March 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

35 Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023:

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance
Current Ratio - [no. of times]	Current Assets	Current Liabilities	0.32	0.47	(32.7%)
Debt-equity Ratio - [no. of times]*	Non-Current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	1.03	1.48	(30.0%)
Debt service coverage ratio - [no. of times]	Profit before depreciation, amortisation, finance costs, exceptional items and tax	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	1.54	3.42	(55.1%)
Return on equity ratio - [no. of times]	Profit for the year	Average Equity	0.11	0.14	(18.3%)
Trade receivables turnover ratio - [no. of days]	Average trade receivables	Revenue from operations / no of days for the year	15	62	(75.4%)
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital (i.e. Current assets – Current liabilities)	(1.38)	(2.03)	32.2%
Net profit ratio (%)	Profit for the year	Revenue from operations	7.1%	8.3%	(14.8%)
Return on capital employed (%)	EBIT	Average Capital Employed#	14.1%	10.7%	31.8%
Return on investment	Income generated from investments	Time weighted average investment	4.69%	5.02%	(6.5%)

* excluding lease liabilities.

average Capital Employed= Average of (Equity + Net Debt).

Explanation where variance in ratio is more than 25%

Current ratio

Decrease is majorly on account of increase in current liabilities.

Debt-equity ratio

Decrease is majorly on account of decrease in debt.

Debt service coverage ratio

Decrease is on account of increase in repayment of long term debt.

Trade receivables turnover ratio

Decrease is majorly on account of decrease in average trade receivables.

Notes to Financial Statements

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

Net capital turnover ratio

Increase is majorly on account of decrease in working capital.

Return on capital employed

Increase on account of increase in EBIT and reduce in debt.

36 Audit Trail

Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement w.e.f April 01, 2023, to only use such accounting software which has a feature of recording audit trail of each and every transaction.

The Company has assessed all of its IT applications including supporting applications considering the guidance provided in "Implementation guide on reporting on audit trail under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" issued by the Institute of Chartered Accounts of India in February 2024, and identified applications that are relevant for maintaining books of accounts. The Company has an IT environment which is adequately governed with General information technology controls (GITCs) for financial reporting process. During the financial year, the Company has enabled audit trail feature, in a phased manner, in certain critical applications including the ERP application (Oracle) which maintains the general ledger for financial reporting purposes. During such period, audit trail feature has operated effectively and there were no instances of audit trail feature being tampered with. Further, for the remaining applications, the Company is in the process of implementing audit trail feature.

37 Relationship with struck off companies

March 31, 2024

S No.	Name of Struck off Company	Nature of Transactions	Balance Outstanding as of March 31, 2024
1	Sarvcon Training and Consultants Private Limited	Receivables	-
2	Trueblue Tours and Taxi Private Limited	Receivables	0
3	Shree Sanware Organic Private Limited	Receivables	-
4	Climax Technologies Private Limited	Receivables	-

March 31, 2023

S No.	Name of Struck off Company	Nature of Transactions	Balance Outstanding as of March 31, 2023
1	Online Manoj Private Limited	Receivables	0
2	P C Patel Agro Farm Private Limited	Receivables	0
3	Solrad (Opc) Private Limited	Receivables	0
4	Trueblue Tours and Taxi Private Limited	Receivables	0
5	Workolox Services (Opc) Private Limited	Receivables	0
6	Climax Technologies Private Limited	Receivables	-
7	Sarvcon Training and Consultants Private Limited	Receivables	-
8	Shree Sanware Organic Private Limited	Receivables	-
9	Solars4u Infratech Private Limited	Receivables	-

38 Events after the reporting period

- Subsequent to year ended March 31, 2024, the Company has redeemed 20,000 listed, unsecured, Non-Convertible Debentures ('NCDs'), of face value of ₹ 1 each aggregating to ₹ 20,000 with interest of ₹ 1,180 on April 30, 2024.
- Subsequent to year ended March 31, 2024, the Company has completed its Initial Public Offering comprising of an offer for sale by Telecommunications Consultants India Limited (selling shareholder) of 75,000,000 equity shares of ₹ 5 each at a premium of ₹ 565 per share aggregating to ₹ 42,750. The equity shares are listed and traded on BSE Limited and National Stock Exchange of India Limited with effect from April 12, 2024.

Corporate Information

Board of Directors

Mr. Jagdish Saksena Deepak, Chairman
 Mr. Ashok Tyagi
 Mr. Arvind Kohli
 Mr. Arun Gupta
 Mr. Devendra Khanna
 Mr. Kapal Kumar Vohra
 Ms. Nalina Suresh
 Mr. Soumen Ray

Chief Executive Officer

Mr. Marut Dilawari

Chief Financial Officer

Mr. Akhil Garg

Company Secretary and Compliance Officer

Ms. Richa Gupta Rohatgi

Statutory Auditors

Deloitte Haskins & Sells, LLP
 Chartered Accountants

Internal Assurance Partners

Ernst & Young LLP
 ANB & Co., Chartered Accountants

Cost Auditors

Sanjay Gupta & Associates
 Cost Accountants

Secretarial Auditors

Makarand M. Joshi & Co.
 Company Secretaries

Registered & Corporate Office

Bharti Crescent,
 1, Nelson Mandela Road,
 Vasant Kunj, Phase II,
 New Delhi - 110 070, India
 Tel. No. : +91-11-4666 6100
 Fax No. : +91-11-4166 6137

Northeast Circle

Subham Buildwell, Sundarpur,
 RG Baruah Road,
 Guwahati - 781006, Assam

Rajasthan Circle

K-21, Sunny House, Malviya Marg,
 C-Scheme, Jaipur - 302001, Rajasthan

Website

www.bhartihexacom.in



Bharti Hexacom Limited



To know more about us in digital mode, scan this QR code





Bharti Hexacom Limited

CIN: L74899DL1995PLC067527

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070, India

Tel.: +91-11-4666 6100; **Fax:** +91-11-4166 6137

E-mail id: bhartihexacom@bharti.in; **Website:** www.bhartihexacom.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth (29th) Annual General Meeting ("AGM") of the members of Bharti Hexacom Limited ("the Company/ Hexacom") will be held on Friday, August 30, 2024 at 3:30 P.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS(ES):

To consider and if thought fit, to pass the following resolutions as **Ordinary Resolutions:**

- To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2024 together with the Reports of Board of Directors and of Auditors thereon**

"Resolved that the audited financial statements of the Company for the financial year ended March 31, 2024, together with the reports of Board of Directors and of the Auditors thereon, be and are hereby received, considered and adopted."

- To declare dividend on equity shares for the financial year ended March 31, 2024**

"Resolved that dividend at the rate of ₹ 4/- (Rupees Four only) per fully paid-up equity share of face value of ₹ 5/- (Rupees Five only) each, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024."

- To re-appoint Mr. Soumen Ray (DIN: 09484511) as a Director, liable to retire by rotation**

"Resolved that in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Soumen Ray (DIN: 09484511), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS(ES):

- To ratify remuneration to be paid to Sanjay Gupta & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2024-25**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any

statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) including out of pocket expenses excluding applicable taxes, as approved by the Board of Directors upon the recommendation of Audit Committee, to be paid to Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212), Cost Auditors of the Company for conducting the cost audit for the financial year 2024-25, be and is hereby ratified, confirmed and approved."

- Payment of commission to Non-Executive Independent Directors of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and rules made thereunder, (including statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17(6)(a) and all other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force, and in accordance with provisions of the Articles of Association of the Company, pursuant to the recommendations of Nomination and Remuneration Committee, and the Board of Directors of the Company ("Board") and subject to such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded to pay remuneration by way of commission to Non-Executive Independent Directors ("IDs") not exceeding an amount equal to one per cent (1%) of the net profits of the Company subject to maximum limit of ₹ 1 Crore (Rupees One Crore only) for each financial year as computed under Section 198 of the Act, in such amounts or proportions and in such manner as may be determined by the Board or Committee thereof.

Resolved further that the above remuneration shall be in addition to fees payable to the IDs for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board including reimbursement of expenses for participation in the Board and other meetings.

Resolved further that the Board of Directors (hereinafter referred to as 'Board' which term shall be deemed to include any other duly constituted/ to be constituted



Committee of Directors thereof to exercise its powers including powers conferred under this resolution), be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

6. To approve Material Related Party Transactions with Bharti Airtel Limited, Holding Company

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable circulars, laws, statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and subject to other approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendations of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/ continue to enter into Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) with Bharti Airtel Limited ("Airtel"), Holding Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the nature of: **(a)** availing and rendering of service(s) including telecommunication services viz. Voice, Data, VAS, SMS, Bandwidth, Fibre, interconnect and inter circle arrangement services etc. and related services; **(b)** reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's resources viz. employees, marketing, office space, infrastructure including IT assets, taxes and related owned/ third party services; **(c)** purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment to meet the business objectives/ requirements; **(d)** selling or otherwise disposing of or leasing, or buying property(ies) to meet the business objectives/ requirements; and **(e)** transfer of any resources, services or obligations to meet the business objectives/ requirements ("Related Party Transactions") on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between Airtel and the Company, for a period commencing from the date of this 29th Annual General Meeting ("AGM") upto the date of 30th AGM to be held in calendar year 2025 subject to a maximum period of fifteen months, such that the maximum value of the Related Party Transactions with Airtel, in aggregate, does not exceed ₹ 3,000 Crore (Rupees Three Thousand Crores only) in a financial year,

provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

Resolved further that the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any other duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including but not limited to finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to the foregoing resolution for and on behalf of the Company, settling all such issues, questions, difficulties or doubts whatsoever that may arise, delegating all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representative(s) of the Company, and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

7. To approve Material Related Party Transactions with Indus Towers Limited, a related party

To consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

"Resolved that pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable circulars, laws, statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and subject to other approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approvals and recommendations of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/ continue to enter into Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) with Indus Towers Limited ("Indus Towers"), a 'Related Party' under Regulation 2(1)(zb) of the SEBI Listing Regulations, in the nature of: **(a)** availing of service(s) including passive infrastructure services required for active services viz. IBS, WiFi etc. and/ or services, including but not limited to, of

project management or of provisioning, establishing, installation, operation and maintenance thereof; **(b)** rendering of service(s) including telecommunication services viz. landline, mobile, voice, data, leased line broadband facility, SIM charges and USB Dongles etc; **(c)** reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's employees, infrastructure, related owned/ third-party services and payment of taxes; **(d)** purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s) including passive infrastructure assets to meet the business objectives/ requirements; **(e)** selling or otherwise disposing of or leasing, or buying property(ies) to meet the business objectives/ requirements; and **(f)** transfer of resources, services or obligations to meet the business objectives/ requirements ("Related Party Transactions") on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between Indus Towers and the Company, for a period commencing from the date of this 29th Annual General Meeting ("AGM") upto the date of 30th AGM to be held in calendar year 2025 subject to the maximum period of fifteen months, such that the maximum value of the Related Party Transactions with Indus Towers, in aggregate, does not exceed ₹ 1,500 Crore (Rupees One Thousand Five Hundred Crore only) in a financial year, provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

Registered Office:

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

CIN: L74899DL1995PLC067527**E-mail id:** bhartihexacom@bharti.in**Place:** Gurugram**Date:** May 14, 2024

Resolved further that the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any other duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including but not limited to finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to the foregoing resolution for and on behalf of the Company, settling all such issues, questions, difficulties or doubts whatsoever that may arise, delegating all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representative(s) of the Company, and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

Resolved further that all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

By order of the Board
For **Bharti Hexacom Limited**

Richa Gupta Rohatgi
Company Secretary and Compliance Officer
Membership No: A24446
Address: Bharti Crescent
1, Nelson Mandela Road
Vasant Kunj, Phase – II
New Delhi – 110 070



NOTES

1. An explanatory statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder, setting out the material facts and reasons in respect of item nos. 4 to 7 of this Notice of AGM ("Notice"), is annexed herewith.
 2. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA general circular no. 09/2023 dated September 25, 2023, circular no. 10/2022 dated December 28, 2022, circular no. 20/2020 dated May 5, 2020 read with general circular No. 14/ 2020 dated April 8, 2020 and general circular no. 17/ 2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") read with SEBI Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 ("SEBI Circular"), the AGM of the Company is being held through Video Conferencing ("VC"). The deemed venue for this AGM shall be the Registered Office of the Company.
 3. Since the AGM is being held through VC, physical attendance of the Members is not required in terms of MCA Circulars. Hence, the facility for appointment of proxies by Members is not available, accordingly the Proxy Form and Attendance Slip are not annexed to this Notice. The attachment of the route map for the AGM venue is also not required.
- Dispatch of Notice and Annual Report**
4. The notice of AGM alongwith Annual Report is being sent to those Members/ beneficial owners whose name are appearing in the register of Members/ register of beneficial owners received from the depositories as on Friday, August 02, 2024.
 5. The Notice of the AGM and the Annual Report for the financial year 2023-24 will be available on the website of the Company (www.bhartihexacom.in), on the website of evoting service provider (<https://evoting.kfintech.com/public/Downloads.aspx>), on the website of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com), in compliance with the MCA Circulars.
- E-voting and participation in the AGM through VC/ OAVM**
6. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/ PoD2/CIR/P/2023/120 dated July 11, 2023 (in relation to e-voting facility provided by listed entities), the Company is pleased to provide the facility of remote e-voting and e-voting at the AGM to its Members in respect of the business to be transacted at the AGM.
 7. The Company has engaged KFin Technologies Limited, Registrar and Share Transfer Agent of the Company ("Kfin" or "RTA") as the Authorised Agency to provide the aforesaid e-voting facilities.
 8. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9.00 a.m. (IST) on Monday, August 26, 2024
End of remote e-voting	Upto 5.00 p.m. (IST) on Thursday, August 29, 2024

The remote e-voting will not be allowed beyond the aforesaid date & time and the e-voting module shall be forthwith disabled by KFin upon expiry of aforesaid period. Once the vote on the resolution is casted, the Member shall not be allowed to change it subsequently.
 9. Only those Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, August 23, 2024 ("cut-off date") shall be entitled to avail the facility of remote e-voting/ e-voting at AGM. The person who is not a Member/ Beneficial Owner as on the cut-off date should treat this Notice for information purpose only.
 10. The voting rights of Members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as at close of business hours on the cut-off date.
 11. The Company is providing VC/OAVM facility to its Members for joining/ participating at the AGM. The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 12. All the shareholders including large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are encouraged to attend the AGM.
 13. The Members attending the AGM who have not cast their vote by remote e-voting, shall be entitled to vote at AGM through e-voting at the AGM. However, the Members can opt for only one mode of voting i.e. either remote e-voting or e-voting at the AGM. The Members who have cast their vote by remote e-voting may also attend the AGM but will not be able to vote again at the AGM.
 14. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 15. To ensure smooth transmission and co-ordination during the Q&A Session, the Company is providing the facility of Speaker Registration. Members who

would like to express their views or ask questions during the AGM may register themselves by sending request mentioning their name, demat account, e-mail id, and mobile number through their registered e-mail address, to the Company at bhartihexacom@bharti.in or by logging on to <https://emeetings.kfintech.com/> during the period from Wednesday, August 21, 2024 to Sunday, August 25, 2024. Only those Members who have registered themselves as Speaker will be allowed to express their views or ask questions at the AGM.

16. Members can submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM by sending an e-mail to the Company at bhartihexacom@bharti.in mentioning their name, demat account etc. on or before Sunday, August 25, 2024. Such questions will be suitably replied to by the Company. The Company reserves the right to restrict the number of questions and speakers, depending upon the availability of time, for smooth conduct of the AGM.

17. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company viz. www.bhartihexacom.in.
18. Members are requested to carefully read the below instructions in connection with the e-voting facility and procedure for joining the AGM.

Procedure to cast vote through remote e-voting

I. Login & e-voting method for Individual shareholders holding shares of the Company in demat mode:

Type of shareholder	Login Method
Individual Shareholders holding shares in demat mode with NSDL	<p>1. User already registered for Internet-based Demat Account Statement (IDeAS) facility:</p> <ol style="list-style-type: none"> Visit https://eservices.nsd.com. Click on the 'Beneficial Owner' icon under 'Login' under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on 'Access to e-voting'. Click on the Company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period. <p>2. User not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> To register click on link: https://eservices.nsd.com. Select 'Register Online for IDeAS' or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. Proceed with completing the required fields and follow steps given in Clause 1 above. <p>3. Accessing the e-voting website of NSDL:</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsd.com. Click on the icon 'Login' which is available under 'Shareholder/Member' section. A new screen will open. Enter User ID (i.e. 16 digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. On successful authentication, Member will be requested to select the name of the company and the e-voting service Provider name i.e. KFin. On successful selection, Member will be re-directed to the e-voting page of KFin for casting their vote during the e-voting period.



Type of shareholder	Login Method
Individual Shareholders holding shares in demat mode with CDSL	<p>1. Existing user who have opted for Easi/ Easiest:</p> <ol style="list-style-type: none"> Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com and click on 'Login to - My Easi' (under Quick Links). Login with your registered user id and password. The user will see the e-voting menu. The menu will have links of various e-voting service providers ('ESP'). Choose KFin as the ESP to cast your vote. <p>2. Users not registered for Easi/ Easiest:</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration. Proceed with completing the required fields and follow the steps given in clause 1 above. <p>3. Accessing the e-voting website of CDSL:</p> <ol style="list-style-type: none"> Visit www.cdslindia.com. Provide your Demat Account Number and PAN. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. On successful authentication, Member will be provided links for the e-voting Service Provider (i.e. KFin) and re-directed to the e-voting page of KFin to cast vote without any further authentication.
Individual Shareholders holding shares in demat mode - Login through their demat account/ website of respective Depository Participant ('DP')	<ol style="list-style-type: none"> Members can also login using the login credentials of their demat accounts maintained with DP registered with NSDL/ CDSL for e-voting facility. Once logged-in, Members will be able to see the e-voting option. Click on e-voting option, Members will be redirected to the website of NSDL/ CDSL after successful authentication, wherein you can see e-voting feature. Click on options available against Company name or e-voting service provider KFin and Members will be redirected to e-voting website of KFin for casting vote during the remote e-voting period without any further authentication.

Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID/ Password option available at abovementioned websites.

Helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Shares held with NSDL	<p>E-mail: evoting@nsdl.co.in</p> <p>Toll free no.: 1800-1020-990 and 1800-22-44-30</p>
Shares held with CDSL	<p>E-mail: helpdesk.evoting@cdslindia.com</p> <p>Contact no.: 022-23058738 or 022-23058542/43</p>

II. Login & e-voting method for shareholders other than Individuals holding shares of the Company:

- A. Members whose e-mail IDs are registered with the Company/ Depository Participant(s), will receive an e-mail from KFin which will include details of E-voting Event Number (EVEN), User ID and password. They will have to follow the below process:
- a. Launch internet browser by typing the URL <https://evoting.kfintech.com>.
 - b. Enter the login credentials (i.e. User ID and Password). User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the "EVEN" of "Bharti Hexacom Limited" and click on "Submit". Members are requested to select the respective EVENS (i.e. 8225) and vote depending upon their shareholding.
 - g. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - h. Members holding multiple demat accounts shall choose the voting process separately for each demat accounts.
 - i. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - j. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k. A confirmation box will be displayed. Click "OK" to confirm else click "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- B. Members whose e-mail addresses are not yet registered with the Company/ DPs and consequently, have not received the Notice, are requested to get their e-mail addresses and mobile numbers registered by following the procedure laid down in Note no. 36 of this Notice.

Procedure to join the AGM via VC/ OAVM

- A. Members who are entitled to attend the AGM can participate by logging on the e-voting website of KFin viz. <https://emeetings.kfintech.com/> using their secure login credentials, or with the registered mobile and OTP option. Members are requested to use stable Wi-Fi or LAN connection while attending the AGM through Desktop/ Laptop/ Smartphone/ Tablet to avoid any disturbance/ glitches during the meeting.
- B. Members attending the AGM who have not cast their vote by remote e-voting, shall be entitled to vote at AGM through e-voting at the AGM. Please click on "Vote" button appearing on the screen to cast your vote.

Other instructions

- A. Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Corporate Members, and Central or State Government may be appointed for the purpose of voting through remote e-voting or for participation and voting at the AGM through e-voting facility.

In view of the above, Body corporates/ Central or State Government/ Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorized representative(s) to attend the AGM through VC and to cast their votes through remote e-voting/ e-voting at the AGM. In this regard, such shareholders are required to send a latest certified copy of the Board Resolution/ Authorization Letter/ Power of Attorney authorizing their representative(s) to attend the meeting and vote on their behalf through e-voting.



The said resolution/ letter/ power of attorney shall be sent through registered e-mail ID to the Scrutinizer at support@corp-nexus.com with a copy marked to evoting@kfintech.com.

B. Any Member who has not received/forgotten the User ID and Password, may obtain/generate/ retrieve the same from KFin in the manner as mentioned below:

i. If the mobile number of the Member is registered against DP ID Client ID, the Member may send SMS: MYEPWD followed by DP ID + Client ID to 9212993399.

- Example for NSDL: MYEPWDIN12345612345678

- Example for CDSL: MYEPWD1234567812345678

ii. If e-mail address or mobile number of the Member is registered against DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the Member may click "Forgot Password" and you will be redirected to the web page <https://evoting.kfintech.com/common/passwordoptions.aspx> and enter DP ID Client ID and PAN to generate a new password.

C. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

D. In case of any query, clarification(s) and/ or grievance(s), in respect of remote e-voting, please refer the Help & Frequently Asked Questions (FAQs) section and e-voting user manual available at the download Section of KFin's website at <https://evoting.kfintech.com/public/Downloads.aspx> or contact Mr. Raj Kumar Kale, Assistant Vice President, KFin Technologies Limited at evoting@kfintech.com or call on toll free no. 1800-309-4001 for any further clarification.

19. The Board of Directors have appointed Mr. Harish Chawla (FCS-9002; C.P. No.: 15492), Partner, M/s. CL & Associates, Company Secretaries ("CLA"), and failing him, Mr. Abhishek Lamba (FCS-10489 C.P. No.: 13754), Partner, CLA, as the Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM and they have communicated their willingness to be appointed and will be available for the said purpose.

20. The Scrutinizer, after scrutinizing the voting through remote e-voting and e-voting at the AGM, shall make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or any other person authorised by the Chairman. The Chairman or the authorized person shall declare the voting results within three days from the conclusion of the AGM. The voting results declared shall be available on the website of the Company (www.bhartihexacom.in) and on the website of KFin (<https://evoting.kfintech.com/public/Downloads.aspx>) and shall also be displayed on the notice board at the registered office and corporate office of the Company.

The results shall simultaneously be communicated to the Stock Exchanges viz. NSE and BSE.

21. The resolutions set out in this Notice, if passed, shall be deemed to be passed on the date of AGM i.e. Friday, August 30, 2024.

Inspection of Documents

22. All documents referred to in the Notice, will be available for inspection electronically without any fee, by the Members from the date of circulation of this Notice up to the date of AGM i.e. upto Friday, August 30, 2024. Members seeking to inspect such document(s) can send a request to the Company at bhartihexacom@bharti.in.

23. The Register of Directors & Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all the documents referred to in the Notice and explanatory statement, will be available for electronic inspection by the Members during the AGM.

Payment of Dividend

24. Members may note that the Board, at its meeting held on May 14, 2024, has recommended a final dividend of ₹4/- per fully paid-up equity share. The record date for the purpose of final dividend for FY 2023-24 is Friday, August 16, 2024. The aforesaid dividend, once approved by the Members in this AGM, will be paid within 30 days from the date of AGM.

25. The bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through Electronic Clearance Scheme ("ECS") facility. The Company/ RTA will not act on any direct request from Members holding shares in dematerialized form for change/ deletion of such bank details.

26. Members may note that the Income-tax Act, 1961, (the "IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company on or after April 1, 2020 shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

- **Members having valid Permanent Account Number (PAN):** 10%** or as notified by the Government of India

- **Members not having valid PAN:** 20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total

dividend to be received by them during financial year 2023-24 does not exceed ₹ 5,000/-, and also in cases where Members provide Form 15G/ Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/ nil withholding of tax. PAN is mandatory for Members providing Form 15G/ 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the shareholders, if they are more beneficial to them. For the purpose of availing the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- ✓ Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the shareholder(s) or details as prescribed under rule 37BC of the Income Tax Rules, 1962
- ✓ Copy of the Tax Residency Certificate for financial year 2024-25 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholder(s)
- ✓ Self-declaration in Form 10F electronically filed on Income Tax Portal
- ✓ Self-declaration by the shareholder(s) of having no permanent establishment in India in accordance with the applicable tax treaty
- ✓ Self-declaration of beneficial ownership by the non-resident shareholder(s)
- ✓ Any other documents as prescribed under the Income Tax Act for lower withholding of taxes if applicable, duly attested by the shareholder(s)

In case of Foreign Institutional Investors/ Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

*** As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB*

shall not apply if such non-resident does not have a permanent establishment in India.

*** As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/ inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.*

For this purpose, the Company will be relying on the information verified from the utility provided and available on the website of Income Tax Department.

27. The aforesaid documents, as applicable, are required to be uploaded online with KFin at <https://ris.kfintech.com/form15> on or before Friday, August 16, 2024 to enable the Company to determine the appropriate TDS rates. No communication on the tax determination/ deduction received post Friday, August 16, 2024 shall be considered for payment of the final dividend. It is advisable to upload the documents at the earliest to enable the Company to collate the documents to determine the appropriate TDS rates.
28. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.
29. While on the subject, we once again request you to submit/ update your bank account details with your Depository Participant. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank passbook statement, duly self-attested. We also request you to register your e-mail IDs and mobile numbers with KFin at ris@kfintech.com with a copy to the Company at bhartihexacom@bharti.in.
30. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.
31. Members may please refer the separate detailed e-mail communication being sent by the Company in connection with the aforesaid amendment in the Income Tax Act, 1961 and relevant procedure to be adopted by the Members to avail the applicable tax rate.
32. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-resident shareholders.



Miscellaneous Information

- 33.** In terms of the applicable provisions of Secretarial Standard 2 and SEBI Listing Regulations, a statement of disclosure/ information relating to the Directors who are being appointed/ re-appointed at this AGM, is annexed hereto.
- 34.** Non-resident Indian shareholders are requested to inform the following to the Company or KFin or concerned DP, as the case may be:
- the change in the residential status on return to India for permanent settlement.
 - the particulars of the NRE Account with a Bank in India, if not furnished earlier.
- 35.** SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts.
- 36.** Those Members who have not yet registered their e-mail addresses and consequently, have not received the Notice and the Annual Report, are requested to get their e-mail addresses and mobile numbers registered, by following the guidelines mentioned below:
- Members holding shares in dematerialized form are requested to register/ update their e-mail addresses with their respective DPs.
 - In case of queries with respect to the aforesaid process, Members are requested to write to inward.ris@kfintech.com or call at the toll free number 1800 309 4001.
- 37.** Please also note that SEBI, vide circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 as amended from time to time, has issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ("ODR") through a common ODR portal. Please note, post exhausting the option to resolve their grievance with the Company/ its Registrar and Share Transfer Agent directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR portal (<https://smartodr.in/login>).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company at the general meeting.

The Board, upon the recommendation of the Audit Committee has approved the appointment of Sanjay Gupta & Associates, Cost Accountants (Registration No. 000212) as Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) including out of pocket expenses excluding applicable taxes for the financial year ending March 31, 2025.

Accordingly, the Board of Directors recommends the Ordinary Resolution set out at item no. 4 of the Notice for approval/ratification by the Members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at the item no. 4 of the Notice, except to the extent of their shareholding, if any, in the Company.

Item No. 5

Background

The Non-Executive Independent Directors ("Independent Directors") of the Company are astute and eminent professionals who bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as strategic leadership and management experience, technology and digital expertise, industry and sector experience/ knowledge, financial and risk management, governance, global business/ international expertise, public policy, social impact/ philanthropy etc.

The Independent Directors of the Company are actively involved in various strategic decision-making process and provide valuable contributions towards business development, governance, long term strategy, compliances and value creation for all the stakeholders. The skill matrix of all the Directors including the Independent Directors is provided on page no. 107 of the Corporate Governance Report forming part of the Annual Report for FY 2023-24. Additionally, their profile is also available on the website of the Company at <https://www.bhartihexacom.in/corp-governance-bord-director.html>.

Keeping in view the global best practices, industry size, nature of industry, remuneration paid to other Independent Directors in the industry, the Board of Directors after careful consideration of the contribution of Independent Directors to the Company and recommendation of Nomination and Remuneration Committee, approved the Policy on

Nomination, Remuneration and Board Diversity, to include remuneration to the Independent Directors linked to the factors like chairmanship of committees, membership of committees, etc.

The Policy on Nomination, Remuneration and Board Diversity is available at the website of the Company at https://bhartihexacom.in/docs/policies/Item_No_20_Revised_Policy_on_Nomination_Remuneration_and_Board_Diversity.pdf.

Proposal

As per provisions of Sections 197, 198 of the Companies Act, 2013 ("Act"), Rules thereunder and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), approval of Members by way of an Ordinary Resolution is required for payment of fee, compensation or remuneration in any form to Directors including Independent Directors. Further, as per proviso to Section 197(1) of the Act, the Non- Executive Directors including Independent Directors are eligible for 3% of the net profits of the Company if there is no Managing or a Whole Time Director.

Considering the rich experience and expertise brought into the Board by the Independent Directors, the time commitment, guidance and oversight provided by them, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of shareholders, have approved and recommended payment of remuneration to the Independent Directors in the form of commission on profits within the overall limit of 1% of the net profit of the Company (excluding sitting fees or reimbursement of expenses for attending the Board/ Committee Meetings), calculated in accordance with the provisions of Section 198 and other applicable provisions, if any, of the Act, for each financial year, in a manner that the aggregate commission payable to all the Independent Directors shall not exceed ₹ 1 Crore in any financial year.

Details of sitting fees paid to Independent Directors, during the financial year 2023-24, are provided in the Directors Report and the Corporate Governance Report forming part of the Annual Report for FY 2023-24.

The Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for the approval/ratification by the Members.

None of the Directors or Key Managerial Personnels and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at item no. 5 of the Notice, except to the extent of their shareholdings, if any, in the Company, and to the extent of the remuneration that may be received by each of the Independent Directors of the Company in future.



Item No. 6 to 7

A. Background

Bharti Hexacom Limited (Hexacom/ Company) is a communications solutions provider offering consumer mobile services, fixed-line telephone and broadband services to customers in the Rajasthan and the Northeast telecommunication circles in India.

Given the nature of industry in which Company operates, it closely works with its related parties to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and on arm's length basis. These transactions, though purely operational and routine in nature, are of utmost importance to ensure smooth business operations.

Amongst the transactions that the Company enters into with its related parties, the estimated value of the contract(s)/ arrangement(s)/ transaction(s) with Bharti Airtel Limited ("Airtel"), Holding Company and Indus Towers Limited ("Indus Towers"), a joint venture of Airtel, categorized as 'Related Party', may exceed the threshold prescribed for Material Related Party Transactions within the meaning of Regulation 23(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") i.e. lower of either ₹ 1,000 Crores (Rupees One Thousand Crores only) or 10% (ten percent) of the annual consolidated turnover of the Company, as per the last audited financial statements.

The details of actual transactions entered into by the Company with Airtel and Indus Towers as per Audited Financial Statements of the Company in the past two financial years (FY 2022-23 and FY 2023-24) are given hereunder for reference of the Members:

(₹ in Mn.)

Category of transactions	FY 2022-23		FY 2023-24	
	Airtel	Indus Towers	Airtel	Indus Towers
Availing of services	13,398	6,199	9,571	7,229
Rendering of services	10,220	-	7,681	-
Reimbursements of expenses made or received	1,635	4,358	1,766	4,136
Purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s)	875	13	1,453	695
TOTAL	26,128	10,570	20,471	12,060

Notes:

- Above transactions were entered in the ordinary course of business and on arm's length terms after obtaining necessary prior approval of the Audit Committee and Board of Directors of the Company.
- The total amount of transactions with Indus Towers Limited as disclosed in the financial statements is ₹ 13,022 Mn. The difference is on account of Right of Use Assets and Lease Liabilities accounting in accordance with IND AS 116.
- Above figures include applicable GST.

The maximum annual value of the proposed transactions with aforesaid related parties is estimated on the basis of Company's current transactions with them and future business projections. These transactions are undertaken as per the long term value creation strategy to enable Company to effectively use the current network/ business partners and optimize the business model.

Members may note that the Company has been undertaking such transactions of similar nature with the said related parties in the past financial years, in the ordinary course of business and on arms' length after obtaining requisite approvals from the Audit Committee and the Board of Directors.

Upon the recommendations and approval of the Audit Committee, the Board of Directors ("Board") at its meeting held on May 14, 2024, subject to approval of shareholders in compliance with the provisions of Reg. 23(4) of SEBI Listing Regulations and in view of the requirements of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, approved the material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) ("RPTs") as detailed below with Airtel & Indus Towers for a period commencing from this 29th AGM and upto the date of 30th AGM to be held in calendar year 2025 subject to the maximum period of fifteen months.

B. Proposal and Details of Transactions

The proposed RPTs, being of operational and critical nature, play a significant role in Company's business. Therefore, in order to secure continuity of operations, the Company is proposing to seek approval of the Members for the potential quantum of transactions with Airtel and Indus Towers, on the terms mentioned below.

Well-defined and structured Governance process for all Related Party Transactions

The Company has a well-defined and structured governance process for related party transactions undertaken by the Company. Such transactions are as per the criteria already approved by the Board on recommendations of Audit Committee. Any modification(s) on the transactions requires prior approval of the Audit Committee.

The Company has built-in systems and controls to ensure that the value of related party transactions does not cross the limits approved by Audit Committee. It may be noted that the related party transactions

are approved by only Independent directors on the Audit Committee.

In terms of Company's policy on related party transactions, the Audit Committee of the Company quarterly reviews the details of all RPTs entered into by the Company during the previous quarter, pursuant to its approval.

Arm's Length Criteria

The related party transactions are undertaken after review and certification by leading independent global valuation/ accounting firms confirming that the proposed pricing mechanism for a particular transaction meets the arm's length criteria. In certain cases, the external valuers from the said leading Independent global valuation/ accounting firm(s) also present the valuation report to the Audit Committee. The Audit Committee considers the certifications of leading independent global valuation/ accounting firm and conducts a review before granting approval to any related party transaction.

Details of the transactions and other particulars thereof as per SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023:

1) Details w.r.t. material Related Party Transactions with Bharti Airtel Limited, Holding Company of the Company:

Sr. No.	Particulars	Details
1.	Name of the related party	Bharti Airtel Limited ("Airtel")
2.	Nature of relationship	Airtel, being the Holding Company holds 70% stake in the Company.
3.	Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Soumen Ray, Non-Executive Director of the Company is Chief Financial Officer (India & South Asia) of Airtel.
4.	Nature, duration/ tenure, material terms, monetary value and particulars of the contract or arrangement	<p>a) availing and rendering of service(s) including telecommunication services viz., Voice, data, VAS, SMS, Bandwidth, Fibre, interconnect and inter circle arrangement services etc and related services;</p> <p>b) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's resources viz. employees, marketing, office space, infrastructure including IT assets, taxes and related owned/ third-party services;</p> <p>c) purchase/ sale/ exchange/ transfer/ lease of business assets and/ or equipment's to meet its business objectives/ requirements;</p> <p>d) selling or otherwise disposing of or leasing, or buying property(ies) to meet its business objectives/ requirements; and</p> <p>e) transfer of any resources, services or obligations to meet the business objectives/ requirements.</p> <p>The approval of the Members is being sought to enter/ continue to enter into related party transactions with Airtel during FY 2024-25 and FY 2025-26 upto the date of 30th AGM such that the aggregate value of transactions does not exceed ₹ 3,000 Crore in any financial year. The said approval of Members shall be valid for a period commencing from the date of this 29th AGM upto the date of 30th AGM to be held in calendar year 2025 subject to the maximum period of fifteen months.</p>



Sr. No.	Particulars	Details
5.	Any advance paid or received for the contract or arrangement, if any	NIL
6.	Percentage of Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions	<p>Approx. 42.32% of annual turnover of the Company for the financial year 2023-24.</p> <p><i>Note: The percentage above is based on the turnover of the Company FY 2023-24 and the actual percentage of annual value of RPTs shall depend upon turnover of the Company for the immediately preceding financial year.</i></p>
7.	Value of transaction as % of Airtel's consolidated turnover immediately preceding financial year	<p>Approx. 2.00% of annual consolidated turnover of Bharti Airtel Limited for the financial year 2023-24.</p> <p><i>Note: The percentage above is based on the consolidated turnover of FY 2023-24 and the actual percentage of annual value of RPTs shall depend upon consolidated turnover of Airtel for the immediately preceding financial year.</i></p>
8.	Details about valuation/ arm's length and ordinary course of business	<p>All the proposed transactions shall be undertaken after review and certification by a leading Independent global valuation/ accounting firm confirming that the pricing mechanism for a particular transaction meets the arm's length criteria. As a part of well-defined and structured governance process, the Company also ensures that in certain cases, the external valuers from the said leading Independent global valuation/ accounting firm(s) also present the valuation report to the Audit Committee.</p> <p>The proposed related party transactions are purely operational/ integral part of Company's operations given the nature of telecommunication industry and are in the ordinary course of business of the Company.</p>
9.	Rationale/ benefit of the transactions with Airtel or the justification as to why the transactions with Airtel are in the interest of the Company	<p>The strategic advantages for the Company in transacting with Airtel/ justification as to why the transactions with Airtel are in the interest of the Company, are as follows:</p> <ol style="list-style-type: none"> Hexacom provides telecommunication services in Northeast & Rajasthan service areas under the Unified License granted by the Department of Telecommunications and accordingly, provides Voice, Data Bandwidth, VAS and SMS etc. and related services to Airtel to derive group-wide operational and financial synergies with Airtel. Hexacom, being the subsidiary of Airtel, pools and shares services of Airtel group-wide common employees, infrastructure, assets and resources with which Hexacom drives operational synergy and optimization of common assets & resources for both, Hexacom and Airtel.
10.	Any other information relevant or important for the Members to take a decision on the proposed resolution/ Any other information that may be relevant	All relevant/ important information forms part of this Explanatory statement setting out material facts pursuant to Section 102(1) of the Act.

2) Details w.r.t. material Related Party Transactions with Indus Towers Limited, related party:

Sr. No.	Particulars	Details
1.	Name of the related party	Indus Towers Limited ("Indus Towers")
2.	Nature of relationship	Indus Towers is a joint venture of Airtel.
3.	Name of Director(s) or Key Managerial Personnel who is related, if any	None
4.	Nature, duration/ tenure, material terms, monetary value and particulars of the contract or arrangement	<p>a) availing of service(s) including passive infrastructure services required for active services viz. IBS, WiFi etc. and/ or services, including but not limited to, of project management or of provisioning, establishing, installation, operation and maintenance thereof;</p> <p>b) rendering of service(s) including telecommunication services viz. landline, voice, data mobile, leased line broadband facility, SIM charges and USB Dongles etc;</p> <p>c) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's employees, infrastructure, related owned/ third-party services and payment of taxes;</p> <p>d) purchase/ sale/ exchange/ transfer/ lease of business asset(s) and/ or equipment(s) including passive infrastructure assets to meet its business objectives/ requirements;</p> <p>e) selling or otherwise disposing of or leasing, or buying property(ies) to meet its business objectives/ requirements; and</p> <p>f) transfer of resources, services or obligations to meet its business objectives/ requirements.</p> <p>The Company has an arrangement with Indus Towers governing the detailed terms and conditions under which the Company avails passive infrastructure and related services from Indus Towers. The arrangement prescribes material terms and conditions w.r.t. sharing of passive infrastructure at sites, provision for related operation and maintenance service, corresponding obligations of both the parties and service level schedules applicable with respect to the said obligations. The arrangement also prescribes the tower sharing process, site access, acquisition and deployment timelines, the service levels and uptime to be maintained, site electrification requirements, the governance process and applicable charges including standard charges, annual increment, premiums and additional charges determined basis the installed active equipment of the Company etc.</p> <p>The approval of the Members is being sought to enter/ continue to enter into related party transactions with Indus Towers during FY 2024-25 and FY 2025-26 such that the aggregate value of transactions does not exceed ₹ 1,500 Crore in any financial year. The said approval of Members shall be valid for a period commencing from the date of this 29th AGM upto the date of 30th AGM to be held in calendar year 2025 subject to the maximum period of fifteen months.</p>
5.	Any advance paid or received for the contract or arrangement, if any	NIL
6.	Percentage of Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions	<p>Approx. 21.16 % of annual turnover of the Company for the financial year 2023-24.</p> <p><i>Note: The percentage above is based on the turnover of the Company FY 2023-24 and the actual percentage of annual value of RPTs shall depend upon turnover of the Company for the immediately preceding financial year.</i></p>



Sr. No.	Particulars	Details
7.	Value of transaction as % of Indus Tower's consolidated turnover immediately preceding financial year	<p>Approx. 5.24% of annual consolidated turnover of Indus Towers for the financial year 2023-24.</p> <p><i>Note: The percentage above is based on the consolidated turnover of FY 2023-24 and the actual percentage of annual value of RPTs shall depend upon consolidated turnover of Indus Tower for the immediately preceding financial year.</i></p>
8.	Details about valuation/ arm's length and ordinary course of business	<p>All the proposed transactions shall be undertaken after review and certification by a leading Independent global valuation/ accounting firm confirming that the pricing mechanism for a particular transaction meets the arm's length criteria. As a part of well-defined and structured governance process, the Company also ensures that in certain cases, the external valuers from the said leading Independent global valuation/ accounting firm(s) also present the valuation report to the Audit Committee.</p> <p>The proposed related party transactions are purely operational/ integral part of Company's operations given the nature of telecommunication industry and are under the ordinary course of business of the Company.</p>
9.	Rationale/ benefit of the transactions with Indus Towers Limited or the justification as to why the transactions with Indus Towers Limited are in the interest of the Company	<p>The strategic advantages for the Company in transacting with Indus Towers/ justification as to why the transactions with Indus Towers are in the interest of the Company, are as follows:</p> <ol style="list-style-type: none"> a) Indus Towers is one of the world's largest telecom tower companies, with a nationwide presence. Therefore, the Company remains in a better position with Indus Towers in terms of tower sharing process, site selection, speed and quality of acquisition and deployment, the service levels, uptime, site electrification requirements and the governance process etc. Availability of such synergies in the operational processes helps the Company in providing improved quality of services and maintaining consistent high service standards across the business. b) Network requires site infrastructure to be established for providing mobility & enterprise services. Sites planned in the network are defined so that they can provide best coverage & performance for services provided by the Company. As establishment of infrastructure is capital intensive, the contracts/ agreements with infrastructure partners are built for long term period. Therefore, to enable Company maintain continuity of services, experience & contractual obligations, the Company needs to continue to use such passive infrastructure established with Indus Towers on long-term basis. c) Switching the passive infrastructure sites may not be prudent for the Company as switching of such sites comes with disruption in the network as well as early surrender fees for the infrastructure that the partners like Indus Towers have built for us. The arrangement with Indus Towers places the Company well to benefit from optimization of sites (within the eligibility of the contracts) thereby bringing in optimized cost structure driven by scale, reduction in operational expenditure and improvement of experience. d) The Company also fiberizes passive infrastructure sites for backhaul which again is long term asset that the Company creates. Therefore, switching to other new partners or moving such sites would need fiber infrastructure to be adjusted accordingly which may adversely impact the cost-effectiveness for the Company. Furthermore, any change may also impact Company's backhaul topology as multiple sites are inter-connected for creating end to end backhaul network.

Sr. No.	Particulars	Details
		<p>e) As the technology upgrades, the same infrastructure or site is leveraged for upgrading Company's network. Leveraging existing infrastructure gives the Company, the lowest cost for upgrade as well as enable to maintain the same site grid across all technologies for better user experience.</p> <p>f) The Company leverages the existing site infrastructure to provide B2B services (and connectivity to its Homes infrastructure as well), which helps the Company to optimize the cost of delivering those services from common infrastructure/ site.</p> <p>g) The arrangement with Indus Towers brings environmental benefits like reduction in diesel consumption, conservation of resources, energy savings and reduced pollution etc., due to enhanced sharing, improved tenancy and world-class ESG practices adopted by Indus Towers.</p>
10.	Any other information relevant or important for the Members to take a decision on the proposed resolution/ Any other information that may be relevant	All relevant/ important information forms part of this Explanatory statement setting out material facts pursuant to Section 102(1) of the Act.

Members may note that the said Related Party Transactions, placed for Members' approval, shall, at all times, be subject to prior approval of the Audit Committee of the Company and shall continue to be in the ordinary course of business and at arm's length. The transactions shall also be reviewed/ monitored on periodic basis by the Audit Committee of the Company in terms of the applicable provisions of SEBI Listing Regulations and relevant circular(s) made thereunder and shall remain within the proposed amount(s) being placed before the Members. Any subsequent material modifications in these transactions, as may be defined by the Audit Committee as a part of Company's Policy on Related Party Transactions, shall be placed before the Members for approval, in terms of Regulation 23(4) of the SEBI Listing Regulations.

None of the promoter(s)/ promoter group entities except for Airtel are interested, directly or indirectly, in the proposed transactions. The proposed transactions shall not, in any manner, be detrimental to the interest of minority shareholders and be in the best interest of the Company and its shareholders.

The Board of Directors of the Company, at its meeting held on May 14, 2024, on the approval and recommendation of the Audit Committee and subject to approval of the Members, approved the above proposals such that the maximum value of the Related Party Transactions with a particular related party in any financial year does not exceed the amounts as proposed aforesaid in the respective resolutions.

Pursuant to Regulation 23 of the SEBI Listing Regulations, Members may also note that no related party of the Company shall vote to approve the item nos. 6 and 7, whether the entity is a related party to the particular transaction or not.

The Board accordingly recommends the resolutions set forth in item nos. 6 and 7 for approval of the Members as Ordinary Resolutions.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is deemed to be concerned or interested, financially or otherwise in the said resolutions except to the extent of their shareholding or other interest, if any.

Registered Office:

Bharti Crescent
1, Nelson Mandela Road
Vasant Kunj, Phase – II
New Delhi – 110 070
CIN: L74899DL1995PLC067527
E-mail id: [bharti@hexacom@bharti.in](mailto:bhartihexacom@bharti.in)

Place: Gurugram
Date: May 14, 2024

By order of the Board
For **Bharti Hexacom Limited**

Richa Gupta Rohatgi
Company Secretary and Compliance Officer
Membership No. A24446
Address: Bharti Crescent
1, Nelson Mandela Road
Vasant Kunj, Phase - II
New Delhi – 110 070



Information of Director who is being appointed/ re-appointment at this AGM, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable provisions of the Companies Act, 2013 and Secretarial Standards-2, as on the date of Notice.

Name	Mr. Soumen Ray
Director Identification Number (DIN)	09484511
Date of Birth	July 13, 1973
Age (in Years)	50 years
Original date of appointment	February 14, 2022
Qualifications	Chartered Accountant
Experience and expertise in specific functional area	Mr. Soumen Ray has over 23 years immense experience in Leadership, Finance, ESG Proficiency, Strategic Management, Industry & Sector, Corporate Governance & Legal, Technology and People Management.
Terms and conditions of re-appointment and remuneration	As per the Nomination and Remuneration Policy
Remuneration drawn for FY 2023-24	Nil
No. of Board Meetings attended during the year	7 out of 7 (i.e. 100% attendance)
Shareholding in Bharti Hexacom Limited	Nil
Shareholding in Bharti Hexacom Limited as beneficial owner	Nil
Relationship with other Directors, Managers and Other Key Managerial Personnel	NA
Directorships held in other Indian companies	<ol style="list-style-type: none"> 1. Airtel Limited 2. Bharti Airtel Services Limited 3. Bharti Telemedia Limited 4. Xtelify Limited (formerly known as Airtel Digital Limited) 5. Beetel Teletech Limited
Membership/Chairmanship of committees in other Indian companies	<p>Bharti Telemedia Limited</p> <ul style="list-style-type: none"> ● Corporate Social Responsibility Committee - Member <p>Beetel Teletech Limited</p> <ul style="list-style-type: none"> ● Nomination & Remuneration Committee - Member ● Stakeholders Relationship Committee - Member <p>Xtelify Limited (formerly known as Airtel Digital Limited)</p> <ul style="list-style-type: none"> ● Corporate Social Responsibility Committee - Member <p>Bharti Airtel Services Limited</p> <ul style="list-style-type: none"> ● Corporate Social Responsibility Committee - Chairman
Equity listed entities from which the person has resigned as Director in past three years	NIL