

Bharti Telemedia Limited

Ind AS Financial Statements

March 31, 2022

Bharti Telemedia Limited

Ind AS Financial Statements – March 31, 2022

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Members of Bharti Telemedia Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Bharti Telemedia Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, 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 specified under section 143(10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 information included in the Board's Report including Annexures to the Board's Reports 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.

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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has adequate internal financial controls system in place and the operating effectiveness of Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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.

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- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to 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 that has been considered reasonable and

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

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

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 H. Lahoti
Partner
(Membership No. 130054)
(UDIN: 22130054AJBSMO3729)

Place: Gurugram
Date: May 16, 2022

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 to the Members of Bharti Telemedia Limited of even date)

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

We have audited the internal financial controls over financial reporting of Bharti Telemedia Limited ("the Company") as at March 31, 2022 in conjunction with our audit of the 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Opinion

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

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



Nilesh H. Lahoti
Partner

(Membership No. 130054)
(UDIN: 22130054AJBSMO3729)

Place: Gurugram
Date: May 16, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- i) In respect of its Property, Plant and Equipment:
 - 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.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company, except for customer premises equipment and viewing cards, has a program of verification of property, plant and equipment, capital work in progress and right of use assets so to cover all 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, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.
 - c) The Company does not have any immovable properties (other than properties where the Company is lessee). In respect of immovable properties that have been taken on lease and disclosed in the financial statements (as right-of use assets) as at the balance sheet date, the lease agreements are duly executed in favour of the company.
 - d) The Company has not revalued any of its property, plant and equipment, right of use assets and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii)
 - a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
 - 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 investments or provided guarantees or securities that are covered under the provisions of section 185 or 186 of the Companies Act, 2013 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 its statutory dues:
 - a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

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

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

Name of the Statutes	Nature of the Dues	Amount Disputed (in Rs Mn)	Period to Which Case Pertains	Forum where the dispute is pending
Andhra Pradesh VAT Act, 2005	VAT	39	2014-17	VAT Tribunal
Andhra Pradesh VAT Act, 2005	VAT	67	2016-18	High Court
Bihar VAT Act, 2005	VAT	343	2011-18	Commercial Tax Tribunal
Delhi VAT Act, 2004	VAT	278	2013-14	Delhi VAT Tribunal
Delhi VAT Act, 2004	VAT	1	2015-16	Commercial Tax Tribunal

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Maharashtra Value Added Tax Act, 2002	VAT	151	2013-14	Deputy Commissioner Appeal
Odisha Value Added Tax Act, 2004	VAT	78	2012-14	Joint Commissioner Appeal
Punjab VAT Act, 2005	VAT	0*	2011-12	Punjab VAT Tribunal
Telangana VAT Act	VAT	25	2008-09	Commercial Tax Tribunal
Telangana VAT Act	VAT	483	2009-18	High Court
The Kerala VAT Act, 2003	VAT	0*	2009-10	Assessing Officer
The Kerala VAT Act, 2003	VAT	115	2010-18	High Court
The Kerala VAT Act, 2003	VAT	0*	2011-12	Intelligence Officer
The Kerala VAT Act, 2003	VAT	80	2009-17	Assessing Officer
The UP VAT Act	VAT	1	2017-18	Tribunal
The UP VAT Act	VAT	72	2008-17	High Court
Tripura Value Added Tax Act, 2004	VAT	13	2008-10	Assessing Officer
Tripura Value Added Tax Act, 2004	VAT	38	2008-10	Supreme Court
Tripura Value Added Tax Act, 2004	VAT	43	2010-14	Commissioner
Tripura Value Added Tax Act, 2004	VAT	8	2014-16	Superintendent
Uttarakhand Value Added Tax Act, 2005	VAT	0*	2016-17	Commissioner
Sub Total (A)		1,836		
Finance Act, 1994	Service Tax	78	2008-12	Tribunal
Sub Total (B)		78		
Goods and Services Tax Act, 2017	UPGST	0*	2018-19	1st Appeal
Goods and Services Tax Act, 2017	APGST	7	2017-19	Joint Commissioner, Appeals
Goods and Services Tax Act, 2017	Jharkhand GST	9	2018-20	Assessing Officer
Sub Total (C)		16		
Custom Act, 1962	Custom Duty	3	2017-18	Commissioner Appeals

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Sub Total (D)		3		
Kerala Luxury Tax	Luxury Tax	7	2010-11	High Court
Sub Total (E)		7		
MP Entry Tax Act	Entry tax	0*	2009-10	Assessing Officer
MP Entry Tax Act	Entry tax	0*	2011-13	Assessing Officer
Orissa Entry tax Act	Entry tax	7	2012-14	Tribunal
The Assam Entry Tax Act, 2008	Entry tax	64	2009-17	High Court
Sub Total (F)		71		
Assam Amusement and Betting Tax Act, 1939	Entertainment tax	477	2008-15	Supreme Court
Delhi Entertainment and Betting Tax Act, 1996	Entertainment tax	242	2009-15	Supreme Court
Madhya Pradesh Entertainment duty and Advertisement tax Act 1936	Entertainment tax	6	2014-16	Commissioner
Orissa Entertainment Tax Act, 2006	Entertainment tax	23	2010-12	Deputy Commissioner Appeal
Orissa Entertainment Tax Act, 2006	Entertainment tax	81	2010-15	Supreme Court
The Gujarat Entertainments Tax Act, 1977	Entertainment tax	561	2010-13	Supreme Court
The Karnataka Entertainments Tax Act, 1958	Entertainment tax	16	2008-10	Tribunal
The Karnataka Entertainments Tax Act, 1958	Entertainment tax	70	2009-12	High Court
U.P. Entertainments and Betting Tax Act, 1979	Entertainment tax	1,778	2009-18	High Court
West Bengal Entertainment-Cum-Amusement Tax Act, 1982	Entertainment tax	103	2010-15	Tribunal
Sub Total (G)		3,356		
Grand Total (A+B+C+D+E+F+G):		5,367		

The above-mentioned figures represent the total disputed cases without any assessment of Probable, Possible and remote, as done in case Contingent Liabilities.

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Of the above cases, total amount deposited in respect of Sales Tax is Rs 560 Mn, Service Tax Rs 29 Mn, Goods and Service Tax Rs 1 Mn , Custom Duty Rs 0* Mn, Entry tax Rs 48 Mn and Entertainment tax Rs 2,118 Mn.

*Amount less than million is appearing as '0'.

- 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 during the year.
- ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized 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.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clauses (ix)(e) and (ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer or term loans 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) (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 (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

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details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) (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, 2022.

We have considered, the internal audit reports issued to the Company covering specific processes scoped in for review as per Internal Audit plan for the year under audit.

xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding 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) The Group has more than one CIC has part of the group. There are 2 CIC forming part of the Group.

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, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said 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 H. Lahoti
Partner
(Membership No. 130054)
(UDIN: 22130054AJBSMO3729)

Place: Gurugram
Date: May 16, 2022

Ind AS Financial Statements

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

	Notes	As of	
		March 31, 2022	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	26,613	25,924
Capital work-in-progress	5	4,244	3,212
Right-of-use assets	30	1,526	-
Intangible assets	6	-	5
Financial assets			
- Other financial assets	7	59	9
Income tax assets (net)		307	352
Deferred tax assets (net)	8	7,689	7,155
Other non-current assets	9	3,591	2,098
		44,029	38,755
Current assets			
Financial assets			
- Investments	10	-	1,896
- Derivative instruments		3	2
- Trade receivables	11	2,074	1,973
- Cash and cash equivalents	12	499	223
- Other bank balances	12	68	66
- Other financial assets	7	16	83
Other current assets	9	2,588	2,057
		5,248	6,300
Total assets		49,277	45,055
Equity and liabilities			
Equity			
Equity share capital	13	5,102	5,102
Other equity		(5,420)	(10,064)
		(318)	(4,962)
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease liabilities		365	-
Deferred revenue	21	3,364	3,701
Provisions	15	78	81
		3,807	3,782
Current liabilities			
Financial liabilities			
- Borrowings	16	-	17
- Lease liabilities		1,022	-
- Derivative instruments		3	72
- Trade payables			
-total outstanding dues of micro enterprises and small enterprises	17	4	100
-total outstanding dues of creditors other than micro enterprises and small enterprises	17	8,358	11,469
- Other financial liabilities	18	2,201	3,906
Deferred revenue	21	4,901	4,553
Provisions	15	20,491	18,846
Current tax liabilities (net)		2,107	761
Other current liabilities	19	6,701	6,511
		45,788	46,235
Total liabilities		49,595	50,017
Total equity and liabilities		49,277	45,055

The accompanying notes 1 to 34 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

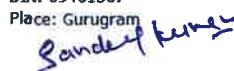


Date: May 16, 2022

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



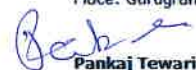
Manu Sood
Managing Director & CEO
DIN: 09461567
Place: Gurugram



Sandeep Kumar
Chief Financial Officer
Place: Gurugram



Vani Venkatesh
Director
DIN: 08212186
Place: Gurugram



Pankaj Tewari
Company Secretary
Place: New Delhi



Bharti Telemedia Limited
Statement of Profit and Loss

(All amounts are in millions of Indian Rupee; except per share data)

	Notes	For the year ended	
		March 31, 2022	March 31, 2021
Income			
Revenue from operations	21	31,538	30,562
Other income		144	192
Total Income		31,682	30,754
Expenses			
Content cost		409	476
License fee		2,647	3,231
Employee benefits expense	22	1,405	1,253
Sales and marketing expenses	23	2,727	1,578
Other expenses	24	3,990	3,873
		11,178	10,411
Profit before depreciation, amortisation, finance costs, exceptional items and tax		20,504	20,343
Depreciation and amortisation expenses	25	12,083	9,527
Finance costs	26	1,932	1,948
Profit before exceptional items and tax		6,489	8,868
Exceptional items	27	-	4,735
Profit before tax		6,489	4,133
Tax expense / (credit)			
Current tax	8	2,340	2,438
Deferred tax	8	(496)	(948)
Total tax expense		1,844	1,490
Profit for the year		4,645	2,643
Other Comprehensive Income ('OCI')			
Items not to be reclassified to profit or loss:			
- Re-measurement loss on defined benefit plans	22	(1)	(4)
- Tax credit on above	8	-	1
Other comprehensive loss for the year		(1)	(3)
Total comprehensive income for the year		4,644	2,640
Earnings per share (Face value: Rs. 10 each)			
Basic and diluted	28	9.10	5.18

The accompanying notes 1 to 34 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



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



Manu Sood
Managing Director & CEO
DIN: 09461567
Place: Gurugram



Sandeep Kumar
Chief Financial Officer
Place: Gurugram



Vani Venkatesh
Director
DIN: 08212186
Place: Gurugram



Pankaj Tewari
Company Secretary
Place: New Delhi

Date: May 16, 2022



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

	Equity share capital		Other equity		Total equity
	No of shares (In '000)	Amount	Capital reserve	Retained earnings (Reserve & Surplus)	
As of April 1, 2020	510,200	5,102	10,617	(23,321)	(7,602)
Profit for the year	-	-	-	2,643	2,643
Other comprehensive loss (net of tax)	-	-	-	(3)	(3)
Total comprehensive income	-	-	-	2,640	2,640
As of March 31, 2021	510,200	5,102	10,617	(20,681)	(4,962)
Profit for the year	-	-	-	4,645	4,645
Other comprehensive income (net of tax)	-	-	-	(1)	(1)
Total comprehensive income	-	-	-	4,644	4,644
As of March 31, 2022	510,200	5,102	10,617	(16,037)	(318)

The accompanying notes 1 to 34 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)



Milesh H. Lahoti

Milesh H. Lahoti
Partner
Membership No: 130054
Place: Gurugram

Date: May 16, 2022

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

Manu Sood

Manu Sood
Managing Director & CEO
DIN: 09461567
Place: Gurugram

Sandeep Kumar
Sandeep Kumar
Chief Financial Officer
Place: Gurugram

Vani Venkatesh

Vani Venkatesh
Director
DIN: 08212186
Place: Gurugram

Pankaj Tewari

Pankaj Tewari
Company Secretary
Place: New Delhi



Bharti Telemedia Limited**Statement of Cash Flows***(All amounts are in millions of Indian Rupee; unless stated otherwise)*

	For the year ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities		
Profit before tax	6,489	4,133
Adjustments for:		
Depreciation and amortisation expenses	12,083	9,527
Finance costs	1,911	1,948
Interest income	(8)	(14)
Net gain on securities held for trading	(69)	(104)
Exceptional items (net)	-	4,735
Net Loss on sale of property, plant and equipment	39	3
Net Loss on derivative financial instruments	30	312
Other non-cash items	117	120
Operating cash flow before changes in assets and liabilities	20,592	20,660
Changes in assets and liabilities		
Trade receivables	(186)	(763)
Trade payables	(3,205)	877
Provisions	200	231
Other financial and non-financial liabilities	456	1,229
Other financial and non-financial assets	(1,756)	(198)
Net cash generated from operations before tax	16,101	22,036
Income tax (paid) - net	(987)	(1,857)
Net cash generated from operating activities (a)	15,114	20,179
Cash flows from investing activities		
Purchase of property, plant and equipment and capital-work-in progress	(15,073)	(12,095)
Proceeds from sale of property, plant and equipment	46	-
Purchase of intangible assets	-	(2)
Proceeds from sale of current investments (net)	1,977	5,512
Interest received	8	15
Net cash used in investing activities (b)	(13,042)	(6,570)
Cash flows from financing activities		
Proceeds from borrowings	-	5,840
Repayment of borrowings	-	(16,849)
Repayment from short-term borrowings (net)	(17)	(1,491)
Payment of lease liabilities	(1,341)	(657)
Interest and other finance charges paid	(438)	(673)
Net cash used in financing activities (c)	(1,796)	(13,830)
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	276	(221)
Add : Cash and cash equivalents as at the beginning of the year	223	444
Cash and cash equivalents as at the end of the year (refer note 12)	499	223

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

The accompanying notes 1 to 34 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)



Nitesh H. Lahoti
Partner
Membership No: 130054
Place: Gurugram



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



Manu Sood
Managing Director & CEO
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Pankaj Tewari
Company Secretary
Place: New Delhi



Date: May 16, 2022

Bharti Telemedia Limited
Notes to Financial Statements

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

1. Corporate information

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

The principal activities of the Company consist of setting up, operating and maintaining Direct-to-Home (DTH) Cable through digital and any other mode of broadcasting service and includes broadcasting of interactive and personalized content within India.

2. Summary of significant accounting policies

2.1 Basis of preparation

These Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act.

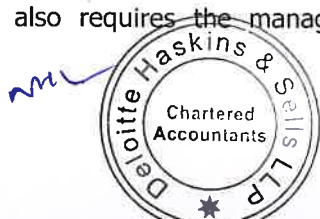
The financial statements are prepared on the basis of accounting policies applicable to a going concern assumption. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent on the generation of sufficient profits, positive cash flows and the undertaking from Bharti Airtel Limited (Intermediate Parent Company) to provide appropriate financial support which is valid upto June 30, 2023.

The Financial Statements are approved for issue by the Company's Board of Directors on May 16, 2022.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division II of Schedule III (as amended) to the Act, 2013. Further, for the purpose of clarity, various items are aggregated in the Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows. Nonetheless, these items are disaggregated 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 off 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



Bharti Telemedia Limited
Notes to Financial Statements

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

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.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items.

New amendments adopted during the year

Amendments to Ind AS

MCA vide notification no. G.S.R. 419(E) dated June 18, 2021 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2021 which amends following Ind AS (as applicable to the Company):

- Ind AS 116, Leases
- Ind AS 107, Financial Instruments: Disclosures
- Ind AS 109, Financial Instruments
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 38, Intangible Assets
- Ind AS 115, Revenue from Contracts with Customers
- Ind AS 1, Presentation of Financial Statements
- Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12, Income Taxes
- Ind AS 16, Property, Plant and Equipment

The amendments are applicable for annual periods beginning on or after the April 1, 2021, however, these do not have material impact on the Financial Statements of the Company.

Amendments to Schedule III Division II

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

Amendments to Ind AS issued but not yet effective

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

- Ind AS 103, Business Combinations



Bharti Telemedia Limited
Notes to Financial Statements

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

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

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

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 which are measured at fair value.

Fair value measurement

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

The Company is required to classify the fair valuation method of the financial instruments, 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

2.2 Foreign currency transactions

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

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



Bharti Telemedia Limited
Notes to Financial Statements

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

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

2.3 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 other 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 and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

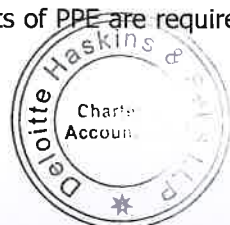
A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at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

2.4 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), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Where assets are installed on the premises of customers (commonly called Customer premise equipment – "CPE"), such assets continue to be treated as tangible assets as the associated risks and rewards remain with the Company and management is confident of exercising control over them.

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

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Bharti Telemedia Limited
Notes to Financial Statements

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

such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognised 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 separately 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 for use, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straightline method over the estimated useful lives. The management basis its past experience and technical assessment has estimated the useful lives, which is at variance with the life prescribed in Part C of Schedule II to 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
Leasehold Improvements	Lease term or 10 years, whichever is less
Plant and equipments	
- Customer Premises Equipments	7
- Others	2-10
Computers	3
Office equipments	2 - 5
Furniture and Fixtures	5
Vehicles	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 derecognised from the Balance Sheet and the resulting gains / (losses) are included in the Statement of Profit and Loss within other income / other expenses.



2.5 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. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

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.

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

a. Software

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

b. Licenses

DTH broadcasting services entry license fees has been initially capitalised at cost. Subsequently, it is measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is recognised in the Statement of Profit and Loss on a straight-line basis over the unexpired period of the license commencing from the date of grant of Wireless Planning and Coordination license.

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

c. Other acquired intangible assets

Payment for the rights acquired for unlimited license access to various applications are recognised as other acquired intangibles. They are capitalised at the amounts paid and amortised on a straight line basis over the period of the agreements.

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



2.6 Impairment of non-financial assets

PPE, Right-of-use- assets (ROU) and intangible assets

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

2.7 Financial instruments

a. Recognition, classification and presentation

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

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

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

The Company has classified all the non-derivative financial liabilities measured at amortised cost.

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



b. Measurement - Non-derivative financial instruments

I. Initial measurement

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

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective-Interest Rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in other income.

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 fair value through profit or loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss 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.

iii. Impairment

The Company assesses on a forward looking basis the expected credit losses 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 month expected credit losses ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognized 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).



Bharti Telemedia Limited
Notes to Financial Statements

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

Any off-market financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period.

c. Measurement - derivative financial instruments

Derivative financial instruments are classified as financial instruments at fair value through profit or loss - Held for trading. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the Statement of Profit and Loss within other income / other expense.

d. Derecognition

The financial liabilities are de-recognised from the Balance Sheet when the underlying 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 Statement of Profit and Loss.

2.8 Leases

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

Company as a lessee

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the Balance Sheet. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using 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 changes in the Company's assessment of whether it will exercise an extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of Profit and Loss if the carrying

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Bharti Telemedia Limited
Notes to Financial Statements

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

amount of the related right-of-use asset has been reduced to zero and there is a further reduction in the measurement of the lease liability.

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

Subsequent to initial recognition, right-of-use assets 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 right-of-use assets are determined on the same basis as those of the underlying asset.

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

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

Short-term leases and leases of low-value assets

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

2.9 Taxes

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



Bharti Telemedia Limited
Notes to Financial Statements

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

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 non-current 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.

b. Deferred tax

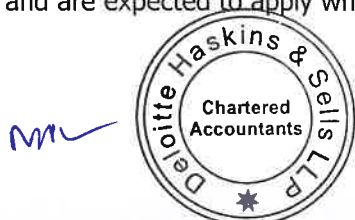
Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the Financial Statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. However, deferred tax is not recognised if it arises 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 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 at the reporting date and are expected to apply when the asset is realised or the liability is settled.



Bharti Telemedia Limited
Notes to Financial Statements

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

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

2.10 Cash and cash equivalents

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 cash and cash equivalents 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 cash and cash equivalents.

2.11 Share capital

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

2.12 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 Statement of Profit and 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 local laws and regulations, all the employees 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 out quarterly, by an independent qualified actuary using the projected-unit-credit method.



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

c. Other long-term employee benefits

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

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly 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.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of 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 be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

2.14 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.



2.15 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. In order to determine if it is acting as a principal or as an agent, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. In case the Company is principal, it records revenue on a gross basis. However, to the extent the Company's role is only to arrange for another entity to provide the goods or services, then the Company is an agent and records revenue at the net amount that it retains for its agency services.

When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether the intermediary is a principal or agent in the onward sale to the end customer. 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. To the extent that the intermediary is considered an agent, the consideration to which the Company is entitled is determined to be the amount received from the customer.

a. Service revenue

The Company recognizes revenue from Commission and Incentive as it is earned, i.e., upon transfer of control of services being transferred over time. Network capacity fee (NCF), net of taxes collected from the customer, is recognized over the subscription pack validity period. Commission, Incentive and Network capacity fee (NCF) is presented as subscription revenue.

Customer Onboarding revenue, Installation and Rental revenue is deferred over the average expected customer life.

Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue.

b. Multiple element arrangements

The Company has entered into certain multiple-element revenue arrangements which involve the performance of multiple services. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices.

c. Cost to obtain or fulfil a contract with customer

The Company incurs certain costs to obtain or fulfil contracts with customers viz intermediary commission, etc. Where based on company's estimate of historic average customer life derived from customer churn rate is longer than 12 months, such costs are deferred and are recognized over the average expected customer life.



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

2.16 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 other borrowing costs are recognised in the Statement of Profit and Loss within finance costs in the period in which they are incurred.

2.17 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.

2.18 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 year.

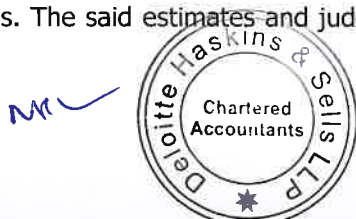
Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential 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 period, unless issued at a later date during the period.

2.19 Segment Reporting

Based on the way the entity manages its operating business and the manner in which resource allocation decisions are made, the entity has only one reportable segment for financial reporting purposes, being the digital TV services. Accordingly, no further operating segment financial information is disclosed.

3. Key source 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



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

reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

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

3.1 Key sources of estimation uncertainties

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

a. Useful lives of PPE

As described at 2.4 above, the Company reviews the estimated useful lives of PPE at 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, change in economic conditions of the market, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charge. Refer note 2.4 and note 5 for the estimated useful life and carrying value of PPE respectively.

b. Taxes

Deferred tax assets are recognised for the unused tax 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 liability & Provision

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 judgements in applying the Company's accounting policies

The critical judgement's which the management has made in the process of applying the Company's accounting policies and has the most significant impact on the amount recognised in the said Financial Statements, are discussed below:

Revenue recognition and presentation

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or as 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.

4. Significant transactions / new developments

- a. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has issued draft of the Code on Social Security (Central) Rules, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company is assessing the impact of the Code and will record any related impact in the period the Code becomes effective.
- b. Pursuant to Telecom Regulatory Authority of India's tariff order in relation to broadcasting services, the Company had entered into revised agreements with the broadcasters. With effect from April 1, 2019, basis such revised agreements and the provisions of the new tariff order, the Company had re-assessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, the Company had considered network capacity fee and commission and incentives from broadcasters as to subscription services, as part of its revenue from operations. Further, the Telecom Regulatory Authority of India had implemented second amendment to the tariff order effective from March 1, 2020 and the Company had implemented the same to the extent is applicable and is in control of Company, as a distributor.

On March 31, 2021, Ministry of Information and Broadcasting (MIB) has granted provisional license for providing DTH services to the Company w.e.f April 1, 2021. As per the amended guidelines, amongst other conditions, the validity of license which will be issued subsequently, would be 20 years and the License fee (LF) prescribed is @8% of AGR, calculated by excluding GST from gross revenue and the LF is to be paid on quarterly basis to MIB.

NHL



Bharti Telemedia Limited
Notes to Financial Statements

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

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

	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Leasehold improvements	Total
Gross carrying value							
As of April 1, 2020	94,780	5	5	49	240	116	95,195
Additions / capitalization	12,135	-	-	2	72	-	12,209
Disposals / adjustments	(424)	-	-	-	-	-	(424)
As of March 31, 2021	106,491	5	5	51	312	116	106,980
As of April 1, 2021	106,491	5	5	51	312	116	106,980
Additions / capitalization	11,682	-	-	4	97	-	11,783
Disposals / adjustments	(2,239)	-	(4)	(1)	-	-	(2,244)
As of March 31, 2022	115,934	5	1	54	409	116	116,519
Accumulated depreciation							
As of April 1, 2020	72,237	5	5	49	151	112	72,559
Charge for the year	8,856	-	-	2	60	-	8,918
Disposals / adjustment	(421)	-	-	-	-	-	(421)
As of March 31, 2021	80,672	5	5	51	211	112	81,056
As of April 1, 2021	80,672	5	5	51	211	112	81,056
Charge for the year	10,965	-	-	1	81	1	11,048
Disposals / adjustment	(2,193)	-	(4)	(1)	-	-	(2,198)
As of March 31, 2022	89,444	5	1	51	292	113	89,906
Net carrying amount							
As of March 31, 2021	25,819	-	-	-	101	4	25,924
As of March 31, 2022	26,490	-	-	3	117	3	26,613

Plant and equipment includes gross block of Rs. 110,652 and Rs. 101,549 for March 31, 2022 and March 31, 2021 respectively, accumulated depreciation of Rs. 85,819 and Rs. 77,388 for March 31, 2022 and March 31, 2021 respectively of set top boxes and other related equipments installed at customer premise.

Disposal / adjustments primarily represents write off of non-recovery of CPE from churn customers.

The carrying value of CWIP as at March 31, 2022 and March 31, 2021 is Rs. 4,244 and Rs. 3,212 respectively, which mainly pertains to plant and equipment.

CWIP ageing schedule

As of March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,106	54	13	71	4,244



Bharti Telemedia Limited
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As of March 31, 2021

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,106	34	19	53	3,212

6. Intangible assets

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

	Software	Licenses	Other acquired intangible assets	Total
Gross carrying value				
As of April 1, 2020	644	100	67	811
Additions	2	-	-	2
As of March 31, 2021	646	100	67	813
As of April 1, 2021	646	100	67	813
Additions	-	-	-	-
Disposals / adjustments	(244)	(100)	-	(344)
As of March 31, 2022	402	-	67	469
Accumulated Amortisation				
As of April 1, 2020	622	100	67	789
Charge for the year	19	-	-	19
As of March 31, 2021	641	100	67	808
As of April 1, 2021	641	100	67	808
Charge for the year	5	-	-	5
Disposals / adjustments	(244)	(100)	-	(344)
As of March 31, 2022	402	-	67	469
Net Carrying Amount				
As of March 31, 2021	5	-	-	5
As of March 31, 2022	-	-	-	-

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Bharti Telemedia Limited
Notes to Financial Statements

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7. Other financial assets

Non-current

	As of	
	March 31, 2022	March 31, 2021
Security deposits*	58	9
Others	1	-
	59	9

* Security deposits (net of allowance for impairment of Rs. 2 and Rs. 2 as at March 31, 2022 and March 31, 2021, respectively).

Current

	As of	
	March 31, 2022	March 31, 2021
Security deposits	-	65
Unbilled revenue	10	12
Interest accrued on deposits	2	2
Claims / other recoverable	4	4
	16	83

8. Income taxes

	For the year ended	
	March 31, 2022	March 31, 2021
Amount recognised in Statement of Profit and Loss		
Current income tax		
- For the year	2,333	2,495
- Adjustments for prior periods	7	(57)
	2,340	2,438
Deferred tax		
- Origination and reversal of temporary differences	(496)	(948)
	(496)	(948)
Income tax expense	1,844	1,490

Amount recognised in Other Comprehensive Income

Deferred tax related to items charged or credited to Other Comprehensive Income during the year:

- Re-measurement losses on defined benefit plans	0	1
Deferred Tax credited to Other Comprehensive Income	0	1



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The reconciliation between the amounts computed by applying the statutory income tax rate to the profit before tax and income tax expenses / (credit) is summarised below:

	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax	6,489	4,133
Tax expense @ 25.168%	1,633	1,040
Effect of:		
Adjustments in respect to previous years	7	(57)
Items non deductible	204	507
Income tax expense	1,844	1,490

The analysis of deferred tax assets is as follows:

	As of	
	March 31, 2022	March 31, 2021
Deferred tax asset		
Allowance for impairment of debtors / advances	86	119
Employee benefits	33	38
Fair valuation of financial assets/derivative instruments/other investments and unrealized exchange fluctuation	1	(2)
Depreciation on PPE and ROU/ amortisation on Intangible Assets	6,473	5,873
Rates and Taxes	1,096	1,127
Net deferred tax asset	7,689	7,155

	For the year ended	
	March 31, 2022	March 31, 2021
Deferred tax income		
Allowance for impairment of debtors / advances	(32)	20
Employee benefits	(3)	4
Fair valuation of financial assets/derivative instruments/other investments and unrealized exchange fluctuation	1	19
Depreciation on PPE and ROU/ amortisation on Intangible Assets	560	144
Rates and Taxes	(30)	761
Net deferred tax income	496	948

The movement in deferred tax assets during the year is as follows:

	As of	
	March 31, 2021	March 31, 2021
Opening balance	7,155	6,140
Tax credit recognised in Statement of Profit and Loss	496	948
Tax credit recognised in OCI	0	1
Adjustment in respect of previous year	38	66
Closing balance	7,689	7,155

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences.



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9. Other assets

Non-current

	As of	
	March 31, 2022	March 31, 2021
Advance (net)*	70	12
Cost to obtain a contract with the customer (refer note 21)	3,224	2,079
Capital advances	268	1
Prepaid expenses	11	6
Taxes recoverable [@]	18	-
	3,591	2,098

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

Current

	As of	
	March 31, 2022	March 31, 2021
Taxes recoverable [@]	1,342	1,237
Prepaid expenses	37	252
Cost to obtain a contract with the customer (refer note 21)	1,079	480
Advances to suppliers (net)*	105	60
Others [#]	25	28
	2,588	2,057

[@] Taxes recoverable include Goods and Services Tax ('GST') and customs duty.

* Advance to suppliers are disclosed net of provisions of Rs. 70 and Rs. 94 as of March 31, 2022 and March 31, 2021 respectively.

[#] Primarily includes employee receivables.

10. Investments

	As of	
	March 31, 2022	March 31, 2021
Investments at FVTPL		
Mutual Funds (quoted)	-	1,896
	-	1,896

Aggregate book / Market value of quoted Investments

Current	-	1,896
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Bharti Telemedia Limited
Notes to Financial Statements

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

11. Trade receivables

	As of	
	March 31, 2022	March 31, 2021
Trade receivables considered good- unsecured*	2,282	2,315
Less: Allowances for doubtful receivables	(208)	(342)
	2,074	1,973

* It includes amount due from related parties (refer note 29).

Refer note 31(1)(iv) for credit risk

The movement in allowances for doubtful receivables is as follows

	For the year ended	
	March 31, 2022	March 31, 2021
Opening balance	342	282
Additions	85	60
Write off	(219)	-
Closing balance	208	342

Trade receivables ageing schedule:

As of March 31, 2022

Particulars	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	34	1,896	73	38	74	167	2,282
(ii) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
							2,282
Less: allowance for doubtful receivables							(208)
Total Trade receivables							2,074

As of March 31, 2021

Particulars	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	35	1,991	35	84	28	142	2,315
(ii) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
							2,315
Less: allowance for doubtful receivables							(342)
Total Trade receivables							1,973



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12. Cash and bank balances

Cash and cash equivalents

	As of	
	March 31, 2022	March 31, 2021
Balances with banks		
- On current accounts	20	73
- Bank deposits with original maturity of 3 months or less	479	150
	499	223

Other bank balances

	As of	
	March 31, 2022	March 31, 2021
Term deposits with bank	-	12
Margin money deposit*	70	56
	70	68
Interest accrued (refer note 7)	(2)	(2)
	68	66

* Margin money deposits represents amount given as collateral for legal cases for disputed matters.

13. Equity share capital

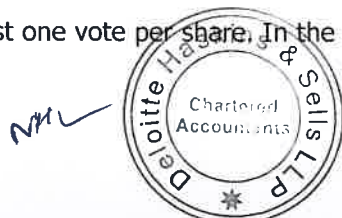
	As of	
	March 31, 2022	March 31, 2021
Authorised shares		
520,000,000 (March 31, 2021 - 520,000,000) equity shares of Rs 10 each	5,200	5,200
Issued, subscribed and fully paid-up shares		
510,200,000 equity shares of Rs 10 each	5,102	5,102
	5,102	5,102

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

	For the year ended			
	March 31, 2022		March 31, 2021	
	No. of shares in '000	Amount	No. of shares in '000	Amount
At the beginning of the year	510,200	5,102	510,200	5,102
Issued during the year	-	-	-	-
Outstanding at the end of the year	510,200	5,102	510,200	5,102

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to cast one vote per share. In the event of liquidation of the Company, the holders of equity



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shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

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

	As of			
	March 31, 2022		March 31, 2021	
	No. of shares in '000	% holding	No. of shares in '000	% holding
Equity shares of Rs 10 each fully paid up				
Bharti Airtel Limited (Parent company)	362,242	71.00%	362,242	71.00%
Nettle Infrastructure Investments Limited	147,958	29.00%	147,958	29.00%

During the previous year ended March 31, 2021, Bharti Airtel Limited acquired 20% equity share capital of the Company from Lion Meadow Investment Limited.

d. Shareholding of Promoters*

As of March 31, 2022

Shares held by promoters at the end of the year				% change during the year
S No.	Promoter Name	No. of shares	% of total shares	
1	Bharti Airtel Limited	362,242,000	71%	-
2	Nettle Infrastructure Investments Limited	147,958,000	29%	-

As of March 31, 2021

Shares held by promoters at the end of the year				% change during the year
S No.	Promoter Name	No. of shares	% of total shares	
1	Bharti Airtel Limited	362,242,000	71%	39%
2	Nettle Infrastructure Investments Limited	147,958,000	29%	-

*Promoter here means promoter as defined in the Act.

14. Reserve and surplus

a) Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

b) Capital Reserve: Capital reserve represents the fair valuation impact of the off-market loans provided by the parent Company.



Bharti Telemedia Limited
Notes to Financial Statements

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

15. Provisions

Non-current

	As of	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
Gratuity	71	75
Other employee benefit plan	7	6
	78	81

Current

	As of	
	March 31, 2022	March 31, 2021
Provision for employee benefits		
Gratuity	19	21
Other employee benefit plan	40	47
Other Provision		
Subjudice Matters [®]	20,432	18,778
	20,491	18,846

[®] The movement of provision towards subjudice matters is as below:

	For the year ended	
	March 31, 2022	March 31, 2021
Opening balance	18,778	17,078
Provision created during the year	1,654	1,700
	20,432	18,778

* Others includes provision for warranty.

Refer note 22 for movement of provision towards employee benefits.

16. Borrowings

Current

	As of	
	March 31, 2022	March 31, 2021
Unsecured		
Term loans	-	17
	-	17

16.1 Analysis of borrowings

The details given below are gross of debt origination cost.



Bharti Telemedia Limited
Notes to Financial Statements

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

16.1.1 Repayment terms of borrowings

The table below summarizes the details of the Company's borrowings based on contractual undiscounted payments

As of March 31, 2022						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years
Term loans	-	-	-	-	-	-
				-	-	-
As of March 31, 2021						
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)*	Within one year	Between one and two years	Between two and five years
Term loans	7.5% - 9.0%	One time	1-1	17	-	-
				17	-	-

*The installments amount due is equal / equated per se.

16.1.2 Interest rate and currency of borrowings

	Weighted average rate of Interest	Total Borrowings	Floating rate borrowings	Fixed rate borrowings
INR				
March 31, 2022	-	-	-	-
INR	7.51%	17		17
March 31, 2021		17	-	17

17. Trade payables

	As of	
	March 31, 2022	March 31, 2021
Dues to micro enterprises and small enterprises	4	100
Others*	8,358	11,469
	8,362	11,569

* It includes amount due to related parties (refer note 29).



Bharti Telemedia Limited
Notes to Financial Statements

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

Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006') 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	March 31, 2022	March 31, 2021
1	Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	4	100
2	Amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
4	Amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Trade payables ageing schedule:

As of March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total		
	Unbilled	Not due	Less than 1 year	1-2 years		2-3 years	More than 3 years
(i) Dues to micro and small enterprises (A)	-	3	1	-	-	-	4
(ii) Others (B)	7,073	21	1,214	31	4	15	8,358
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-	-
Total dues to micro and small enterprises (A + C)							4
Total Others (B + D)							8,358

As of March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total		
	Unbilled	Not due	Less than 1 year	1-2 years		2-3 years	More than 3 years
(i) Dues to micro and small enterprises (A)	-	2	98	0	-	0	100
(ii) Others (B)	9,301	448	1,561	141	6	12	11,469
(iii) Disputed dues to micro and small enterprises (C)	-	-	-	-	-	-	-
(iv) Disputed dues - Others (D)	-	-	-	-	-	-	-
Total dues to micro and small enterprises (A + C)							100
Total Others (B + D)							11,469



Bharti Telemedia Limited
Notes to Financial Statements

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

18. Other financial liabilities

Current

	As of	
	March 31, 2022	March 31, 2021
Payables against capital expenditure	644	2,604
Employee payables	65	113
Security deposit*	724	613
Others*	768	576
	2,201	3,906

* It pertains to deposits received from channel partners which are repayable on demand after adjusting the outstanding amount, if any.

It mainly includes advance received from distributor /channel partner.

19. Other current liabilities

	As of	
	March 31, 2022	March 31, 2021
Taxes payable*	6,701	6,511
	6,701	6,511

* Taxes payable mainly pertains to GST and payable towards subjudice matters.

20. Contingent liabilities and commitments

(i) Contingent liabilities

Claims against the Company not acknowledged as debt:

	As of	
	March 31, 2022	March 31, 2021
Taxes, duties and other demands (under adjudication / appeal / dispute)		
- VAT / Sales tax / Service tax / GST	96	74
- Custom duty	3	3
- Entry tax	308	281
- Entertainment tax	345	7,674
	752	8,032

The category wise detail of the liability has been given below: -

a) VAT / Sales tax / Service tax / GST

The claims for sales tax comprised of cases relating to the appropriateness of declarations made by the Company under relevant sales tax legislations, which were primarily procedural in nature. Pending final decisions, the Company has deposited amounts under protest with statutory authorities for certain cases.



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

The service tax demands relate to alleged inadmissible cenvat credit for lack of proper documents.

The GST demand relates to procedural compliance in regard to e-way bills, differences in ITC claimed and as available over portal.

b) Entry tax

In certain states an entry tax is levied on receipt of material from outside the state. This position has been challenged by the Company in the respective states on the grounds that the specific entry tax is ultra vires the Constitution. Classification issues have been raised whereby, in view of the Company, the material proposed to be taxed is not covered under the specific category.

During the year ended March 31, 2017, the Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few States. However, Supreme Court did not conclude certain aspects such as present levies in each State is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts.

c) Entertainment tax

The contingent liability for entertainment tax comprises of cases for levying entertainment tax on activation charges and interest on disputed dues.

Guarantees

Guarantees outstanding as of March 31, 2022 and March 31, 2021 amounting to Rs. 2,103 and Rs. 2,505 respectively have been issued by banks and financial institutions on behalf of the Company. These guarantees include certain financial bank guarantees which have been given for subjudice matters and in compliance with licensing conditions, the amount with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments

The Company has contractual commitments towards capital expenditure (net of related advances) of Rs. 8,921 and Rs. 9,291 as of March 31, 2022 and March 31, 2021 respectively.



Bharti Telemedia Limited
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21. Revenue from operations

	For the year ended	
	March 31, 2022	March 31, 2021
Subscription revenue	25,951	26,133
Others*	5,587	4,429
	31,538	30,562

* Others includes revenue from advertisements, incentives, activation, hosting services.

Timing of Revenue Recognition

	Digital TV Services	
	March 31, 2022	March 31, 2021
Services transferred over time	31,538	30,562
	31,538	30,562

Contract balances

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

	As of	
	March 31, 2022	March 31, 2021
Unbilled Revenue (refer note 7)	10	12
Deffered Revenue	8,265	8,254

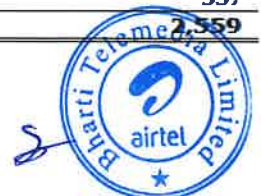
Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended	
	March 31, 2022	
	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in deferred revenue at the beginning of the year	-	4,553
Increases due to cash received, excluding amounts recognised as revenue during the year	-	4,564
Transfers from unbilled revenue recognised at the beginning of the year to receivables	12	-

Reconciliation of costs to obtain or fulfil contracts with customers

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

	For the year ended	
	March 31, 2022	March 31, 2021
Cost to obtain a contract with the customer		
Opening balance	2,559	1,203
Cost incurred and deferred	2,552	1,693
Less: Cost amortised	808	337
	4,303	2,559



Bharti Telemedia Limited
Notes to Financial Statements

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

22. Employee benefits expense

	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	1,251	1,099
Contribution to provident and other funds	51	52
Staff welfare expenses	68	57
Defined benefit plan / other long term benefits	30	38
Others	5	7
	1,405	1,253

Defined benefit plan

The details of defined benefit obligations are as follows:

	For the year ended			
	March 31, 2022		March 31, 2021	
	Gratuity	Compensated absence	Gratuity	Compensated absence
Obligation:				
Balance at the beginning of the year	96	47	87	41
Current service cost	13	8	19	13
Interest cost	7	3	6	3
Benefits paid	(19)	(10)	(17)	(7)
Transfers	(8)	(4)	(3)	-
Remeasurements	1	(4)	4	(3)
Present value of obligation	90	40	96	47
Current portion	19	40	21	47
Non-Current portion	71	-	75	-

As at March 31, 2022, expected contribution for the next annual reporting period is Rs. 21.

Amount recognized in Other Comprehensive Income

	For the year ended	
	March 31, 2022	March 31, 2021
Experience losses	3	2
Losses from change in demographic assumptions	1	2
Losses from change in financial assumptions	(3)	0
Remeasurements on defined benefit plans	1	4

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.



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The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	March 31, 2022	March 31, 2021
Discount rate	7.20%	6.79%
Rate of salary increase	7.00%	7.50%
Rate of attrition	16% - 27%	16% - 27%
Retirement age	58	58

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	For the year ended	
		March 31, 2022	March 31, 2021
		Gratuity	Gratuity
Discount rate	+1%	(3)	(3)
	-1%	3	3
Salary growth rate	+1%	3	3
	-1%	(3)	(3)

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 summarizes the maturity profile and duration of the gratuity liability:

	As of	
	March 31, 2022	March 31, 2021
Within one year	19	21
Within one - three years	30	38
Within three - five years	18	24
Above five years	28	40
Weighted average duration (in years)	4.36	3.93



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23. Sales and marketing expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Sales commission and distribution	1,587	639
Advertisement and marketing	1,038	867
Business promotion	102	72
	2,727	1,578

24. Other expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Customer care expenses	932	949
Information technology expenses	330	165
Rates, fees and taxes [§]	(62)	72
Collection and recovery charges	147	126
Communication, space segment and other charges	1,591	1,724
Travelling and conveyance	95	72
Provision for doubtful receivables	(134)	62
Bad debts written off	219	-
Administrative expense	169	53
Charity and donation [#]	549	250
Net loss / (gain) on derivative financial instruments	30	312
Others*	124	88
	3,990	3,873

[§] It includes reversal of Rs. 97 and Nil for the year ending March 31, 2022 and March 31, 2021 respectively on account of settlement in amnesty scheme.

Additional information pertaining to Corporate Social Responsibility ('CSR')

For the year ended

Particulars	March 31, 2022	March 31, 2021
(i) amount required to be spent by the company during the year	154	113
(ii) amount of expenditure incurred	154	250
(iii) shortfall at the end of the year	Nil	Nil
(iv) total of previous years shortfall	Nil	Nil
(v) reason for shortfall	NA	NA
(vi) nature of CSR activities	Promotion of education and health	Towards PM Cares Fund
(vii) details of related party transactions	Contribution done to Bharti Foundation	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

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* Others mainly include legal and professional charges (including auditor remuneration excluding Goods and Services Tax), rent and provision for stock.

	For the year ended	
	March 31, 2022	March 31, 2021
Audit fee	3	4
Reimbursement of expenses	0	0
Other services	0	-
	3	4

25. Depreciation and amortisation expenses

	For the year ended	
	March 31, 2022	March 31, 2021
Depreciation (including on ROU)	12,078	9,508
Amortisation	5	19
	12,083	9,527

Depreciation includes net book value of customer premise equipment relating to churn customers fully charged during the year Rs. 2,501 (March 31, 2021 - Rs. 1,923).

26. Finance costs

	For the year ended	
	March 31, 2022	March 31, 2021
Interest expenses	3	320
Interest expenses - lease liabilities	88	14
Net exchange loss	26	60
Other finance charges*	1,815	1,554
	1,932	1,948

* It includes bank charges, trade finance charges and interest charges towards subjudice matters.

27. Exceptional items

Exceptional items comprise of Nil and Rs. 4,735 for the year ending March 31, 2022 and March 31, 2021 respectively, on account of of re-assessment of regulatory levies and taxes.

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28. Earnings per share ('EPS')

The details used in the computation of Basic and Diluted EPS:

	For the year ended	
	March 31, 2022	March 31, 2021
Profit attributable to equity shareholder as per Statement of Profit and Loss (A)	4,645	2,643
Weighted average number of equity shares for calculation of basic / diluted EPS per share (in thousands) (B)	510,200	510,200
EPS		
Equity share of face value Rs. 10 per share		
Basic and Diluted (A / B)	9.10	5.18

29. Related party disclosures

(a) List of Related Parties

- i. Parent Company**
Bharti Airtel Limited
- ii. Ultimate controlling entity**
Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said Company.
- iii. Entity having significant influence over the Company**
Nettle infrastructure investments Limited
- iv. Other entities with whom transactions have taken place during the reporting year**
 - a. Fellow Companies (subsidiaries / associates other than that of the Company)**

Subsidiaries

Bharti Airtel Services Limited
Bharti Hexacom Limited
Telesonic Networks Limited
Nextra Data Limited
Airtel Digital Limited (formerly known as Wynk Limited)
Bharti Axa General Insurance Company Limited

Associates

Airtel Payments Bank Limited

b. Other related parties*

Bharti Land Limited
Bharti Realty limited

MSL



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

Bharti Realty Holdings limited
 Bharti Foundation
 Fieldfresh Foods Private Limited
 Centum Learning Limited
 Bharti Enterprises limited
 Gourmet Investments Private limited

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

v. Key management personnel ('KMP')

Sunil Kumar Taldar (Resigned on December 1, 2021)
 Manu Sood (Appointed on January 7, 2022)

(b) The outstanding balance of above mentioned related parties are as follows:

	Parent company	Fellow subsidiaries	Associates	Other related parties
As of March 31, 2022				
Trade payables	(222)	(304)	-	(73)
Trade receivables*	-	4	28	58
As of March 31, 2021				
Trade payables	(145)	(167)	(12)	(107)
Trade receivables*	-	64	-	75
Guarantees and collaterals taken on behalf of others (Including performance guarantees)	46	-	-	-

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

* Trade receivables includes security deposit of Rs. 57 and Other receivables of Rs.21.

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

In the ordinary course of business, there are certain transactions among the group entities, and all these transactions are on arm length basis.

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

	For the year ended							
	March 31, 2022				March 31, 2021			
	Parent company	Fellow subsidiaries	Associates	Other related parties	Parent company	Fellow subsidiaries	Associates	Other related parties
Rendering of services	56	18	4	1	66	23	3	2
Receiving of services	368	230	68	10	373	153	53	29
Expenses incurred on behalf of others	67	0	-	-	31	43	-	-
Expenses incurred on behalf of the Company	1,387	1,606	-	60	670	8	-	62
Donation	-	-	-	68	-	-	-	-
Guarantees and collaterals taken on behalf of others (Including performance guarantees)	(46)	-	-	-	(8)	-	-	-
Receiving of assets (ROU)	-	-	-	389	-	-	-	-
Repayment of lease liability	-	-	-	64	-	-	-	-

The significant related party transactions are summarized below:

	For the year ended	
	March 31, 2022	March 31, 2021
Receiving of services		
Parent company		
Bharti Airtel Limited	368	373
Expenses incurred on behalf of the Company		
Parent company		
Bharti Airtel Limited	1387	670

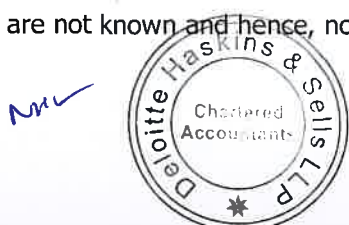
(d) Transactions and balances with KMPs

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
Short-term employee benefits	36	33
Performance linked incentive ('PLI')#	9	10
Post-employment benefit	2	2
Share-based payment	8	19
	55	64

Value of PLI considered above represents incentive at 100% performance level. However, same will be paid on the basis of actual performance parameters in next year. During the year ended March 31, 2022, PLI of Rs. 12 (March 31, 2021: Rs. 12) pertaining to previous year has been paid.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.



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30. Leases

Right-of-use assets ('ROU')

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

	Building	Transponder	Total
Balance as of April 1, 2020	-	525	525
Additions	-	-	-
Depreciation expense	-	(589)	(589)
Termination / other adjustments	-	64	64
Balance as of March 31, 2021	-	-	-
Balance as of April 1, 2021	-	-	-
Additions	389	2,225	2,615
Depreciation expense	(41)	(988)	(1,029)
Termination / other adjustments	-	(60)	(60)
Balance as of March 31, 2022	348	1,177	1,526

Amounts recognised in Statement of Profit and Loss

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	88	14
Expenses relating to short-term leases	696	975
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	9	10

Amounts recognised in Statement of Cash Flows

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash outflow for leases	1341	657

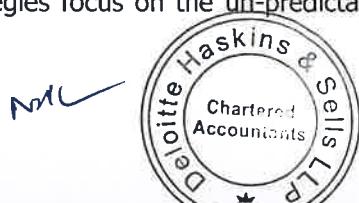
The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	As of March 31, 2022	March 31, 2021
Not later than one year	1,121	-
Later than one year but not later than five years	285	-
Later than five years	110	-
Total	1,516	-

31. 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 minimize the potential



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adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures (as discussed below in this note).

The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with the 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. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The Board of Directors of the Company periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Foreign currency risk

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

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the capex and trade payables are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary. Further, for the details as to the fair value of various outstanding derivative financial instruments, refer note 32.

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before	Effect on equity (OCI)
For the year ended March 31, 2022			
US Dollars	+5%	(6)	-
	-5%	6	-
For the year ended March 31, 2021			
US Dollars	+5%	(71)	-
	-5%	71	-



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

The above sensitivity analysis is based on a reasonably possible change in the underlying 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 / liabilities, or any significant long-term fixed-interest bearing assets / liabilities, its interest income / expense and related cash inflows / outflows are not affected by changes in market interest rates. Consequently, the Company does not have any exposure to interest rate fluctuation.

(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 and derivative financial instruments.

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.

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The Company uses a provision matrix to measure the expected credit loss 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 credit 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 (excluding unbilled)	Past due but not impaired				Total
		Less Than 30 days	30 to 60 days	60 to 90 days	Above 90 days	
Trade Receivables as of March 31, 2022	34	1,002	514	86	438	2,074
Trade Receivables as of March 31, 2021	35	1,158	242	504	34	1,973

Financial instruments and cash deposits

The Company's treasury, in accordance with the Board approved policy, maintains its cash and cash equivalents, deposits - with banks, 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 debt, and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across debt and equity.

Moreover, the Company's senior management regularly monitors the rolling forecasts of the 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 16.

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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 summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments: -

	As of March 31, 2022						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Other financial liabilities*	2,201	724	1,477	-	-	-	2,201
Trade payables	8,362	-	8,362	-	-	-	8,362
Financial liabilities	10,563	724	9,839	-	-	-	10,563

	As of March 31, 2021						Total
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	
Borrowings* #	17	-	17	-	-	-	17
Other financial liabilities*	3,906	613	3,293	-	-	-	3,906
Trade payables	11,569	-	11,569	-	-	-	11,569
Financial liabilities	15,492	613	14,879	-	-	-	15,492

* It includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

#Interest accrued has been included in interest bearing borrowings and excluded from other financial liabilities.

(vi) Reconciliation to liabilities whose cash flow movements are disclosed as part of financing activities.

	Non Cash Changes				March 31, 2022
	April 1, 2021	Cash Flows	Interest Expenses	Others	
Borrowings	17	(17)	-	-	-
Interest accrued	-	(438)	(438)	-	-

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

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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, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less Cash and cash equivalents and term deposits with banks.

	As of	
	March 31, 2022	March 31, 2021
Borrowings	-	17
Less: Cash and cash equivalents	499	223
Less: Term deposits with bank	-	12
Net debt (A)	(499)	(218)
Equity	(318)	(4,962)
Total capital (B)	(318)	(4,962)
Capital and net debt (C) = (A+B)	(817)	(5,180)
Gearing ratio (A/C)	61%	4%



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32. 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:

	Level	Carrying Value as of		Fair Value as of	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial Assets					
Fair value through Profit or loss					
Derivatives					
- Forward contacts	Level 2	3	2	3	2
Investments	Level 1	-	1,896	-	1,896
Amortised cost					
Trade receivables		2,074	1,973	2,074	1,973
Cash and cash equivalents		499	223	499	223
Other bank balances		68	66	68	66
Other financial assets		75	92	75	92
		2,719	4,252	2,719	4,252
Financial Liabilities					
Fair value through Profit or loss					
Derivatives					
- Forward contacts	Level 2	3	72	3	72
Amortised cost					
Borrowings - fixed rate		-	17	-	17
Trade payables		8,362	11,569	8,362	11,569
Other financial liabilities		2,201	3,906	2,201	3,906
		10,566	15,564	10,566	15,564

The following methods / assumptions were used to estimate the fair values:

- i. The carrying value of trade receivables, trade payables, short-term borrowings, floating-rate long term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- ii. The fair value of non-current financial assets / liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- iii. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models



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do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of Level 2 financial assets / liabilities as of March 31, 2022 and March 31, 2021:

Financial assets / liabilities	Inputs used
Derivatives	
- Forward contracts	Prevailing interest rates in market , future payouts, interest rates

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

33. Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current Ratio - [no. of times]	Current Assets	Current Liabilities	0.11	0.14	-16%	
Debt-equity Ratio - [no. of times]*	Non-Current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	NA	0.04	NA	
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	14.32	2.29	525%	Led by Repayment of debt in FY'21
Return on equity ratio - [no. of times]	Net Profit	Average Equity attributable to owners of the parent	NA	NA	NA	
Trade receivables turnover ratio - [no. of days]	Average trade receivables	Revenue from operations / no of days for the period	23	19	17%	
Net capital turnover ratio - [no. of times]	Revenue from operations	Working Capital	(0.78)	(0.77)	2%	
Net profit ratio (%)	Net Profit	Revenue from operations	14.7%	8.6%	70%	Led by exceptional items hit in FY'21
Return on capital employed (%)	EBIT	Average Capital Employed [#]	NA	NA	NA	
Return on investment	Income generated from investments	Time weighted average investment	3.3%	3.6%	-9%	

*excluding lease liabilities

Average Capital Employed= Average of Equity + Average of Net Debt

34. Relationship with struck off companies

Relationship with struck off Company	Nature of transactions	Name of struck off company	Balance outstanding as of March 31, 2022	Balance outstanding as of March 31, 2021
Companies with Outstanding Balance of Less than INR 1 Mn				
Vendor	Receivables	Market Probe India Pvt Ltd; JWT Mindset Advertising Pvt Ltd; J K Cement Pvt Ltd	0	0

*Due to rounding off, the amounts are appearing as '0'.

