bharti

September 22, 2021

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001, India

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

Ref: Bharti Airtel Limited (BHARTIARTL/532454)

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the "Audited interim condensed consolidated financial statements as at and for the three months' period ended June 30, 2021" of the Company ('Financial Statements').

The Financial Statements are also being made available on the website of the Company at www.airtel.in.

Kindly take the same on record.

Thanking you,
Yours sincerely,

For **Bharti Airtel Limited**

Bharti Airtel Limited

Rohit Krishan Puri
Dy. Company Secretary & Compliance Officer

Bharti Airtel Limited and its subsidiaries

Interim Condensed Consolidated Financial Statements

June 2021

Bharti Airtel Limited and its subsidiaries

Interim Condensed Consolidated Financial Statements – June 30, 2021

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Independent Auditor's Report

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
BHARTI AIRTEL LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying Interim Condensed Consolidated Financial Statements of **BHARTI AIRTEL LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of net profit in its associates and joint ventures, which comprise the Interim Condensed Consolidated Balance Sheet as at June 30, 2021, and the Interim Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Interim Condensed Consolidated Statement of Changes in Equity and the Interim Condensed Consolidated Statement of Cash Flows for the quarter then ended and a summary of other explanatory notes (hereinafter referred to as "the Interim Condensed Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate interim financial information of the associate referred to in the Other Matter section below, the aforesaid Interim Condensed Consolidated Financial Statements give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS 34") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at June 30, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the quarter then ended.

Basis for Opinion

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

Deloitte Haskins & Sells LLP
Chartered Accountants

Deloitte
Haskins & Sells LLP

Emphasis of Matter

Material uncertainty arising out of certain developments and its consequential impact on business operations of Indus Towers Limited, a Joint Venture

We draw attention to Note 4(i) of the Interim Condensed Consolidated Financial Statements, which describes the impact on business operations and financial position of the Joint Venture Company on account of the Joint Venture Company's one of the largest customer's financial condition and its ability to continue as a going concern.

The customer's assumption of going concern is essentially dependent on its ability to raise additional funds up to Rs. 250,000 millions, as required in line with the approval by the Joint Venture Company's board of directors in its meeting on September 4, 2020, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, impact of the modification application rejected by the Hon'ble Supreme Court on AGR judgement, acceptance of its deferment request by DoT for spectrum instalment payment, clarity on payment of the next instalment amounts and generation of cash flow from its operations that it needs to settle / renew its liabilities / guarantees as they fall due.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Interim Condensed Consolidated Financial Statements

The Parent's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive Income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS 34 and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective interim financial information / financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Interim Condensed Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

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

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

Deloitte Haskins & Sells LLP
Chartered Accountants

Deloitte
Haskins & Sells LLP

Auditor's Responsibility for the Audit of the Interim Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Interim Condensed Consolidated 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 Interim Condensed Consolidated 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 Interim Condensed Consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the internal financial controls of Group, its associates and joint ventures.

- 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 ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Interim Condensed Consolidated 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 Group and its associates and joint ventures to cease to continue as a going concern.

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

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

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

Deloitte Haskins & Sells LLP
Chartered Accountants

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

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

Other Matter

The Interim Condensed Consolidated Financial Statements also includes the Group's share of net loss after tax of Rs. 355 million and total comprehensive loss of Rs. 361 million for the quarter ended June 30, 2021 as considered in the Interim Condensed Consolidated Financial Statements, in respect of associate whose interim financial information has not been audited by us. Certain specified account balance relating to interim financial information of the associate have been audited by other auditor and our opinion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor.

Our opinion on the Interim Condensed Consolidated Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

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

Deloitte Haskins & Sells LLP
Chartered Accountants

Vijay Agarwal
Partner
(Membership No. 094468)
UDIN: 21094468AAAAGV5782

Place: Gurugram
Date: August 3, 2021

Interim Condensed Consolidated Financial Statements

(All amounts are in millions of Indian Rupee)

	Notes	As of June 30, 2021	As of March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	5	868,115	858,046
Capital work-in-progress	5	55,005	43,665
Right-of-use assets	6	290,594	288,117
Goodwill	7	334,118	329,064
Other intangible assets	7	845,734	759,569
Intangible assets under development	7	81,347	13,600
Investment in joint ventures and associates		239,222	234,346
Financial assets			
- Investments		471	377
- Derivative instruments		168	473
- Others		23,254	22,929
Income tax assets (net)		21,449	21,239
Deferred tax assets (net)		201,044	200,864
Other non-current assets		82,147	140,460
		3,042,668	**2,912,749**
Current assets			
Inventories		2,867	2,660
Financial assets			
- Investments		1,970	40,781
- Derivative instruments		530	501
- Trade receivables		47,707	36,377
- Cash and cash equivalents		84,917	80,859
- Other bank balances		42,444	53,802
- Others		197,585	191,947
Other current assets		134,248	138,358
Assets of disposal group classified as held for sale	16	3,657	2,244
		515,925	**547,529**
Total assets		**3,558,593**	**3,460,278**

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(All amounts are in millions of Indian Rupee)

		As of	
		June 30, 2021	**March 31, 2021**
Equity and liabilities			
Equity			
Equity share capital		27,460	27,460
Other equity		564,574	562,067
Equity attributable to owners of the Parent		**592,034**	**589,527**
Non-controlling interests ('NCI')		228,909	222,739
		820,943	**812,266**
Non-current liabilities			
Financial liabilities			
- Borrowings		1,240,909	1,105,603
- Lease liabilities		252,171	251,086
- Derivative instruments		552	586
- Others		92,615	121,807
Deferred revenue		30,689	29,724
Provisions		5,024	5,020
Deferred tax liabilities (net)		16,709	16,107
Other non-current liabilities		1,638	1,720
		1,640,307	**1,531,653**
Current liabilities			
Financial liabilities			
- Borrowings		116,315	192,296
- Lease liabilities		78,934	78,867
- Derivative instruments		702	1,055
- Trade payables		304,919	278,721
- Others		241,828	201,132
Deferred revenue		69,272	63,135
Provisions		240,191	235,160
Current tax liabilities (net)		10,547	15,199
Other current liabilities		32,489	49,415
Liabilities of disposal group classified as held for sale	**16**	2,146	1,379
		1,097,343	**1,116,359**
Total liabilities		**2,737,650**	**2,648,012**
Total equity and liabilities		**3,558,593**	**3,460,278**

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Sd/-
Rakesh Bharti Mittal
Director
DIN: 00042494
Place: New Delhi

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

Date: August 3, 2021

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

	Notes	For the three months ended June 30, 2021	For the three months ended June 30, 2020#
Income			
Revenue from operations	12	268,536	232,903
Other income		2,098	4,066
		270,634	**236,969**
Expenses			
Network operating expenses		57,973	50,963
Access charges		16,166	28,011
License fee / Spectrum charges		26,455	20,766
Employee benefits expense		10,345	10,726
Sales and marketing expenses		10,613	7,278
Other expenses		17,181	15,989
		138,733	**133,733**
Profit before depreciation, amortisation, finance costs, share of profit / loss of associates and joint ventures, exceptional items and tax		**131,901**	**103,236**
Depreciation and amortisation expense	5, 6, 7	77,137	71,131
Finance costs		42,257	34,671
Share of (profit) / loss of associates and joint ventures (net)		(4,947)	1,070
Profit / (loss) before exceptional items and tax		**17,454**	**(3,636)**
Exceptional items (net)	11	(305)	117,457
Profit / (loss) before tax from continuing operations		**17,759**	**(121,093)**
Tax expense			
Current tax		7,274	3,583
Deferred tax		1,071	33,439
		8,345	**37,022**
Profit / (loss) for the period from continuing operations		**9,414**	**(158,115)**
Profit from discontinued operation before tax		-	7,356
Tax expense of discontinued operation		-	1,153
Profit for the period from discontinued operation#		-	**6,203**
Profit / (loss) for the period		**9,414**	**(151,912)**

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

	For the three months ended	
	June 30, 2021	June 30, 2020#
Profit / (loss) for the period (continued from previous page)	**9,414**	**(151,912)**
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss:		
Net gain / (loss) due to foreign currency translation differences	4,620	(863)
Net loss on net investment hedge	(2,536)	(212)
Net loss on fair value through OCI investments	-	(189)
Tax credit / (charge) on above	548	(12)
	2,632	**(1,276)**
Items not to be reclassified to profit or loss:		
Re-measurement loss on defined benefit plans	(126)	(17)
Tax credit / (charge) on above	14	(6)
Share of other comprehensive income / (loss) of associates and joint ventures	1	(73)
	(111)	**(96)**
Other comprehensive income / (loss) for the period	**2,521**	**(1,372)**
Total comprehensive income / (loss) for the period	**11,935**	**(153,284)**
Profit / (loss) for the period attributable to:	**9,414**	**(151,912)**
Owners of the Parent	2,835	(159,331)
Non-controlling interests	6,579	7,419
Other comprehensive income / (loss) for the period attributable to:	**2,521**	**(1,372)**
Owners of the Parent	(302)	(704)
Non-controlling interests	2,823	(668)
Total comprehensive income / (loss) for the period attributable to:	**11,935**	**(153,284)**
Owners of the Parent	2,533	(160,035)
Non-controlling interests	9,402	6,751
Earning / (loss) per share from continuing operations (Face value: Rs. 5 each)		
Basic	0.52	(29.81)
Diluted	0.52	(29.81)
Earnings per share from discontinued operation (Face value: Rs. 5 each)		
Basic	-	0.59
Diluted	-	0.59
Earning / (loss) per share from continuing and discontinued operations (Face value: Rs. 5 each)		
Basic	0.52	(29.22)
Diluted	0.52	(29.22)

#Refer note 4(j)

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Sd/-
Rakesh Bharti Mittal
Director

DIN: 00042494
Place: New Delhi

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

Date: August 3, 2021

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

	Equity attributable to owners of the Parent												
	Equity share capital		Other equity										
			Reserves and surplus										
	No. of shares (in '000)	Amount	Securities premium	Retained earnings	General reserves	Debenture redemption reserve	Capital reserve	Share-based payment reserve	NCI reserve	Other components of equity (refer note 9)	Total	Non-controlling interests ('NCI')	Total equity
As of April 1, 2020	**5,455,557**	**27,278**	**508,319**	**112,401**	**23,185**	**7,500**	**18,227**	**673**	**167,160**	**(93,295)**	**744,170**	**249,847**	**1,021,295**
(Loss) / profit for the period	-	-	-	(159,331)	-	-	-	-	-	-	(159,331)	7,419	(151,912)
Other comprehensive loss	-	-	-	(78)	-	-	-	-	-	(626)	(704)	(668)	(1,372)
Total comprehensive (loss) / income	-	-	-	**(159,409)**	-	-	-	-	-	**(626)**	**(160,035)**	**6,751**	**(153,284)**
Transaction with owners of equity													
Employee share-based payment expense	-	-	-	-	-	-	-	78	-	-	78	6	84
Exercise of share options	-	-	-	-	(28)	-	-	(15)	-	17	(26)	(17)	(43)
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	-	90	-	90	-	90
Dividend to NCI	-	-	-	(1,512)	-	-	-	-	-	-	(1,512)	(7,917)	(9,429)
Movement on account of court approved schemes	-	-	-	(141)	-	-	-	-	-	-	(141)	(126)	(267)
As of June 30, 2020	**5,455,557**	**27,278**	**508,319**	**(48,661)**	**23,157**	**7,500**	**18,227**	**736**	**167,250**	**(93,904)**	**582,624**	**248,544**	**858,446**
Profit for the period	-	-	-	8,496	-	-	-	-	-	-	8,496	19,776	28,272
Other comprehensive loss	-	-	-	(51)	-	-	-	-	-	(4,892)	(4,943)	(10,179)	(15,122)
Total comprehensive income / (loss)	-	-	-	**8,445**	-	-	-	-	-	**(4,892)**	**3,553**	**9,597**	**13,150**
Transaction with owners of equity													
Issue of equity shares on preferential basis (refer note 4(c))	36,470	182	21,700	-	-	-	-	-	-	-	21,700	-	21,882
Employee share-based payment expense	-	-	-	-	-	-	-	635	-	-	635	14	649
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(1,111)	(1,111)	-	(1,111)
Exercise of share options	-	-	-	-	75	-	-	(477)	-	333	(69)	(12)	(81)
Issue of perpetual securities (refer note 4 (k))	-	-	-	-	-	-	-	-	-	-	-	36,048	36,048
Transaction with NCI (net of expenses) (refer note 4(c))	-	-	-	-	-	-	-	-	(33,598)	-	(33,598)	642	(32,956)
Dividend to Company's shareholders	-	-	-	(10,907)	-	-	-	-	-	-	(10,907)	-	(10,907)
Dividend to NCI	-	-	-	-	-	-	-	-	-	-	-	(6,874)	(6,874)
Adjustment on account of Indus-Infratel merger (refer note 4(j))	-	-	-	-	-	-	-	(17)	-	-	(17)	(65,022)	(65,039)
Transfer to retained earning	-	-	-	7,500	-	(7,500)	-	-	-	-	-	-	-
Movement on account of court approved schemes	-	-	-	(743)	-	-	-	-	-	-	(743)	(198)	(941)
As of March 31, 2021	**5,492,027**	**27,460**	**530,019**	**(44,366)**	**23,232**	-	**18,227**	**877**	**133,652**	**(99,574)**	**562,067**	**222,739**	**812,266**
Profit for the period	-	-	-	2,835	-	-	-	-	-	-	2,835	6,579	9,414
Other comprehensive (loss) / income	-	-	-	(84)	-	-	-	-	-	(218)	(302)	2,823	2,521
Total comprehensive income / (loss)	-	-	-	**2,751**	-	-	-	-	-	**(218)**	**2,533**	**9,402**	**11,935**
Transaction with owners of equity													
Employee share-based payment expense	-	-	-	-	-	-	-	19	-	-	19	7	26
Exercise of share options	-	-	-	-	(30)	-	-	(47)	-	27	(50)	(7)	(57)
Transaction with NCI (net of expenses)	-	-	-	-	-	-	-	-	97	-	97	48	145
Dividend to NCI	-	-	-	-	-	-	-	-	-	-	-	(3,280)	(3,280)
Movement on account of court approved schemes	-	-	-	(92)	-	-	-	-	-	-	(92)	-	(92)
As of June 30, 2021	**5,492,027**	**27,460**	**530,019**	**(41,707)**	**23,202**	-	**18,227**	**849**	**133,749**	**(99,765)**	**564,574**	**228,909**	**820,943**

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Sd/-
Rakesh Bharti Mittal
Director
DIN: 00042494
Place: New Delhi

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

Date: August 3, 2021

(All amounts are in millions of Indian Rupee)

	For the three months ended	
	June 30, 2021	June 30, 2020
Cash flows from operating activities		
Profit / (loss) before tax (including discontinued operation)	**17,759**	**(113,737)**
Adjustments for :		
Depreciation and amortisation expenses	77,137	72,268
Finance costs	42,047	33,758
Net gain on FVTPL instruments	(242)	(2,840)
Interest income	(343)	(1,758)
Net (gain) / loss on derivative financial instruments	(853)	715
Net gain on fair value of financial instruments	-	(180)
Share of profit of joint ventures and associates (net)	(4,947)	(1,666)
Exceptional items (net)	(305)	117,457
Employee share-based payment expense	22	66
Loss on sale of property, plant and equipment	4	0
Other non-cash items	2,814	2,707
Operating cash flow before changes in working capital	**133,093**	**106,790**
Changes in working capital		
Trade receivables	(13,228)	(14,737)
Trade payables	25,267	11,085
Inventories	(226)	72
Provisions	292	(30,406)
Other financial and non-financial liabilities	(8,150)	11,889
Other financial and non-financial assets	(2,302)	41,625
Net cash generated from operations before tax	**134,746**	**126,318**
Income tax paid - net	(12,526)	(10,079)
Net cash generated from operating activities (a)	**122,220**	**116,239**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(72,462)	(53,365)
Proceeds from sale of property, plant and equipment	910	27
Purchase of intangible assets	(2,192)	(1,764)
Payment towards spectrum (including deferred payment liability)*	(1,573)	-
Proceeds from sale / (purchase) of current investments (net)	54,972	(832)
Proceeds from sale of non-current investments	-	3,645
Purchase of non-current investments	(75)	(84)
Investment in associates / joint ventures	-	(3,317)
Dividend received	-	4,200
Interest received	392	2,240
Net cash used in investing activities (b)	**(20,028)**	**(49,250)**
Cash flows from financing activities		
Proceeds from borrowings	49,072	99,244
Repayment of borrowings	(110,493)	(103,537)
Payment of lease liabilities	(17,623)	(13,868)
Repayment of short-term borrowings (net)	4,097	(22,460)
Purchase of treasury shares	-	(21)
Interest and other finance charges paid	(18,727)	(21,335)
Proceeds from exercise of share options	0	0
Dividend paid (including tax)	(2,998)	(5,678)
Payment of bond / share issue expenses	-	(15)
Purchase of shares from NCI	(913)	-
Proceeds on maturity of derivative (net)	1,124	-
Net cash used in financing activities (c)	**(96,461)**	**(67,670)**
Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)	**5,731**	**(681)**
Effect of exchange rate on cash and cash equivalents	711	(364)
Cash and cash equivalents as at beginning of the period	90,630	130,539
Cash and cash equivalents as at end of the period (refer note 8)	**97,072**	**129,494**

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

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash flows'.

The accompanying notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

As per our report of even date
For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

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

Sd/-
Rakesh Bharti Mittal
Director
DIN: 00042494
Place: New Delhi

Sd/-
Gopal Vittal
Managing Director & CEO
(India and South Asia)
DIN: 02291778
Place: Gurugram

Sd/-
Vijay Agarwal
Partner
Membership No: 094468
Place: Gurugram

Sd/-
Badal Bagri
Chief Financial Officer
Place: Gurugram

Sd/-
Pankaj Tewari
Company Secretary
Place: New Delhi

Date: August 3, 2021

1. Corporate information

Bharti Airtel Limited ('the Company' or 'the Parent') is domiciled and incorporated in India as a public limited company with its shares being listed on the National Stock Exchange (NSE) and the BSE. The registered office of the Company is situated at Airtel Center, Plot no. 16, Udyog Vihar, Phase – IV, Gurugram – 122015, Haryana.

The Company together with its subsidiaries (hereinafter referred to as 'the Group') has presence primarily in India, Africa and South Asia. The principal activities of the Group, its joint ventures and associates consist of provision of telecommunication services, tower infrastructure services and direct-to-home digital television services. The details as to the services provided by the Group are further provided in note 12.

2. Basis of preparation

These Interim Condensed Consolidated Financial Statements ('financial statements') include Interim Condensed Consolidated Balance Sheet ('Balance Sheet'), Interim Condensed Consolidated Statement of Profit and Loss ('Statement of Profit and Loss'), Interim Condensed Consolidated Statement of Chnages in Equity, Interim Condensed Consolidated Statement of Cash Flows and accompanying notes. These financial statements have been prepared in accordance with Ind AS 34 'Interim Financial Reporting' as notified by the Ministry of Corporate Affairs (MCA) under Section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India. Accordingly, the said financial statements do not include all the information required for a complete set of Ind AS financial statements and should be read in conjunction with the Group's latest Annual Consolidated Financial Statements for the year ended March 31, 2021. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest Annual Consolidated Financial Statements.

The financial statements are approved for issue by the Company's Board of Directors on August 3, 2021.

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'.

New amendments adopted during the period

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:

- Ind AS 102, Share-based Payments
- Ind AS 116, Leases

- Ind AS 103, Business Combinations
- Ind AS 105, Non-Current Assets Held for Sale and Discontinued Operations
- 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 111, Joint Arrangements
- 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
- Ind AS 28, Investments in Associates and Joint Ventures
- Ind AS 34, Interim Financial Reporting

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.

3. Significant accounting policies and key sources of estimation uncertainities and critical judgements

a. Significant accounting policies

The accounting policies adopted in preparation of these financial statements are consistent with those followed in preparation of the Group's latest Annual Consolidated Financial Statements.

b. Key sources of estimation uncertainities and critical judgements

The preparation of the said financial statements requires use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where judgements and estimates are significant to the financial statements or areas involving a higher degree of judgement or complexity are the same as those applied to the Group's latest Annual Consolidated Financial Statements.

4. Significant transactions / new developments

a) On April 6, 2021, the Company has entered into an agreement with Reliance Jio Infocomm Limited ("Jio") to transfer the "Right to Use" of the Company's 800 MHz spectrum in Andhra Pradesh (3.75 MHz), Delhi (1.25 MHz) and Mumbai (2.5 MHz) to Jio. The agreement is subject to requisite statutory approvals.

b) During the year ended March 31, 2021, the Group has been declared as successful bidder for 355.45 MHz spectrum across Sub GHz and mid band for a total consideration of Rs. 187,034 in the auction conducted by the DoT, Government of India. The Group has opted for the deferred payment option and has paid an upfront amount of Rs. 64,813 out of the total upfront payment of Rs. 69,874 for the allocation of 339.85 MHz of spectrum. The balance upfront amount of Rs. 5,061 will be paid during the quarter ending on September 30, 2021. The deferred payment amount of Rs. 117,160 is payable along with interest of 7.3% per annum in 16 equal installments after a moratorium of two years.

c) During the year ended March 31, 2021, Company acquired 20% of the equity share capital of Bharti Telemedia Limited ('BTL', a subsidiary of the Company) from Lion Meadow Investment Limited to increase its ownership in BTL to 100% (along with its subsidiary) by issuing 36,469,913 equity shares of the Company on a preferential basis (face value of Rs. 5 each fully paid share including a premium of Rs. 595 per equity share) and cash consideration of Rs. 9,378, resulting in total consideration of Rs. 31,260 and during the quarter ended June 30, 2021, the Company has paid additional consideration of Rs. 913 and the excess of consideration paid to NCI over the carrying value of interest acquired has been recognised in NCI reserve, a component of equity.

d) On October 24, 2019, the Supreme Court of India delivered a judgment in relation to a long outstanding industry-wide case upholding the view of the Department of Telecommunications ('DoT') in respect of the definition of Adjusted Gross Revenue ('AGR'). Further, in its judgement dated, September 1, 2020 ('AGR September Judgment') the Supreme Court reaffirmed that the demand raised by the DoT stated in its modification application as final. In addition, Supreme Court directed that the Telecom Service Providers ('TSPs') shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. Considering the above Supreme Court's judgement, the Group accounted for provision for license fee and spectrum charges based on the demand raised by the DoT and paid part dues in the previous years. On July 19, 2021, the Group confirmed its compliance to the Supreme Court with the directions to pay 10% of total dues by March 31, 2021. The matter is pending adjudication before the Supreme Court. Further on July 23, 2021, the Supreme Court pronounced its Judgment, whereby the applications filed by the TSPs for correction of errors in the computation of demand amount by DoT were dismissed.

e) The Composite Scheme of Arrangement ('Scheme') between the Company, Nettle Infrastructure Investments Limited, Airtel Digital Limited, Telesonic Networks Limited and Airtel Limited and their respective shareholders and creditors under sections 230 to 232 and other applicable provisions of the Act, as approved by the Board of Directors on April 14, 2021, for (a) amalgamation of Nettle Infrastructure Investments Limited, Airtel Digital Limited and Telesonic Networks Limited, wholly-owned subsidiaries with and into Company; and (b) demerger of the Telecom Business Undertaking of Company and vesting of the same with Airtel Limited, its wholly-owned subsidiary on a going concern basis subsequent to the completion of the aforesaid amalgamations, is subject to the applicable statutory / regulatory approvals as on the date of these financial statement. The effect of the Scheme will be accounted when the Scheme becomes effective.

f) During the year ended March 31, 2021, the Hon'ble National Company Law Tribunal, New Delhi approved the Composite Scheme of arrangement under Sections 230 to 232 of the Act ('Scheme') for transfer of Very Small Aperture Terminal ('VSAT') business of the Company and Bharti Airtel Services Limited, a subsidiary of the Company, on a going concern basis by way of slump sale and vesting of the same with Hughes Communications India Private Limited and HCIL Comtel Private Limited respectively. The Scheme is subject to the applicable sectoral approvals and the effect of the Scheme will be accounted after obtaining such approvals.

g) 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 Group is assessing the impact of the Code and will record any related impact in the period the Code becomes effective.

h) Pursuant to Telecom Regulatory Authority of India's tariff order in relation to broadcasting services, Bharti Telemedia Limited, one of the Company's subsidiary, 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, Bharti Telemedia Limited had re-assessed its performance obligations, extent of control over broadcasted content and various other responsibilities and liabilities. Consequently, the Group 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 Bharti Telemedia Limited had implemented the same to the extent is applicable and is in control of Bharti Telemedia Limited, as a distributor.

On March 31, 2021, Ministry of Information and Broadcasting (MIB) has granted provisional licence for providing DTH services to Bharti Telemedia 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.

i) On July 29, 2021, Indus Towers Limited, a Joint Venture Company ('JVC') of the Company, in its financial results for the quarter ended June 30, 2021 reported that a large customer in the telecom services industry contributed substantial part of the net sales of the JVC, for the same period, which also resulted in significant part of the trade receivables due from the said customer as at June 30, 2021. It also reported that the JVC's said customer in its declared results for the quarter and year ended March 31, 2021, had stated existence of material uncertainty relating to its ability to continue as going concern to be dependent on its ability to raise additional funds as required, successful negotiations with lenders on continued support, refinancing of debts, monetisation of certain assets, outcome of the modification application filed with the Supreme Court and clarity of the next instalment amount, acceptance of its deferment request by DoT and generation of cash flow from its operations that it needs to settle / renew its liabilities / guarantees as they fall due. The said customer has disclosed that they have met all its debt obligation till that date in their financial statements for the year March 31, 2021. The said customer in the Board of Directors meeting held on September 4, 2020 has approved the fund-raising plan up to Rs. 250,000.

Subsequently, on July 23, 2021, the Hon'ble Supreme Court rejected the modification applications filed by the JVC's said customer (amongst others) which requested that the Supreme Court allow the DoT to correct manifest / clerical / arithmetic errors in the computation of AGR demands and carry out the corrections in accordance with law within a reasonable period of time.

By virtue of merger between Indus Towers Limited (formerly known as Bharti Infratel Limited) and erstwhile Indus Tower Limited, the payment obligations of the said customer are secured through a share pledge agreement whereby, subject to terms of the agreement, the JVC has created a primary pledge over 190,657,769 shares held in the JVC's company by one of the promoters who is also the promoter of the said customer.

In addition, the JVC will have a secondary pledge, subject to the terms and conditions agreed between the parties, over the above promoter's remaining shares in the JVC and the corporate guarantee by such promoter which can get triggered in certain situations and events in the manner agreed between the parties up to a maximum of Rs. 42,500. Pursuant to such security and the guarantee by the promoter group of such customer, uncertainty in regard to recovery of trade receivables has been mitigated to such extent. Basis the security package, The JVC has recognized contractual exit charges as and when it gets due.

However, the loss of a significant customer or the failure to attract new customers could have an adverse effect on the business, results of operations and financial condition of the JVC.

j) (i) On April 25, 2018, Indus Towers Limited (the 'Transferee Company'), (formerly known as Bharti Infratel Limited, which was a subsidiary of the Company) and erstwhile Indus Towers Limited (the 'Transferor Company') and their respective shareholders and creditors had entered into a proposed scheme of amalgamation and arrangement (under Sections 230 to 232 and other applicable provisions of the Act) ('Scheme') to create a pan-India tower company operating across all 22 telecom service areas.

Over time, the Scheme had received all the necessary approvals from the authorities and a certified copy of the National Company Law Tribunal order was filed with the Registrar of Companies (ROC) on November 19, 2020 i.e. the effective date of merger. Upon the Scheme becoming effective, the Transferor Company stood dissolved without being wound-up. In compliance with the scheme, on merger of Transferor Company with the Transferee Company, 845,328,704 equity shares of the Transferee Company were issued to shareholders of the Transferor Company and Rs. 37,601 were paid to Vodafone Idea Limited towards cash option exercised for its shareholding of 11.15% in the Transferor Company.

The merger has resulted in a loss of control of the Group over the Transferee Company w.e.f. November 19, 2020 and led to a formation of a joint venture with joint control being shared between the Group and Vodafone with a shareholding of 36.73% and 28.12% respectively and the balance 35.15% being owned by other shareholders. The reduction in Group's shareholding in the Transferee Company on account of its loss of control has been considered as a deemed disposal of subsidiary, and accordingly, the Transferee Company's business has been presented as a discontinued operation and its results are presented separately in the statement of profit and loss for all the periods presented. On loss of control, the assets and liabilities of the Transferee Company along with related NCI were derecognised and the Group's retained interest in the Transferee Company was recognised at fair value. The resultant gain on deemed disposal on account of loss of control over the Transferee Company, amounting to Rs. 94,496, is included in profit from discontinued operation in the statement of profit and loss. With effect from November 19, 2020, the Group has applied the equity method to account for its investment in the Transferee Company resulting in a provisional goodwill of Rs. 81,605 included in the carrying amount of the investment. The Group's share of profit of the Transferee Company for the current period is Rs. 5,178 including the impact of fair value adjustment arising from provisional purchase price allocation of Rs. 772.

Subsequently, on December 2, 2020 and December 28, 2020, the Group has acquired an additional stake of 4.935180% and 0.064816%, respectively, in the Transferee Company, which has been recognised at cost.

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

(ii) **Financial performance and cash flow information**

The financial performance and cash flow information (net of eliminations) for the discontinued operation is as follows:

	For the three months ended June 30, 2020
Income	7,224
Expenses	2,604
Share of profit of joint ventures	2,736
Profit before tax	**7,356**
Tax expense	1,153
Profit after tax	**6,203**
Gain on deemed disposal of subsidiary after tax	-
Profit from discontinued operation	**6,203**
Other comprehensive loss from discontinued operation	**(6)**
Total comprehensive income / (loss) attributable to owners of the Parent arises from:	**(160,035)**
Continuing operations	(163,285)
Discontinued operation	3,250
Net cash generated from operating activities	3,159
Net cash generated from investing activities	13,903
Net cash used in financing activities	(18,663)
Net decrease in cash and cash equivalents from discontinued operation	**(1,601)**

(iii) **Gain on deemed disposal of subsidiary**

	As of November 18, 2020
Fair value of retained interest	184,000
Carrying amount of net assets of subsidiary (net of NCI of Rs. 65,022)	89,504
Gain on deemed disposal of subsidiary before tax	**94,496**
Tax expense on gain	-
Gain on deemed disposal of subsidiary after tax	**94,496**

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

(iv) **The carrying amount of assets and liabilities (net of eliminations) of subsidiary on the date of deemed disposal were as follows:**

	As of November 18, 2020
Non-current assets	
Property, plant and equipment (including CWIP of Rs. 900)	49,148
Right-of-use assets	(12,564)
Investment in joint ventures and associates	61,338
Other investments	17,405
Others	9,998
Current assets	
Investments	14,205
Trade receivables	7,539
Others	3,560
Total carrying value of assets (a)	**150,629**
Non-current liabilities	
Lease liabilities	(23,346)
Others	5,698
Current liabilities	
Trade payables	1,000
Lease liabilities	2,761
Others	9,990
Total carrying value of liabilities (b)	**(3,897)**
Net carrying value of assets (a-b)	**154,526**

k) During the year ended March 31, 2021, the Company issued unsubordinated, direct, unconditional and unsecured senior notes of USD 750 Mn (Rs. 54,795) at an issue price of USD 99.908, due June 3, 2031. The notes bear interest at a rate of 3.25% per annum payable semi-annually in arrears. These senior notes have been classified as debt instruments.

During the year ended March 31, 2021, Network i2i Limited (a wholly owned subsidiary of the Company) issued subordinated perpetual securities of USD 500 Mn (Rs. 36,358) at an issue price of USD 99.888 which are guaranteed by the Company. The notes bear interest at a rate of 3.975% per annum payable semi-annually in arrears. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend by the Company and Network i2i Limited until such cumulative interest remains unpaid. These securities have been classified as equity instrument.

l) During the year ended March 31, 2021, the Company and Nxtra Data Limited, a wholly-owned subsidiary of the Company, have entered into an Investment Agreement with CA Cloud Investments (formerly Comfort Investments II) ('investor'). In accordance with the said agreement, the investor will subscribe to 17,880,000 compulsorily convertible preference shares ('CCPS'), each at Rs. 1,000, and 10 equity shares, each at Rs. 5,780 (including securities premium of Rs. 5,770), of Nxtra Data Limited for an aggregate consideration of Rs. 17,880 in three separate tranches. During the year ended March 31, 2021, Nxtra Data

Limited has received the first tranche of Rs. 7,000 and has allotted 7,000,000 CCPS and 10 equity shares to the investor. The same has been classified as liability.

m) During the year ended March 31, 2021, Bharti Hexacom Limited, a subsidiary of the Company, issued 15,000 listed, unsecured, rated, redeemable, Non-Convertible Debentures (NCDs) having face value of Rs. 10 Lakhs each, at a coupon rate of 6% per annum payable annually, at par aggregating to Rs. 15,000 on private placement basis. These NCDs will be due for maturity on January 19, 2024.

n) The Company, after considering its current business plans, likely adoption of lower income tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019, future projections and timing of taxable income, has re-assessed the carrying amounts of its deferred tax balances, including the Minimum Alternate Tax (MAT) credit available.

Simultaneously, the Company has opted for 'Vivad se Vishwas Scheme 2020', an income tax amnesty scheme to settle tax related litigations / disputes. The Company has decided to settle its disputes pertaining to assessment year 2010-11 till assessment year 2016-17.

The Income Tax Authorities on July 21, 2020, have approved the Company's application for all the assessment years and all required formalities in relation to this have been duly completed.

As a result of the above, tax expense for the year ended March 31, 2021 includes the impact of reversal of current tax liability relating to earlier years of Rs. 1,312, and net deferred tax charge of Rs. 68,442 (including provision against MAT credit of Rs. 48,081) aggregating to Rs. 67,130.

o) During the year ended March 31, 2021, Bharti International Singapore Pte. Limited, a wholly-owned subsidiary of the Company, pursuant to an agreement with NTT Docomo Inc. has bought entire 6.31% shareholding of NTT Docomo, Inc. in Robi Axiata Limited, an associate of the Company, for a consideration of USD 12 Mn (Rs. 907). Consequently, the Group's shareholding in Robi Axiata Limited has increased to 31.31%. Subsequently, Robi Axiata Limited has listed its shares on Bangladesh stock exchange by way of IPO and issued additional 10% shares. This resulted in dilution of Group's shareholding in Robi Axiata Limited from 31.3% to 28.18%.

p) On June 2, 2021, the Group signed an agreement to sell approximately 1,400 telecommunications tower assets and related liabilities in Tanzania at a consideration of USD 175 Mn (Rs. 12,989) to a joint venture company owned by a wholly-owned subsidiary of SBA Communications Corporation (a leading global independent owner and operator of wireless communications infrastructure) as majority owner, and by Paradigm Infrastructure Limited under a sale and leaseback arrangement. The completion of such sale is considered highly probable and is only subject to conditions that are usual and customary. Consequently, the Group has classified such assets and liabilities as held for sale as of June 30, 2021. For disclosures on Group's assets held for sale, refer note 16.

q) The completion of the sale of a subsidiary holding 735 towers in Malawi (agreement entered in March 2021), continues to be subject to a non-customary condition which is beyond the Group's control. As of

June 30, 2021, the Group cannot ascertain the likelihood of this condition as being highly probable and consequently has not classified the assets of the Malawian tower company as held for sale.

r) On February 22, 2021, the Group signed an agreement to sell 162 towers in Rwanda to IHS Rwanda Ltd under a sale and lease back arrangement. Such sale has been completed during the three months ended June 30, 2021 and consideration of USD 10 Mn (Rs. 742) has been received. The resultant upfront gain has been recorded as 'non-operating income' and is presented as exceptional item (refer to Note 11(i)(a)). The Group has recognized Right of Use assets and Lease Liabilities for the portion of towers leased back by the Group.

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

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

The following table presents the reconciliation of changes in the carrying value of PPE for the three months ended June 30, 2021 and June 30, 2020:

	Land and building	Plant and equipment	Other PPE	Total
Gross carrying value				
As of April 1, 2020	**27,419**	**1,893,843**	**105,070**	**2,026,332**
Additions	38	33,156	1,831	35,025
Disposals / adjustments	(7)	(1,598)	(0)	(1,605)
Exchange differences	(15)	(252)	(185)	(452)
As of June 30, 2020	**27,435**	**1,925,149**	**106,716**	**2,059,300**
As of April 1, 2021	**26,931**	**1,926,716**	**107,765**	**2,061,412**
Additions	60	51,849	1,832	53,741
Disposals / adjustments	(11)	(5,378)	(13)	(5,402)
Transferred to assets held for sale	-	(10,380)	-	(10,380)
Exchange differences	144	4,272	1,074	5,490
As of June 30, 2021	**27,124**	**1,967,079**	**110,658**	**2,104,861**
Accumulated depreciation				
As of April 1, 2020	**12,790**	**1,044,080**	**91,889**	**1,148,759**
Depreciation#	249	41,117	2,000	43,366
Disposals / adjustments	(3)	(1,396)	66	(1,333)
Exchange differences	11	(13)	(87)	(89)
As of June 30, 2020	**13,047**	**1,083,788**	**93,868**	**1,190,703**
As of April 1, 2021	**13,263**	**1,094,375**	**95,728**	**1,203,366**
Depreciation#	216	42,788	1,856	44,860
Disposals / adjustments	(1)	(5,077)	(44)	(5,122)
Transferred to assets held for sale	-	(9,480)	-	(9,480)
Exchange differences	57	2,127	938	3,122
As of June 30, 2021	**13,535**	**1,124,733**	**98,478**	**1,236,746**
Net carrying value				
As of April 1, 2020	14,629	849,763	13,181	877,573
As of June 30, 2020	14,388	841,361	12,848	868,597
As of April 1, 2021	13,668	832,341	12,037	858,046
As of June 30, 2021	13,589	842,346	12,180	868,115

#It includes Rs. Nil (June 30, 2020 Rs. 98) on account of court approved scheme / arrangements**.**

The carrying value of capital work-in-progress (CWIP) as of June 30, 2021 and March 31, 2021 is Rs. 55,005 and Rs. 43,665 respectively, which mainly pertains to plant and equipment.

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

6. Right-of-use assets ('ROU')

The following table presents the reconciliation of changes in the carrying value of ROU assets for the three months ended June 30, 2021 and June 30, 2020:

	Bandwidth	Plant and equipment	Building	Land	Transponder	Vehicle	Total
Balance at April 1, 2020	39,832	189,610	12,169	16,544	869	25	**259,049**
Additions	256	15,047	309	4,312	395	-	**20,319**
Depreciation	(803)	(9,359)	(737)	(886)	(292)	(12)	**(12,089)**
Termination / other adjustments	-	(4,961)	(104)	(1,538)	(260)	-	**(6,863)**
Exchange differences	64	148	18	-	-	2	**232**
Balance at June 30, 2020	**39,349**	**190,485**	**11,655**	**18,432**	**712**	**15**	**260,648**
Balance at April 1, 2021	45,463	213,995	10,155	18,117	320	67	**288,117**
Additions	1,491	16,970	962	2,189	(0)	21	**21,633**
Depreciation	(999)	(12,075)	(769)	(826)	(42)	(11)	**(14,722)**
Termination / other adjustments	(75)	(3,143)	(184)	(1,294)	-	-	**(4,696)**
Transferred to assets held for sale	-	(594)	-	-	-	-	**(594)**
Exchange differences	41	797	80	-	-	(62)	**856**
Balance at June 30, 2021	**45,921**	**215,950**	**10,244**	**18,186**	**278**	**15**	**290,594**

7. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the three months ended June 30, 2021 and June 30, 2020:

		Other intangible assets			
	Goodwill #	**Software**	**Licenses (including spectrum)**	**Other acquired intangibles**	**Total**
Gross carrying value					
As of April 1, 2020	**348,829**	**27,586**	**1,081,989**	**12,201**	**1,121,776**
Additions	-	1,060	99	-	1,159
Disposals / adjustments	-	(155)	0	-	(155)
Exchange differences	(683)	(15)	92	(7)	70
As of June 30, 2020	**348,146**	**28,476**	**1,082,180**	**12,194**	**1,122,850**
As of April 1, 2021	**331,701**	**31,024**	**1,099,397**	**12,029**	**1,142,450**
Additions	-	1,624	101,378	-	103,002
Disposals / adjustments	-	(9)	(87)	(31)	(127)
Exchange differences	5,054	(1)	1,142	43	1,184
As of June 30, 2021	**336,755**	**32,638**	**1,201,830**	**12,041**	**1,246,509**
Accumulated amortisation					
As of April 1, 2020	-	**22,302**	**279,539**	**10,194**	**312,035**
Amortisation	-	852	15,706	353	16,911
Disposals / adjustments	-	(133)	-	-	(133)
Exchange differences	-	(0)	92	(3)	89
As of June 30, 2020	-	**23,021**	**295,337**	**10,544**	**328,902**
As of April 1, 2021	-	**24,967**	**346,473**	**11,441**	**382,881**
Amortisation	-	959	16,359	237	17,555
Disposals / adjustments	-	-	(99)	(31)	(130)
Exchange differences	-	9	378	82	469
As of June 30, 2021	-	**25,935**	**363,111**	**11,729**	**400,775**
Net carrying value					
As of April 1, 2020	346,192	5,284	802,450	2,007	809,741
As of June 30, 2020	345,509	5,455	786,843	1,650	793,948
As of April 1, 2021	329,064	6,057	752,924	588	759,569
As of June 30, 2021	334,118	6,703	838,719	312	845,734

#Net carrying value of goodwill is adjusted for accumulated impairment of Rs. 2,637 as of June 30, 2021, April 1, 2021, June 30, 2020 and April 1, 2020.

The carrying value of intangible assets under development as of June 30, 2021 and March 31, 2021 is Rs. 81,347 and Rs. 13,600 respectively, which mainly pertains to spectrum and software / IT platform.

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

8. Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents are as follows:

	As of	
	June 30, 2021	**June 30, 2020**
Cash and cash equivalents as per balance sheet	84,917	129,213
Balance held under mobile money trust*	36,839	26,481
Bank overdraft	(24,684)	(26,200)
	97,072	**129,494**

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

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

9. Other components of equity

	Foreign currency translation reserve	Fair value through OCI reserve	Treasury shares	Equity component of foreign currency convertible bond	Total
As of April 1, 2020	**(96,174)**	**125**	**(788)**	**3,542**	**(93,295)**
Net loss due to foreign currency translation differences	(372)	-	-	-	(372)
Net loss on net investment hedge	(42)	-	-	-	(42)
Net loss on fair value through OCI investments	-	(212)	-	-	(212)
Exercise of share options	-	-	17	-	17
As of June 30, 2020	**(96,588)**	**(87)**	**(771)**	**3,542**	**(93,904)**
Net loss due to foreign currency translation differences	(6,160)	-	-	-	(6,160)
Net gain on net investment hedge	1,212	-	-	-	1,212
Net loss on fair value through OCI investments	-	56	-	-	56
Purchase of treasury shares	-	-	(1,111)	-	(1,111)
Exercise of share options	-	-	333	-	333
As of March 31, 2021	**(101,536)**	**(31)**	**(1,549)**	**3,542**	**(99,574)**
Net gain due to foreign currency translation differences	1,548	-	-	-	1,548
Net loss on net investment hedge	(1,766)	-	-	-	(1,766)
Exercise of share options	-	-	27	-	27
As of June 30, 2021	**(101,754)**	**(31)**	**(1,522)**	**3,542**	**(99,765)**

The income tax credit relating to components of OCI for the Group is as follows:

	For the three months ended	
	June 30, 2021	**June 30, 2020**
Net gain on net investment hedge	548	1
Net loss on fair value through OCI investments	-	(13)
	548	**(12)**

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

10. Contingencies and commitments

(i) Contingent liabilities

Claims against the Group not acknowledged as debt:

	As of	
	June 30, 2021	**March 31, 2021**
(i) Taxes, duties and other demands (under adjudication / appeal / dispute)		
- Sales Tax, Service Tax and GST	14,092	13,994
- Income Tax	9,009	9,254
- Customs Duty	1,598	1,659
- Entry Tax	2,937	2,937
- Stamp Duty	352	351
- Municipal Taxes	-	1
- DoT demands	57,018	55,427
- Entertainment Tax	7,891	7,733
- Other miscellaneous demands	807	813
(ii) Claims under legal cases including arbitration matters		
- Access charges / Port charges	299	299
- Others	7,017	6,806
	101,020	**99,274**

In addition to the above, the Group's share of joint ventures' and associates' contingent liabilities is Rs. 55,289 and Rs. 55,208 as of June 30, 2021 and March 31, 2021 respectively.

DoT demands mainly includes:

(i) DoT had enhanced the microwave rates by introducing slab-wise rates based on the number of carriers vide circulars issued in 2006 and 2008 from erstwhile basis being allocated frequency. The Group had challenged the matter in TDSAT and it has set aside the respective circulars of DoT vide its Judgment dated April 22, 2010. Thereafter, DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is pending for adjudication. An amount of Rs. 19,992 which pertains to pre-migration to Unified License ('UL') / Unified access Service Licence ('UASL') is disclosed as contingent liability as of June 30, 2021.

(ii) In 2013, DoT introduced Unified License ('UL') Regime and notified guidelines which mandates migration to new UL regime upon expiry of existing licenses. Accordingly, the Company migrated to UL regime in 2014. The Company and ISP Association challenged the Guidelines and provisions of UL on the ground that DoT has discriminated amongst ISP Licensees in violation of principle of level playing field amongst ISPs. TDSAT stayed the payment of license fee on revenue from Pure Internet Service. In October 2019, TDSAT delivered its judgment in the ISP Association case (ISPAI Judgment) and set aside the provision to pay license fee on the revenue from pure internet service under UL. TDSAT, following ISPAI judgment, allowed the petition filed by Airtel and set aside the demand notices.

DoT has filed appeal against ISPAI judgment before Supreme Court. On January 5, 2021, the Supreme Court admitted DoT's appeal, and also allowed Company's intervention application, with a direction that DoT shall not be required to refund any amounts pursuant to TDSAT judgment and parties shall be bound by the final directions as may be passed by the Supreme Court.

On March 31, 2021, DoT issued amendment to the ISP Licenses granted under the old regime i.e. under 2002 and 2007 with immediate effect (April 1, 2021). Amongst others, DoT included the revenue from pure internet services in the AGR for the purposes of license fees in such contracts (which was earlier allowed as permissible deduction under old regime). Accordingly, demand up to March 31, 2021 has been assessed to be a contingent liability (June 30, 2021: Rs. 27,848 and March 31, 2021: Rs. 26,950).

In addition to the amounts disclosed in the table above, the contingent liability on DoT matters includes the following:

(i) In respect of levy of one time spectrum charge ('OTSC'), the DoT has raised demand on the Group in January 2013. In the opinion of the Group, inter-alia, the above demand amounts to alteration of financial terms of the licenses issued in the past and therefore the Group filed a petition in the Hon'ble High Court of Bombay, which vide its order dated January 28, 2013, had directed the DoT to respond and not to take any coercive action until the next date of hearing. The DoT has filed its reply and this matter is currently pending with Hon'ble High Court of Bombay. The DoT has issued revised demands on the Group aggregating to Rs. 84,140 in June 2018, including a retrospective charge and a prospective charge till the expiry of the initial terms of the respective licenses. The said revised demand has subsequently also been brought within the ambit of the earlier order of no coercive action by the Hon'ble High Court of Bombay. The Group intends to continue to pursue its legal remedies.

Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its judgment dated July 4, 2019, has set aside the DoT order for levy of OTSC with retrospective effect. Accordingly, as per the said order of the Hon'ble TDSAT; DoT can levy OTSC on the Spectrum beyond 6.2 MHz allotted after July 1, 2008, only from the date of allotment of such spectrum and in case of Spectrum beyond 6.2 MHz allotted before July 1, 2008, only prospectively i.e. w.e.f. January 1, 2013.

Further, demand for OTSC on spectrum allotted beyond start-up and up-to the limit of 6.2 MHz has been set aside. The Hon'ble TDSAT has asked DoT to issue revise demands, if any, in terms of the above directions. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the telecom service providers and did not interfere with the TDSAT judgement. DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. The Hon'ble Supreme Court vide order dated August 21, 2020, stayed the TDSAT judgment July 4, 2019 in a case of another telecom service provider. The Supreme Court, vide order dated December 7, 2020, directed status quo to be maintained in case of another telecom service provider. Review Petition has been filed by one of the telecom service provider against the Supreme Court Judgment dated March 16, 2020. The review petition is pending adjudication.

Out of prudence, of the total demands of Rs. 84,140, the Group had recorded a charge of Rs. 18,075 during the year ended March 31, 2020 and interest charge thereon till June 30, 2021 amounting to Rs. 49,692. Balance demand amount of Rs. 66,065 has continued to be contingent liability.

(ii) DOT had issued notices to the Company (as well as other telecom service providers) to stop provision of 3G services to its customers (under 3G Intra Circle Roaming ('ICR') arrangements executed with other service providers) in such service areas where the service provider has not been allocated 3G spectrum, and levied a penalty of Rs. 3,500 on the Company. The Company contested the notices before TDSAT, which in 2014 held 3G ICR arrangements between service providers to be competent and compliant to the licensing conditions and quashed the notice imposing penalty. The DoT has challenged the order of TDSAT before the Hon'ble Supreme Court, which is yet to be listed for hearing.

Considering the nature of above disputes / litigations, it is difficult to reliably ascertain the amount or timing of outflow on settlement.

(ii) Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advance) of Rs. 137,347 (including Rs. 16,101 towards spectrum) and Rs. 252,257 (including Rs. 123,794 toward spectrum) as of June 30, 2021 and March 31, 2021 respectively.

In addition to the above, the Group's share of capital commitments of joint ventures and associates is Rs. 6,367 and Rs. 4,389 as of June 30, 2021 and March 31, 2021 respectively.

11. Exceptional items

Exceptional items comprise of the following:

(i) For the three months ended June 30, 2021:

a. gain of Rs. 305 pertaining to sale of telecommunication tower in one of the subsidiary.

(ii) For the three months ended June 30, 2020

a. charge on account of incremental provison and interest on license fees and spectrum usage charges (SUC) of Rs. 107,444.
b. charge on account of royalty charges of MWA and MWB of Rs. 10,175.
c. gain of Rs. 162 pertaining to settlement of levies of entry tax.

Tax expense include:

- Net charge of Rs. 36,432 (including net charge on adoption of 'Vivad se Vishwas Scheme 2020 and re-assessment of deferred tax assets and credit of deferred tax asset pertaining to one of the subsidiaries recognised) during the three months ended June 30, 2020.

The net impact to non-controlling interests is charge of Rs. 133 and charge of Rs. 1,080 during the three months ended June 30, 2021 and June 30, 2020 respectively, relating to above exceptional items.

12. Segment reporting

The Group's operating segments are organised and managed separately through the respective business managers, according to the nature of products and services provided and geographies in which services are provided, with each segment representing a strategic business unit. These business units are reviewed by the Chairman (Chief Operating Decision Maker - 'CODM').

The amounts reported to CODM are based on the accounting principles used in the preparation of financial statements as per Ind AS. Segment's performance is evaluated based on segment revenue and segment result viz. profit or loss from operating activities before exceptional items and tax, after excluding charity and donation cost but including share of result of joint ventures and associates. Accordingly, finance costs / income, non-operating income / expenses and exceptional items are not allocated to individual segment.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur. Inter-segment revenues are eliminated upon consolidation of segments / alignment of accounting policies of the Group and are reflected in the 'Eliminations / Adjustments' column.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily includes receivables, ROU, PPE, CWIP, intangible assets, intangible assets under development, non-current investments, inventories and cash and cash equivalents. Segment liabilities primarily include operating and lease liabilities. Segment capital expenditure comprises of additions to PPE, CWIP, intangible assets, intangible assets under development, ROU and capital advances.

The reporting segments of the Group are as below:

Mobile Services India: These services cover voice and data telecom services provided through wireless technology (2G / 3G / 4G) in India. This includes the captive national long distance networks which primarily provide connectivity to the mobile services business in India. This also includes intra-city fibre networks.

Mobile Services Africa: These services cover provision of voice and data telecom services provided through wireless technology (2G / 3G / 4G) offered to customers in Africa. This also includes corporate headquarter costs of the Group's Africa operations.

Mobile Services South Asia: These services cover voice and data telecom services provided through wireless technology (2G / 3G) in Sri Lanka.

Airtel Business: These services cover end-to-end telecom solutions being provided to large Indian and global corporations by serving as a single point of contact for all telecommunication needs across data and voice (domestic as well as international long distance), network integration and managed services.

Tower Infrastructure Services: These services include setting up, operating and maintaining wireless communication towers in India.

Homes Services: These services cover voice and data communications through fixed-line network and broadband technology for homes.

Digital TV Services: This includes digital broadcasting services provided under the direct-to-home platform.

Others: It includes certain other strategic investment in joint venture / associates and administrative / support services provided to other segments.

Unallocated: It includes expenses / results, assets and liabilities primarily of corporate headquarters of the Group, non-current investment, current taxes, deferred taxes, borrowings and certain financial assets and liabilities, not allocated to the operating segments.

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

Summary of the segmental information for the three months ended as of June 30, 2021 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total
Revenue from external customers	139,248	80,501	919	33,260	-	6,522	8,086	-	-	-	268,536
Inter-segment revenue	3,808	1,272	33	4,633	-	9	8	85	-	(9,848)	-
Total revenue	**143,056**	**81,773**	**952**	**37,893**	**-**	**6,531**	**8,094**	**85**	**-**	**(9,848)**	**268,536**
Share of results of joint ventures and associates	1	7	-	-	5,178	3	-	(242)	-	-	4,947
Segment results	15,708	25,943	(518)	10,474	5,178	952	3,015	(233)	(444)	(370)	59,705
Less:											
Net finance costs*											40,819
Non-operating expense (net)											1,045
Charity and donation											387
Exceptional items (net) (refer note 11)											(305)
Profit before tax											**17,759**
Other segment items											
Capital expenditure	153,969	7,817	1,091	6,030	-	3,889	2,932	-	-	-	175,728
Addition to ROU	12,029	8,033	235	208	-	744	384	-	-	-	21,633
Depreciation and amortisation expense	54,628	13,337	407	4,211	-	2,281	2,406	-	251	(384)	77,137
As of June 30, 2021											
Segment assets	2,149,489	693,084	11,490	219,544	205,867	38,702	37,770	33,977	245,200	(76,530)	3,558,593
Segment liabilities	917,789	227,464	5,082	160,108	-	29,698	47,264	602	1,425,859	(76,216)	2,737,650
Investment in joint ventures and associates (included in segment assets above)	69	391	-	-	205,867	43	-	32,852	-	-	239,222

*This is net of income / gain from dividend, interest, FVTPL investments and derivative financial instruments.

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

Summary of the segmental information for the three months ended June 30, 2020 and as of March 31, 2021 is as follows:

	Mobile Services India	Mobile Services Africa	Mobile Services South Asia	Airtel Business	Tower Infrastructure Services	Homes Services	Digital TV Services	Others	Unallocated	Eliminations / Adjustments	Total of continuing operations	Discontinuing operation: Tower Infrastructure Services#	Total from continuing and discontinuing operation
Revenue from external customers	124,659	63,568	1,050	30,404	-	5,774	7,448	-	-	-	232,903	6,484	239,387
Inter-segment revenue	4,113	945	38	4,615	-	11	-	4	-	(9,726)	-		-
Total revenue	**128,772**	**64,513**	**1,088**	**35,019**	**-**	**5,785**	**7,448**	**4**	**-**	**(9,726)**	**232,903**	**6,484**	**239,387**
Share of results of joint ventures and associates	3	8	-	-	-	1	-	(1,082)	-	-	(1,070)	2,736	1,666
Segment results	1,657	16,210	(280)	8,908	-	1,592	2,762	(1,085)	(421)	(361)	28,982	6,808	35,790
Less:													
Net finance costs*											31,299	(799)	30,500
Non-operating expense (net)											727	-	727
Charity and donation											592	251	843
Exceptional items (net) (refer note 11)											117,457	-	117,457
Loss before tax											**(121,093)**	**7,356**	**(113,737)**
Other segment items													
Capital expenditure	24,808	5,004	334	3,693	-	1,189	2,457	-	-	-	37,485	1,004	38,489
Addition to ROU	10,561	7,446	11	19	-	574	394	-	-	-	19,005	1,314	20,319
Depreciation and amortisation expense	50,574	12,223	378	3,803	-	1,923	2,279	-	318	(367)	71,131	1,137	72,268
As of March 31, 2021													
Segment assets	2,039,561	703,976	10,443	202,691	200,775	36,441	37,587	34,808	268,543	(74,547)	3,460,278	-	3,460,278
Segment liabilities	899,088	219,786	4,677	148,598	-	27,126	49,192	548	1,373,974	(74,977)	2,648,012	-	2,648,012
Investment in joint ventures and associates (included in segment assets above)	69	312	-	-	200,775	39	-	33,151	-	-	234,346	-	234,346

*This is net of income / gain from dividend, interest, FVTPL investments and derivative financial instruments.

#This is net of eliminations.

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

Disaggregation of revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition. Disaggregation of revenue from contracts with customer for the three months ended June 30, 2021 and June 30, 2020 is as follows:

	Mobile Services		Airtel Business		Homes Services		Digital TV Services		Total (Continuing operations)		Tower Infrastructure Services (Discontinued operation)		Total (Continuing and discontinued operations)	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Geographical markets*														
India	139,248	124,659	24,085	23,184	6,522	5,774	8,086	7,448	177,941	161,065	-	6,484	177,941	167,549
South Asia	919	1,050	-	-	-	-	-	-	919	1,050	-	-	919	1,050
Africa	80,501	63,568	-	-	-	-	-	-	80,501	63,568	-	-	80,501	63,568
Others	-	-	9,175	7,220	-	-	-	-	9,175	7,220	-	-	9,175	7,220
	220,668	**189,277**	**33,260**	**30,404**	**6,522**	**5,774**	**8,086**	**7,448**	**268,536**	**232,903**	**-**	**6,484**	**268,536**	**239,387**
Major products / services lines														
Data and voice services	183,407	155,645	27,891	25,959	6,331	5,584	-	-	217,629	187,188	-	-	217,629	187,188
Setting up, operating and maintaining towers	-	-	-	-	-	-	-	-	-	-	-	6,484	-	6,484
Others	37,261	33,632	5,369	4,445	191	190	8,086	7,448	50,907	45,715	-	-	50,907	45,715
	220,668	**189,277**	**33,260**	**30,404**	**6,522**	**5,774**	**8,086**	**7,448**	**268,536**	**232,903**	**-**	**6,484**	**268,536**	**239,387**
Timing of revenue recognition														
Products and services transferred at a point in time	642	1,044	801	754	57	3	-	-	1,500	1,801	-	-	1,500	1,801
Products and services transferred over time	220,026	188,233	32,459	29,650	6,465	5,771	8,086	7,448	267,036	231,102	-	6,484	267,036	237,586
	220,668	**189,277**	**33,260**	**30,404**	**6,522**	**5,774**	**8,086**	**7,448**	**268,536**	**232,903**	**-**	**6,484**	**268,536**	**239,387**

*Basis location of entity

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

13. Related party disclosures

The details of significant transactions with the related parties for the three months ended June 30, 2021 and June 30, 2020 respectively, are provided below:

	For the three months ended	
	June 30, 2021	**June 30, 2020**
1. Receiving of services#		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)$	-	4,635
Indus Towers Limited (w.e.f. November 19, 2020)$	8,444	-
(formerly known as Bharti Infratel Limited)		
Associates		
Airtel Payments Bank Limited	832	99
2. Purchase of assets		
Other related parties		
Brightstar Telecommunication India Limited	712	179
3. Reimbursement of energy expenses		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)$	-	8,229
Indus Towers Limited (w.e.f. November 19, 2020)$	12,228	-
(formerly known as Bharti Infratel Limited)		
4. Dividend received		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)$	-	4,200
Associates		
Robi Axiata Limited	383	-
5. Receiving / (termination) of assets (ROU)#*		
Joint Venture		
Indus Towers Limited (upto November 18, 2020)$	-	449
Indus Towers Limited (w.e.f. November 19, 2020)$^	3,614	-
(formerly known as Bharti Infratel Limited)		
Other related parties		
Bharti Realty Limited	384	-
6. Investments made		
Associate		
Airtel Payments Bank Limited	-	2,403
Robi Axiata Limited	-	907

#Amount does not include GST

$Refer note 4(j)

*Amount disclosed above is net of termination.

^During the quarter ended June 30, 2021, the Group has made payment of Rs. 9,871 in respect of the lease liabilities.

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

14. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of	
		June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021
Financial assets					
Fair value through profit and loss					
Derivatives					
-Forward and option contracts	Level 2	530	926	530	926
-Cross currency swap	Level 3	168	48	168	48
Investments - quoted	Level 1	2,091	40,884	2,091	40,884
Investments - unquoted	Level 2	350	274	350	274
Amortised cost					
Trade receivables		47,707	36,377	47,707	36,377
Cash and cash equivalents		84,917	80,859	84,917	80,859
Other bank balances		42,444	53,802	42,444	53,802
Other financial assets		220,839	214,876	220,839	214,876
		399,046	**428,046**	**399,046**	**428,046**
Financial liabilities					
Fair value through profit and loss					
Derivatives					
-Currency swaps, forward and option contracts	Level 2	493	999	493	999
-Interest rate swaps / others	Level 2	147	157	147	157
-Cross currency swap	Level 3	405	249	405	249
-Embedded derivatives	Level 2	209	236	209	236
Amortised cost					
Borrowings - fixed rate	Level 1	337,399	417,229	358,459	435,206
Borrowings - fixed rate	Level 2	795,825	704,277	839,056	754,776
Borrowings - fixed rate		19,125	20,893	19,125	20,893
Borrowings - floating rate		204,875	155,500	204,875	155,500
Trade payables		304,919	278,721	304,919	278,721
Other financial liabilities		334,443	322,939	334,443	322,939
		1,997,840	**1,901,200**	**2,062,131**	**1,969,676**

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

i. The carrying value of other bank balances, 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. Fair value of quoted financial instruments is based on quoted market price at the reporting date.

iii. The fair value of non-current financial assets, other long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

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

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

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of level 2 financial assets / liabilities as of June 30, 2021 and March 31, 2021:

Financial assets / liabilities	Inputs used
Derivatives	
- Currency swaps, forward and option contracts	Forward currency exchange rates, Interest rates
- Interest swaps	Prevailing / forward interest rates in market
- Embedded derivatives	Forward currency exchange rates, Interest rates
Investments	Prevailing interest rates in market, future cashflows
Fixed rate borrowings	Prevailing interest rates in market, future payouts

During the three months ended June 30, 2021 and year ended March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

Level 3 financial instruments

The following table provides the details as to changes in value of financial instruments categorised within level 3 of the fair value hierarchy:

	For the three months / year ended	
	June 30, 2021	March 31, 2021
Opening balance	201	-
Issuance: recognised in finance costs / other income (1)	-	-
Increase in fair value (net): recognised in finance costs / other income (2)	36	201
Closing balance	**237**	**201**

(1) During the year ended March 31, 2021, the Group had entered into a Cross Currency Swap (CCS) in one of its subsidiaries, which has been accounted for as FVTPL. The fair value of CCS has been estimated based on the contractual terms of the CCS and parameters such as interest rates, foreign exchange rates etc. Since, the data from any observable markets in respect of interest rates is not available, the interest rates are considered to be significant unobservable inputs to the valuation of this CCS.

(2) These amounts represent the amounts recognised in the financial statements during the period.

15. COVID 19

To tackle the COVID-19 pandemic which has resulted in phased lock downs with restrictions imposed on movement of people and goods for a prolonged period, the Government is taking necessary steps including rolling out of vaccination to minimise the impact on the economy, and continuous monitoring of the evolving situation.

Telecommunications, Internet, Broadcast and Cable Services have been mentioned as an "Essential" service as per the relevant government orders / notifications. Consequently, the Group formulated a robust Business Continuity Plan to ensure that its operations are not disrupted. The Group has considered a range of possible scenarios to understand potential outcomes on its business and plan appropriately.

For the three months ended June 30, 2021, the Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Group has noted excess demand as most of the industries have resorted to conducting their operations remotely, and hence the Group believes that the carrying amount of these assets will be recovered.

The Group has updated the foregoing assessment as at June 30, 2021 and there is no material impact on the financial statements for the three months ended June 30, 2021.

16. Assets and Liabilities held for sale

Assets and liabilities of disposal groups held for sale at June 30, 2021 relate to our telecommunication tower subsidiary in Madagascar (part of Francophone Africa segment) consequent to agreement entered in March 2021, and approximately 1,400 telecommunications tower assets and related liabilities in Tanzania (part of Francophone Africa segment). These disposals did not meet the definition of a discontinued operation per Ind AS 105.

For these disposals, the Group had agreed a selling price with the prospective purchaser which was used as the fair value for the impairment test and the same was classified as Level 3 on the fair value hierarchy. The disposals are expected to result in profits and therefore no impairment was recognized on classification as held for sale.

During the three months ended June 30, 2021, the sale of 162 towers in Rwanda has been completed and thus the related assets and liabilities held for sale have been derecognised.

(This space has been intentionally left blank)

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

The disposal groups were stated at their carrying values and comprised the following assets and liabilities:

	As of	
	June 30, 2021	**March 31, 2021**
Assets of disposal group classified as held for sale		
Property, plant and equipment	2,269	1,428
Capital work-in-progress	11	2
Right of use assets	891	380
Other intangible assets	-	14
Income tax assets	34	3
Deferred tax assets	153	177
Trade receivables	17	25
Cash and cash equivalents	10	46
Loans and security deposits	5	3
Other current assets	267	166
	3,657	**2,244**
Liabilities of disposal group classified as held for sale		
Lease liabilities	1,064	549
Provisions	347	101
Deferred tax liabilities	63	65
Trade payables	137	128
Other current liabilities	535	536
	2,146	**1,379**

The cumulative other comprehensive loss relating to the disposal group classified as held for sale is USD 5 Mn (Rs. 371) and USD 4 Mn (Rs. 321) as of June 30, 2021 and March 31, 2021 respectively.

17. Events after the reporting period

Subsequent to the quarter end, on August 2, 2021, the Company's subsidiary, Telesonic Networks Limited has issued 30,000 listed, unsecured, rated, redeemable, Non-Convertible Debentures ('NCDs'), of face value of Rs. 1 Mn each at a coupon rate of 5.35% per annum payable annually, at par aggregating to Rs. 30,000 on private placement basis which have been guaranteed by the Company. These NCDs will be due for maturity on April 28, 2023.