

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Board Report on the Company's business and operations, together with audited financial statements for the financial year ended March 31, 2020.

Company Overview

Bharti Airtel is one of the world's leading providers of telecommunication services with operations in 18 countries across Asia and Africa. The Company's diversified service range includes mobile, voice and data solutions, using 2G, 3G and 4G technologies. We provide telecom services under wireless and fixed line technology, national and international long distance connectivity, broadband services, Digital TV; and complete integrated telecom solutions to our enterprise customers. All these services are rendered under a unified brand 'Airtel' either directly or through subsidiary companies. Airtel Money (known as 'Airtel Payments Bank' in India) extends our product portfolio to further our financial inclusion agenda and offers convenience of payments and money transfers on mobile phones over secure and stable platforms in India, and across all 14 countries in Africa.

The Company also deploys and manages passive infrastructure pertaining to telecom operations through its subsidiary, Bharti Infratel Limited, which also owns 42% of Indus Towers Limited. Together, Bharti Infratel Limited ('Infratel') and Indus Towers Limited ('Indus') are the largest passive infrastructure service providers in India. The Hon'ble National Company Law Tribunal, Chandigarh Bench, vide its order dated May 31, 2019 had sanctioned the Scheme of Amalgamation of Indus with and into Infratel. The decision to implement the Scheme will be taken by Infratel, keeping in mind the best interest of its stakeholders.

25 years ago, the Company started its journey as a telecom service provider and year after year, deepened its roots to establish a strong foothold in this space. Over the years, Airtel has become synonymous with quality telecom connectivity in India. With a constant motivation to strengthen its innovative core, the Company cemented its position to lead change in a fast paced and ever evolving digital landscape. Since the first mobile service launch in New Delhi on September 27, 1995, Airtel has transpired transformation in the wireless telecom sector in the last two and a half decades. The desire to be recognized as the most admired brand helped Airtel to successfully forge a deep emotional connect with its customers in India and abroad.

Financial Results

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the

Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards ('Ind AS') for the FY 2019-20. The standalone and consolidated financial highlights of the Company's operations are as follows:

Standalone Financial Highlights

Particulars	FY 2019-20		FY 2018-19	
	₹ Mn	USD Mn*	₹ Mn	USD Mn*
Gross revenue	543,171	7,680	496,060	7,101
EBITDA before exceptional items	206,315	2,917	128,182	1,835
Cash profit from operations	109,130	1,543	70,714	1,012
Earnings before taxation	(510,209)	(7,214)	(52,439)	(751)
Net income/ (loss)	(360,882)	(5,103)	(18,692)	(268)

*1 USD = ₹ 70.73 Exchange Rate for financial year ended March 31, 2020
(1 USD = ₹ 69.86 Exchange Rate for financial year ended March 31, 2019)

(FY 2018-19* has been reclassified to take Tikona Merger impact for Y-o-Y comparison)

Consolidated Financial Highlights

Particulars	FY 2019-20		FY 2018-19	
	₹ Mn	USD Mn*	₹ Mn	USD Mn*
Gross revenue	875,390	12,377	807,802	11,567
EBITDA before exceptional items	371,053	5,246	262,937	3,768
Cash profit from operations	254,951	3,605	167,777	2,406
Earnings before taxation	(428,466)	(6,058)	(17,318)	(253)
Net Income / (Loss)	(321,832)	(4,550)	4,095	59

*1 USD = ₹ 70.73 Exchange Rate for financial year ended March 31, 2020
(1 USD = ₹ 69.86 Exchange Rate for financial year ended March 31, 2019)

Note: With the adoption of IndAS 116, effective April 01, 2019, the results of periods commencing April 01, 2019 are not comparable with previous periods.

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

Change in the nature of business

There was no change in nature of the business of the Company during the financial year ended on March 31, 2020

COVID update

These are unprecedented times, as our country and the entire world struggles to contain and combat the COVID-19 pandemic. Amidst such rampant uncertainties, Airtel has aligned itself with the national priorities of the moment, by committing ₹ 100 crores from Bharti Group to the PM CARES relief fund, in an effort to help our country coast through these tough times. We have abided by every safety and social distancing norm and have been consistently communicating the same to both our employees and customers. We stand in solidarity with the Government of India and all our citizens, and our efforts towards the betterment of one and all will continue, unabated.

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

Share Capital

During the FY 2019-20, the Authorized share capital of the Company has been increased to ₹ 147,780,000,000 divided into 29,555,980,000 equity shares of face value of ₹ 5/- each and 1,000 preference shares of ₹ 100/- each.

During the FY 2019-20, the Company has made the following allotments:

- ≡ 1,133,591,075 equity shares of face value of ₹ 5/- each on May 24, 2019 pursuant to Rights Issue aggregating to ₹ 5,667,955,375 /-.
- ≡ 487, 10% fully paid-up redeemable, non-participating, non-cumulative preference shares of face value of ₹ 100/- each on July 26, 2019, pursuant to composite scheme of arrangement among Tata Teleservices Limited ('TTSL'), Bharti Hexacom Limited and the Company and their respective shareholders and creditors, aggregating to ₹ 48,700 to equity share holders, CCPS holders and OCPS holder of TTSL.
- ≡ 9,70,668 equity shares of face value of ₹ 5/- each on July 26, 2019, pursuant to scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') and the Company and their respective shareholders and creditors, aggregating to ₹ 4,853,340/- to the equity shareholders of TTML.
- ≡ 10, 10% fully paid-up redeemable, non-participating, non-cumulative preference Shares of face value of ₹ 100/- each on July 26, 2019, pursuant to scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') aggregating to ₹ 1000/- to the Preference shareholders of TTML.
- ≡ 323,595,505 equity shares of face value of ₹ 5/- each on January 15, 2020 pursuant to Qualified Institutions Placement aggregating to ₹ 1,617,977,525/-.

Consequent to the above mentioned allotments, the paid-up share capital of the Company has increased to ₹ 27,277,836,475 divided into 5,455,557,355 equity shares of face value of ₹ 5/- each and 497 preference shares of ₹ 100/- each.

During the year under review, the Company has neither issued any shares with differential voting rights nor any sweat equity shares.

Reserve

During the year, the Company has transferred ₹ 141 Mn into General Reserve from the Share Based Payment Reserve pertaining to gain / loss on exercise / lapse of vested options.

Dividend

Your Directors have recommended a final dividend of ₹ 2.00 per equity share of ₹ 5 each fully paid-up (40.00 % of face value) for FY 2019-20. The total final dividend payout will amount to ₹ 10,911.11 Mn.

The record date for the purpose of payment of final dividend for the FY 2019-20, will be Friday, August 07, 2020.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 500 listed companies are required to formulate a dividend distribution policy. Accordingly, the Company had adopted the dividend distribution policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The Policy is enclosed as **Annexure A** to the Board's Report and is also available on the Company's website at https://assets.airtel.in/teams/simplycms/web/pdf/Airtel-Dividend_Distribution_Policy-Kick_Off-14052020.pdf

Transfer of amount to Investor Education and Protection Fund

During the FY 2019-20, the Company has transferred the unpaid/ unclaimed dividend pertaining to FY 2011-12 amounting to ₹ 1.29 Mn., to the Investors Education and Protection Fund ('IEPF') Account established by the Central Government. The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 14, 2019 (date of last Annual General Meeting) on the Company's website www.airtel.com.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund ('IEPF') after giving due notices to the concerned shareholders. Accordingly, the Company has transferred 16,729 equity shares to the IEPF during the FY 2019-20. The details of equity shares transferred are also available on the Company's website www.airtel.com.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed Form No. IEPF-5 for claiming the unpaid dividend / shares out of the IEPF. The process for claiming the unpaid dividend / shares out of the IEPF is also available on the Company's website at <http://www.airtel.in/about-bharti/equity/shares>.

Deposits

The Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet closure date.

Significant Developments

Mergers / amalgamations / demergers under Sections 230 to 232 of the Companies Act, 2013 completed during the year:

≡ Scheme of amalgamation between Bharti Digital Networks Private Limited (formerly known as Tikona Digital Networks Private Limited) ('Bharti Digital'), a wholly-owned subsidiary company and Bharti Airtel Limited

During the year, the scheme of amalgamation between Bharti Digital, a wholly-owned subsidiary company and the Company has become effective on May 29, 2019 pursuant to which Bharti Digital has been amalgamated with the Company.

≡ Composite scheme of arrangement between Tata Teleservices Limited ('TTSL'), Bharti Hexacom Limited ('Bharti Hexacom'), a subsidiary company and Bharti Airtel Limited ('TTSL Scheme') and Scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') and Bharti Airtel Limited ('TTML Scheme')

During the year, the Company completed the acquisition of the consumer mobile business of TTML and TTSL under the TTML Scheme and TTSL Scheme, made effective from July 01, 2019.

For details of securities issued under TTML Scheme and TTSL Scheme, please refer 'Share Capital' section of this report.

≡ Scheme of arrangement between Telesonic Networks Limited ('Telesonic'), a subsidiary company and Bharti Airtel Limited

During the year, the scheme of arrangement between the Company and Telesonic, a subsidiary company and their respective shareholders and creditors for the transfer of optical fibre cable business of the Company to Telesonic, has become effective on August 03, 2019.

Mergers/ amalgamations/ demergers under Sections 230 to 232 of the Companies Act, 2013 pending sanction of the appropriate authorities:

Composite scheme of arrangement between Bharti Airtel Limited, Bharti Airtel Services Limited, a wholly-owned subsidiary company, Hughes Communications India Limited (now known as Hughes Communications India Private Limited) and HCIL Comtel Limited (now known as HCIL Comtel Private Limited)

Pursuant to the approval dated May 06, 2019 of the Board of Directors of the Company, the Company had entered into the Scheme, inter-alia proposing for transfer of the VSAT Undertaking (defined under the Scheme) of the Company and vesting of the same with Hughes Communications India Private Limited on a going concern basis by way of a slump sale for a lump sum cash consideration of ₹ 663,210,000 (Indian Rupees Six Hundred Sixty Three Million Two Hundred Ten Thousand). As on the date of this report, the Scheme is subject to requisite regulatory/ statutory approvals and other closing conditions.

Rights Issue

During the year, the Company has allotted 1,133,591,075 equity shares of face value of ₹ 5/- each by way of a rights issue at a price of ₹ 220 per rights equity share (including a premium of ₹ 215 per rights equity share) aggregating to ₹ 249,390.04 Mn on a rights basis to the eligible equity shareholders on May 24, 2019 in the ratio of 19 rights equity shares for every 67 equity shares held by the eligible equity shareholders on the record date i.e. April 24, 2019.

Qualified Institutions Placement

During the year, the Company has allotted 323,595,505 equity shares of face value of ₹ 5/- each by way of a Qualified Institutions Placement at a price of ₹ 445 per equity share (including a premium of ₹ 440 per rights equity share) aggregating to ₹ 144,000 Mn to the eligible investors on January 15, 2020.

Foreign Currency Convertible Bonds

During the year, the Company has issued 1.50% foreign currency convertible bonds due 2025 ('FCCBs') of USD 1,000 Mn at par, convertible into fully paid-up equity shares of face value of ₹ 5/- each of the Company at an initial conversion price of ₹ 534/- per equity share, on or after February 27, 2020 and

up to the close of business hours February 07, 2025, at the option of the FCCB holders. As per the terms and conditions of the issue, the initial conversion ratio and initial conversion price are subject to certain adjustments. FCCBs, which are not converted to equity shares during such specified period, will be redeemable at 102.66% of their principal amount on February 17, 2025.

Capital Market Ratings

As on March 31, 2020 the Company was rated by two domestic rating agencies, namely CRISIL and ICRA and three international rating agencies, namely Fitch Ratings, Moody's and S&P.

As on March 31, 2020, CRISIL and ICRA rated their long-term ratings of the Company to [CRISIL] AA / [ICRA] AA-, with a stable outlook. Short-term ratings were maintained at the highest end of the rating scale at [CRISIL] A1+ / [ICRA] A1+. Fitch maintained the rating at BBB-/ Stable. S&P and Moody revised its outlook and rating to BBB-/ Negative and to Ba1/ Negative, respectively during the year.

Employee Stock Option Plan

At present, the Company has two Employee Stock Options (ESOP) schemes, namely the Employee Stock Option Scheme 2001 and the Employee Stock Option Scheme 2005. Besides attracting talent, the schemes also helped retain talent and experience. The HR and Nomination Committee administers and monitors the Company's ESOP schemes.

Both the ESOP schemes are currently administered through Bharti Airtel Employees Welfare Trust (ESOP Trust), whereby shares held by the ESOP Trust are transferred to the employee, upon exercise of stock options as per the terms of the Scheme.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a disclosure with respect to ESOP Scheme of the Company as on March 31, 2020 has been uploaded on Company's website at <https://www.airtel.in/about-bharti/equity/results>.

During the previous year, there were no material changes in the aforesaid ESOP Schemes of the Company and the ESOP Schemes are in compliance with ESOP regulations. The Company has received a certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, of the Company certifying that the schemes are implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The certificate is available for inspection by members in electronic mode.

Material changes and commitments affecting the financial position between the end of financial year and date of report after the balance sheet date

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.

Debentures

During the financial year, the Company has not issued any debentures. The details of outstanding debentures as on the date of this report are as under:

- ≡ 15,000 Series II debentures having a face value of ₹ 1 Mn per debenture at a coupon rate of 8.35% per annum.

The aforesaid debentures are listed on National Stock Exchange of India Limited.

Further, the following debentures were redeemed after the closure of financial year 2019-20:

- ≡ 15,000 Series I debentures having a face value of ₹ 1 Mn per debenture at a coupon rate of 8.25% per annum.

Directors and Key Managerial Personnel

Inductions, Re-appointments, Retirements & Resignations

Pursuant to the provisions of the Companies Act, 2013, Mr. Gopal Vittal, Managing Director & CEO of the Company will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Mr. Shishir Priyadarshi had completed his present term as Independent Director of the Company on February 03, 2020. On the recommendation of the HR and Nomination Committee, the Board, subject to the approval of the shareholders, has re-appointed him as Independent Director for a further term of five consecutive years i.e. upto February 03, 2025.

In the opinion of the Board, Mr. Shishir Priyadarshi fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and under Listing Regulations and is independent to the management and accordingly, the Board recommends his re-appointment.

Brief resume, nature of expertise, details of directorships held in other companies of the Directors proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

Declaration by Independent Directors

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013, rules made there under and Regulations 16 & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Board Diversity and Policy on Director's Appointment and Remuneration

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which

is necessary for achieving sustainable and balanced development. The Board has adopted a policy on 'Nomination, Remuneration and Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at https://s3-ap-southeast-1.amazonaws.com/bsy/iportal/images/Draft-Remuneration-Nomination-and-Board-Diversity-Policy-4-0-Aug-01-2019_B8BCCA328A3ABAEDC2A5FF6E747B0D8D.pdf and is also annexed as **Annexure B** to this report.

Annual Board Evaluation and Familiarisation Programme for Board Members

The HR and Nomination Committee has put in place a robust framework for evaluation of the Board, Board Committees and individual Directors including Chairman. Customised questionnaires were circulated, responses were analyzed and the results were subsequently discussed by the Board. Recommendations arising from this entire process were deliberated upon by the Board to be used constructively to further enhance its effectiveness. A detailed update on the Board Evaluation is provided in the report on Corporate Governance which forms part of this report.

A note on the familiarisation programme adopted by the Company for orientation and training of the Directors and the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations is provided in the Report on Corporate Governance, which forms part of this Report.

Committees of Board, Number of Meetings of the Board and Board Committees

The Board of Directors met seven (7) times during the previous financial year. As on March 31, 2020, the Board has ten committees, namely, the Audit Committee, the Risk management Committee, the HR and Nomination Committee, the Corporate Social Responsibility ('CSR') Committee, the Stakeholders' Relationship Committee, the Committee of Directors, the Airtel Corporate Council, the Special Committee of Directors (for Monetization of stake in Bharti Infratel Limited), the Special Committee of Directors (for Restructuring of overseas holding structure) and Special Committee of Directors (for fund raising).

All the recommendations made by committees of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2019-20 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

Subsidiary, Associate and Joint Venture Companies

As on March 31, 2020, your Company has 101 subsidiaries, 8 associates and 7 joint ventures.

During FY 2019-20, Network i2i (Kenya) Limited became subsidiary of the Company and RedDot Digital Limited became associate of the Company.

During FY 2019-20, Bharti Digital Networks Private Limited merged with the Company and Mobile Financial Services Limited ceased to be joint venture of the Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiary, associate and joint venture companies forms part of the Annual Report. The statement also provides the details of performance and financial position of each of the subsidiary, associate and joint venture and their contribution to the overall performance of the Company.

The audited financial statements of each of its subsidiary, associate and joint venture companies are available for inspection at the Company's registered office and also at registered offices of the respective companies and pursuant to the provisions of Section 136 of the Companies Act, 2013. The financial statements of each of its subsidiary companies are also available on the Company's website www.airtel.com. A copy of the same will also be available electronically for inspection by the members during the AGM.

The copies of annual financial statements of the subsidiary, associate and joint venture companies will also be made available to the investors of the Company and those of the respective companies upon request.

Auditors and Auditors' Report

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013, Deloitte Haskins & Sells LLP were appointed as the Company's Statutory Auditors by the shareholders in the AGM held on July 24, 2017, for a period of five years i.e. till the conclusion of 27th AGM.

The Board has duly examined the Statutory Auditors' Report to the financial statements, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to financial statements section of the Annual Report

As regards the comments under para i(a) of the Annexure B to the Independent Auditors' Report regarding updation of quantitative and situation details relating to certain fixed assets, the Company as per the program of physical verification of fixed assets to cover all the items over a period of three years, conducted physical verification of fixed assets during the quarter ended March 31, 2020. The Company is in the process to update quantitative and situation details relating to certain fixed assets which were identified during the physical verification exercise. This same is expected to be completed by December 2020.

As regards the comments under para i(b) of the Annexure B to the Independent Auditors' Report regarding no physical verification of customer premises equipment and certain assets due to their nature or location; the customer premises equipment are located at subscriber's premises and physical check of the equipment is generally not possible. In such cases, the Company uses indirect evidences to check existence of the assets.

As regards the comments under para i(c) of the Annexure B to the Independent Auditors' Report regarding transfer of title deed in the name of the Company, the ownership of these properties is transferred and vested in the name of the Company through merger scheme. Company is in the process of getting the title deeds transferred in name of the Company. The entire process is getting delayed on account of lock-down in various areas due to COVID-19. The same is expected to be completed by December 2020.

Further, the auditors have not reported any fraud u/s 143(12) of the Act.

Internal Auditors and Internal Assurance Partners

The Company has in place a robust Internal Assurance Group (IAG) which is headed by the Chief Internal Auditor and ably supported by reputed independent firms i.e. Ernst & Young LLP, Chartered Accountants, Gurugram and ANB & Co., Chartered Accountants, Mumbai as the internal assurance partners. The audit conducted by the Chief Internal Auditor and Internal Assurance Partners is based on an internal audit plan, which is reviewed each year in consultation with the IAG and the Audit Committee. These audits are based on risk based methodology and inter-alia involve the review of internal controls and governance processes, adherence to management policies and review of statutory compliances. The Internal Assurance Partners share their findings on an ongoing basis during the year for corrective action.

The Board, on the recommendation of the Audit Committee, has re-appointed Ernst & Young LLP, Chartered Accountants, Gurugram and ANB & Co. Chartered Accountants, Mumbai as the internal assurance partners for the FY 2020-21.

Report of the Internal Auditors and Internal Assurance Partners for the FY 2019-20 does not contain any qualification, reservation, disclaimer or adverse remark.

Cost Auditors

The Board, on the recommendation of the Audit Committee has approved the appointment of Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors, for the financial year ending March 31, 2020. The Cost Auditors will submit their report for FY 2019-20 on or before the due date.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by shareholders at the ensuing AGM.

Cost Audit report for the FY 2018-19 does not contain any qualification, reservation, disclaimer or adverse remark.

Cost records

Maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and the prescribed cost records have been made and maintained by the Company.

Secretarial Auditors

The Company had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2020. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation, disclaimer or adverse remark.

The Secretarial Audit Report is annexed as **Annexure C** to this report.

The Board has re-appointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditors of the Company for FY 2020-21.

Sustainability Journey

We, at Bharti Airtel, strongly believe that the Information and Communications Technology (ICT) is playing a pivotal role in shaping the future, by helping to advance towards a low carbon economy, sustainable growth and community development. As one of the leading global telecommunication services company, our services leverage the power of ICT to help elevate the quality of lives for people, by providing them with the connectivity they need to function in a dynamically advancing world. Our business model is evolving to consistently innovate and thereby, contribute in creating an inclusive and empowered society. To continue progressing towards this objective, we are striving to adopt best practices, in order to better integrate sustainability in our strategies and operations.

Our Vision defines what we aim to do, whereas our Core Values - Alive, Inclusive and Respectful - expound how we aim to embrace these responsible business practices. We owe our sustained business growth to our stakeholders and hence, continue to improve and strengthen our sustainability approach through systematic engagement with our stakeholders worldwide. We relentlessly strive to provide long-term sustainable value to all our stakeholders including investors, customers, employees, business partners and suppliers, government and regulators and communities. This is ensured through ongoing engagement with our stakeholders through multiple channels to gauge their expectations, understand their concerns and, apprise them of our sustainability priorities, practices and performance, all the while seeking to collaborate with them for creating sustainable and shared value. Our sustainability initiatives towards topics that are material to our stakeholders and to the company, have been reported in our Integrated Report, as well as on our website <http://www.airtel.in/sustainability>.

Corporate Social Responsibility ('CSR')

Since the Company did not have profits (average net profits for the last three financial years), it was not obligated to contribute towards CSR activities during FY 2019-20. However, the Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

Accordingly, despite the unprecedented challenges and pressure on the telecom industry, the Company has made voluntary CSR contribution of ₹ 316.19 Mn. during the financial year 2019-20. Additionally, the Company has also contributed ₹ 2.35 Mn. towards various other charitable causes which are not covered within the ambit of the provisions of Section 135 of the Companies Act, 2013. The aggregate CSR spending of the Company for FY 2019-20 (including other contributions) is ₹ 318.54 Mn.

A detailed update on the CSR initiatives of the Company is provided in the Corporate Social Responsibility Report, which forms part of the Annual Report.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is annexed as **Annexure D** to this Report.

Integrated Reporting

The Securities and Exchange Board of India ('SEBI') vide circular no: SEBI/HO/CFD/CMD/CIR/P/2017/10 dated February 06, 2017 had recommended voluntary adoption of 'Integrated Reporting' (IR) from 2017 - 2018 by the top 500 listed companies in India. We continue with our integrated reporting journey in the current fiscal aligning with our philosophy of being a highly transparent and responsible company. This is our third Integrated Report wherein we are guided by the principles of International Integrated Reporting Framework developed by the International Integrated Reporting Council ('IIRC'). The Board acknowledges its responsibility for the integrity of report and information contained therein.

Business Responsibility Report

As stipulated under the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms a part of the Annual Report.

Management Discussion and Analysis Report

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

Corporate Governance

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of the Annual Report.

A certificate from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of conditions of Corporate Governance, as stipulated under the Listing Regulations is annexed as **Annexure H** to this report.

Statement containing additional information as required under Schedule V of the Companies Act, 2013

A statement containing additional information as required under Clause IV of Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the Report on Corporate Governance, which forms part of this Annual Report.

Risk Management

Risk management is embedded in Bharti Airtel's operating framework. The Company believes that risk resilience is key to achieving higher growth. To this effect, there is a process in place to identify key risks across the group and prioritise relevant action plans to mitigate these risks.

To have more robust process, the Company had constituted a separate Risk Management Committee to focus on the risk management including determination of company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc.

Risk management framework is reviewed periodically by the Board and Risk Management Committee, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has duly approved a Risk Management Policy. The objective of this Policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the short and foreseeable future. The policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The Internal Audit function is responsible to assist the Audit Committee (erstwhile Audit & Risk Management Committee) / Risk Management Committee on an independent basis with a complete review of the risk assessments and associated management action plans.

Operationally, risk is being managed at the top level by Management Boards in India and South Asia and in Africa (AMB and Africa Exco) and at operating level by Executive Committees of circles in India and operating companies in the international operations.

Detailed discussion on risk management forms part of Management Discussion & Analysis under the section 'Risks and Concerns', which forms part of this Annual Report. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

Internal Financial Control and their adequacy

The Company has established a robust framework for internal financial controls. The Company has in place adequate

controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operation were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

Other Statutory Disclosures

Vigil Mechanism

The Code of Conduct and vigil mechanism applicable to Directors and Senior Management of the Company is available on the Company's website at https://s3-ap-southeast-1.amazonaws.com/bsy/portal/images/Code-of-Conduct-applicable-to-Directors-and-Senior-Management-of-the-com_B30F70736F8A8DEE6203908A7988580D.pdf.

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

Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in form MGT-9 is annexed herewith as **Annexure E** to this report.

The extract of Annual Return is available on the Company's website at <https://www.airtel.in/about-bharti/equity/results>.

Prevention of Sexual Harassment of Women at Workplace

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at work place. Details of the same including the details of the complaints received and disposed off are provided in the Report on Corporate Governance, which forms part of this Integrated Report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future other than the orders passed by tribunal w.r.t. various scheme of merger/arrangements mentioned earlier in this report and the judgement of Honorable Supreme Court of India dt. October 24, 2019 in relation to a long outstanding industry wide case upholding the view of the Department of Telecommunications, Union of India, in respect of the definition of Adjusted Gross Revenue ('AGR').

Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of Note no. 7, 9 and 22 respectively to the financial statements provided in the full version of the Annual Report.

Disclosure under Section 197(14) of the Companies Act, 2013

The Chairman or the Managing Director & CEO (India and South Asia) does not receive any such remuneration or commission from the Company or its holding company or subsidiary company which requires disclosure under Section 197(14) of the Companies Act, 2013.

Related Party Transactions

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

All arrangements / transactions entered into by the Company with its related parties during the year were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions read with the Listing Regulations and accordingly, the disclosure of related party transactions in Form AOC - 2 is not applicable. However, names of related parties and details of transactions with them have been included in Note no. 33 to the financial statements provided in the Annual Report under Indian Accounting Standards 24.

The Policy on the related party transactions is available on the Company's website at https://s3-ap-southeast-1.amazonaws.com/bsy/portal/images/Policy-on-Related-Party-Transactions_2E9BFE0648B2C56BAC33CAF5676D6BC1_1566305301148.pdf.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as **Annexure F** to this report.

Particulars of Employees

Disclosures relating to remuneration of Directors u/s 197(12) of the Companies Act, 2013 ('the Act') read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure G** to this report.

Particulars of employee remuneration as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 forms part of this report. In terms of the provisions of the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the shareholders excluding the aforementioned information. The information will be available on the Company's website at <https://www.airtel.in/about-bharti/equity/results> and will also be available for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and a copy of the same will also be available electronically for inspection by the members during the AGM. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board wishes to place on record their appreciation to the Department of Telecommunications ('DoT'), the Central Government, the State Governments in India, Government of Bangladesh, Government of Sri Lanka and Governments in the 14 countries in Africa, Company's bankers and business associates, for the assistance, co-operation and encouragement extended to the Company.

The Directors also extend their appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance. The Directors would like to thank various partners, viz., Bharti Telecom Limited, Singapore Telecommunications Ltd. and other shareholders for their support and contribution. We look forward to their continued support in future.

For and on behalf of the Board

Sunil Bharti Mittal

Chairman

DIN: 00042491

Date: May 18, 2020

Place: New Delhi