

COMMON STOCK AND UNCOMMON PROFITS

BHARTI AIRTEL

Latest

BUY

Premium Coverage

Bharti Airtel next money maker: 5G Network

Success in 5G Network is a huge opportunity. Expect margins, free cash flows and ROCE to go up. In my Opinion, Buy this share for a short period of time.



Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. Headquartered in New Delhi India Bharti Airtel ranks amongst the top 3 mobile service providers globally in terms of subscribers. The company offers an integrated suite of telecom solutions to its enterprise customers in addition to providing long distance connectivity both nationally and internationally. The Company also offers Digital TV and IPTV Services. All these services are rendered under a unified brand 'airtel' either directly or through subsidiary companies. The company operates in four strategic business units namely Mobile Telemedia Enterprise and Digital TV. The mobile business offers services in India Sri Lanka and Bangladesh. The Telemedia business provides broadband IPTV and telephone services in 95 Indian cities. The Digital TV business provides Direct-to-Home TV services across India. The Enterprise business provides end-to-end telecom solutions to corporate customers and national and international long distance services to telcos. In October 1 2007 the company incorporated a new company namely Bharti Airtel Holding (Singapore) Pte Ltd in Singapore as an investment holding company of the company. In January 2008 the company transferred the passive telecom infrastructure business of the company to Bharti Infratel Ltd. During the year

2008-09 the company made their foray into media and television by redefining home entertainment with Airtel digital TV. They launched their virtual calling card service 'Airtel Call Home' in UK Singapore and Canada. The service is targeted at the huge Indian Diaspora Non-Resident Indians (NRIs) and Indian students in this markets. The company launched their mobile services in Sri Lanka under the Airtel brand. They expanded their footprint by launching their Mobile Services in Lakshadweep. Also the company has become a major Indian MNC with operations in 18 countries across Asia and Africa with a customer base of over 180 million. Bharti Airtel and Warburg Pincus a global private equity firm focused on growth investing announced that an affiliate of Warburg Pincus will acquire up to 20% equity stake in Bharti Telemedia the DTH arm of Bharti Airtel for approximately \$350 million. he company also allotted 487 10% fully paid-up redeemable non-participating non-cumulative preference shares of face value of Rs 100/- each on 26 July 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 Rs 48700 to equity share holders CCPS holders and OCPS holder of TTSL. Further in the FY2020 the company also allotted 323595505 equity shares of face value of Rs 5/- each on 15 January 2020 pursuant to Qualified Institutions Placement aggregating to Rs 1617977525. India has the 2nd highest number of internet users in the world, with 687.62 Mn subscribers. Out of these, the number of wired internet subscribers are 22.26 Mn and number of wireless subscribers are 665.37 Mn.* Additionally, with the advancement in technology and the Government of India's vision of a 'Digital India', the need for robust network infrastructure is expected to grow.

Bharti Airtel is an integrated telecom service operator, offering mobile, broadband, fixed-line telephone, DTH (direct-to-home) and enterprise services. The company has a healthy subscriber base and revenue market share with a pan-India network. While the number of subscribers in India has declined, largely driven by introduction of minimum recharge plans, the revenue market share has improved to 31% in the quarter ended March 2020. Its initiatives such as equity fund raising, and stake sales in the African subsidiary, Bharti Infratel, and Bharti Telemedia, has helped contain debt. Apart from this, Bharti Telecom (promoter) sold 2.75 per cent stake to de-leverage its debt and reduce the promoter pledged shares.

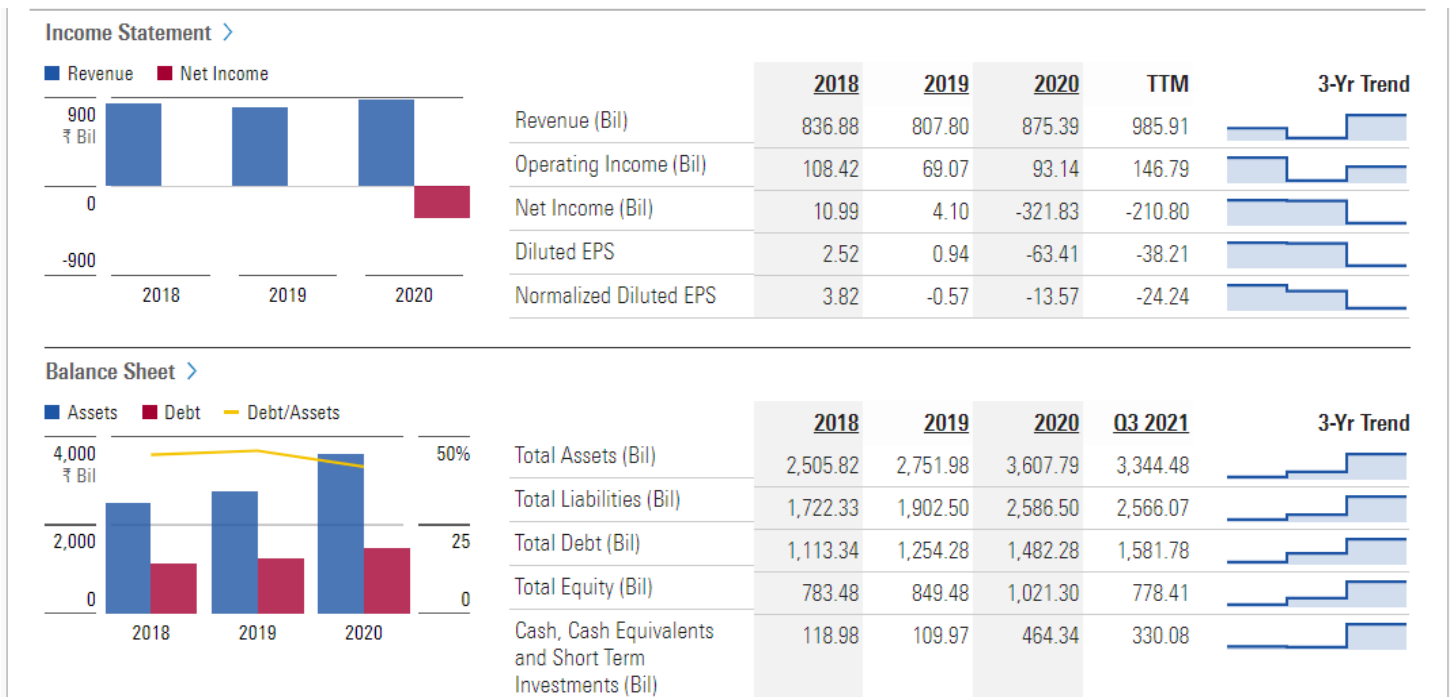
BHARTI AIRTEL LIMITED IS A LEADING GLOBAL TELECOMMUNICATIONS COMPANY WITH OPERATIONS IN **18 COUNTRIES**# ACROSS ASIA AND AFRICA. HEADQUARTERED IN NEW DELHI, INDIA, THE COMPANY RANKS AMONG THE TOP THREE MOBILE SERVICE PROVIDERS GLOBALLY*.

'AirTel' as a brand name was finalized by Mr. Sunil Bharti Mittal himself, to reflect the technological innovation of 'Telephony over Airwaves'

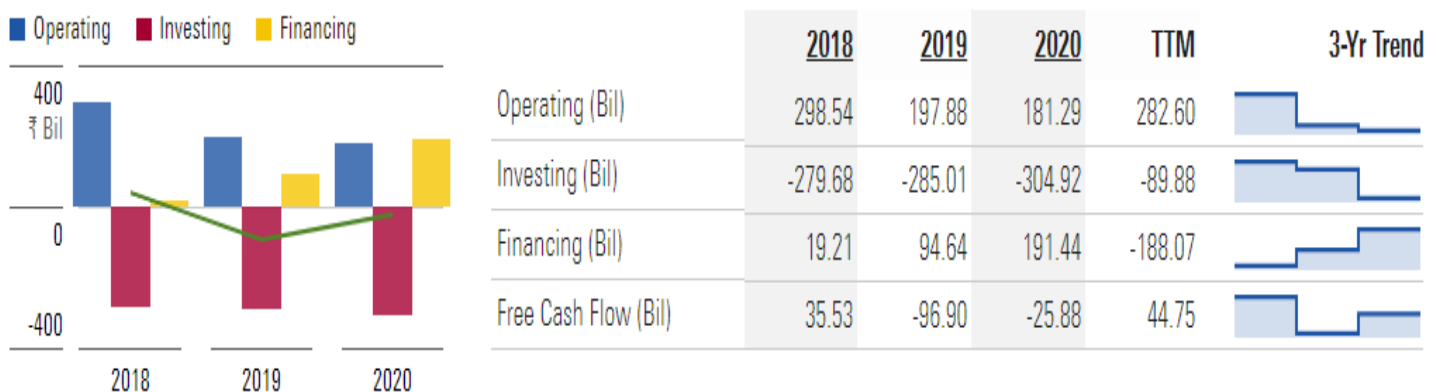
Mr. Sunil Bharti Mittal:

➤ Why we like Bharti Airtel?

Because they are India's leading and most trusted provider of ICT services with a diverse portfolio of services to Enterprises, Governments, Carriers and Small and Medium Businesses. Our products and solutions leverage the power of the digital to enable enterprises, small to large, to transform their businesses.



Cash Flow >



➤ Why you should buy Bharti Airtel now?

The company has shown good improvement on key metrics in recent quarters. In the recent December quarter, total revenue was at ₹26,518 crores (up 23 per cent y-o-y) vs. Jio's ₹19,475 crore. Its India business with revenue of ₹19,105 crore was on par with Jio.

Taking the lead

Bharti Airtel continues to lead the industry in terms of visitor location register subscribers.

Month-on-month change in active subscriber base (in million)



➤ What's special about Bharti Airtel?

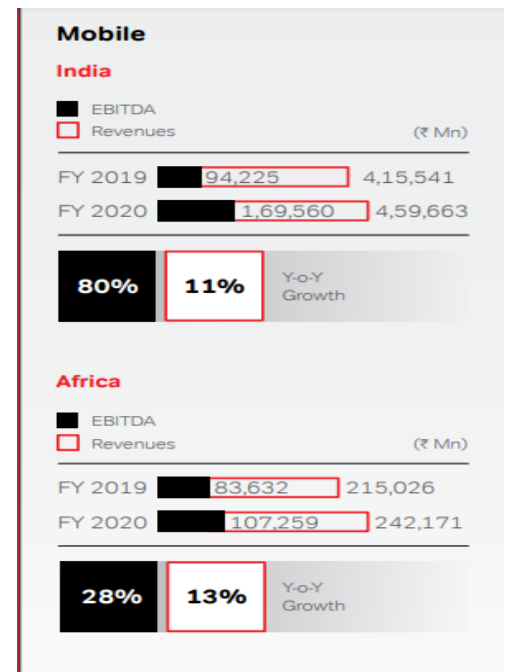
Bharti Airtel not only provides B2C services, they also accelerated B2B services under wireless and fixed line technology, national and international long-distance connectivity, broadband, digital TV services, and complete integrated telecommunication solutions to our enterprise customers.

- Bundled plans with truly unlimited voice packs
- First to launch 4G in India Prepaid & Postpaid plans
- An Industry First Exclusive Rewards Program: airtel Thanks
- Industry first voice over Wi-Fi service Redefined International Roaming
- Rated as the network with India's best video experience and fastest download speed by Open signal.

SEGMENT WISE PERFORMANCE:

1.) WIRELESS SERVICES:

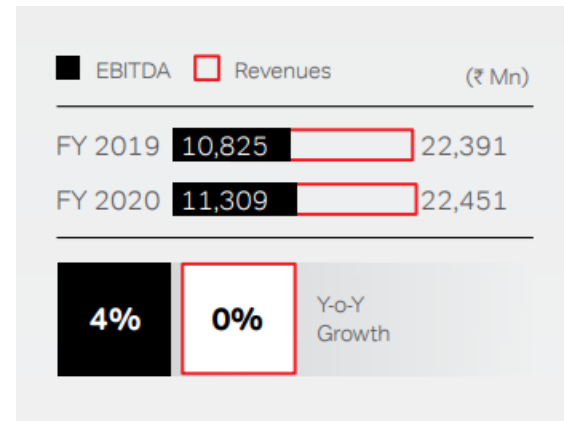
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Open signal

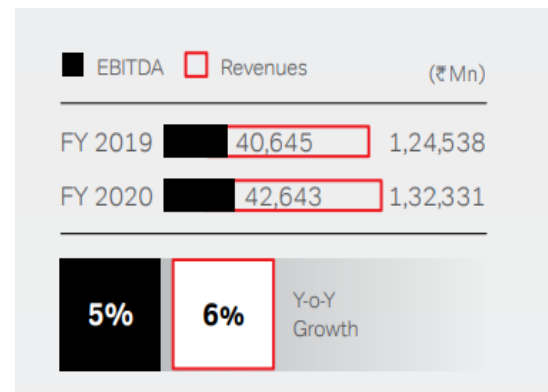
2.) HOME SERVICES:

- Ultra-fast broadband offering - Airtel Xstream Fiber; offering up to 1 Gbps speed
- ‘V-Fiber’ technology
- airtelThanks program for Home Broadband customers
- Re-architected and simplified pricing
- Attractive plans and offers
- Highly reliable services
- 24/7 online support
- Value-added services



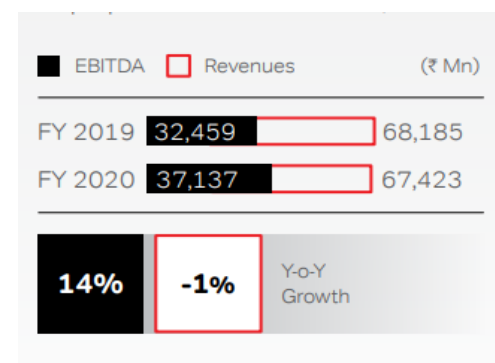
3.) AIRTEL BUSINESS:

- Diverse portfolio of services - voice, data, video, network integration, data centers, managed services, enterprise mobility applications and digital media
- Strategically located submarine cables and satellite network
- Global network running across 250,000 Rkms, covering 50 countries and 5 continents
- Enterprise Hub, a one-stop digital self-care portal



4.) TOWER INFRASTRUCTURE:

- One of the world's largest passive infrastructure providers
- 95,372 towers (including proportionate share of Indus)



5.) DIGITAL TV SERVICES:

- Standard and high definition digital TV services
- Converged digital entertainment play: Airtel Xstream
- Airtel Xstream device portfolio: Android based OTT smart stick and an Android based 4k Hybrid Smart Box that offers satellite TV and OTT content



BHARTI AIRTEL WITH ITS COMPETITORS (COMPETITIVE ANALYSIS)

- Bharti Airtel Ltd, Sunil Mittal-founded telecom giant which stood on top for a long period of time, has been reduced to second place in terms of the customer base.
- Mukesh Ambani-led Reliance Jio has become the biggest telecom company in India according to the total Indian revenues and the number of customers within the three years.

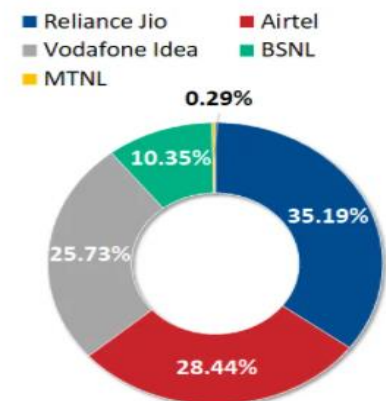
Jio vs Airtel vs Vodafone Idea -- Q1 FY20 results (Source: Exchange Filings)

Company	Net Profit/(Loss) (Rs cr)	Total Revenue (Rs cr)	Total Customers (Cr)	Customer Churn Rate (%)	ARPU (Rs)
Bharti Airtel*	(2,866)	10,724	28.11	2.60	129
Reliance Jio	891	11,679	33.13	0.97	122
Vodafone Idea	(4,874)	11,209	32.00	3.70	108

- Interestingly, Bharti Airtel is leading the pack in the ARPU (Average Revenue Per Unit)

MARKET SHARE:

- In terms of market share as well, Jio tops the list with ~35% market share, followed by Airtel, Vodafone Idea, BSNL, MTNL and others.
- All in all, private companies collectively account for 89.35% of the market share and public companies (BSNL, MTNL) retain only a mere 10.65%.



- The regulator, in its statement, said that total wireless subscribers, including 2G, 3G

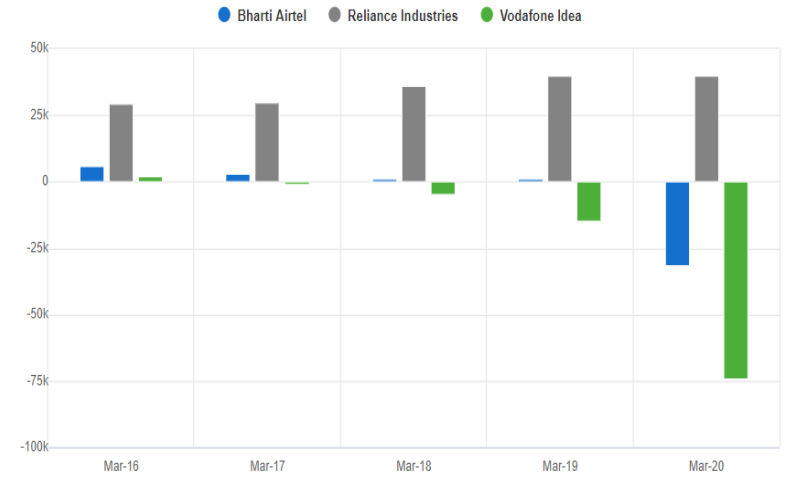
and **4G** increased to 1,160.59 million (116.05 crore) in February, up from 1,156.44 million at the end of January 2020. The regulator said that the wireless subscriber base saw a monthly increase rate of 0.36%

INDIA'S THREE HORSE TELECOM RACE IS SET TO CHANGE

1.) PAT

In 2019, Reliance Jio is at the top in Profit after Tax of Rs. 39,734.00 which was followed by Bharti Airtel with Rs.1331.00 and then Vodafone with (Rs.14, 800).

Next 2020, again Reliance Jio maintained its position with higher Profit after tax followed by Bharti Airtel and Vodafone Idea.



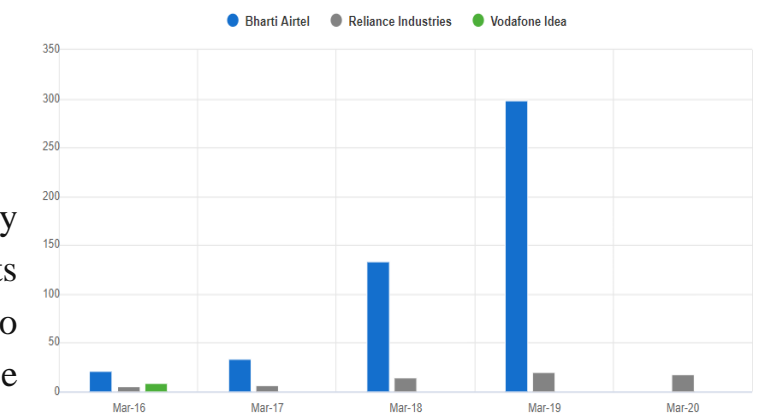
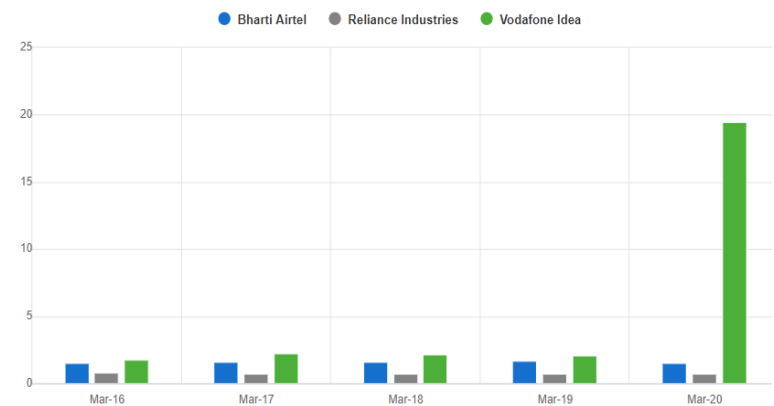
2.) DEBT TO EQUITY

A high D/E ratio means that the company is financing a large portion of its business through debt. So in this case, Reliance is at Top because its D/E ratio is less and followed by Bharti Airtel and Vodafone Idea. Higher ratio means higher risk to the shareholders whereas lower ratio indicates lower risk to the shareholders.

3.) PRICE EARNINGS

A high P/E ratio means the stock is possibly overvalued since its price is high relative to its earnings. On the other hand, a low P/E ratio means that the stock is undervalued and can be a potential investment opportunity. Therefore

in this case Bharti Airtel price per earnings ratios is zero which means company's stock is undervalued and stock price is low relative to its earnings.



MOST BROKERAGES POSITIVE ON BHARTI AIRTEL POST Q4 NUMBERS

Most brokerages have maintained buy ratings on Bharti Airtel after the telecom major reported a net profit of Rs 759 crore for the March quarter against a loss of Rs 5,237 crore in the same period a year ago. Shares of Bharti Airtel ended down 2.4% at Rs 536.30 on Tuesday.

Analysts cheered the strong 4G and postpaid subscriber additions by the telecom operator in the March quarter.

CLSA has maintained buy with Rs 730 target price. JP Morgan has maintained overweight rating and revised target price to Rs 760 from Rs 735. UBS, Motilal Oswal and Goldman Sachs maintained buy, but Jefferies retained hold rating.

Goldman Sachs Recommendation: Buy

Target price: Rs 665 (21% upside) Bharti reported a broadly in-line set of results with higher-than-expected subscriber addition offset by a marginally weaker ARPU.

However, Bharti continues to outperform peers, with the company's revenue market share higher by 110 basis points (bps) and 390 bps over the last one and five quarters, respectively. While we expect short-term headwinds to earnings due to Covid-19 (moderation in subscriber adds) and competition (ARPU pressure), we forecast Bharti's wireless business to deliver over 20 per cent revenue and Ebitda growth for the next two years.

UBS: Overall, a healthy set of results, with Bharti outperforming Jio on most metrics. However, the impact of the second wave of Covid-19 on subscriber additions and ARPUs will be a key monitor able going ahead. We believe Bharti is well placed in the sector and maintain 'Buy' with a target of Rs 665.

JEFFERIES (HOLD): Given Bharti's strong subscriber traction, we raise our subscriber estimates 4 per cent. We cut our ARPU estimates by 4-5 per cent to factor the Q4 miss, and we are concerned about declining ARPUs despite strong 4G and post-paid subscriber additions. Despite a cut in India mobile, we raise our consolidated estimates by 1-3 per cent as we raise our estimates for Homes, Airtel Business, and Airtel Africa segments. Over FY21-23, we now expect Bharti Airtel to deliver 13 per cent CAGR in revenues and 18 per cent CAGR in Ebitda assuming 10 per cent tariff hikes in Q4FY22 and Q4FY23. Maintain 'Hold' with target of Rs 590/share.

Brokerage	Rating Before Result	Rating After Result	Target Price (₹)	
			Before Result	After Result
CLSA	Buy	Buy	730	730
JP Morgan	Overweight	Overweight	735	760
Jefferies	Hold	Hold	590	590
UBS	Buy	Buy	665	665
Goldman Sachs	Buy	Buy	670	665

Source: Brokerage reports

STRONG PERFORMANCE BY AIRTEL

Indian
population
coverage



95.4%

The company's large investments towards building future ready networks, data centers plus its sharp focus on quality customers is beginning to reap dividends.

- Multiple globally renowned experts have consistently rated Airtel as India's top mobile network. This is another validation of our superior network execution. We remain committed to taking high speed mobile broadband to every corner of the nation and enable a Digital India
- Digital Transformation has been a big agenda for Airtel and today virtually every process of the company is leveraging the power of digital. We remain ahead of the curve when it comes to bringing in the latest technologies and thereby serve our customers better through digital platforms.
- As always, we continued to drive deep collaborations to enable a world-class experience for our customers. Be it Amazon, Netflix, Zee, Star, Eros, HDFC, Bharti AXA, Apollo Hospitals and a wide number of start-ups in the retail segment; and the likes of Cisco, Zoom, Google, Microsoft and AWS in the enterprise segment.
- Alongside the operational strength, there was an undivided attention towards strengthening the balance sheet in a timely manner. The year witnessed massive fund raise initiatives by your company totalling over USD 8 Bn, including rights issue (USD 3.6 Bn), Airtel Africa IPO (USD 674 Mn), Perpetual bond (USD 1 Bn), QIP (USD 2 Bn) and FCCB (USD 1 Bn).
- Now, with a strong balance sheet accompanied by a best-in-class network and a robust spectrum portfolio, Airtel is well positioned to capitalize on future opportunities.
- Airtel Africa continued its growth trajectory and strong performance across geographies and segments- voice, data and mobile money.
- The company continued investing in market leading networks as it drives the dual agenda of connectivity and financial inclusion
- **Does the Company have any Subsidiary Company/ Companies?**

Bharti Airtel Limited (hereinafter referred as Airtel) has 101 direct and indirect subsidiary companies, as on March 31, 2020?

DURING COVID-19

The Financial Year 2019-20 was an unprecedented year for the telecom industry. The COVID-19 outbreak in the last quarter has impacted both the human health and financial wellbeing of our society. This focus is underpinned and driven by the scale of our digital platforms. We believe that this strategy has worked for us. It is reflected in not only our performance over the last year, but also in our ability to remain resilient through the COVID-19 crisis.

The COVID-19 pandemic has interrupted business growth across the world. The telecom sector remained a pivotal sector amidst tough times, providing unabated connectivity (of network and data). The lockdown across the country resulted in a surge in data consumption. However, our network response team was quick to respond to customers without fail. Across mobility, broadband and B2B operations, we segregated the most critical activities to be performed across the country to ensure uninterrupted service for our customers while ensuring complete safety for our field staff. Partnering with our strategic and operations partners, we continuously worked to keep the network running, to provide 'essential' telecom service across India. A central operations room was established with clear protocols to combat the risk of COVID-19 ensuring complete adherence to government guidelines. Protective equipment, gloves, sanitizers and movement passes were also commissioned for the field team. Some of the key steps undertaken were:

- Purchase of soft capacities and temporary licenses to cater to the growing data consumption
- Ensured connectivity during increased traffic in rural and semi urban areas.
- Soft optimization at the circle & MS partners, on more than 160k cells to balance traffic across sites & layers of the 4G network.
- Teams deployed to provision broadband connections (FTTH rollouts) following proper sanitization and hygiene protocols – to ensure high speed connectivity to customers, wherever entry of personnel was allowed.
- Video streaming content constituted 60% of the traffic. Hence, we restricted the video streaming from HD (720 or higher) to SD (480p or lower) for mobile users.

- Bandwidth upgrades included:

860 Gbps Internet bandwidth 80K Broadband customer migration on 69 new downlink interfaces on BRAS 330 Gbps Intercity bandwidth

During the lockdown, subscribers could easily recharge for friends or acquaintances utilizing Airtel UPI. It not only helped to successfully abide by social distancing norms, but also entitled users to a commission, as a reward for their contribution to the use of digital tools.

Airtel remained at the forefront to provide essential telecom services during the COVID-19 crisis. We leveraged our superior quality network infrastructure at the Integrated Command and Control Center (ICCC) for analysing city wide data. Apart from telecom services, we enabled many G2C & G2G services for several state and central government authorities to strengthen their fight against the pandemic.

Airtel has also been extremely responsive to G2G Services:

- Provisioned high speed infrastructure/ bandwidth in certain states for their State Data Centers/ Integrated Command and Control Centers, enabling seamless data analysis for COVID-19 activities.
- Delivered high capacity network connectivity in less than 48 hrs in many state operated COVID-19 War rooms.
- Provided work from home devices to government officials in essential services (Police/ Health/ Power etc.).

OUTSTANDING BALANCE:

	March 31, 2020		March 31, 2019	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
Subsidiaries				
Bharti Telemedia Limited	-	-	200	200
Indo Teleports Limited	560	649	649	736
Nxtra Data Limited	3,661	9,297	8,268	8,451
Bharti Airtel Services limited	2,596	2,707	1,664	2,052
Airtel Digital Limited (formerly known as Wynk Limited)	655	894	675	898
Nettle Infrastructure Investment Limited	135,010	139,981	139,981	139,981
Network i2i Limited	45,908	45,908	-	-
Telesonic Network Limited	100	100	-	-
Joint Venture				
FireFly Networks Limited	8	8	8	8
	188,498	199,544	151,445	152,326

INVESTORS:

At Airtel, the contribution of investors in the growth of the Company is deeply valued. We have always remained committed to create long term sustainable value for all our shareholders and the recent stock price performance is a testament of the same. Having said that, the FY 2019-20 once again witnessed strong investors' trust in our capabilities and potential. During the year, we successfully closed USD 3.6 Bn rights issue and also received an overwhelming response to our USD 3 Bn fund raise in January, 2020. Of the total, USD 2 Bn was raised through a qualified institutional placement (QIP) and USD 1 Bn via Foreign Currency Convertible Bonds (FCCBs). The transaction was the largest dual tranche Equity and FCCB offering ever in Asia-Pacific, the largest QIP by a private sector issuer ever in India and the largest FCCB offering from an India issuer in the last 12 years. The fund raising in January, 2020 was subscribed multiple times and received interest from a diversified investor base including Global long-only funds, Sovereign Wealth Funds, Domestic Mutual Funds, Multi-strategy Funds and Insurance Companies. These fund raises were used to strengthen the balance sheet and create flexibility for any future investments.

AT BHARTI AIRTEL, WE ARE TAKING AN INTEGRATED APPROACH TO OUR RESPONSIBILITIES. WE ASPIRE TO BE A COMPANY FOR ALL, CREATING VALUE FOR OUR STAKEHOLDERS.

DIVIDEND

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

Financial Parameters / Internal Factors:

- Financial performance including profits earned (standalone), available distributable reserves etc.;
- Impact of dividend payout on Company's return on equity, while simultaneously maintaining prudent and reasonably conservative leveraging in every respect viz. interest coverage, DSCR (Debt Service Coverage Ratio) Net Debt: EBITDA and Net debt: Equity, including maintaining a targeted rating – domestically and internationally;
- Alternate usage of cash viz. acquisition/Investment opportunities or capital expenditures and resources to fund such opportunities/expenditures, in order to generate significantly higher returns for shareholders;
- Debt repayment schedules;
- Fund requirement for contingencies and unforeseen events with financial implications;
- Past Dividend trend including Interim dividend paid, if any.

Reducing the Impact of COVID-19 on Education

As the education sector battles school closures due to the nationwide lockdown to contain COVID-19, the Foundation's school education programs have supported teachers to continuously engage students with education, while remaining at home. The Satya Bharti Schools' teachers worked with parents to ensure optimum learning during the lockdown. Special attention was given to students appearing for Board exams.

In rural households, most of the parents are not equipped to teach. For the majority, the only digital device is one smartphone available for the entire family, or in some cases, none. Non-availability of books for new sessions also added to the challenge. However, Satya Bharti teachers have reached out to the students and have connected with them over phone through class-wise WhatsApp groups or voice calls.

Teaching-learning has continued with the help of worksheets, activity-based assignments, videos and voice notes by teachers as well as one-to-one phone calls with students, who do not have access to a smartphone. Two

key initiatives with parents, which started last year, supported this outreach:

- (i) training of parents on how to access recommended free education apps on the phone; and
- (ii) initiating the 'home-mentoring' process, which prepares them for supporting their child create a study plan while balancing the time between studying and playing.

The Satya Bharti Quality Support Program team has been working with government school teachers and Principals for reaching out to students and parents, and are also helping in implementing many government-led initiatives. The key initiatives that are being undertaken are to help government school teachers use technology for teaching as well as to stay connected with their students. A detailed guidance, training and content module has been shared with them. Government schools are also being encouraged to hold virtual Summer Camps to keep students occupied with meaningful activities leading to skill-development. Programs around creative writing,

public speaking, art and craft using waste material are being organized virtually, with students sharing their work with teachers over phone-based groups. A Teachers' training module, especially on the use of technology and virtual pedagogy is being organized for the government school teachers as well.



Drawn by students during

Partnerships with Indian Education Institutions

The Bharti School of Telecommunication, Technology and Management was set up through a joint initiative of IIT Delhi and Bharti Enterprises, with a vision "to develop telecom leaders through excellence in education and research".

The school is adding Artificial Intelligence, Machine Learning and Cyber Security in its M. Tech curriculum to meet the needs of emerging technologies and associated research. Eminent professionals and faculty from leading global institutions delivered lectures, workshops, and talk sessions on topics such as 5G technology, machine learning and future networks. An 'Open Technology Festival' was also organized for intellectual and academic exchange. During the year, there were several workshops conducted in collaboration with leading technology institutes on topics related to future and next-generation technologies.

Bharti Enterprises now intends to establish Satya Bharti Institute of Technology (Satya Bharti) sponsored by the Satya Bharti Foundation as a world-class institute, which will be accessible to

all. Satya Bharti will focus on future technologies, promote innovation and equip students with tools to face the challenges of a new world.

The Satya Bharti Math Wizard**, initiated in 2019, saw participation from around 2,500 students from 160 partner government schools and more than 16,000 students from 1,000 nonpartner government schools from the states of Rajasthan and Uttar Pradesh.

SHARE CAPITAL

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

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

- 1,133,591,075 equity shares of face value of H 5/- each on May 24, 2019 pursuant to Rights Issue aggregating to H 5,667,955,375 /-.
- 487, 10% fully paid-up redeemable, non-participating, non-cumulative preference shares of face value of H 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 H 48,700 to equity share holders, CCPS holders and OCPS holder of TTSL.
- 9,70,668 equity shares of face value of H 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 H 4,853,340/- to the equity shareholders of TTML.
- 10, 10% fully paid-up redeemable, non-participating, noncumulative preference Shares of face value of H 100/- each on July 26, 2019, pursuant to scheme of arrangement between Tata Teleservices (Maharashtra) Limited ('TTML') aggregating to H 1000/- to the Preference shareholders of TTML.
- 323,595,505 equity shares of face value of H 5/- each on January 15, 2020 pursuant to Qualified Institutions Placement aggregating to H 1,617,977,525/-.
- Consequent to the above mentioned allotments, the paid-up share capital of the Company has increased to H 27,277,836,475 divided into 5,455,557,355 equity shares of face value of H 5/- each and 497 preference shares of H 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 H 141 Mn into General Reserve from the Share Based Payment Reserve pertaining to gain / loss on exercise / lapse of vested options.

RIGHTS ISSUE

During the year, the Company has allotted 1,133,591,075 equity shares of face value of H 5/- each by way of a rights issue at a price of H 220 per rights equity share (including a premium of H 215 per rights equity share) aggregating to H 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.

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 H 5/- each of the Company at an initial conversion price of H 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.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any during the year.

CAPITAL MARKET RATINGS

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.

Impairment of investment in a subsidiary, Bharti Infratel Limited ("BIL")

As at April 01, 2019, the carrying value of investment in Bharti Infratel Limited ('BIL') was Rs. 227,516 million. During the year, the Company recorded an impairment aggregating to Rs. 62,978 million, disclosed as an exceptional item, resulting in a carrying value of Rs. 164,538 million as at March 31, 2020. The recoverable amount of BIL was determined to be higher of Value in use and Fair value less costs to sell. The determination of the recoverable amounts includes assumptions relating to cash flow projections, discount rates, terminal growth rates and control premiums

Auditor's Opinion

- The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.
- According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other

parties.

- The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
- The Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- No fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- Company has outstanding balance of unsecured commercial papers of H 1025 crores at the end of period under review.

WHY ARE BHARTI AIRTEL SHARES UNDERPERFORMING?

India's oldest telecom operator – Bharti Airtel Ltd.'s share price has been struggling to hold ground. In the last 15 days, share prices of Bharti Airtel have dropped as much as 14% even as the Indian benchmark index – Nifty 50 – remained largely flat, and its competitors – Vodafone Idea Ltd. – share prices rose as much as 13%.

This is despite a major roadblock being cleared. The AGR dispute was finally settled in the Supreme Court for nearly 10 months since the final outcome.

This can be due to following reason:

- **FTSE rebalancing**

Similar to the MSCI rebalancing last month, FTSE also announced changes to FTSE all-world index. It will implement the recent changes to the foreign ownership limits of Indian companies over four quarterly tranches starting from September 2020. FTSE can periodically update the rebalancing names till September 18 and according to reports, Bharti Airtel is likely to see outflows of \$128 million.

This has intensified the outflows for Bharti Airtel.

Shares of Bharti Airtel fell over 4 per cent, in an otherwise strong market, on Monday after Integrated Core Strategies (Asia) Pte sold around 3.7 crore shares of the company.

The sentiment was also lower after its competitor Reliance Jio launched JioPhone 2021 on Sunday. The new JioPhone offers a new phone along with three new plans. It has a two-year plan, a one-year plan, and a special plan for existing users.

The stock fell as much as 4.4 percent to the day's low of Rs 532.50 per share on the BSE.

However, global brokerage firm Credit Suisse said Jio's 4G feature phone plan was unlikely to have any material impact on Bharti Airtel.

Goldman Sachs, meanwhile, retained its "buy" call on Bharti Airtel.

For the December quarter, the telco reported a consolidated net profit of Rs 853.6 crores as against a net loss of Rs 1,035.3 crores in the year-ago period. The company had posted a net loss of Rs 763.2 crores in the preceding July-September quarter.

Airtel logged its highest-ever consolidated quarterly revenue of Rs 26,518 crores in Q3 FY21, up 24.2 percent over the year-ago period.

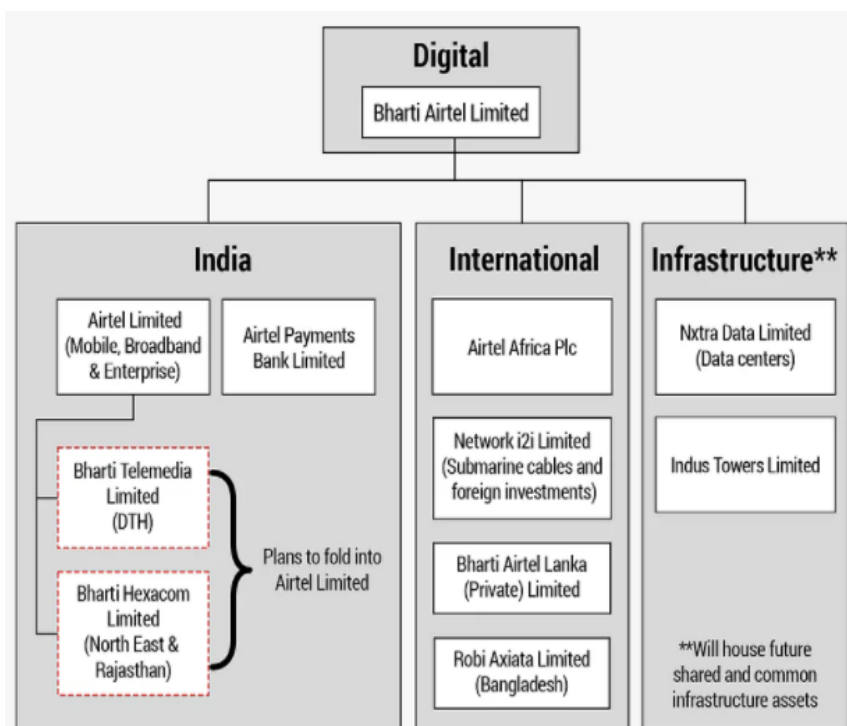
UTILIZATION OF RETAINED EARNINGS

The profits retained by the Company (i.e. retained earnings) shall either be used for business purposes/ objects mentioned in its Memorandum & Articles of Association or shall be distributed to the shareholders.

BHARTI AIRTEL'S NEW CORPORATE STRUCTURE TO HELP CUT STATUTORY COSTS

Bharti Airtel's new corporate structure to focus on digital, India, international and infrastructure businesses distinctly will help the telecom operator to save money on licensing and spectrum usage charges, at least two brokerages said. "The new structure ensures that the digital business is not exposed to any licence fees and spectrum usage charges liabilities in the future. The telecom business is housed in a separate entity with no non-telecom business as subsidiary, thus making it AGR-tax efficient," ICICI Securities said in a report.

- According to Kotak Securities, Bharti Airtel's new corporate structure will enable it to recognize a portion of revenue at the parent entity in lieu of the digital services provided to mobile, broadband, and enterprise customers. The remaining amount pertaining to the licensed connectivity business will be transferred to Airtel Ltd. on an arms-length basis, in a way similar to Reliance Jio. As a result, the payment of statutory levies, licence fees, and spectrum usage charges, pertaining only to connectivity business revenue, will reduce.
- While the new arm Airtel Ltd. will hold all of its telecom businesses (mobile, broadband, and enterprise), Airtel Payments Bank will remain as a separate entity under the parent.
- Bharti Telemedia Ltd., the 100% arm operating DTH services, will sit alongside Airtel Ltd. for now but will eventually merge with it.
- All of the company's infrastructure businesses (Nxtra and Indus Towers) and international businesses will continue to remain in separate entities as they are currently.
- According to Kotak Securities, it's difficult to estimate the break-up and likely benefit for now, but a 10-15% shift in revenue can boost Bharti Airtel's India wireless Ebitda by 3-4% in FY22.
- The new structure, ICICI Securities said, indicates no immediate monetization plans of digital



assets, as it's yet to exploit the potential from the business. But in the future, when business becomes large, it can always restructure efficiently to monetize the digital asset.

RISK MANAGEMENT

AT BHARTI AIRTEL, WE HAVE THRIVED GLOBALLY BY EXPLORING POTENTIAL MARKETS, **ADAPTING NEW TECHNOLOGIES** AND ENTERING INTO STRATEGIC PARTNERSHIPS. NEW INITIATIVES OPEN UP NEW POSSIBILITIES BUT BRING ALONG WITH THEM POTENTIAL RISKS AND UNCERTAINTIES.

- Risk management is embedded in Bharti Airtel's operating framework. The Company believes that risk resilience is the key to achieving higher growth. To this effect, there is a process in place to identify key risks across the group and prioritize 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, prioritizing key risks and approving action plans to mitigate such risks.
- 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.
- 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.
- **At Airtel, the Board and leadership team work tirelessly to mitigate possible risks that bring along potential disruption in smooth business operations. This explains our creation of a robust risk management framework that caters to strategic, legal, financial, and operational and climate risks.**

STRATEGIC PROGRESS

➤ Strategic Alliances & Partnerships:

Collaborated with Oravel Stays Private Limited (OYO) to launch OYO Store on airtelThanks for seamless booking.

Partnered with HDFC Life Insurance Limited to offer life insurance cover (term plan) worth H 4 Lakhs to users, bundled with prepaid rental plan.

Partnered with Government of Uttar Pradesh in their digital transformation story with the implementation of State Wide Area Network (SWAN) to provide secure, highspeed connectivity for government services over a closed user-group network.

”

"Airtel has a simple strategy. Focus on winning with high quality customers. Identify the micro-markets in which these customers are and win their hearts through a brilliant experience and aspirational brand. This focus is underpinned and driven by the scale of our digital platforms. We believe that this strategy has worked for us."

➤ Digital Innovations & Customer Delight:

Launched Airtel Xstream, our own converged digital entertainment application for mobile users and 4k Hybrid Smart Box – an android based OTT smart stick that offers satellite TV and OTT content.

Launched Airtel Xstream Fiber – the ultra-fast broadband offering bundled with other benefits. In an industry first, launched voice over Wi-Fi service that leverages innovative technology to enhance indoor voice calling experiences for users.

Airtel partnered with Juggernaut to provide its users free access to thousands of e-books on Juggernaut Books.

Partnered with Western Union Money enabling Airtel Payments Bank Customers to transfer money into their bank accounts 24x7 through the Western Union Money App.

‘Airtel Wi-Fi’ Calling crosses five million users, dramatically improving indoor network experience and compatible with more than 100 smartphones.

Partnered with Google Cloud to integrate B2B connectivity solutions for businesses.

BHARTI AIRTEL Q4: STRONG OPERATING PERFORMANCE IN THE OFFING; AVERAGE REVENUE PER UNIT MAY FALL

Analysts will keep a keen eye on the management's commentary on ARPU trajectory and non-wireless business.

For the entire telecom sector as well, Emkay expects the zero IUC regime to distort headline numbers and a decline in ARPU. Bharti was a net-payer of IUC while Jio and Vodafone Idea were net receivers on Ebitda level.

Bharti's underlying momentum to remain intact through mix improvement, resulting in lowest wireless revenue decline of 2 per cent, while Vodafone Idea and Jio may see 11 per cent and 5 per cent declines, respectively. Besides, Bharti Airtel is expected to outperform on data subscriber adds for the third quarter in a row.

The brokerage expects Airtel's consolidated revenue to remain flat QoQ at Rs 26,562 crores, due to strong performance from other India businesses and Airtel Africa while profit is seen growing sequentially to Rs 1,720.9 crores. On the operational front, Airtel may report an Ebitda of Rs 12,763 crores and Ebitda margin of 48.1 per cent, up 250 bps.

REALITY CHECK ON ‘FORTUNE AT THE BOTTOM OF THE PYRAMID’

Before we go down this path, let us first settle the numerical question of whether there really is a fortune at the bottom of the pyramid. The poorest 40 percent of India's households, earning on average about Rs 20,000 per month, have 20 percent of India's household expenditure. This is 58 percent of GDP! Every business' favourite, the middle class—actually the richest 20 percent of households—has about 40 percent of India's expenditure. But the 60 percent of households below it on the income ladder collectively have a slightly high.

So, is there enough money to be made from modest-income consumers? Absolutely yes. Is it easy for businesses to get their hands on that money? No, because it requires innovation to change and what CK calls “price-performance” equations, from the present levels.

Innovate For Inclusion

There was the idea of innovating (product/service/pricing/delivery system whatever else) to change price-performance equations.

- Launched Airtel Xstream, a converged digital entertainment application for mobile users, along with India's first Android based set-top box and OTT smart stick
- Launched India’s first interactive TV self-care app (Ch. 998 on the SD/ HD boxes) allowing customers to manage their DTH subscriptions & recharge from their TV screen
- During COVID-19 Airtel DTH became the first operator in India to pilot a truly contactless experience for customers wanting to upgrade to the premium Xstream box
- Alliances with LG & Samsung for Integrated Digital TV (IDTV) models – box-less experience with VC card integrated with the TV itself
- We partnered with our medical insurance provider ‘MediBuddy’ to offer online medical consultation support to our employees for COVID-19
- We also on boarded 50 summer interns from India’s Top-B schools and redesigned our flagship Young Leaders Summer Internship Program to make it fully virtual. The internship program was virtually conducted without compromising any of the vital aspects.
- Additionally, in collaboration with some of the world’s leading telecom gear makers, we are in the process of designing a transport backbone network. This would help to achieve simplification using segment routing and expansion of the IP networks, to enhance our reach in rural areas.
- To be a future ready enterprise, we are in continuous pursuit to upgrade our existing 4G base stations with 5G capabilities. The rising demand for high speed data has escalated the need for 5G services in one of the world’s largest telecom markets.



**INNOVATION
LEADERS FOR
MORE THAN A
DECADE:**

COMPANY / BUSINESS

Has the company's earnings before tax been more than Rs 50 crore in the last 12 months?

Yes PBT in the last 12 months stood at Rs. 303 crore approx.

Will the company scale its business?

Yes its wireless and home services have seen success in the last 5 years. The company has set a goal to be the market leader in Wireless services and Digital TV services in the next 5-7 years. Home services are too expected to grow at a large scale due to pandemic. Also tower infrastructure is quite low but still company maintained its target also.

Does the company have recognizable partnerships, truly valued by its customers?

Yes Bharti Airtel Ltd., India's second-largest wireless carrier, is set to announce a partnership with U.S. telecommunications giant Verizon Communications Inc. in 2021, as it seeks to expand offerings in the local market.

Does the company have high repeat business?

Yes Bharti Airtel has 344.6 million users in January, 2021

Does the company have a credible moat?

Yes In fact, wide economic moat is a measure of how real and how sustainable is your competitive edge as a business. Normally, a business with a wide economic moat tends to get a better valuation in the stock markets. In the case of Bharti Airtel it has been able to hold valuations despite the competition from Reliance Jio.

Is the company equipped to deal with regulatory or geopolitical risks?

No. The situation is Volatile and uncertainty in macro-environment with geo-political tensions in India, Sri Lanka and 14 African countries.

Is the business of the company immune from easy replication by new players?

The Leading telecom services company Bharti Airtel announced a new corporate structure under which group firm Airtel Digital Ltd will merge into the listed entity Bharti Airtel. While tapping digital opportunities, the telecom major is attempting to unlock value in line with other big players such as Reliance Jio. The telecom infrastructure business requires substantial investments and technical know-how along with possession of infra assets. Creating infra assets is especially difficult due to the complications related to land acquisition, dependence on various state and local authorities, etc. For new players, it's really difficult to build such assets ground up. Also Bharti Airtel expects an increase the digital business revenue to more than Rs 1,000 crore from Rs 100 crore now.

Can the company's products withstand being easily substituted or outdated?

Yes No. In recent years, the shelf life of each technology in the telecom industry has been shrinking. This can be seen in the rapid transition from 1G (first generation of wireless telephone technology) to now 5G. Futuristic services like the Internet of Things, AI, and others would come with new hardware and software technologies for which the company will need to invest substantially.

Are the company's suppliers devoid of significant bargaining power?

Yes suppliers do not have any bargaining power.

Is the level of competition the company faces relatively low?

No There were 378 internet service providers (ISPs) offering broadband services, top 5 services constituted 98.84% market share. Top companies are Bharti Airtel, Reliance Jio, BSNL, Vodafone Idea, and MTNL.



Management

Do any of the founders still hold at least a 5 per cent stake in the company?

Yes Currently, Bharti Airtel holds 36.7 per cent stake in the tower subsidiary.

Do the top three managers have more than 15 years of combined leadership at the company?

Yes Sunil Bharti Mittal alone holds an experience of over 25 years in telecom industry.

Is the management trustworthy? Is it transparent in disclosures which are consistent with SEBI guidelines?

Yes The Company's management is trustworthy. It discloses all the required data consistent under SEBI quarterly as well as annually.

Is the company free of litigation in court or with the regulator that casts doubts on the intention of the management?

Yes Bharti Airtel has approached the Supreme Court seeking a modification in its verdict last year that allowed telecom operators time to repay pending dues based on the new definition of adjusted gross revenue. The reason behind the application is that the dues mentioned by the central government to the court were based on a preliminary assessment and contained certain errors, the company argued. But the top court made it final and disallowed any reassessment of these dues, it said. In March 2020, the Department of Telecommunications filed a modification application seeking the court's permission to allow payment of the dues by operators over a period of 20 years. The DoT gave a list of dues to be paid by various telecom companies.

The Supreme Court, in its September 2020 order, granted the telecom companies a 10-year period to pay. But it also said the amount mentioned in the DoT's March application be considered as final and no reassessment would be allowed.

This had increased the liabilities of Bharti Airtel and Vodafone Idea Ltd. to more than Rs 90,000 crores.

Is the company's accounting policy stable?

Yes There has been no significant change in its accounting policy. The financial statements ("financial statements") have been prepared to comply in all material respects with the Indian Accounting Standard ("Ind AS") and schedule III of the Companies Act 2013. For the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

Is the company free of promoter pledging of its shares?

Yes the company is free from promoter pledging.

FINANCIAL

Did the company generate current and five-year average return on equity of more than 15 per cent and return on capital of more than 18 per cent?

NO, the current ROE and ROCE stands at (42.20) and (15.25) and TTM (Trailing twelve months) which is ROE = (38.22) & ROCE = Nil

Particulars	3-Year	5-Years	TTM	Mar-20	Mar-19
Operating Margin	38.48	38.25	46.28	43.89	33.37
Net Margin	-10.69	-4.57	-22.00	-35.00	1.59
Return on Equity	-12.89	-4.56	-38.22	-42.20	1.89
Return on Capital	-1.40	3.86	--	-15.25	4.58

Was the company's cash flow positive during the previous year and at least four out of the last three years?

Yes, cash flow from operations was positive in each of the last three years.

Did the company increase its revenue by 10 per cent CAGR in the last five years?

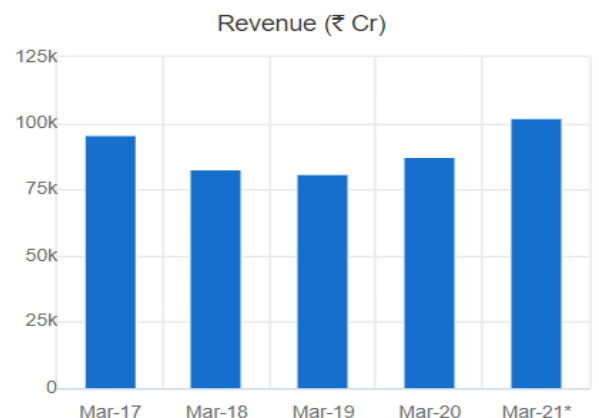
No Revenue growth CAGR stood at 1.09 per cent in the last five years and 6.92 in last 3 years and 18.27 in last 1 year which indicates that the company is moving towards its growth.

Growth (%)	Quarterly		Annual (TTM)		
	QoQ	YoY	1-Year	3-Years	5-Years
Revenue	-2.91	11.85	18.27	6.92	1.09

As we clearly see in the chart that in march 2021, is the highest revenue growth in the past 5 years which indicates that the company financial position is good.

Also in this case, CAGR can help to evaluate that which company's stock is well performed against others stock.

Because CAGR is the most accurate way to determine investment portfolio.



Is the company's debt-to-equity ratio less than 1 or is its interest coverage ratio more than 2?

NO the company' debt equity ratio is 2.30 (2021) and Interest coverage ratio is 0.04.

Is the company free from reliance on huge working capital for day-to-day affairs?

Yes receivable days and payable days have both increased but in March 2021, there was a high change in working capital which is 417.92.

Can the company run its business without relying on external funding in the next three years?

NO Bharti Airtel Limited is a leading global telecommunications company with operations in 18 countries across Asia and Africa. Therefore their strategy is to consistently strengthening and innovative core to anticipate and lead change in the global digital landscape.

Have the company's short-term borrowings remained stable or declined (not increased by greater than 15%)?

Yes the TTM of the Bharti Airtel short term borrowing is Nil. And in 2020, there was a decline in short term borrowings from 22,918 (2019) to 7,309.2.

Is the stock's price to earnings less than its five or ten year median level?

Yes Current P/E is 0 which is lowest than the five-years

TO SUM UP

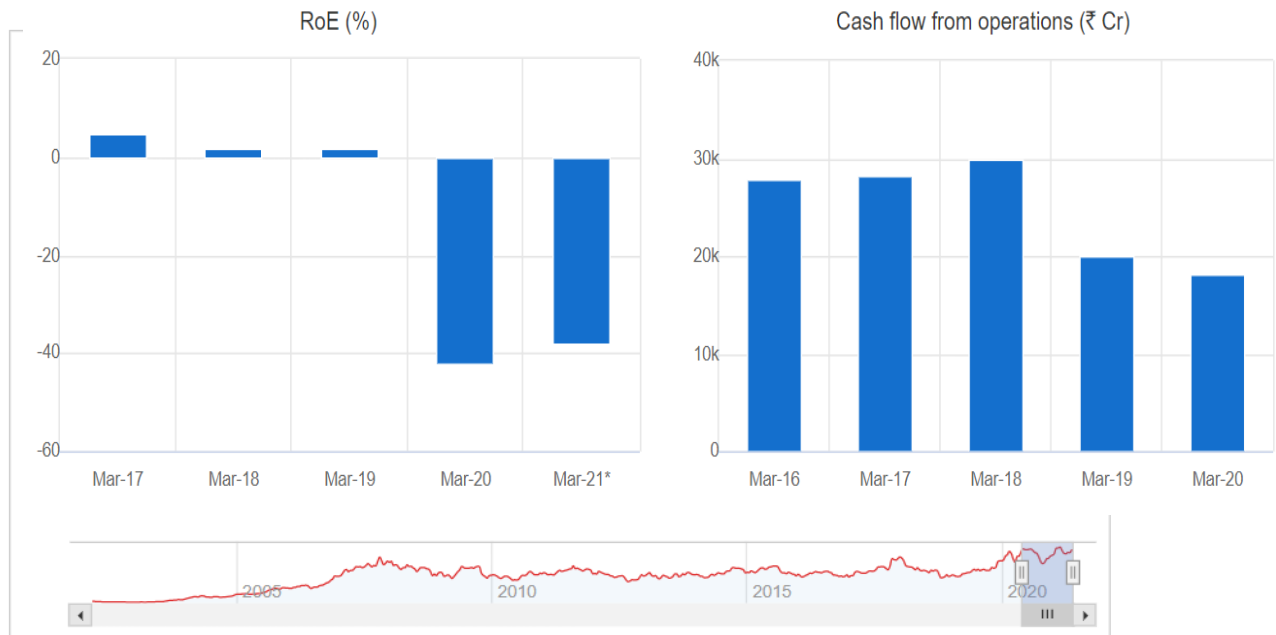
Is it a solid business with an able management and a great balance sheet?

Yes Telecom sector, which is the backbone of any economy, is going through a transformational change. : Strong and recognized brand in all the geographies of presence, Bharti Airtel has been able to defend its ground by holding on to its market share. A very strong network investments and a reliable trustworthy brand has held the company very well even in testing times.

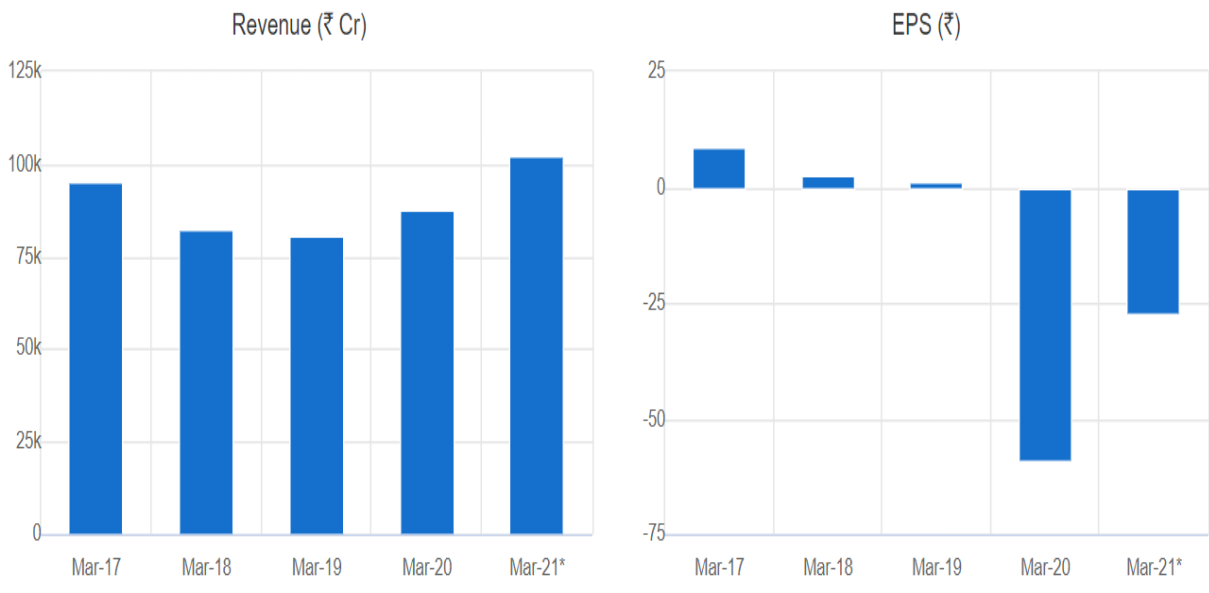
Does the company believe in taking care of the interests of all stakeholders — customers, employees, shareholders?

Yes the Company has a Stakeholder Engagement Policy in place, which is applicable to all operating entities and functions at a corporate and regional level, and guides its activities towards effective stakeholder engagement. It facilitates the ability to understand stakeholder concerns and interests, and incorporate them into our processes and activities. It also enhances stakeholders' trust and confidence in our processes.

PRICE GRAPH



***TTM (Trailing Twelve Months) data based on income statement of last 4 quarters and interim half yearly balance sheet.**



KEY RATIOS AND HIGHLIGHTS

Key Ratios (%)	Average		Annual (TTM)		
Particulars	3-Year	5-Years	TTM	Mar-20	Mar-19
Operating Margin	38.48	38.25	46.28	43.89	33.37
Net Margin	-10.69	-4.57	-22.00	-35.00	1.59
Return on Equity	-12.89	-4.56	-38.22	-42.20	1.89
Return on Capital	-1.40	3.86	--	-15.25	4.58
Debt to Equity (x)	--	--	1.88	1.53	1.69

Growth (%)	Quarterly		Annual (TTM)		
Particulars	QoQ	YoY	1-Year	3-Years	5-Years
Revenue	-2.91	11.85	18.27	6.92	1.09
Operating Profit	2.59	18.96	26.97	14.05	6.74
Net Profit	-37.38	120.27	58.39	-325.05	-217.04
EPS	-11.65	114.40	55.47	-322.11	-214.66
Book Value	--	--	-13.77	-2.83	9.43

FINANCIALS

INCOME STATEMENT

Fiscal year ends in March

INR in Million except per share data	2017-03	2018-03	2019-03	2020-03	2021-03	TTM
Revenue	954,683	836,879	807,802	875,390	1,006,158	1,006,158
Cost of revenue	416,463	380,315	397,702	390,600	414,424	414,424
Gross profit	538,220	456,564	410,100	484,790	591,734	591,734
► Operating expenses	381,609	348,142	341,033	391,646	432,061	432,061
Operating income	156,611	108,422	69,067	93,144	159,673	159,673
Interest Expense	67,131	64,692	90,566	79,438	150,910	150,910
Other income (expense)	(12,247)	(11,060)	4,181	(442,171)	(153,645)	(153,645)
Income before taxes	77,233	32,670	(17,318)	(428,465)	(144,882)	(144,882)
Provision for income t...	34,819	10,835	(34,193)	(121,823)	89,325	89,325
Net income from contin...	42,414	21,835	16,875	(306,642)	(234,207)	(234,207)
Net income from discon...	—	—	—	—	110,567	110,567
Other	(4,416)	(10,845)	(12,780)	(15,190)	(27,195)	(27,195)
Net income	37,998	10,990	4,095	(321,832)	(150,835)	(150,835)
Net income available t...	37,998	10,990	4,095	(321,832)	(150,835)	(150,835)
Earnings per share						
Basic	8.73	2.52	0.94	(63.41)	(27.65)	(27.65)
Diluted	8.73	2.52	0.94	(63.41)	(27.65)	(27.65)
Weighted average share...						
Basic	4,352	4,352	4,352	5,076	5,455	5,455
Diluted	4,353	4,354	4,354	5,076	5,455	5,455
EBITDA	342,094	289,793	286,723	(72,131)	303,120	303,120

BALANCE SHEET

▼ Assets

▼ Current assets

▼ Cash

Cash and cash equiva...		12,817	50,005	62,121	135,507	80,859
Short-term investments		20,283	68,978	47,847	328,830	287,031
Total cash		33,100	118,983	109,968	464,337	367,890
Receivables		49,838	58,830	43,006	46,058	36,377
Inventories		488	693	884	1,569	—
Prepaid expenses		28,544	26,917	28,637	66,360	—
Other current assets		91,180	129,567	146,562	188,108	143,262
Total current assets		203,150	334,990	329,057	766,432	547,529

▼ Non-current assets

▼ Property, plant and eq...

Gross property, plant ...		1,416,489	1,621,266	1,907,241	2,321,018	1,189,828
Accumulated Depreciati...		(772,459)	(863,098)	(1,003,580)	(1,144,424)	—
Net property, plant an...		644,030	758,168	903,661	1,176,594	1,189,828
Goodwill		338,082	328,070	332,562	346,192	—
Intangible assets		908,624	883,278	868,434	812,592	1,102,233
Deferred income taxes		26,262	29,330	89,379	270,160	222,103
Other long-term assets		207,354	171,980	228,882	235,820	398,585
Total non-current asse...		2,124,352	2,170,826	2,422,918	2,841,358	2,912,749
Total assets		2,327,502	2,505,816	2,751,975	3,607,790	3,460,278

▼ Liabilities and stockh...

▼ Liabilities

▼ Current liabilities

Short-term debt		177,908	263,915	381,829	265,398	271,163
Capital leases		—	—	—	62,413	—
Accounts payable		268,537	277,675	280,031	250,199	278,721
Taxes payable		32,050	48,434	49,911	57,739	15,199
Other current liabilit...		150,952	192,375	218,778	679,127	551,276
Total current liabilit...		629,447	782,399	930,549	1,314,876	1,116,359

▼ Non-current liabilities						
Long-term debt		896,373	849,420	872,454	910,792	1,356,689
Capital leases		—	—	—	243,678	—
Deferred taxes liabilities		9,429	10,606	11,297	16,877	16,107
Deferred revenues		22,335	22,117	17,986	58,448	—
Minority interest		68,750	88,139	135,258	249,847	222,739
Other long-term liabilities		26,605	57,791	70,209	41,824	158,857
Total non-current liabilities		1,023,492	1,028,073	1,107,204	1,521,466	1,754,392
Total liabilities		1,652,939	1,810,472	2,037,753	2,836,342	2,870,751
▼ Stockholders' equity						
Common stock		19,987	19,987	19,987	27,278	—
Additional paid-in capital		123,456	123,456	123,456	508,319	—
Retained earnings		483,638	475,481	454,730	112,401	—
Treasury stock		(367)	(642)	(554)	(788)	—
Accumulated other comprehensive income		47,849	77,062	116,603	124,238	589,527
Total stockholders' equity		674,563	695,344	714,222	771,448	589,527
Total liabilities and equity		2,327,502	2,505,816	2,751,975	3,607,790	3,460,278

CASH FLOW

INR in Million except per share data	2017-03	2018-03	2019-03	2020-03	2021-03	TTM
▼ Cash Flows From Operat...						
Net income	77,233	32,670	(17,318)	(428,465)	(31,184)	(31,184)
Depreciation & amortiz...	197,730	192,431	213,475	276,896	297,092	297,092
Investments losses (ga...	—	—	—	—	(1,164)	(1,164)
Stock based compensati...	338	413	345	357	—	—
Change in working capi...	(27,429)	5,906	(58,196)	(165,964)	30,433	30,433
Inventory	948	(202)	(191)	(522)	—	—
Other working capital	(28,377)	6,108	(58,005)	(165,442)	30,433	30,433
Other non-cash items	44,437	67,118	59,574	498,463	186,873	186,873
Net cash provided by o...	292,309	298,538	197,880	181,287	482,050	482,050
▼ Cash Flows From Invest...						
Investments in propert...	(223,030)	(245,259)	(260,971)	(191,902)	(246,706)	(246,706)
Property, plant, and e...	11,582	10,524	4,276	1,317	—	—
Acquisitions, net	59,071	(19,558)	(5,143)	(6,106)	(32,603)	(32,603)
Purchases of investmen...	(89,073)	(50,259)	(57,067)	(85,236)	(17)	(17)
Sales/Maturities of in...	83,004	36,495	63,134	2,950	70,746	70,746
Purchases of intangibl...	(165,477)	(17,749)	(33,804)	(15,266)	(87,673)	(87,673)
Other investing activi...	8,369	6,130	4,566	(10,676)	27,369	27,369
Net cash used for inve...	(315,554)	(279,676)	(285,009)	(304,919)	(268,884)	(268,884)
▼ Cash Flows From Financ...						
Debt issued	258,584	197,664	353,141	377,400	—	—
Debt repayment	(274,608)	(130,717)	(345,359)	(439,813)	—	—
Preferred stock issued	—	—	—	—	7,000	7,000
Common stock issued	65	13	10	391,819	36,048	36,048
Common stock repurchas...	(10,684)	(424)	(5,657)	(497)	(11,345)	(11,345)
Dividend paid	(9,168)	(32,652)	(46,617)	(18,263)	(26,906)	(26,906)
Other financing activi...	32,297	(14,679)	139,120	(119,202)	(253,900)	(253,900)
Net cash provided by (...)	(3,514)	19,205	94,638	191,444	(249,103)	(249,103)
Effect of exchange rat...	(756)	281	1,338	8,934	(3,972)	(3,972)
Net change in cash	(27,515)	38,348	8,847	76,746	(39,909)	(39,909)
Cash at beginning of p...	17,635	(9,880)	28,468	53,793	130,539	130,539
Cash at end of period	(9,880)	28,468	37,315	130,539	90,630	90,630
Free Cash Flow						
Operating cash flow	292,309	298,538	197,880	181,287	482,050	482,050
Capital expenditure	(388,507)	(263,008)	(294,775)	(207,168)	(334,379)	(334,379)
Free cash flow	(96,198)	35,530	(96,895)	(25,881)	147,671	147,671

KEY RATIOS

Profitability	2012-03	2013-03	2014-03	2015-03	2016-03	2017-03	2018-03	2019-03	2020-03	2021-03	TTM
Tax Rate %	34.67	54.50	61.61	50.45	49.09	45.08	33.17	–	–	–	–
Net Margin %	5.96	2.83	3.23	5.63	4.42	3.98	1.31	0.51	-36.76	-14.99	-14.99
Asset Turnover (Average)	0.47	0.50	0.49	0.49	0.50	0.43	0.35	0.31	0.28	0.28	0.28
Return on Assets %	2.81	1.40	1.58	2.74	2.20	1.72	0.45	0.16	-10.12	-4.27	-4.27
Financial Leverage (Average)	3.10	3.33	3.07	3.16	4.96	3.45	3.60	3.85	4.68	5.87	5.87
Return on Equity %	8.57	4.51	5.04	8.52	8.55	6.92	1.60	0.58	-43.32	-22.17	-22.17
Return on Invested Capital %	5.87	4.13	4.09	5.89	5.94	5.19	2.82	3.19	-12.93	-2.70	-2.70
Interest Coverage	2.60	2.21	3.16	3.90	2.86	2.15	1.50	0.81	-4.39	0.04	0.04

- Asset Turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue.

In Bharti Airtel the Asset turnover ratio is 0.28 which is low. This indicates that company is not efficiently using its assets to generate sales.

- Return on Asset % indicates the profit company is generating from its assets. Therefore Bharti Airtel ROA is negative.
- Financial Leverage is Earnings before Interest and tax, where Bharti Airtel TTM is 5.87, which indicates that company is at stability stage.
- Return on Equity indicates that company uses its money which was contributed to the shareholders which will definitely company revert that money to its profit. Hence, Bharti Airtel ROE is (22.17), which is a negative sign.
- Interest Coverage Ratio indicates that if the ratio is low then company's debt will increase. So in Bharti Airtel Interest Coverage ratio is 0.04, which is also a negative side.

Efficiency	2012-03	2013-03	2014-03	2015-03	2016-03	2017-03	2018-03	2019-03	2020-03	2021-03	TTM
Days Sales Outstanding	30.31	29.05	25.94	23.79	21.86	20.74	23.70	23.01	18.57	14.95	14.95
Days Inventory	3.99	1.20	1.20	1.25	2.61	0.95	0.57	0.72	1.15	–	–
Payables Period	546.97	160.32	93.34	94.55	239.70	194.24	262.11	255.92	247.74	232.92	232.92
Cash Conversion Cycle	-512.67	-130.07	-66.20	-69.51	-215.23	-172.54	-237.84	-232.19	-228.03	–	–
Receivables Turnover	12.04	12.56	14.07	15.34	16.70	17.59	15.40	15.86	19.66	24.41	24.41
Inventory Turnover	91.44	305.36	304.82	292.30	139.71	382.25	644.06	504.38	318.47	–	–
Fixed Assets Turnover	1.08	1.18	1.33	1.57	1.48	1.34	1.19	0.97	0.84	0.85	0.85
Asset Turnover	0.47	0.50	0.49	0.49	0.50	0.43	0.35	0.31	0.28	0.28	0.28

- Receivables turnover ratio indicates that how a company manage its debt collection. And in Bharti Airtel the receivables turnover ratio is 24.41 which means company is efficient in managing its debt.
- Inventory Turnover Ratio means how much inventory is sold and consumed by the company during a given period of time. Hence, the ratio is nil, which is a negative sign. Therefore low inventory turnover ratio indicates the overstocking and inefficiency in the products and services.
- Fixed Asset Turnover ratio is used to analyze the operation performance of the company. Therefore fixed asset turnover ratio is 0.85 which indicates that company is at moderate level. Bharti Airtel is not using its fixed assets efficiently.
- Asset Turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue.

