

# Board's Report

## Dear Members,

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

## A. Overview

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

## B. Financial Highlights

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

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

### Transfer to reserves

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

### Dividend

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

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

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

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

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

### Share capital

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

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

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



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

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

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

### Debentures

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

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

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

The details of Debenture Trustee are given hereunder:

#### Axis Trustee Services Limited

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

**Tel:** +91-22-62300451

**Fax:** 022-43253000

**Email:** [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in);  
[compliance@axistrustee.in](mailto:compliance@axistrustee.in)

### Particulars of loans, guarantees or investments

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

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

### Deposits

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

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

### Change in the Nature of Business

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

### Ratings

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

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

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

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

### Subsidiary Company, Joint Ventures and Associate Companies

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

### Significant Development

#### Initial Public Offering (IPO) and Listing

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

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

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

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

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

## D. Corporate Governance Report

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

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

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

### Directors

#### Appointment, Re-appointments, Retirements and Resignations

##### i. Retirement by rotation and subsequent re-appointment

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

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

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

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

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

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

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

##### iii. Resignation of Director(s)

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

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

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

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

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

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

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

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

#### Declaration by Independent Directors

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

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



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

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

#### **Key Managerial Personnel (KMP)**

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

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

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

#### **Board and Board Committees**

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

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

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

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

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

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

#### **Board Evaluation**

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

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

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

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

#### **Familiarisation Programme**

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

#### **Management Discussion and Analysis Report**

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

#### **Directors' Responsibility Statement**

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

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

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

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

## E. Human Resources

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

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

### Particulars of Employees

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

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

## F. Auditors

### Statutory Auditors

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

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

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

### Cost Records

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

### Cost Auditors

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

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

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

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

### Secretarial Auditors

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

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

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

### Internal Auditors and Internal Assurance Partners

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

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



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

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

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

## G. Sustainability

### Business Responsibility & Sustainability Report

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

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

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

## H. Policies, Compliance and Others

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

### Risk Management

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

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

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

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

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

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

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

### Corporate Social Responsibility (CSR) Policy

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

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

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

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

### Nomination & Remuneration Policy

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

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

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

### Vigil Mechanism

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

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

### Related Party Transactions

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

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

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

### Internal Financial Controls

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

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

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

### Compliance Management

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

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

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



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

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

#### **Proceeding under Insolvency and Bankruptcy Code, 2016**

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

#### **Transfer of amount to Investor Education and Protection Fund**

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

#### **Annual Return**

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

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

#### **Significant and Material Orders**

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

#### **Secretarial Standards**

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

#### **Acknowledgements**

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

For and on behalf of the Board  
**For Bharti Hexacom Limited**

**Jagdish Saxena Deepak**

Chairman

DIN: 02194470

Place: Gurugram

Date: May 14, 2024



# Annexure A

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### To The Members of Bharti Hexacom Limited

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

### Managements' Responsibility

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

### Auditor's Responsibility

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

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

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

### Opinion

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

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

Date: May 14, 2024  
Place: Gurugram

**Nilesh H. Lahoti**  
Partner  
(Membership No. 130054)  
(UDIN: 24130054BKFRKR2105)



## Annexure B

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

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

Particulars	Designation	Ratio to Median Remuneration	% Increase in Remuneration in Financial Year 2023-24
<b>Chairman</b>			
Mr. J S Deepak	Chairman	4.48	Nil
<b>Non-Executive Director</b>			
Mr. Devendra Khanna	Non-Executive Director	N.A.	-
Mr. Rahul Vatts <sup>1</sup>	Non-Executive Director	N.A.	-
Mr. Sanjeev Kumar <sup>2</sup>	Non-Executive Director	N.A.	-
Mr. Soumen Ray	Non-Executive Director	N.A.	-
Mr. Surajit Mandol <sup>3</sup>	Non-Executive Director	N.A.	-
Ms. Vidyut Gulati <sup>1</sup>	Non-Executive Director	N.A.	-
<b>Independent Director</b>			
Mr. Arun Gupta <sup>4</sup>	Independent Director	*	*
Mr. Arvind Kohli	Independent Director	0.30	*
Mr. Ashok Tyagi	Independent Director	0.30	33.33%^
Mr. Kapal Kumar Vohra <sup>4</sup>	Independent Director	*	*
Ms. Nalina Suresh <sup>4</sup>	Independent Director	*	*
Mr. Ravinder Arora <sup>1</sup>	Independent Director	*	*
<b>Chief Executive Officer</b>			
Mr. Marut Dilawari	Chief Executive Officer	\$	-
<b>Chief Financial Officer</b>			
Mr. Akhil Garg <sup>5</sup>	Chief Financial Officer	\$	-
Mr. Kamal Dua <sup>6</sup>	Chief Financial Officer	\$	-
<b>Company Secretary</b>			
Ms. Richa Gupta Rohatgi	Company Secretary	\$	-

#### Notes:

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

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

<sup>\*</sup>Since the remuneration of these Directors is only for the part of the current year/previous year hence the ratio of their remuneration to median and increase in remuneration is not comparable.

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

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

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

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

For and on behalf of the Board

Place: Gurugram  
Date: May 14, 2024

**Jagdish Saxena Deepak**  
Chairman  
DIN: 02194470



## Annexure C

### FORM NO. MR.3

#### SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2024

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

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

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

#### Auditor's Responsibility:

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

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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

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

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

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

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

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

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

**We further report that**

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

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

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

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

**We further report that, during the audit period:**

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

**For Makarand M. Joshi & Co.**  
Company Secretaries

**Kumudini Bhalerao**  
Partner

FCS No. 6667

CP No. 6690

PR No: 640/2019

UDIN: F006667F000358260

Place: Mumbai

Date: May 13, 2024

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

**'Annexure A'**

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

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

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

**For Makarand M. Joshi & Co.**  
Company Secretaries

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

Place: Mumbai  
Date: May 13, 2024

# Annexure D

## INFORMATION RELATED TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE (8)(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo, as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014

### A. Conservation of energy

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

#### i. Steps taken or impact of Conservation of Energy

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

#### ii. Steps taken to utilize alternate source of energy

##### Utilization of Green Energy

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

### B. Technology Absorption:

#### 1. The efforts made towards technology absorption

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

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

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

#### Coverage and Capacity Solution:

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

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

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

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



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

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

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

### **C. Foreign Exchange earnings and outgo**

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

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

For and on behalf of the Board

Place: Gurugram  
Date: May 14, 2024

**Jagdish Saksena Deepak**  
Chairman  
DIN: 02194470



# Annexure E

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

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

### (i) Key Objectives

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

### (ii) Focus Areas

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

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

### (iii) CSR Activities

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

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

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

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

## 2. Composition of CSR Committee:

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

1. Inducted as a member of Committee w.e.f. December 22, 2023.

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



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

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

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

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

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

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

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

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

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

Place: Gurugram  
 Date: May 14, 2024

**Soumen Ray**  
 Chairman CSR Committee  
 DIN: 09484511

**Marut Dilawari**  
 Chief Executive Officer

# Annexure F

## Form No. AOC-2

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

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

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

Not applicable.

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

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

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



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

For and on behalf of the Board

**Jagdish Saksena Deepak**

Chairman

DIN: 02194470

Place: Gurugram

Date: May 14, 2024