



February 12, 2024

National Stock Exchange of India Limited

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

Ref.: Bharti Hexacom Limited

Sub: (i) Outcome of Board Meeting

(ii) Disclosure pursuant to Regulation 51(2) and 52 read with Para A of Part B of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations)

Dear Sir/ Madam,

In compliance with Regulations 51(2) and 52 read with Part B of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Audited Standalone Financial Results of the Company as per Ind AS and Statutory Auditor's Report thereon for the third quarter (Q3) ended December 31, 2023.

The above financial results have been reviewed by the Audit Committee in its meeting held on Monday, February 12, 2024 and based on its recommendation, have been approved by the Board of Directors at its meeting held on Monday, February 12, 2024.

Pursuant to Regulation 52(8) of the Listing Regulations, the Company will publish its audited financial results for the quarter ended December 31, 2023 in the newspaper.

The Board Meeting concluded at IST 1900 Hrs.

Please take the above information on record.

Thanking You,
Sincerely yours,

For Bharti Hexacom Limited

Richa Gupta Rohatgi

Company Secretary

Membership No.: 24446

**Address: Bharti Crescent, 1, Nelson Mandela Road,
Vasant Kunj, Phase – II, New Delhi – 110070**

Bharti Hexacom Limited

Regd. and Corporate Office: Bharti Crescent, 1 Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi - 110 070, India

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CIN: U74899DL1995PLC067527

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BHARTI HEXACOM LIMITED

Opinion

We have audited the accompanying Statement of Audited Financial Results for the quarter and nine months ended December 31, 2023 of **BHARTI HEXACOM LIMITED** ("the Company"), ("the Financial Results"/ "the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and nine months ended December 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibilities for Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's and Those Charged with Governance's Responsibilities for the Statement

This Statement, which is the responsibility of the Company's management and has been approved by Board of Directors for issuance. The Statement has been compiled from the related Audited Financial Statement for the year ended March 31, 2023, and Audited Interim Condensed Financial Statements for the quarter and six months ended September 30, 2023, and Audited Interim Condensed Financial Statements for the quarter and nine months ended December 31, 2023. This responsibility includes the preparation and presentation of the Financial Results that give a true and fair view of the net profit/(loss) and other comprehensive income/(loss) and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the audit of Financial Results

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Deloitte Haskins & Sells LLP

- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Financial Results.

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

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

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

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

Digitally signed
by Nilesh Lahoti
Date: 2024.02.12
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Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
(UDIN: 24130054BKFRJI8641)

Place: New Delhi
Date: February 12, 2024

Bharti Hexacom Limited

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India

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Statement of Audited Financial Results for the quarter and nine months ended December 31, 2023

(Rs. in Millions; except per share data)

Particulars	Quarter ended			Nine months ended		Previous year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Audited	Audited	Audited	Audited	Audited	Audited
Income						
Revenue from operations	18,006	17,385	16,795	52,208	48,465	65,790
Other income	623	573	402	2,000	959	1,402
	18,629	17,958	17,197	54,208	49,424	67,192
Expenses						
Network operating expenses	4,530	4,270	4,078	12,285	11,792	15,863
Access charges	1,897	1,856	2,469	5,394	7,207	9,833
License fee / Spectrum charges	1,655	1,565	1,472	4,792	4,822	6,329
Employee benefits expense	260	287	225	794	690	903
Sales and marketing expenses	911	908	869	2,795	2,268	3,067
Other expenses	478	240	430	1,314	1,529	1,938
	9,731	9,126	9,563	27,374	28,308	37,933
Profit before depreciation, amortisation, finance costs, tax and exceptional items	8,898	8,832	7,634	26,834	21,116	29,259
Depreciation and amortisation expenses	4,329	4,322	3,959	12,794	11,584	15,533
Finance costs	1,688	1,556	1,647	4,787	4,895	6,388
Profit before exceptional items and tax	2,881	2,954	2,028	9,253	4,637	7,338
Exceptional items (net) (Refer Note 3)	-	3,030	-	3,030	-	-
Profit / (Loss) before tax	2,881	(76)	2,028	6,223	4,637	7,338
Tax expense						
Current tax	-	3,864	-	3,864	-	-
Deferred tax	754	(2,099)	507	(459)	1,164	1,846
	754	1,765	507	3,405	1,164	1,846
Profit / (Loss) for the period / year	2,127	(1,841)	1,521	2,818	3,473	5,492
Other comprehensive income						
Items not to be reclassified to profit or loss:						
- Re-measurement gain / (loss) on defined benefit plans	1	2	(1)	(3)	(4)	(3)
- Tax (expense) / credit	(0)	(1)	0	1	1	1
Other comprehensive income / (loss) for the period / year	1	1	(1)	(2)	(3)	(2)
Total comprehensive income / (loss) for the period / year	2,128	(1,840)	1,520	2,816	3,470	5,490
Paid-up equity share capital (Face value: Rs. 5 each)	2,500	2,500	2,500	2,500	2,500	2,500
Other equity	41,661	39,533	37,575	41,661	37,575	39,595
Earnings / (Loss) per share (Face value: Rs. 5 each)						
Basic and diluted earnings / (loss) per share* (Refer Note 4)	4.26	(3.68)	3.04	5.64	6.95	10.98

* Earnings / (Loss) per share are not annualised for the periods.



Notes to the Audited Financial Results

1. The Audited Financial Results for the quarter and nine months ended December 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 12, 2024.
2. These Audited Financial Results are compiled / extracted from the Audited Interim Condensed Financial Statements for the quarter and nine months ended December 31, 2023, quarter ended September 30, 2023 and Audited Financial Statements for the year ended March 31, 2023. The Audited Interim Condensed Financial Statements for the quarter and nine months ended December 31, 2023 have been prepared in accordance with Indian Accounting Standard 34 – 'Interim Financial Reporting' as prescribed under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.
3. On October 16, 2023, the Hon'ble Supreme Court of India pronounced a judgement regarding the tax treatment of adjusted revenue linked Variable License Fee ("VLF") payable to Department of Telecommunications, Government of India ("DOT") since July 1999 and held that it is capital in nature and not revenue expenditure for the purpose of computation of taxable income. This decision does not alter the total amount of VLF allowed as deduction over the license period but creates a timing difference wherein later years would have a higher deduction. Impact of the same has been recognized and disclosed in the audited financial results for the quarter and six months ended September 30, 2023.
4. Pursuant to a resolution passed in extra-ordinary general meeting dated December 29, 2023, shareholders have approved the split of each equity share of face value of Rs. 10 into two equity shares of face value of Rs. 5 each. Accordingly, the issued, subscribed and paid-up capital of the Company was sub-divided from 250,000,000 equity shares of face value of Rs. 10 each to 500,000,000 equity shares of face value of Rs. 5 each. The impact of split of shares has been retrospectively considered for the computation of EPS as per the requirement of Ind AS 33.
5. Subsequent to the quarter ended December 31, 2023, the Company has, filed Draft Red Herring Prospectus ('DRHP') with Securities and Exchange Board of India for proposed initial public offering ('IPO') comprising of an offer for sale of upto 20% of the paid up share capital of the company by Telecommunications Consultants India Limited subject to such variation as permitted by law.
6. Subsequent to quarter ended December 31, 2023, the Company has redeemed 15,000 listed, unsecured, Non-Convertible Debentures ('NCDs'), of face value of Rs. 1 Mn each aggregating to Rs. 15,000 Mn with interest of Rs. 895 million on January 19, 2024.



7. The disclosure required as per the provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

S.No.	Particulars*	Quarter ended			Nine months ended		Previous year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Audited	Audited	Audited	Audited	Audited	Audited
(i)	Debt - equity ratio - [no. of times]	1.41	1.47	1.58	1.41	1.58	1.48
(ii)	Net worth - [Rs. in Millions]	39,788	37,660	39,202	39,788	39,202	39,722
(iii)	Current ratio - [no. of times]	0.41	0.38	0.59	0.41	0.59	0.47
(iv)	Long term debt to working capital - [no. of times]	(0.51)	(0.48)	(3.06)	(0.51)	(3.06)	(1.46)
(v)	Current liability ratio - [no. of times]	0.59	0.60	0.35	0.59	0.35	0.44
(vi)	Total debts to total assets - [no. of times]	0.48	0.48	0.51	0.48	0.51	0.50
(vii)	Debtors turnover - [no. of days]	11	14	37	10	42	62
(viii)	Debt service coverage ratio (DSCR) - [no. of times]	4.14	3.97	3.37	4.17	3.22	3.42
(ix)	Interest service coverage ratio (ISCR) - [no. of times]	6.30	6.31	5.19	6.39	4.82	5.11
(x)	Bad debts to Account receivable ratio (%)	0.6%	N.A.	1.2%	N.A.	2.3%	2.5%
(xi)	Operating margin (%)	21.9%	22.6%	19.5%	23.1%	17.7%	18.7%
(xii)	Net profit margin (%)	11.8%	(10.6%)	9.1%	5.4%	7.2%	8.3%
(xiii)	Debenture redemption reserve/Capital redemption reserve - [Rs. in Millions]	3,500.05	3,500.05	0.05	3,500.05	0.05	1,500.05
(xiv)	Outstanding redeemable preference shares	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

The basis of computation of above parameters is provided in the table below:

(i)	Debt - equity ratio*	(Non-current borrowings (+) current borrowings (-) cash and cash equivalents) / equity *excluding lease liabilities
(ii)	Net worth	Aggregate of equity share capital and other equity excluding debenture redemption reserve, capital redemption reserve and capital reserve.
(iii)	Current ratio	Current assets / current liabilities
(iv)	Long term debt to working capital	Non-current borrowings / (current assets (-) current liabilities)
(v)	Current liability ratio	Current liabilities / total liabilities
(vi)	Total debt to total assets	(Non-current borrowings (+) current borrowings (+) lease liabilities) / total assets
(vii)	Debtors turnover ratio	Average trade receivable / (revenue from operations / no of days for the period)
(viii)	DSCR	Profit before depreciation, amortisation, finance costs, exceptional items and tax / (interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities)
(ix)	ISCR	Profit before depreciation, amortisation, finance costs, exceptional items and tax / interest expenses
(x)	Bad debt to account receivable	Bad debts written off / average trade receivable (gross of allowances for doubtful receivables)
(xi)	Operating margin	(Profit before depreciation, amortisation, finance costs, exceptional items and tax (-) depreciation and amortisation expenses (-) other income) / revenue from operations
(xii)	Net profit margin	Net profit after tax / revenue from operations

* As the principal activities of the Company are in the nature of services, hence inventory turnover ratio is not relevant



8. All the amounts included in the Audited Financial Results are rounded off to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

For Bharti Hexacom Limited

SOUMEN RAY Digitally signed
by SOUMEN RAY
Date: 2024.02.12
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Soumen Ray
Director
DIN: 09484511
Place: New Delhi

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JAGDISH DEEPAK
Date: 2024.02.12 17:51:01 +05'30'

Jagdish Saxena Deepak
Director
DIN: 02194470
Place: New Delhi

Date: February 12, 2024



Notes:

- a) 'Bharti Hexacom' or 'Company' stands for Bharti Hexacom Limited

