

SINGAPORE TELECOMMUNICATIONS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 199201624D

ANNOUNCEMENT

Bharti Airtel Limited (“Airtel”) – Provision for regulatory cost

Singtel refers to Note 4 and Note 8 of the attached audited consolidated financial statements of Airtel for the quarter and financial year ended 31 March 2020.

Airtel has recognised an amount of Rs. 56.4 billion (S\$1.1 billion) as an exceptional charge on account of reassessment of regulatory cost based on a recent judgement on one time spectrum charge related matter.

Singtel will recognise its share of the above provision, amounting to S\$357 million (S\$ 232 million on post-tax basis) as an exceptional item , in its financial results for the quarter and financial year ended 31 March 2020, which is scheduled to be announced on 28 May 2020.

Issued by Singapore Telecommunications Limited on 19 May 2020.



Bharti Airtel Limited

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Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2020

(Rs. Millions; except per share data)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Audited	Audited	Audited	Audited
Income					
Revenue	237,227	219,471	206,022	875,390	807,802
Other income	994	745	707	3,248	3,463
	238,221	220,216	206,729	878,638	811,265
Expenses					
Network operating expenses	52,015	49,345	59,507	197,685	225,132
Access charges	28,270	27,109	24,410	107,395	93,521
License fee / Spectrum charges	20,201	17,666	17,288	72,561	69,426
Employee benefits expense	10,316	9,651	9,429	38,072	37,975
Sales and marketing expenses	9,355	9,003	10,391	34,325	41,568
Other expenses	15,049	14,028	18,842	59,257	82,542
	135,206	126,802	139,867	509,295	550,164
Profit from operating activities before depreciation, amortisation and exceptional items	103,015	93,414	66,862	369,343	261,101
Depreciation and amortisation expense	70,550	69,408	54,934	276,896	213,475
Finance costs	41,302	32,816	26,743	139,918	106,222
Finance income	(8,226)	(2,970)	(1,420)	(16,098)	(10,328)
Non-operating expenses (net)	369	211	59	1,272	1,894
Share of profit of associates and joint ventures (net)	(915)	(1,523)	(368)	(6,524)	(3,556)
Loss before exceptional items and tax	(65)	(4,528)	(13,086)	(26,121)	(46,606)
Exceptional items (net)	70,040	10,500	(20,221)	402,344	(29,288)
(Loss) / profit before tax	(70,105)	(15,028)	7,135	(428,465)	(17,318)
Tax expense / (credit)					
Current tax	4,385	7,309	3,034	23,738	19,391
Deferred tax	(24,720)	(17,688)	(1,660)	(145,561)	(53,584)
(Loss) / profit for the period / year	(49,770)	(4,649)	5,761	(306,642)	16,875
Other comprehensive income ("OCI")					
Items to be reclassified subsequently to profit or loss :					
- Net gains / (losses) due to foreign currency translation differences	2,001	781	(2,028)	4,814	(15,739)
- Net (losses) / gains on net investment hedge	(8,532)	(1,015)	1,289	(10,856)	(1,754)
- Net (losses) / gains on cash flow hedge	(136)	220	45	(109)	(833)
- Net losses on fair value through OCI investments	(1)	-	(11)	(108)	(45)
- Tax credit on above	2,324	195	670	2,883	5,428
Items not to be reclassified to profit or loss :					
- Re-measurement gains / (losses) on defined benefit plans	34	140	(43)	(76)	47
- Tax charge	(99)	(9)	-	(41)	(62)
- Share of OCI of joint ventures and associates	11	7	(3)	15	(12)
Other comprehensive (loss) / income for the period / year	(4,398)	319	(81)	(3,478)	(12,970)
Total comprehensive (loss) / income for the period / year	(54,168)	(4,330)	5,680	(310,120)	3,905
(Loss) / profit for the period / year attributable to	(49,770)	(4,649)	5,761	(306,642)	16,875
Owners of the Parent	(52,370)	(10,353)	1,072	(321,832)	4,095
Non-controlling interests	2,600	5,704	4,689	15,190	12,780
Other comprehensive (loss) / income for the period / year attributable to :	(4,398)	319	(81)	(3,478)	(12,970)
Owners of the Parent	(9,847)	(1,070)	982	(11,748)	(10,216)
Non-controlling interests	5,449	1,389	(1,063)	8,270	(2,754)
Total comprehensive (loss) / income for the period / year attributable to :	(54,168)	(4,330)	5,680	(310,120)	3,905
Owners of the Parent	(62,217)	(11,422)	2,054	(333,580)	(6,121)
Non-controlling interests	8,049	7,092	3,626	23,460	10,026
Fair value of equity share capital (Face value : Rs. 5/- each)	27,278	25,660	19,987	27,278	19,987
Other equity	744,170	662,627	694,235	744,170	694,235
(Loss) / earnings per share (Face value : Rs. 5/- each)*					
Basic	(9.69)	(2.02)	0.25	(63.41)	0.96
Diluted	(9.69)	(2.02)	0.25	(63.41)	0.96

*Basic and diluted (loss) / earnings per share for the previous periods have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020

Audited Consolidated Balance Sheet as of March 31, 2020

(Rs. Millions)

Particulars	As of	
	March 31, 2020	March 31, 2019
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	877,573	815,228
Capital work-in-progress	39,972	88,433
Right-of-use assets	259,049	-
Goodwill	346,192	332,562
Other intangible assets	809,741	860,525
Intangible assets under development	2,851	7,909
Investment in joint ventures and associates	96,808	88,937
Financial assets		
- Investments	20,278	21,941
- Derivative instruments	41	3,105
- Security deposits	8,728	16,452
- Others	14,696	9,242
Income tax assets (net)	21,088	17,694
Deferred tax assets (net)	270,160	89,379
Other non-current assets	74,181	71,511
	2,841,358	2,422,918
Current assets		
Inventories	1,569	884
Financial assets		
- Investments	137,679	46,232
- Derivative instruments	2,792	426
- Trade receivables	46,058	43,006
- Cash and cash equivalents	135,507	62,121
- Other bank balances	23,420	18,519
- Others	210,523	20,343
Other current assets	208,884	137,111
	766,432	328,642
Total assets	3,607,790	2,751,560
Equity and liabilities		
Equity		
Share capital	27,278	19,987
Other equity	744,170	694,235
Equity attributable to owners of the Parent	771,448	714,222
Non-controlling interests	249,847	135,258
	1,021,295	849,480
Non-current liabilities		
Financial liabilities		
- Borrowings	910,792	824,901
- Lease liabilities	243,678	47,553
- Derivative instruments	292	826
- Others	67,399	62,131
Deferred revenue	25,033	17,986
Provisions	7,548	6,823
Deferred tax liabilities (net)	16,877	11,297
Other non-current liabilities	-	429
	1,271,619	971,946
Current liabilities		
Financial liabilities		
- Borrowings	167,034	310,097
- Current maturities of long-term borrowings	98,364	71,732
- Lease liabilities	62,413	-
- Derivative instruments	568	12,742
- Trade payables	250,199	263,138
- Others	168,354	175,139
Deferred revenue	55,004	43,993
Provisions	451,093	6,701
Current tax liabilities (net)	13,519	8,228
Other current liabilities	48,328	38,364
	1,314,876	930,134
Total liabilities	2,586,495	1,902,080
Total equity and liabilities	3,607,790	2,751,560

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Audited Consolidated Segment-wise Revenue, Results, Assets and Liabilities for the quarter and year ended March 31, 2020

(Rs. Millions)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Audited	Audited	Audited	Audited
1. Segment Revenue					
- Mobile Services India @	129,528	111,654	106,323	459,663	415,540
- Mobile Services Africa	64,888	62,695	55,115	242,173	215,028
- Mobile Services South Asia	1,203	1,155	1,124	4,552	4,436
- Airtel Business	33,762	33,177	30,039	132,331	124,537
- Tower Infrastructure Services	16,826	16,662	16,704	67,423	68,185
- Homes Services	5,725	5,546	5,536	22,451	22,391
- Digital TV Services	6,035	7,922	10,505	29,239	41,001
- Others	15	116	37	50	1,163
Total segment revenue	257,982	238,927	225,383	957,882	892,281
Less: Inter-segment eliminations *	20,755	19,456	19,361	82,492	84,479
Total revenue	237,227	219,471	206,022	875,390	807,802
2. Segment Results ^					
(Loss) / profit before finance costs (net), non-operating expenses (net), charity and donation, exceptional items and tax					
- Mobile Services India @	259	(8,247)	(13,261)	(31,379)	(56,762)
- Mobile Services Africa	17,708	17,446	13,245	64,488	52,390
- Mobile Services South Asia	(216)	(302)	(220)	(1,055)	(1,069)
- Airtel Business @	9,858	8,092	5,732	31,889	27,631
- Tower Infrastructure Services	8,014	9,537	8,259	38,127	31,974
- Homes Services @	1,774	1,097	515	5,191	3,376
- Digital TV Services	1,528	3,011	1,890	11,394	7,447
- Others	(1,258)	(1,993)	(2,251)	(6,629)	(7,228)
Total	37,667	28,641	13,909	112,026	57,759
- Unallocated	(1,394)	(838)	(320)	(2,975)	(1,717)
- Inter-segment eliminations *	(2,642)	(2,189)	(94)	(8,367)	(3,026)
Total segment results	33,631	25,614	13,495	100,684	53,016
Less:					
(i) Finance costs (net)	33,076	29,846	25,323	123,820	95,894
(ii) Non-operating expenses (net)	369	211	59	1,272	1,894
(iii) Charity and donation	251	85	1,199	1,713	1,834
(iv) Exceptional items (net)	70,040	10,500	(20,221)	402,344	(29,288)
(Loss) / profit before tax	(70,105)	(15,028)	7,135	(428,465)	(17,318)
3. Segment Assets ^#					
- Mobile Services India @	2,108,687	2,031,953	1,700,637	2,108,687	1,700,637
- Mobile Services Africa	675,156	664,485	569,606	675,156	569,606
- Mobile Services South Asia	8,188	8,451	6,774	8,188	6,774
- Airtel Business @	200,255	161,817	149,445	200,255	149,445
- Tower Infrastructure Services	202,823	196,157	169,693	202,823	169,693
- Homes Services @	42,425	49,435	45,889	42,425	45,889
- Digital TV Services	39,749	40,013	31,234	39,749	31,234
- Others	36,724	36,057	37,927	36,724	37,927
Total segment assets	3,314,007	3,188,368	2,711,205	3,314,007	2,711,205
- Unallocated	441,744	416,814	133,120	441,744	133,120
- Inter-segment eliminations**	(147,961)	(91,301)	(92,765)	(147,961)	(92,765)
Total assets	3,607,790	3,513,881	2,751,560	3,607,790	2,751,560
4. Segment Liabilities#					
- Mobile Services India @	1,025,832	1,058,976	408,088	1,025,832	408,088
- Mobile Services Africa	201,937	186,917	110,571	201,937	110,571
- Mobile Services South Asia	3,943	3,949	2,515	3,943	2,515
- Airtel Business @	131,256	111,808	87,225	131,256	87,225
- Tower Infrastructure Services	41,839	40,414	22,303	41,839	22,303
- Homes Services @	23,355	20,843	21,729	23,355	21,729
- Digital TV Services	41,224	39,494	35,423	41,224	35,423
- Others	437	421	2,181	437	2,181
Total segment liabilities	1,469,823	1,462,822	690,035	1,469,823	690,035
- Unallocated	1,236,696	1,248,535	1,313,444	1,236,696	1,313,444
- Inter-segment eliminations**	(120,024)	(108,681)	(101,399)	(120,024)	(101,399)
Total liabilities	2,586,495	2,602,676	1,902,080	2,586,495	1,902,080

* Includes accounting policy alignment

^ Includes share of results/ net assets of joint ventures and associates

Segment assets/ segment liabilities as at March 31, 2020 and December 31, 2019 includes right-of-use assets / lease liabilities

@ During the year ended March 31, 2020, the Group transferred its operations pertaining to optical fibre on a going concern basis on August 1, 2019 from the Company to its wholly owned subsidiary. As a result, the Group reorganised the business, whereby, the assets and liabilities pertaining to bandwidth capacities have been allocated to Mobile Services India, Airtel Business and Homes Services. Previously, these operations were part of Mobile Services India and bandwidth capacities were billed by Mobile Services India to Airtel Business and Homes Services. Without such reorganisation, for the quarter ended March 31, 2020 and as of that date, segment revenue, segment results, segment assets and segment liabilities for Mobile Services India would have been Rs. 130,915 Mn, Rs. (569) Mn, Rs. 2,154,218 Mn and Rs. 1,075,354 Mn respectively; segment results, segment assets and segment liabilities for Airtel Business would have been Rs. 11,043 Mn, Rs. 176,660 Mn and Rs. 109,978 Mn respectively; and for Homes Services would have been Rs. 938 Mn Rs. 44,658 Mn and Rs. 17,541 Mn respectively. Without such reorganisation, for the year ended, segment revenue and segment results for Mobile Services India would have been Rs. 464,759 Mn and Rs. (32,730) Mn respectively; segment results for Airtel Business and Homes Services would have been Rs. 32,946 Mn and Rs. 4,583 Mn respectively.

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Audited Consolidated Statement of Cash Flows for the year ended March 31, 2020

(Rs. Millions)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
Cash flows from operating activities		
Loss before tax	(428,465)	(17,318)
Adjustments for:		
Depreciation and amortisation expense	276,896	213,475
Finance costs	137,261	110,134
Finance income	(16,098)	(14,240)
Share of profit of joint ventures and associates (net)	(6,524)	(3,556)
Exceptional items (net)	401,619	(32,792)
Employee share-based payment expenses	357	345
Loss / (profit) on sale of property, plant and equipment	10	(175)
Other non-cash items	5,132	11,909
Operating cash flow before changes in working capital	370,188	267,782
Changes in working capital		
Trade receivables	(8,925)	8,427
Trade payables	(2,477)	21,580
Inventories	(522)	(191)
Provisions	(128,107)	(107)
Other financial and non-financial liabilities	19,064	(20,955)
Other financial and non-financial assets	(44,997)	(64,128)
Net cash generated from operations before tax	204,224	212,408
Income tax paid - net	(22,937)	(11,706)
Net cash generated from operating activities	181,287	200,702
Cash flows from investing activities		
Purchase of property, plant and equipment	(191,902)	(260,971)
Proceeds from sale of property, plant and equipment	1,317	1,225
Purchase of intangible assets	(15,266)	(33,804)
Payment towards spectrum - deferred payment liability**	(15,424)	(11,720)
Net movement in current investments	(85,236)	18,158
Sale of non-current investments	2,950	44,976
Purchase of non-current investments	-	(57,067)
Consideration / advance for acquisitions, net of cash acquired	(1,345)	(5,083)
Sale of tower assets	-	3,051
Investment in associates	(4,761)	(60)
Dividend received	-	11,493
Interest received	4,748	4,793
Net cash used in investing activities	(304,919)	(285,009)
Cash flows from financing activities		
Net proceeds from issue of shares (Rights issue)	248,759	-
Net proceeds from issue of shares (QIP)	143,055	-
Net proceeds from issuance of FCCBs	70,456	-
Proceeds from borrowings	377,400	353,141
Repayment of borrowings	(439,813)	(345,359)
Repayment of lease liabilities	(47,740)	(5,077)
Net (repayment of) / proceeds from short-term borrowings	(117,140)	98,101
Proceeds from sale and finance leaseback of towers	-	1,688
Purchase of treasury shares	(497)	(248)
Interest and other finance charges paid	(109,993)	(76,171)
Proceeds from exercise of share options	5	10
Dividend paid (including tax)	(18,263)	(46,617)
Net proceeds from issuance of equity shares to Non-controlling interest	57,144	104,341
Net proceeds from issuance of perpetual bonds to Non-controlling interest	71,370	-
Net payment towards derivatives	(41,517)	-
Sale of interest in a subsidiary	-	16,238
Purchase of shares from Non-controlling interest	-	(5,409)
Payment on maturity of forwards	(1,782)	-
Net cash generated from financing activities	191,444	94,638
Net increase in cash and cash equivalents during the year	67,812	10,331
Effect of exchange rate on cash and cash equivalents	8,934	2,153
Add : Cash and cash equivalents as at the beginning of the year	53,793	41,309
Cash and cash equivalents as at the end of the year	130,539	53,793

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

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For the purpose of Audited Consolidated Statement of Cash Flows, cash and cash equivalents comprise of following:

(Rs. Millions)

Particulars	As of	
	March 31, 2020	March 31, 2019
	Audited	Audited
Cash and cash equivalents as per Audited Consolidated Balance Sheet	135,507	62,121
Add : Balance held under mobile money trust**	22,330	16,478
Less : Bank overdraft	(27,298)	(24,806)
Cash and cash equivalents as per Audited Consolidated Statement of Cash Flows	130,539	53,793

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

Notes to the Audited Consolidated Financial Results

1. The financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on May 18, 2020.
2. The financial results are extracted/ compiled from the Audited Consolidated Financial Statements for the year ended March 31, 2020 and Audited Interim Condensed Consolidated Financial Statements prepared for the quarters during the year ended March 31, 2020, which are prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and generally accepted accounting principles in India. The said financial results represent results of the Group, and its share in the results of joint ventures and associates.
3. Pursuant to the judgement of the Hon'ble Supreme Court of India on October 24, 2019 ("Court Judgement") and in the absence of any potential reliefs, the Group carried a liability/provision of Rs. 355,229 Mn as at December 31, 2019. The Hon'ble Supreme Court in a Supplementary Order of the same date directed the affected parties to pay amounts due to Department of Telecommunications ('DoT') within a period of three months, which ended on January 23, 2020.

Subsequent to the Court Judgment, DoT had issued letters dated November 13, 2019 and February 3, 2020 to the Group to carry out own-assessment of the liability and afforded certain guidelines/ clarifications to compute the amounts payable based on the Hon'ble Supreme Court Judgement. Accordingly, in February 2020, the Group based on its interpretation and assessment of the guidelines/ clarifications, and the principles laid down in the Court Judgement, made payments aggregating Rs. 127,490 Mn to the DoT, and an additional Rs. 50,000 Mn as a deposit (subject to subsequent refund/ adjustment) to cover differences resulting from re-verification /reconciliation by DoT.

On March 16, 2020, the DoT had filed an application with respect to giving reasonable time to the affected parties (a period of 20 years with 8% interest on unpaid amounts to duly protect the net present value) and to cease the currently applicable interest after a particular date. The Hon'ble Supreme Court, in a hearing on March 18, 2020, ordered that no exercise of self-assessment/ re-assessment is to be done and the dues which were placed before the Court have to be paid including interest and penalty. At the same hearing, the Hon'ble Supreme Court stated that the DoT application would be considered on the next date of hearing, which is pending disposal.

The Group, without prejudice and given the matter is still being considered by the Hon'ble Supreme Court, has continued to recognise, in the same manner, its obligations under the judgements/ orders. Accordingly, during the quarter, the Group has further recorded interest of Rs. 8,706 Mn, which has been presented as exceptional item (refer Note 8).

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

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Further, in a similar matter on a petition filed by another telecom service provider, the Hon'ble TDSAT, vide its order dated July 4, 2019, has set aside the DoT order for levy of OTSC with retrospective effect and asked DoT to issue revised demands, if any, as per terms of direction given. The said telecom service provider filed an appeal in the Hon'ble Supreme Court of India against the Order of the TDSAT. On March 16, 2020, the Hon'ble Supreme Court dismissed the appeal of the telecom service provider and did not interfere with the TDSAT judgement. DoT's appeal against the said TDSAT Order for the levy on Spectrum below 6.2 MHz is pending. Accordingly, out of prudence, of the total demands of Rs. 84,140 Mn, the Group has recorded a charge of Rs. 18,075 Mn. Along with interest thereon of Rs. 38,345 Mn, the aggregate of Rs. 56,420 Mn is disclosed as an exceptional item (refer Note 8).

5. During the quarter ended March 31, 2020, the Company has successfully raised Rs. 215,017 Mn of additional long term financing through a combination of Rs. 144,000 Mn in the form of qualified institutional placement of equity shares (approximately 323.60 Mn fully paid up equity shares of face value Rs. 5 each were issued and allotted at a price of Rs. 445 per equity share) and Rs. 71,017 Mn in the form of 1.50% Foreign Currency Convertible Bond offerings (issued at par and repayable in 2025 at 102.66% of their outstanding principal amount).
6. During the quarter ended March 31, 2020, Network i2i Limited (a wholly owned subsidiary of the Company) has issued subordinated perpetual securities of Rs. 17,894 Mn (classified as equity instruments) which have been guaranteed by the Company. The interest payments on these securities may be deferred in a cumulative, non-compounding manner, subject to certain restrictions including on distributions and payment of dividend till such cumulative interest remains unpaid.
7. In respect of Tower Infrastructure Services Segment of the Group:
 - i) On April 20, 2020, Indus Towers Limited, a Joint Venture Company ('JVC') of a subsidiary of the Company, Bharti Infratel Limited (both in the Tower Infrastructure Service Segment), in its financial statements for the year ended March 31, 2020 reported that the JVC's top two major customers in the telecom services industry contributed substantial portion of the net sales of the JVC, for the same period, which also resulted in significant part of the trade receivables due from these two customers as at March 31, 2020. It also reported that the JVC's largest customer (one of the two major customers) in its declared results for the quarter and nine months period ended December 31, 2019, had expressed its ability to continue as going concern to be dependent on positive outcome of the application for modification of the Supplementary Order before the Hon'ble Supreme Court and subsequent agreement with DoT for the payment in instalments after some moratorium and other reliefs. Further, the loss of a significant customer or the failure to attract new customers could have a material adverse effect on the business, results of operations and financial condition of the JVC. The auditors of the JVC have brought out this material uncertainty in their auditor's report.
 - ii) On April 23, 2020, Bharti Infratel Limited ('BIL'), a subsidiary of the Company, has indicated that that the largest customer of the JVC (as referred above) is also a major customer of BIL. The loss of a significant customer or the failure to attract new business in both these entities could have an adverse effect on their business and results of operations. The Management of BIL and the Group have respectively also concluded that there is no impairment with respect to property, plant and equipment of BIL and the carrying value of its investment in the JVC.
8. The net exceptional charge of Rs. 70,040 Mn during the quarter ended March 31, 2020 comprises of a charge on account of re-assessment of regulatory cost based on a recent judgement on OTSC related matter of Rs. 56,420 Mn as detailed in Note 4 above; interest on the provision of license fee and spectrum usage charges of Rs. 8,706 Mn as detailed in Note 3 above; charge on account of regulatory fees based on a recent judgment on a related matter Rs. 1,681 Mn; charge on account of rates and taxes in one of the subsidiaries Rs. 1,659 Mn; accelerated depreciation on 3G network equipment of Rs. 808 Mn and other miscellaneous items amounting to Rs. 766 Mn. Net tax benefit due to the above exceptional items; re-assessment of tax provisions; charge on undistributed earnings of JVC of a subsidiary of the Company and tax credit arising from deferred tax asset pertaining to one of the subsidiaries, aggregating Rs. 19,545 Mn is included under tax expense/ (credit). As a result, the overall net exceptional charge (after tax) is Rs. 50,495 Mn. The net charge allocated to non-controlling interests on the above exceptional items is Rs. 2,833 Mn.

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9. Certain group entities have elected to exercise the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, during the year ended March 31, 2020, these group entities have recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby and the related impact is recognised; except for Group's share as to the rate change impact on account of deferred tax created on transition to Ind AS 116, 'Leases' relating to one of its joint venture (which has been utilised from general reserves created out of scheme of merger as approved by the Hon'ble High Court of Delhi vide order dated April 18, 2013 effective from June 11, 2013, as permitted thereunder). This has resulted in a charge of Rs. 4,195 Mn within exceptional items and a charge of Rs. 856 Mn in the equity.
10. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources of information and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects that there no is material impact.
11. The Board of Directors at its meeting held on May 18, 2020, has recommended a dividend for the financial year 2019-20 of Rs. 2 per equity share (par value : Rs. 5 per equity share). This is subject to shareholder's approval.
12. Previous year/ period figures have been re-grouped or reclassified, to confirm to such current year's classification.

For Bharti Airtel Limited



Gopal Vittal
Managing Director and CEO (India & South Asia)
DIN: 02291778

Bengaluru
May 18, 2020

Notes:

- 'Bharti Airtel' or 'Company', stands for Bharti Airtel Limited
- 'Group' or 'Consolidated', stands for Bharti Airtel Limited together with its subsidiaries
- For more details on the financial results, please visit our website 'www.airtel.in'