

Resource Mobilisation Policy

Approved by
Board of Directors in their meeting held on May 06, 2019

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1. PREAMBLE

a) Introduction

Bharti Telecom Limited ('BTL' or 'the Company') is an investment holding company. The Company is classified as a Core-Investment Company – Non-Deposit Taking Systemically Important (CIC-ND-SI) by RBI vide its certificate No. N-14.03465 dated January 15, 2019.

BTL is a promoter and an investment holding company of Bharti Airtel Limited ("Airtel"), a leading global telecommunications company with operations in 18 countries across Asia and Africa. Airtel ranks amongst the top 3 mobile service providers globally in terms of subscribers. The shares of Airtel are listed on the stock exchanges viz. NSE and BSE and forms part of both SENSEX and NIFTY index. The market capitalization¹ of Airtel is approx. Rs. 768,000 Crores. Accordingly, the market value of BTL's investment in Airtel on same date is approx. Rs. 302,000 Crores.

Bharti Group and Singtel Group are the major shareholders of BTL holding 98.97% of paid-up of its share capital. Bharti Group is one of India's leading conglomerates with diversified interests in telecom, insurance, real estate, agri and food, in addition to other ventures. Singtel Group, headquartered in Singapore has 140 years of operating experience and is one of the largest listed Singapore companies. The majority stake in Singtel is held by the Government of Singapore.

The sole business of BTL is to hold equity investment in Airtel which is strategic and long term in nature. At present, BTL does not have any NBFC operations also does not have any intent to carry out such activities/operations in future. BTL has obtained the registration as Non-Deposit taking Systemically Important Core Investment Company (CIC ND- SI) because of the requirements set out under the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 (CIC Directions), where a Non-Banking Financial Company which is a Core Investment Company, having total assets of not less than ₹100 crore and which has "raised or holds public funds" is required to obtain registration from RBI. Once borrowings were raised by BTL, it was technically covered under the above directions and thus had to apply for the registration as CIC ND-SI.

Since, the Company, during the currency of it borrowings, shall be governed by the CIC Directions and other applicable regulations/guidelines/circulars issued by RBI, it is technically required to have this policy for resource planning in place. This policy should be read in such limited context only, as there is no NBFC activities involved.

¹ As on May, 14, 2024.

b) Objective

The objective of this policy is to establish broad guidelines for the Company's resource raising for FY 2024-25. The document covers the following aspects relating to the resource / liability planning for the Company:

1. Projected asset liability mismatch for the Company on a yearly basis
2. Liability products proposed to be used for such asset liability mismatches
3. Define limits for issuance / borrowing for each of the liability products

c) Applicability

This policy shall be approved by the Asset Liability Management Committee ('ALCO') and the Board of Directors. The Company will be guided by this document in managing the liability book of the Company. This document shall be read in conjunction with the *Asset Liability Management Policy (ALM Policy)*.

d) Interpretation

If at any point a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars/ Directions by the Reserve Bank of India ("RBI") arise then, interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Directions issued by RBI shall prevail.

2. PHILOSOPHY RELATING TO RESOURCE PLANNING

Resource planning for the Company encompasses the strategic objective of asset liability management and operational objective of fund management. The scope of treasury activities in view of the above is depicted below:

Fund Management	Balance Sheet Management
Determine the funding gap	Asset Liability Management – Structural & Interest Rate Risk
Funding options	Liquidity planning
Short term surplus management	Capital planning

Thus, resource planning for the Company will involve ensuring availability of funds, raised through equity share capital, preference share capital along with share premium if any, proceeds from issuance of warrants and various liability products, short term investments and choosing the appropriate liability products for fund management and ALM. While this document describes the philosophy related to resource planning, comprehensive details on

the Asset Liability Management are contained in the *ALM Policy*. Relevant sections of the ALM Policy must be referred to for additional details on the same.

The following guidelines describe the Company's philosophy towards resource planning.

a) Determine the funding gap for a period

The Company will determine the funding gap to plan the debt issuance. The funding gap will be determined for the year to plan out the funding requirements. For this, the capital requirement from portfolio subsidiaries and joint venture companies for the year and liability repayment amount from Treasury will be taken to determine the total funding gap for the year.

To ensure efficient utilisation of resources, timely and accurate information on debt repayments, committed capital contribution towards capital call of various subsidiaries and joint venture companies, other business payments, liability inflows for a specified period need to be communicated by respective departments within the Company. The funding gap for the year shall be presented to ALCO in the first board meeting of the year.

b) Funding options

Apart from raising share capital from existing and new shareholders, the Company may raise funds through appropriate debt instruments to meet the varied funding requirements of the Company. Typical sources of long term debt funds would include, non-convertible debentures ('NCD') and term loans from banks or other financial institutions.

The appropriate Funding mix depending on the Net Funding gap to be decided and shared with ALCO. The recommendations of ALCO, if any, shall be noted and applied for accordingly.

c) Short term surplus management

Any short term surpluses generated on account of timing mismatch between any debt draw down and asset disbursements will be invested by treasury in liquid-investments as specified below:

- a. Liquid Schemes of Mutual Funds
- b. Bank Fixed Deposits
- c. Certificate of Deposit
- d. Commercial Papers
- e. Short Term Corporate Bonds
- f. T-Bills / Govt dated securities
- g. Short term corporate loans to group companies

Comprehensive details on making and managing Investments are contained in the *Investment Policy* and should be referred before any investments are made.

d) Asset Liability Management

Once capital commitments are made by the Company, it will tie up the funds through various funding sources available to it. While treasury will use all available resources in order to meet the funds requirement of the Company, it will also be guided by the balance sheet structure to determine the optimal mix between long term and short term funding sources to manage structural mismatches and an optimal mix between floating and fixed assets and liabilities.

All of the above will be done under the ALM function to maintain an optimal balance sheet structure and cash flow patterns. Comprehensive details on the Asset Liability Management are contained in the *ALM Policy* and should be referred suitably.

e) Capital Planning

An important aspect of resource planning is also to ensure adequate capital is available for business growth. Based on the Capital disbursement plan as per the AOP, capital requirement for the year will be determined.

The philosophy of efficient resource planning shall be optimal utilisation of funding resources available to the Company and continuous enhancement of funding options.

3. RESPONSIBILITY OF ALCO

ALCO shall monitor compliance with this document. It shall review in its meetings the funding mix – between various products, long term vs short term and advice as appropriate.

4. RESOURCE PLANNING FY 2024-25

The funds requirement for the year has been / shall be determined based on the Company's funding needs for the year and other inputs as mentioned above.

Funding Gap: The funding gap for the Company for FY 2024-25 has been determined based on the Company's funding needs and the contractual liability repayments during the year. The detailed funding plan is provided in Annexure A.

5. DOCUMENT ADMINISTRATION PROCESS

a) Applicability of the document

- This document guides the Asset liability management for the Company by Treasury.
- Any exceptions to be approved by ALCO and notified to the Board of Directors.
- Any recommendations of Board of Directors on the exceptions to be suitably incorporated.
- This document will be recommended by the ALCO to the Board of Directors for approval.
- Any amendments to the document will take effect when they are approved by the ALCO. The Changes would be ratified by the Board of Directors.

b) Document approval process

- The document shall be initially reviewed by the ALCO and then approved by the Board of Directors.
- Any subsequent changes including enhancement / modification of limits will require approval from the ALCO. The Changes would be ratified by the Board of Directors.
- Request for modifications to the document can be initiated by any of the personnel to whom the document applies.

Annexure – A

Cash Flow Statement for Financial Year 2024-25

(Rs. In Mn.)

Statement of Projected Cashflows - F.Y. 24-25 - 1st April, 2024 to 30th September, 2024						
Particulars	0 day to 7 Days	8 days to 14 days	15 days to 30/31 days	1 month to 3 months	3 to 6 months	Total
A. OUTFLOWS						
Repayment of Commercial Paper	0.00	0.00	0.00	0.00	6,600.00	6,600.00
Vendor Payments	0.00	0.48	0.00	15.00	15.00	30.48
Statutory Payments	0.00	0.09	19.70	0.00	0.00	19.80
Interest on Bank Loan	0.00	0.00	193.01	0.00	0.00	193.01
TOTAL OUTFLOWS (A) (1)	0.00	0.57	212.72	15.00	6,615.00	6,843.29
B. INFLOWS						
Cash and cash equivalents (Opening)	464.14	0.60	215.50	15.00	15.00	710.24
Commercial Papers	0.00	0.00	0.00	0.00	6,700.00	6,700.00
TOTAL INFLOWS (B)	464.14	0.60	215.50	15.00	6,715.00	7,410.24
C. Mismatch (B - A)	464.14	0.03	2.78	0.00	100.00	566.95