

Bharti Airtel International (Mauritius) Investments Limited

Audited Financial Statements

For the period from March 26, 2018 (date of incorporation) to March 31, 2019

Bharti Airtel International (Mauritius) Investments Limited
Audited Financial Statements – March 31, 2019

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Bharti Airtel International (Mauritius) Investments Limited
Corporate Information

		Date of appointment
DIRECTORS	: Naushad Ally Sohoboo Jantina Catharina Van De Vreede Sandeep Fakun	March 26, 2018 April 16, 2018 March 26, 2018
ADMINISTRATOR AND SECRETARY	: IQ EQ Corporate Services (Mauritius) Ltd <i>(formerly known as SGG Corporate Services (Mauritius) Ltd)</i> 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
REGISTERED OFFICE (As from 04 April, 2019)	: C/o IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
(Upto 03 April, 2019)	C/o SGG Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
BANKER	: Standard Chartered Bank (Mauritius) Ltd 19, Bank Street, 6 th floor Standard Chartered Tower, Cybercity, Ebene - 72201 Republic of Mauritius	
AUDITOR	: Deloitte 7 - 8th Floor, Standard Chartered Tower, 19 – 21 Bank Street, Cybercity Ebene Republic of Mauritius	

Bharti Airtel International (Mauritius) Investments Limited Commentary of the Directors

The directors present their commentary, together with the audited financial statements of Bharti Airtel International (Mauritius) Investments Limited (the 'Company') for the period from March 26, 2018 (date of incorporation) to March 31, 2019.

PRINCIPAL ACTIVITY

The Company is principally engaged in investment holding.

DIVIDENDS

The directors do not recommend the payment of any dividend for the period.

DIRECTORS

The present membership of the Board of directors is set out on page 1.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at March 31, 2019, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from March 26, 2018 (date of incorporation) to March 31, 2019 then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ('IFRS') and comply with the Mauritius Companies Act 2001 and for such internal controls which are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

AUDITOR

The Board of directors has recommended the appointment of Deloitte as auditor for the year 2019-20. Deloitte has confirmed its willingness / eligibility to continue in office and a resolution concerning its re-appointment will be proposed at the next Annual General Meeting of shareholder.

SECRETARY'S CERTIFICATE

We certify that, to the best of our knowledge and belief the Company has filed with the Registrar of Companies, all such returns as are required of Bharti Airtel International (Mauritius) Investments Limited under the Section 166(d) of the Mauritius Companies Act 2001, for the period from March 26, 2018 (date of incorporation) to March 31, 2019.



For IQ EQ Corporate Services (Mauritius) Ltd
CORPORATE SECRETARY
33, Edith Cavell Street
Port Louis, 11324
Mauritius

Date: August, 14, 2019

Independent auditor's report to the Shareholder of Bharti Airtel International (Mauritius) Investments Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Bharti Airtel International (Mauritius) Investments Limited** (the "Company") set out on pages 6 to 22, which comprise the statement of financial position as at 31 March 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 26 March 2018 (date of incorporation) to 31 March 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Commentary of the Directors and Certificate from the Secretary, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

**Independent auditor's report to the Shareholder of
Bharti Airtel International (Mauritius) Investments Limited (Cont'd)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 control 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 Company's ability 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 financial statements 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

This report is made solely to the Company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte

Chartered Accountants

14 August 2019



Vishal Agrawal, FCA

Licensed by FRC

Bharti Airtel International (Mauritius) Investments Limited
Statement of Profit or Loss and Other Comprehensive Income for the period from March 26, 2018
(date of incorporation) to March 31, 2019
(All amounts are in United States Dollars - 'USD')

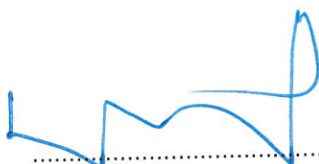
	Notes	From March 26, 2018 (date of incorporation) to March 31, 2019
Expenses		
Finance cost	5	816
Other operating expenses	6	27,098
		<u>27,914</u>
Loss before tax		<u>(27,914)</u>
Income tax expense	7	-
Loss for the period		<u>(27,914)</u>
Other comprehensive income / (loss) for the period		-
Total comprehensive loss for the period		<u><u>(27,914)</u></u>

The accompanying notes form an integral part of these financial statements.

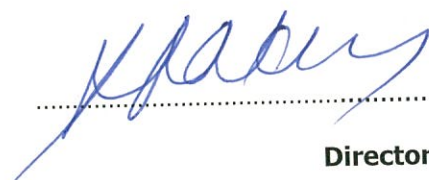
Bharti Airtel International (Mauritius) Investments Limited
Statement of Financial Position as at March 31, 2019
(All amounts are in United States Dollars - 'USD')

	Notes	<u>As of</u> <u>March 31, 2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	8	435
		<u>435</u>
Total assets		<u><u>435</u></u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	9	10,001
Accumulated losses		<u>(27,914)</u>
Total equity		<u>(17,913)</u>
Current liabilities		
Other payables	10	18,348
Total liabilities		<u>18,348</u>
Total equity and liabilities		<u><u>435</u></u>

Approved by the Board of directors on August 14, 2019 and signed on its behalf by:



Director



Director

The accompanying notes form an integral part of these financial statements.

Bharti Airtel International (Mauritius) Investment Limited
Statement of Changes in Equity for the period from March 26, 2018 (date of incorporation) to March 31, 2019
(All amounts are in United States Dollars - 'USD')

	Stated capital		Accumulated Losses	Total equity
	No of shares	Amount		
Issue of share Capital	10,001	10,001	-	10,001
Loss for the period			(27,914)	(27,914)
Total comprehensive loss			(27,914)	(27,914)
As of March 31, 2019	10,001	10,001	(27,914)	(17,913)

The accompanying notes form an integral part of these financial statements.

Bharti Airtel International (Mauritius) Investments Limited
Statement of Cash Flows for the period from March 26, 2018 (date of incorporation) to March 31, 2019

(All amounts are in United States Dollars - 'USD')

	From March 26, 2018 (date of incorporation) to March 31, 2019
Operating activities	
Loss before tax	(27,914)
Operating cash flows before changes in working capital	<u>(27,914)</u>
Changes in working capital :	
Other payables	18,348
Net cash flows used in operating activities (a)	<u>(9,566)</u>
Financing activities	
Proceeds from issue of shares	10,001
Net cash flows generated from financing activities (b)	<u>10,001</u>
Net increase in cash and cash equivalents during the year (a)+(b)	435
Cash and cash equivalents as at beginning of the period	<u>-</u>
Cash and cash equivalents as at end of the period	<u>435</u>

The accompanying notes form an integral part of these financial statements.

Bharti Airtel International (Mauritius) Investments Limited
Notes to Financial Statements for the period from March 26, 2018 (date of incorporation) to March 31, 2019
(All amounts are in United States Dollars - 'USD'; unless stated otherwise)

1. CORPORATE INFORMATION

Bharti Airtel International (Mauritius) Investments Limited (the "Company") is domiciled and incorporated, on March 26, 2018, in Mauritius under the Companies Act 2001 as a private company limited by shares. The Company has been issued a Category 1 Global Business Licence. The registered office of the Company is situated at 33 Edith Cavell Street, Port Louis, 11324, Mauritius.

The Company is principally engaged in investment holding. The financial statements are authorised for issue by the Company's Board of Directors on the date stamped on page 7.

The Company is a wholly owned subsidiary of Bharti Airtel International (Mauritius) Limited, a company domiciled and incorporated in Mauritius. Bharti Airtel Limited, a company incorporated in India and listed on the stock exchange in India, is the Intermediate parent company.

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence. These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and are presented in United States Dollars ("USD"), which is the Company's functional currency.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods (refer to note 4 on critical accounting judgments and key sources of estimation uncertainty).

These are the first financial statements of the Company and accordingly, the current period is from March 26, 2018 (date of incorporation) to March 31, 2019 and comparative period information is not applicable.

The significant accounting policies used in preparing the financial statements are set out in note 2.2 of the notes to the financial statements.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial instruments

A. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities as measured at amortised cost.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Financial instruments (Continued)

A. Recognition, classification and presentation (Continued)

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the balance sheet, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

B. Measurement – Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except off-market financial guarantee) at its fair value plus, in the case of a financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss. Any off-market financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

II. Subsequent measurement - financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

i. Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective-interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

ii. Financial assets at fair value through profit or loss ('FVTPL')

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in profit or loss within finance income / finance costs separately from the other gains / losses arising from changes in the fair value.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Financial instruments (Continued)

B. Measurement – Non-derivative financial instruments (Continued)

II. Subsequent measurement - financial assets (Continued)

ii. Financial assets at fair value through profit or loss ('FVTPL') (Continued)

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts, including all fees and points paid or received that form an integral part of credit-adjusted interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Financial instruments (Continued)

B. Measurement – Non-derivative financial instruments (Continued)

II. Subsequent measurement - financial assets (Continued)

iii. Derecognition of financial assets

The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in the statement of profit and loss.

III. Subsequent measurement - financial liabilities

i. Financial liabilities measured at amortised cost

Any off-market financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of (i) the remaining unamortised balance of the amount at initial recognition and (ii) the best estimate of expenditure required to settle the obligation at the end of the reporting period. Other financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

ii. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii. Derecognition of financial liabilities

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released.

C. Measurement - derivative financial instruments

Derivative financial instruments are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in the statement of profit and loss within finance income / finance costs.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Foreign currency transactions

A. Functional currency

The Financial Statements are presented in United States Dollars ('USD') which is the functional and presentation currency of the company

B. Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

c. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents comprise of cash at bank.

d. Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Taxes (Continued)

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

e. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

f. Share capital and issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

g. Expense recognition

Expenses are accounted for in profit and loss on accrual basis.

h. Revenue recognition

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts and process waivers.

Bharti Airtel International (Mauritius) Investments Limited
Notes to Financial Statements for the period from March 26, 2018 (date of incorporation) to March 31, 2019
(All amounts are in United States Dollars - 'USD'; unless stated otherwise)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating policy decisions.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

3.1 Standards, amendments and interpretations to existing standards that are in issue but not yet effective

S. No.	Improvements/ Amendments to Standards	Effective date-annual periods beginning on or after
1	IAS 1 Presentation of financial statements-Amendments regarding the definition of material	January 01, 2020
2	IAS 8 Accounting policies, changes in accounting estimates and errors-Amendments regarding the definition of material	January 01, 2020
3	IAS 12 Income Taxes-Amendments resulting from Annual Improvements to IFRS Standards 2015-2017 Cycle (income tax consequences of dividends)	January 01, 2019
4	IFRS 9 Financial Instruments-Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
5	IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The Company does not expect that the adoption of the standards above will have any material impact on the financial statements in the period of its application.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Significant accounting judgements in applying the Company's accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

Significant accounting judgements in applying the Company's accounting policies (Continued)

Judgements

In the process of applying the Company's accounting policies, which are described in Note 2.2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment reviews

The Company conducts impairment reviews of investments in subsidiary whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows, after taking into account past experience management's best estimate about future developments. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on existing market conditions as well as forward looking estimates at the end of each reporting period.

Determination of functional currency

The Company has determined its functional currency as USD which being the currency of the primary economic environment in which it operates. The management have considered the factors as prescribed in IAS 21 "The effects of changes in foreign exchange rates" for determining the functional currency. The items included in the financial statements are measured using that functional currency.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, and over the recognition of deferred taxes. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5. Finance cost

	From March 26, 2018 (date of incorporation) to March 31, 2019
Bank charges	816
	816

6. Other operating expenses

	From March 26, 2018 (date of incorporation) to March 31, 2019
Legal and professional fees	20,917
Audit fees	6,181
	27,098

Bharti Airtel International (Mauritius) Investments Limited
Notes to Financial Statements for the period from March 26, 2018 (date of incorporation) to March 31, 2019
(All amounts are in United States Dollars - 'USD'; unless stated otherwise)

7. Income tax

The Company, being the holder of a Category 1, Global Business Licence ('GBL1'), is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15% in 2018. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income ("Deemed Foreign Tax Credit"). In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income.

However, with effect from 1 Jan 2019, GBL1 will be known as Global Business License ('GBL') and the deemed foreign tax credit previously available to GBL1 will be abolished. A partial exemption regime will be in place whereby an income tax exemption of 80% shall be available on certain specified income.

The reconciliation between the actual income tax charge and the accounting loss is as follows:

	From March 26, 2018 (date of incorporation) to March 31, 2019
Loss before tax	(27,914)
Income tax at 15%	(4,187)
Effect of :	
Non deductibebe expenses	690
Deferred tax asset not recognised	3,497
Income tax expense	-

Deferred tax asset, amounting to USD 3,497 has not been recognised in the financial statements as it is not probable that the Company will have sufficient taxable profit against which the unused tax losses could be utilized in the foreseeable future.

8. Cash and cash equivalents

	As of March 31, 2019
Cash at bank	435
	435

The bank balance is assessed to have a low credit risk as it is held with a reputable financial institution. No ECL provision has been recognised in respect of this amount as it is not material.

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Notes to Financial Statements for the period from March 26, 2018 (date of incorporation) to March 31, 2019
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9. Stated capital

ISSUED CAPITAL

	<u>As of</u> <u>March 31, 2019</u>
Issued and fully paid:	
10,001 ordinary shares of USD 1 each	10,001
	<u>10,001</u>

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of USD 1 per share. Each holder of equity share is entitled to cast one vote per share.

10. Other Payables

	<u>As of</u> <u>March 31, 2019</u>
Other payables *	12,167
Audit fees	6,181
	<u>18,348</u>

* It includes the amount due to related party, refer note 12.

11. Related party disclosure

Details of the nature, volume of transactions and balances with these related entities were as follows:

List of related parties	Relationship
Bharti Airtel International (Mauritius) Limited	Parent Company
Bharti Airtel Limited	Intermediate parent company
Network i2i Limited	Intermediate parent company
Bharti Enterprises (Holding) Private Limited	Ultimate controlling entity
Bharti Airtel Overseas (Mauritius) Limited (incorporated on June 28, 2018)	Fellow Subsidiary
Bharti Airtel Holding (Mauritius) Limited (incorporated on June 27, 2018)	Fellow Subsidiary
Airtel Africa Mauritius Limited (incorporated on June 28, 2018)	Fellow Subsidiary
IQ EQ Corporate Services Mauritius Ltd	Local Management Company

Ultimate controlling entity

Bharti Enterprises (Holding) Private Limited is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

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12. Related party disclosure (Continued)

The outstanding balances of the above mentioned related parties are as follows:

	<u>IQ EQ Corporate Services Mauritius Ltd</u> USD 2019
Financial liabilities	11,600

The significant related party transactions are summarised below:

	<u>IQ EQ Corporate Services Mauritius Ltd</u> USD 2019	<u>Bharti Airtel International (Mauritius) Limited</u> USD 2019
Legal and professional charges	20,350	
Proceeds from issue of shares		10,001

13. Financial Risk Management Objectives and policies

Financial risk factors

In the normal course of business, the Company is exposed to credit risk, liquidity risk and currency risk. The risk management strategy with respect to these risks excludes trading in derivatives.

The Board of directors has overall responsibility for establishment and oversight for the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a. Credit risk

Credit risk is the risk of financial loss to the Company if the Company or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>Within 1 year</u>	<u>Total</u>
March 31, 2019		
Cash and Cash equivalents	435	435
	435	435

13. Financial Risk Management Objectives and policies (Continued)

b. Credit risk (Continued)

The Company determines the expected credit losses on these items as described in the relevant notes.

c. Liquidity risk

Liquidity risk is the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price.

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

	Within 1 year	Total
March 31, 2019		
Other payables	18,348	18,348

d. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. None of the Company's financial assets and liabilities is denominated in foreign currency at the reporting date and therefore is not exposed to foreign currency risk.

e. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Company considers its equity as capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. The Company does not have any borrowings and details of equity is as follows:

	As of
	March 31, 2019
Equity	(17,913)

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13. Financial Risk Management Objectives and policies (Continued)

Financial instrument by category

Financial Assets

Amortised cost:

Cash and cash equivalents

March 31, 2019

435

435

Financial Liabilities

Amortised cost:

Other payables

March 31, 2019

18,348

18,348

14. Events after reporting date

There were no significant events after the reporting date which require amendments and / or disclosure to the financial statements.

15. Going concern

As at March 31, 2019, the Company had shareholder's deficit of USD 17,913. The financial statements are prepared on a going concern basis which assumes that the Company will continued in operational existence in the foreseeable future. In making this assessment, management acknowledges that the ability of the Company to continued as a going concern is dependent on generation of sufficient profits, positive cash flows and the undertaking from Bharti Airtel Limited, the Intermediate Parent Company, to provide appropriate financial support; which is valid for 12 months from approval of the financial statements by the board of directors of the Company.