

NETWORK i2i LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2024

NETWORK i2i LIMITED

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NETWORK i2i LIMITED
CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS	Bashirali Abdulla Currimjee	February 9, 2001	-
	Jantina Catharina Van De Vreede	May 22, 2013	-
	Ajay Chitkara	August 24, 2015	August 21, 2023
	Vari Venkatesh	August 18, 2023	-
	Savinilorna Payandi-Pillay Ramen	March 9, 2022	-
	Mukesh Hassanand Bhavnani	November 25, 2021	-
ADMINISTRATOR AND SECRETARY	IQ EQ Corporate Services (Mauritius) Ltd. 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius		
REGISTERED OFFICE	C/o IQ EQ Corporate Services (Mauritius) Ltd. 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius		
BANKERS	Standard Chartered Bank (Mauritius) Limited 19 Bank Street, 6 th floor, Standard Chartered Tower, Cybercity, Ebene, Republic of Mauritius - 72201		
	BNP Paribas, The Netherlands Herengracht, 595 1017, CE Amsterdam		
	Deutsche Bank Level 21, One Galle Face Tower 1A Centre Road, Galle Face Colombo 02		
AUDITOR	Deloitte 7 th -8 th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, 72201, Republic of Mauritius		

NETWORK i2i LIMITED
COMMENTARY OF THE DIRECTORS

The Directors present their commentary, together with the audited Financial Statements of Network i2i Limited (the 'Company') for the year ended March 31, 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is the operation and provision of telecommunication facilities and services utilising a network of submarine cable systems and associated terrestrial capacity. The network consists of submarine cable system connecting Chennai to Singapore (i2i) and consortium ownership of submarine cable systems like South East Asia - Middle East - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East -Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSY). The Company has also taken Indefeasible right of use (IRU) of submarine cable system like Middle East North Africa Cable System (MENA), Gulf Bridge International Cable System (GBI). The Company sells, leases or otherwise provides wholesale bandwidth and related telecommunication services to carrier customers. It also acts as an investment holding entity.

RESULTS AND DIVIDENDS

The results of the Company for the year are shown on page 10.

The Directors do not recommend payment of any dividend on equity shares for the year ended March 31, 2024 (2023: Nil).

DIRECTORS

The present membership of the Board is set out on page 3.

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, 2024, the Statement of Profit or Loss and other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes to the Financial Statements, which include a summary of material accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards 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 confirm that they have complied with the above requirements in preparing the Financial Statements

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

NETWORK i2i LIMITED

COMMENTARY OF THE DIRECTORS

AUDITOR

The Board of Directors has recommended the appointment of Deloitte as auditor for the year 2024-25. 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.


Director


Director





Certificate from the secretary

We certify that, to the best of our knowledge and belief, Network i2i Limited (the 'Company') has filed with the Registrar of Companies, all such returns as are required of the Company under the Section 166(d) of the Mauritius Companies Act 2001, for the year ended March 31, 2024.

Ramany

**For IQ EQ Corporate Services (Mauritius) Ltd
Company Secretary**

Date: July 17, 2024

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

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Management Licence
Incorporated in Mauritius No: BRN C09004928.

Independent Auditor's Report

Independent auditor's report to the Shareholder of Network i2i Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Network i2i Limited** (the "Company") set out on pages 10 to 58, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 2024, and of its financial performance and cash flows for the year then ended in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies, as described in note 2.1 to the financial statements.

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 International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our 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.

Emphasis of matter – Basis of preparation

We draw attention to note 2.1 to the financial statements, which describes the basis of preparation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies. Our opinion is not modified in respect of this matter.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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 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 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 Network i2i Limited (Continued)

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.

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.

Use of this report

This report is made solely to the Company's shareholder, as a body, in accordance with 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

Deloitte

Chartered Accountants

Vishal Agrawal

Vishal Agrawal, FCA

Licensed by FRC

17 July 2024

NETWORK i2i LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(All amounts are in United States Dollar – 'USD')

	Notes	For the year ended	
		March 31, 2024	March 31, 2023
Income			
Revenue	5	171,380,284	173,443,685
Other income	6	37,955,876	26,699,209
		209,336,160	200,142,894
Expenses			
Network operating expenses	7	51,152,189	52,444,805
Depreciation expense	12	12,868,391	9,701,125
Employee benefits expense	8	1,311,220	1,206,526
Other operating expenses	9	4,534,123	4,188,255
Sales and marketing expenses		-	27,644
Provision for impairment on investment in subsidiary	13	30,000	1,051,791
		69,895,923	68,620,446
Profit before finance costs and tax		139,440,237	131,522,448
Finance costs	10	66,795,454	30,963,702
Profit before tax		72,644,783	100,558,746
Tax expense	11	4,049,067	3,655,981
Profit for the year		68,595,716	96,902,765
Other comprehensive income		-	-
Total comprehensive income for the year		68,595,716	96,902,765

The accompanying notes 1 to 30 form an integral part of these Financial Statements.

Approved by the Board of directors on July 17, 2024 and signed on its behalf by:



Savinilorna Payandi Pillay Ramen
Director



Mukesh Hassanand Bhavnani
Director



NETWORK i2i LIMITED
STATEMENT OF FINANCIAL POSITION
(All amounts are in United States Dollar – 'USD')

	Notes	As of	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	12	156,466,467	158,546,120
Capital work-in-progress	12	120,781,635	126,303,218
Investments in subsidiary	13a	2,756,677,814	2,756,305,814
Financial assets			
-Investments	13b	123,547	124,177
Other non-current assets	14	169,225,479	163,055,135
		<u>3,203,274,942</u>	<u>3,204,334,464</u>
Current assets			
Financial assets			
-Loans	2b	497,738,668	640,356,866
-Trade receivables	17	21,686,213	18,394,031
-Cash and cash equivalents	18	67,818,327	255,323
-Other bank balances	18	10,000,000	-
-Other financial assets	15	571,741	681
Other current assets	16	18,956,627	19,775,082
		<u>616,771,576</u>	<u>678,781,983</u>
Total assets		<u>3,820,046,518</u>	<u>3,883,116,447</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	1,267,427,896	1,267,427,896
Retained earnings		223,001,537	228,941,277
Perpetual securities		1,470,044,075	1,490,534,356
Total equity		<u>2,960,473,508</u>	<u>2,986,903,529</u>
Non-current liabilities			
Deferred revenue	5	35,244,078	45,462,237
Deferred tax liabilities	11	711,189	328,668
		<u>35,955,267</u>	<u>45,790,905</u>
Current liabilities			
Financial liabilities			
-Borrowings	20	688,132,841	692,748,429
-Derivative financial liability	21	-	1,556,625
-Trade and other payables	22	116,696,658	128,692,724
Deferred revenue	5	14,639,497	22,774,939
Current tax liabilities		4,148,747	4,000,847
Other current liabilities		-	648,449
		<u>823,617,743</u>	<u>850,422,013</u>
Total liabilities		<u>859,573,010</u>	<u>896,212,918</u>
Total equity and liabilities		<u>3,820,046,518</u>	<u>3,883,116,447</u>

The accompanying notes 1 to 30 form an integral part of these Financial Statements.

Approved by the Board of directors on July 17, 2024 and signed on its behalf by:


Savithirna Payandi Pillay Ramen
Director


Mukesh Hassanand Bhavnani
Director



NETWORK i2i LIMITED

STATEMENT OF CHANGES IN EQUITY
(All amounts are in United States Dollar – 'USD')

	Share capital		Perpetual securities*	Retained earnings	Total Equity
	No of shares	Amount			
At April 1, 2022	1,267,427,896	1,267,427,896	1,490,534,356	208,413,512	2,966,375,764
Profit for the year	-	-	-	96,902,765	96,902,765
Total comprehensive income for the year	-	-	-	96,902,765	96,902,765
Transactions with owners in their capacity as owners:					
Dividend distribution (refer note 4.a)	-	-	-	(76,375,000)	(76,375,000)
At March 31, 2023	1,267,427,896	1,267,427,896	1,490,534,356	228,941,277	2,986,903,529
At April 1, 2023	1,267,427,896	1,267,427,896	1,490,534,356	228,941,277	2,986,903,529
Profit for the year	-	-	-	68,595,716	68,595,716
Total comprehensive income for the year	-	-	-	68,595,716	68,595,716
Transactions with owners in their capacity as owners:					
Dividend distribution (refer note 4.a)	-	-	-	(76,121,624)	(76,121,624)
Gain on buy back of perpetual bond during the year (refer note 4.b)	-	-	(1,586,168)	1,586,168	-
Buy back of perpetual bonds during the year (refer note 4.b)	-	-	(18,904,113)	-	(18,904,113)
	-	-	(20,490,281)	(74,535,456)	(95,025,737)
At March 31, 2024	1,267,427,896	1,267,427,896	1,470,044,075	223,001,537	2,960,473,508

* Represents subordinated perpetual securities of USD 1,000,000,000 and USD 500,000,000 with an interest of 5.65% and 3.975% per annum respectively, payable semi-annually in arrears (refer note 4.a).

The accompanying notes 1 to 30 form an integral part of these Financial Statements.

Approved by the Board of directors on July 17, 2024 and signed on its behalf by:


Savitri Payandi Pillay Ramen
Director


Mukesh Hassanand Bhavnani
Director



NETWORK i2i LIMITED
STATEMENT OF CASH FLOWS
(All amounts are in USD, unless stated otherwise)


	For the year ended	
	March 31, 2024	March 31, 2023
Operating activities		
Profit before tax	72,644,783	100,558,746
Adjustments for :		
Depreciation expense	12,868,391	9,701,125
Finance costs	66,795,454	30,963,702
Interest income	(37,704,103)	(26,659,888)
Allowance for doubtful debts	(258,167)	109,637
Provision for impairment on investment in subsidiary	30,000	1,051,791
Operating cash flows before changes in assets and liabilities	114,376,358	115,725,113
Changes in assets and liabilities		
Trade receivables	(3,034,015)	(4,973,990)
Trade payables	(19,026,387)	(5,087,585)
Other financial and non financial assets	(19,625)	906,119
Other financial and non financial liabilities	(22,115,300)	(506,987,352)
	70,181,031	(400,417,695)
Income tax paid	(3,518,646)	(3,159,970)
Net cash generated from / (used) in operating activities (a)	66,662,385	(403,577,665)
Investing activities		
Purchase of property, plant and equipment	(38,065,500)	(101,836,868)
Loan to related parties (refer note 26 B.5)	(39,015,000)	(86,498,570)
Repayment of loan to related parties (refer note 26 B.6)	192,536,311	196,234,942
(Investment) in / proceeds from fixed deposit	(10,000,000)	114,000,000
Purchase of investments	(401,370)	(1,175,968)
Sale of investment	-	3,764,706
Interest received	26,230,610	22,205,903
Net cash generated from investing activities (b)	131,285,051	146,694,145
Financing activities		
Proceeds from borrowings	7,000,000	342,354,268
Repayment of borrowings	(11,615,588)	(5,042,192)
Redemption of perpetual bond	(18,904,113)	-
Interest paid	(30,743,107)	(5,082,535)
Dividend distribution	(76,121,624)	(76,375,000)
Net cash (used) in / generated from from financing activities (c)	(130,384,432)	255,854,541
Net increase / (decrease) in cash and cash equivalents (a+b+c)	67,563,004	(1,028,979)
Cash and cash equivalents at the beginning of the year	255,323	1,284,302
Cash and cash equivalents at the end of the year (refer note 18)	67,818,327	255,323

Refer note 23(d), for reconciliation of liabilities whose cash flows movements are disclosed as part of financing activities in the Statement of Cash Flows.

The accompanying notes 1 to 30 form an integral part of these Financial statements.

Approved by the Board of directors on July 17, 2024 and signed on its behalf by:


Savinilorna Payandi Pillay Ramen
Director


Mukesh Hassanand Bhavnani
Director



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS
(All amounts are in USD, unless stated otherwise)

1. Corporate information

Network i2i Limited (the 'Company') is domiciled and incorporated in Mauritius under the Mauritius Companies Act, 2001 as a private company limited by shares. The Company has been issued a Global Business License. The address of its registered office is 33 Edith Cavell Street, Port Louis, 11324, Republic of Mauritius.

The principal activity of the Company is the operation and provision of telecommunication facilities and services utilising a network of submarine cable systems and associated terrestrial capacity. The network consists of submarine cable system connecting Chennai to Singapore and consortium ownership of submarine cable systems like South East Asia - Middle East - Western Europe - 4 (SWM4), Asia America Gateway (AAG), India - Middle East -Western Europe (IMEWE), Unity, Europe India Gateway (EIG) and East Africa Submarine System (EASSY). The Company sells, leases or otherwise provides wholesale bandwidth and related telecommunication services to carrier customers. It also acts as an investment holding entity.

The Company is a wholly owned subsidiary of Bharti Airtel Limited, a public limited company with its shares being listed on the National Stock Exchange of India Limited and the BSE Limited and incorporated in India.

2.1 Basis of preparation

Except for IFRS 10, Consolidated Financial Statements, these Financial Statements have been prepared in accordance with IFRS and compliance with the Mauritius Companies Act, 2001 for companies holding a Global Business Licence. The Directors have considered the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared group Financial Statements as required by IFRS 10, Consolidated Financial Statements.

The preparation of the Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said Financial Statements, except in case of adoption of any new standards and amendments during the year.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

2.1 Basis of preparation (continued)

To provide more reliable and relevant information about the effect of certain items in the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, the Company has changed the classification of certain items.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

New and amended standards and interpretations that are effective for the current year.

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following interpretation effective from the current year. The adoption of these interpretations did not have a material impact.

S. No.	Improvements/ Amendments to Standards	Effective date- annual periods beginning on or after
1	IAS 1 - Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies including removal of certain immaterial policies	January 1, 2023
2	IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates	January 1, 2023
3	IAS 12 - Income Taxes - Deferred tax related to assets and liabilities arising from a single transaction and determining obligation	January 1, 2023
4	IAS 12 - Income Taxes - Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 1, 2023

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NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

2.2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

New and revised standards and interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective for annual periods beginning on or after the respective dates as indicated:

S. No.	Improvements/ Amendments to Standards	Effective date- annual periods beginning on or after
1.	IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities	January 1, 2024
2.	IAS 1 Presentation of Financial Statements - Amendments regarding the classification of debt with covenants	January 1, 2024
3.	IAS 1 Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective 1 January 2024)	January 1, 2024
4.	IAS 7 Statement of Cash Flows - Amendments regarding supplier finance arrangements	January 1, 2024
5.	IAS 21 The effects of Change in Foreign Exchange Rates – Lack of exchangeability	January 1, 2024
6.	IFRS 7 Financial Instruments: Disclosures - Amendments regarding supplier finance arrangements	January 1, 2024
7.	IFRS 7 Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
8.	IFRS 9 Financial Instruments - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
9.	IFRS 16 Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
10.	IFRS 18 Presentation and Disclosures in Financial Statements	January 1, 2027
11.	IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
12.	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024
13.	IFRS S2 Climate-related Disclosures	January 1, 2024

The Directors anticipate that these amendments will be applied in the Company's Financial Statements for the annual period beginning on the respective dates as indicated above. The Directors have not yet assessed the potential impact of the application of these amendments.

2.3 Basis of measurement

The Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention. The principal variations from the historical cost convention relate to financial instruments classified as fair value through profit or loss - which are measured at fair value.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

2.3 Basis of measurement (continued)

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or liability can be transferred, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial instruments, either measured or disclosed at fair value in the Financial Statements, using a three level fair value hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

2.4 Summary of material accounting policies

a. Foreign currency transactions

(i) Functional currency

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

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the exchange rate prevailing at the date of 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 the profit or loss within finance costs.

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, is recognised in the profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

b. Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

c. Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognised from the Statement of Financial Position and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been available for use, such as repairs and maintenance, are normally charged to the profit or loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

c. Property, plant and equipment ('PPE') (continued)

Categories	Years
Plant and machinery	
Cable network and related assets	7 to 25 years
Other equipment	1 to 10 years
Synchronous digital hierarchy	8 to 10 years
Computer equipment	
Computer equipments	3 years
Aircraft	20 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Impairment of non-financial assets

PPE

PPE (including Capital work-in-progress (CWIP)) with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the profit or loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis of the carrying value of each asset.

Reversal of impairment losses

Impairment losses are reversed in the profit or loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU previously.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

e. Financial instruments

A. Recognition, classification and presentation

The financial instruments are recognised in the Statement of Financial Position 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.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, 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.

A financial instrument is classified as financial liability if the issuer is contractually obligated to deliver cash or another financial asset to the holder or to exchange financial assets or liabilities under potentially unfavorable conditions. On the other hand, a financial instrument is classified as equity if it represents a residual interest in the assets of the entity after deducting all liabilities. It does not entail a contractual obligation to deliver cash or another financial asset.

B. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the profit or loss.

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

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:



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

e. Financial instruments (continued)

i. Financial assets measured at amortised cost (continued)

- 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;
- 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 FVTPL.

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

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 effective 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. For purchased or originated credit-impaired financial assets, a credit-adjusted effective 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.



NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

e. Financial instruments (continued)

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

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.

iii. Derecognition of financial assets

The financial assets are de-recognised from the Statement of Financial Position 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 resultant impact of derecognition is recognised in the profit or 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.



NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

e. Financial instruments (continued)

III. Subsequent measurement - financial liabilities (continued)

iii. Derecognition of financial liabilities

The financial liabilities are de-recognised from the Statement of Financial Position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released.

C. Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives are classified as financial instruments at fair value through profit or loss - held for trading. 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 profit or loss within finance costs.

D. Investment in subsidiaries

The Company recognises its investment in subsidiaries at cost less any impairment losses. The said investments are tested for impairment whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

f. Leases

The Company, at the inception of a contract, assesses the contract as, or containing, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

Company as a lessee

For lease contracts, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, in the Statement of Financial Position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate (as the rate implicit in the lease cannot be readily determined). Lease liabilities include the net present value of fixed payments (including any in-substance fixed payments) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

f. Leases (continued)

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments including changes in the Company's assessment of whether it will exercise an extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and plus any initial direct costs less any lease incentives received.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses; and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the Statement of Financial Position, the right-of-use assets and lease liabilities are presented separately. In the Statement of Profit or Loss and other comprehensive income, interest expense on lease liabilities are presented separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, which are presented separately in the Statement of Profit or Loss and other comprehensive income. In the Statement of Cash Flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

f. Leases (continued)

Company as a lessor

Whenever the terms of the lease do not transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as operating lease.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

The Company has entered into lease its aircraft. However, as the title to the assets and significant risks associated with the operation and maintenance of the asset remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement.

g. Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the Statement of Financial Position as current tax assets / current tax liabilities.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the Financial Statements. Deferred tax is also recognised in respect of carried forward losses and tax credits. Deferred tax is not recognised if it arises from initial recognition of an asset or liability



NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

g. Taxes (continued)

in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Statement of Financial Position, if and only when, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

h. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits, and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

i. Share capital

Ordinary shares are classified as equity when the Company has an unconditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

j. Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

J Joint arrangements (continued)

Joint operations

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Financial Statements under the appropriate headings. Details of the joint operation are set out in note 25.

k. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

(i) Service revenue

Service revenues mainly pertain to data, Indefeasible Right of Use ('IRU') and bandwidth services.

The Company has entered into certain IRU agreements. An IRU is a right to use a specified amount of capacity for a specific time period that cannot be revoked or voided. Revenue from IRU agreements is recognised over the period of agreement.

Amounts received or contractually receivable as per the agreement in excess of revenue recognised are recorded as deferred revenue in the Statement of Financial Position. Costs of the network relating to IRU agreements are included as plant and equipment and depreciated over the economic useful life of the network.

Non-IRU revenue comprises of revenue from rendering of bandwidth services to customers and is recognised over the period of use of these bandwidth services.

Operation and maintenance revenues are recognised upon performance of services.

(ii) Interest income

The interest income is recognised using the EIR method. For further details, refer note 2.3(e).



NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

2.4 Summary of material accounting policies (continued)

l. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

m. Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All other borrowing costs are recognised in the profit or loss within finance costs in the period in which they are incurred.

3. Key sources of estimation uncertainties and critical judgements

The estimates used in the preparation of the said Financial Statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience do not turn out to be substantially accurate. The changes in estimates are recognised in the Financial Statements in the year in which they become known.

Key sources of estimation uncertainties

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are discussed below:



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

3. Key sources of estimation uncertainties and critical judgements (continued)

I. Useful lives of PPE

As described at note 2.3(c), the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges.

II. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

III. Impairment of Investment in subsidiary

The Company conducts impairment reviews of investments in subsidiaries 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 Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. Significant transactions / new developments

- a. During the year ended March 31, 2024, the Company has made a distribution of USD 76,121,624 (2023: USD 76,375,000) as interest to the holders of subordinated perpetual securities and the amount has been debited to retained earnings as distribution to the security holders.
- b. During the year ended March 31, 2024, the Company has done a buy back of perpetual bonds amounting to USD 20,490,281 at a discounted value which has resulted in gain of USD 1,586,168.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

5. Revenue

	For the year ended	
	March 31, 2024	March 31, 2023
Service revenue	171,380,284	173,443,685
	171,380,284	173,443,685

Revenue is disaggregated by timing of revenue recognition:

Timing of Revenue Recognition

	For the year ended	
	March 31, 2024	March 31, 2023
Transferred over time	171,380,284	173,443,685
	171,380,284	173,443,685

Contract Balances

The following table provides information about deferred revenue from contract with customers:

	As of	
	March 31, 2024	March 31, 2023
Deferred revenue		
- Current	14,639,497	22,774,939
- Non - current	35,244,078	45,462,237

Significant changes in the deferred revenue balances during the year are as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Revenue recognised that was included in deferred revenue at the beginning of the year	22,774,939	22,309,371
Increase / (decrease) due to cash received, excluding amounts recognised as revenue during the year	4,421,338	3,850,817

6. Other income

	For the year ended	
	March 31, 2024	March 31, 2023
Interest on loans given (refer note 26 B.7)	36,366,843	26,082,768
Interest on fixed deposits	811,922	577,120
Interest Others	525,338	-
Others	251,773	39,321
	37,955,876	26,699,209



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

7. Network operating expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Passive infrastructure charges	472,644	472,644
Repair and maintenance	27,778,810	31,751,149
Internet bandwidth and leasedline charges	22,900,735	20,221,012
	51,152,189	52,444,805

8. Employee benefit expense

	For the year ended	
	March 31, 2024	March 31, 2023
Salary and wages*	1,311,220	1,206,826
	1,311,220	1,206,826

* Mainly pertains to cross charge from Parent Company

9. Other operating expenses

	For the year ended	
	March 31, 2024	March 31, 2023
Audit fees*	32,250	26,875
Legal & professional charges	4,390,208	3,784,191
Allowance for doubtful debts (refer note 17)	(258,167)	109,637
Consultancy charges	103,741	99,706
Others	266,091	167,846
	4,534,123	4,188,255

*Audit fees includes USD 2,250 (2023: USD 1,875) towards out of pocket expenses.

10. Finance costs

	For the year ended	
	March 31, 2024	March 31, 2023
Interest on borrowings (refer note 26 B.11)*	44,297,848	24,847,500
Interest on others	-	10,716,438
Corporate guarantee fees (refer note 26 B.12)	23,673,883	822,673
Bank charges	368,827	63,708
Net foreign exchange gain	(1,545,104)	(5,486,617)
	66,795,454	30,963,702

*Include interest on borrowing from related parties.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

11. Tax expense

	For the year ended	
	March 31, 2024	March 31, 2023
The major components of tax expense are:		
Current tax	3,666,546	3,366,561
Deferred tax		
- Relating to origination and reversal of temporary differences	382,521	385,923
Tax expense	4,049,067	3,752,484
Adjustment in respect of previous year		
- Current tax	-	(96,503)
- Deferred tax	-	-
	-	(96,503)
Tax expense	4,049,067	3,655,981

The Company is liable to income tax in Mauritius on chargeable rate at 15%. with effect from January 1, 2019, the existing provisions of Deemed Foreign Tax Credit of 80% on the foreign sourced income have been abolished and provisions of Partial Exemption Regime (PER) have introduced instead. Ni2i, being a GBL1 company with license issued before October 16, 2017, will be able to benefit from the presumed foreign tax credit benefit up to June 30, 2021 and thereafter under the PER.

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

	For the year ended	
	March 31, 2024	March 31, 2023
Profit before tax	72,644,783	100,558,746
Tax at effective rate of 15%	10,896,717	15,083,812
Tax impact on expenses not deductible for tax purpose	7,128,064	1,228,451
Adjustment in respect to current income tax of previous years	-	(96,503)
Tax for which no credit is allowed	444,111	586,971
Foreign tax credit (80%)	(14,419,826)	(13,146,749)
Tax expense recorded in Statement of Profit or Loss and other comprehensive income	4,049,067	3,655,982

Deferred tax liabilities relate to the following:

	As of	
	March 31, 2024	March 31, 2023
Accelerated depreciation for tax purposes	(2,045,620)	(2,121,522)
Deferred revenue	1,312,383	1,763,061
Provision for impairment of debtors and advances	22,048	29,793
Closing balance	(711,189)	(328,668)

Deferred tax expense

	For the year ended	
	March 31, 2024	March 31, 2023
Accelerated depreciation for tax purposes	(75,901)	(59,805)
Deferred revenue	450,677	449,038
Provision for impairment of debtors and advances	7,745	(3,310)
Total	382,521	385,923



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

12. Property, plant and equipment

The following table presents the reconciliation of changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 and March 31, 2023:

	Plant and machinery [*]	Computer equipments	Aircraft	Total	Capital Work-in-Progress
Gross Carrying value					
At April 1, 2022	308,678,882	4,885	-	308,683,767	25,242,397
Additions	3,296,607	-	48,119,527	51,416,134	152,476,955
Disposal/ Adjustment [*]	-	-	-	-	(51,416,134)
At March 31, 2023	311,975,489	4,885	48,119,527	360,099,901	126,303,218
Additions	10,788,738	-	-	10,788,738	5,267,155
Disposal/ Adjustment [*]	-	-	-	-	(10,788,738)
At March 31, 2024	322,764,227	4,885	48,119,527	370,888,639	120,781,635
Accumulated Depreciation					
At April 1, 2022	191,847,771	4,885	-	191,852,656	-
Charge	9,490,190	-	210,935	9,701,125	-
At March 31, 2023	201,337,961	4,885	210,935	201,553,781	-
Charge	10,462,415	-	2,405,976	12,868,391	-
At March 31, 2024	211,800,376	4,885	2,616,911	214,422,172	-
Net book value					
At March 31, 2023	110,637,528	-	47,908,592	158,546,120	126,303,218
At March 31, 2024	110,963,851	-	45,502,616	156,466,467	120,781,635

*Includes USD 10,788,738 and USD 54,416,134 capitalised from capital work-in-progress for the year ended March 31, 2024 and March 31, 2023 respectively

*It mainly includes assets of the jointly controlled operations (refer note 25).



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NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

13. Investments

	As of	
	March 31, 2024	March 31, 2023
(a) Investments in Subsidiaries, at cost *	2,876,734,837	2,876,338,556
Less: Provision for impairment on investment in subsidiary [^]	(120,057,023)	(120,032,742)
	<u>2,756,677,814</u>	<u>2,756,305,814</u>
(b) Other Investments (FVTPL)		
Equity Instruments [®]	123,547	124,177
	<u>123,547</u>	<u>124,177</u>

* Refer note -26 B.8

The movement in provision for impairment on investment in subsidiary is as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance	120,032,742	118,990,951
Additions	30,000	1,051,791
Write off	(5,719)	-
Closing balance	<u>120,057,023</u>	<u>120,032,742</u>

[^] Impairment test for investment in subsidiaries

The Company assesses at the end of each reporting period whether there is objective evidence that investments in subsidiaries are impaired.

As at March 31, 2024, the carrying value of investment in Bharti Airtel Holdings Mauritius Limited (BAHML), the subsidiary of the Company was USD Nil (March 31, 2023: Nil).

BAHML had made a downstream investment in Bharti Airtel Overseas Mauritius Limited (BAOML). Out of USD 120,057,023 (March 31, 2023: USD 120,027,023), BAOML had made a downstream investment of USD 118,598,681 (March 31, 2023: USD 118,598,681) in Bharti Airtel Ghana Holdings B.V. (a joint venture of BAOML and Millicom Ghana Limited) which had further invested in its wholly owned subsidiary, Airtel Ghana Limited. Airtel Ghana Limited was engaged in the business of providing telecommunication services in Ghana and was sold out during the year ended March 31, 2022.

During the year ended March 31, 2024, provision for impairment loss of USD 30,000 (2023: USD 1,051,791) was recognised against the Company's investment in BAHML.

[®] Equity Instruments

During the year ended March 31, 2023, the Company had purchased one share of Jet Concierge Limited amounting to USD 124,177.



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

13 Investments (continued)

Detail of investments in subsidiaries and other investments are as below:

Name of company	Country of incorporation	Principal activity	Proportion (%) of ownership interest	
			As at March 31, 2024	As at March 31, 2023
Investment in subsidiaries				
Bharti International (Singapore) Pte Limited	Singapore	Investment Holding, Telecommunication services	100%	100%
Bharti Airtel International (Mauritius) Limited	Mauritius	Investment holding	100%	100%
Bharti Airtel Holding (Mauritius) Limited	Mauritius	Investment Holding	100%	100%
Airtel Africa Mauritius Limited	Mauritius	Investment Holding	100%	100%
Network I2i (UK) Limited	United Kingdom	Management Services	100%	100%
Network I2i (Kenya) Limited*	Kenya	Telecommunication Services		100%
Other Investments				
Jet Concierge Limited	Isle of Man	Aircraft and related services	1%	1%
Airtel Africa plc.	United Kingdom	Investment Holding	0%	0%

*Removed from register of companies on May 5, 2023.

14. Other non-current assets

	As of	
	March 31, 2024	March 31, 2023
Prepaid expenses	145,460,065	144,622,665
Capital advances	23,765,414	18,432,470
	169,225,479	163,055,135

15. Others financial assets

	As of	
	March 31, 2024	March 31, 2023
Interest accrued on deposits	570,380	-
Others	1,361	681
	571,741	681

Other current assets

	As of	
	March 31, 2024	March 31, 2023
Prepaid expenses	18,787,801	19,768,680
Others	168,826	6,402
	18,956,627	19,775,082



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

16. Trade receivables

	As of			
	March 31, 2024		March 31, 2023	
Trade receivables:-unsecured				
- related parties		21,171,414		16,495,398
- other than related parties	1,196,570		2,838,571	
Less: Allowance for doubtful receivables	(681,771)	514,799	(939,938)	1,898,633
		<u>21,686,213</u>		<u>18,394,031</u>

	As of	
	March 31, 2024	March 31, 2023
The ageing analysis of gross trade receivables is as follows:		
Amount neither past due nor impaired		
Related parties	21,171,414	16,495,398
Others	486,073	853,517
Trade receivables past due but not impaired:		
Less than 30 days	1,903	242,340
30 to 60 days	-	573,403
60 to 90 days	37,748	240,364
Above 90 days	670,846	928,947
	<u>22,367,984</u>	<u>19,333,969</u>

	As of	
	March 31, 2024	March 31, 2023
Movement in allowances in doubtful receivables		
Opening balance	939,938	830,301
Add: (Reversal) / provision during the year (refer note 9)	(258,167)	109,637
Closing balance	<u>681,771</u>	<u>939,938</u>

Refer note 23(c) for credit risk

Trade receivables are non-interest bearing and generally have up to 30-60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from related parties is unsecured, interest free and repayable on demand. The amount is expected to be settled in cash.



NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

17. Cash and bank balances

Cash and cash equivalents

	As of	
	March 31, 2024	March 31, 2023
Cash on hand	2	2
Balances with banks		
- On current accounts	27,818,325	23,700
- Bank deposit with original maturity of 3 months or less	40,000,000	-
Cheques on hand	-	231,621
	67,818,327	255,323

Other bank balances

	As of	
	March 31, 2024	March 31, 2023
Bank deposit with original maturity of more than 3 months but less than 12 months	10,000,000	-
	10,000,000	-

All bank balances are assessed to have low credit risk as they are held with reputed financial institutions. No expected credit loss provision has been recognised in respect of these amounts as they are not material.

18. Share capital

	As of	
	March 31, 2024	March 31, 2023
Issued, Subscribed and fully paid-up shares 1,267,427,896 (March 31, 2023 - 1,267,427,896) equity shares of USD 1 each	1,267,427,896	1,267,427,896
	1,267,427,896	1,267,427,896

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of USD 1 per share. The holder of the equity share is entitled to dividend right and voting right in the same proportion as the capital paid-up on such equity share bears to the total paid-up equity share capital of the Company. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

b. Details of shareholders

	As of			
	March 31, 2024		March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of USD 1 each fully paid Bharti Airtel Limited	1,267,427,896	100%	1,267,427,896	100%



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

20. Borrowings

Current

	As of	
	March 31, 2024	March 31, 2023
Unsecured		
Bank Overdraft	-	2,932,189
Loan from related parties (refer note 26 A.4)	688,132,841	689,816,240
	<u>688,132,841</u>	<u>692,748,429</u>

20.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Company's borrowings:

	As of March 31, 2024				
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)	Maturity	
				Within one year	Between one and two years
Loan from related parties	6.38%-6.48%	One time	1	688,132,841	

	As of March 31, 2023				
	Interest rate (range)	Frequency of installments	Number of installments outstanding per facility (range)	Maturity	
				Within one year	Between one and two years
Bank overdraft	7.81%	On demand	1	2,932,189	-
Loan from related parties	5.61%-5.96%	One time	1	689,816,240	-

20.1.2 Interest rate of borrowings

	Weighted average rate of interest	Total borrowings (Floating rated)
USD	6.41%	688,132,841
March 31, 2024		688,132,841

	Weighted average rate of interest	Total borrowings (Floating rated)
USD	5.90%	692,748,429
March 31, 2023		692,748,429

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NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

21. Derivative financial liability

Current

	As of	
	March 31, 2024	March 31, 2023
Option contracts	-	1,556,625
	-	1,556,625

22. Trade and other payables

	As of	
	March 31, 2024	March 31, 2023
Trade payables - due to related parties	953,070	574,042
Trade payables - others	156,677	1,263,771
Payables against capital expenditure	7,687,934	35,153,335
Interest accrued (refer note 26A.5)	63,643,808	52,811,793
Accrued operating expenses	16,210,088	22,452,888
Other payables*^	28,045,081	16,436,895
	116,696,658	128,692,724

* On March 31, 2021, a share sale and purchase agreement (SPA) was been signed between Bharti Airtel Limited (Intermediate Parent Company) and Government of Ghana for transfer of JV partner Milicom Ghana Limited. During the year ended March 31, 2022, the transaction was completed and 100% shareholding of the said JV was transferred to Government of Ghana. Out of outstanding share of liability of JV as at March 31, 2023 amounting to USD 16,436,895, the company has paid USD 12,512,024 during the year (March 31, 2023 – USD 10,000,000)

^ Includes corporate guarantee fee payable to Bharti Airtel Limited amounting to USD 23,673,883.

Trade payables are non-interest bearing and are normally settled on 30-day terms.

23. Financial risk management objectives and policies

Financial risk factors

The main risks arising from the Company's financial assets and liabilities are foreign exchange, interest rate, liquidity and credit risks. The overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Company. The Company has established risk management policies, guidelines and control procedures to manage its exposure to financial risks.

a) Foreign exchange risk

The Company has assets and liabilities which are denominated mainly in USD, JPY, SGD, MUR, AED, GBP, EUR and INR. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the MUR, SGD, JPY, AED, GBP, EUR and INR may change in a manner which has an effect on the reported



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

a) Foreign exchange risk (continued)

values of the Company's assets and liabilities. The Company seeks to minimise the effects of foreign exchange risk by using derivative financial instruments to hedge the risk exposures.

The following demonstrates the sensitivity in foreign currency to functional currency, with all other variables held constant, of the Company's profit before tax (due to changes in fair value of monetary assets and liabilities).

	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2024		
GBP	5%	108
	-5%	(108)
AED	5%	(663)
	-5%	663
MUR	5%	(70)
	-5%	70
SGD	5%	(1,081)
	-5%	1,081
JPY	5%	(5,073)
	-5%	5,073
EUR	5%	-
	-5%	-
INR	5%	(3,599)
	-5%	3,599
For the year ended March 31, 2023		
GBP	5%	105
	-5%	(105)
AED	5%	(1,088)
	-5%	1,088
MUR	5%	(51)
	-5%	51
SGD	5%	(642)
	-5%	642
JPY	5%	(1,825)
	-5%	1,825
EUR	5%	(11,655)
	-5%	11,655
INR	5%	(1,602)
	-5%	1,602



NETWORK I2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

a) Foreign exchange risk (continued)

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	As of	
	March 31, 2024	March 31, 2023
	USD	USD
GBP	2,155	2,109
AED	(13,253)	(21,765)
MUR	(1,409)	(1,024)
SGD	(21,612)	(12,849)
JPY	(101,452)	(36,496)
EUR	-	(233,107)
INR	(71,988)	(32,048)
	(207,559)	(335,180)

b) Interest rate risk

The Company's significant interest earning financial assets are loans given to / taken from related parties. Interest income from these balances may fluctuate in amount, in particular due to changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings).

	Change in interest rate (basis points)	Effect on profit before tax
March 31, 2024		
Loans to / from related parties	+20	(520,991)
	-20	520,991
March 31, 2023		
Loans to / from related parties	+20	(217,315)
	-20	217,315

c) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

c) Credit risk (continued)

Financial assets that potentially subject the Company to concentrations of credit risk consist primarily of trade and other receivables, cash and loans to related parties and balances with banks.

Trade Receivables

The Trade receivables of the Company are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk other than related parties.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by each business unit, basis the Company's established policy and procedures, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers generally ranges upto 30-60 days.

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if the payments are more than 90 days past due. Refer note 17 for details on the impairment of trade receivables.

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Loan to related parties and Cash at bank

Loan to related parties is unsecured and repayable on demand. The Directors have considered that the loan to related parties to have low credit risk. Accordingly, no ECL provision has been recognised in relation to these balances as the amount of provision is not material. Credit risk from balances with banks is managed by Parent's treasury in accordance with the Board approved policy.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

c) Credit risk (continued)

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

	More than 1 year	Within 1 year	Total
As of March 31, 2024			
Trade receivables*	-	21,686,213	21,686,213
Loans to related parties	-	497,738,668	497,738,668
Cash at bank	-	67,818,325	67,818,325
Other bank balances	-	10,000,000	10,000,000
Other financial assets	-	571,741	571,741
	-	597,814,947	597,814,947
As of March 31, 2023			
Trade receivables*	-	18,394,031	18,394,031
Loans to related parties	-	640,356,866	640,356,866
Cash at bank	-	255,321	255,321
Other financial assets	-	681	681
	-	659,006,899	659,006,899

* Include receivables that are past due but not impaired at reporting dates (refer note 17).



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NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

c) Credit risk (continued)

As at March 31, 2024, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from the carrying amount of the respective recognised financial assets as stated in the Statement of Financial Position.

	Note	Gross carrying amount	Loss allowance	Net carrying amount
As of March 31, 2024				
Loan to related parties	26	497,738,668	-	497,738,668
Trade receivables	17	22,367,983	681,770	21,686,213
Cash at banks	18	67,818,325	-	67,818,325
Other bank balances	18	10,000,000	-	10,000,000
Other financial assets	15	571,741	-	571,741
		598,496,717	681,770	597,814,947

As of March 31, 2023

Loan to related parties	26	640,356,866	-	640,356,866
Trade receivables	17	19,333,969	939,938	18,394,031
Cash at banks	18	255,321	-	255,321
Other financial assets	15	681	-	681
		659,946,837	939,938	659,006,899

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



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NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

d) Liquidity risk

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. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping credit lines available.

The table below summarises the maturity profile of the Company's financial liabilities at March 31, 2024 and March 31, 2023 based on contractual undiscounted payments:

As of March 31, 2024	Within 1 year	More than 1 year	Total
Trade and other payables	116,696,658	-	116,696,658
Borrowings	688,132,841	-	688,132,841
	804,829,499	-	804,829,499
As of March 31, 2023	Within 1 year	More than 1 year	Total
Trade and other payables	128,692,724	-	128,692,724
Borrowings	692,748,429	-	692,748,429
Other financial liabilities (including derivatives)	1,556,625	-	1,556,625
	822,997,778	-	822,997,778

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the Statement of Cash Flows:

	Statement of cashflow line item	April 1, 2023	P&L charge	Cash flows	Non-cash changes	March 31, 2024
Borrowings	Proceeds / repayment of borrowings	692,748,429	-	(4,615,588)		688,132,841
Interest accrued	Interest paid	52,811,793	68,340,558	(30,743,107)	(26,765,436)	63,643,808
	Statement of cashflow line item	April 1, 2022	P&L charge	Cash flows	Non-cash changes	March 31, 2023
Borrowings	Proceeds / repayment of borrowings	355,436,353	-	337,312,076	-	692,748,429
Interest accrued	Interest paid	28,383,198	36,450,318	(5,082,535)	(6,939,188)	52,811,793



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

23. Financial risk management objectives and policies (continued)

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 value.

The Company 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. No changes were made in the objectives, policies or processes during the years ended March 31, 2024 and March 31, 2023. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as borrowings less cash and cash equivalents. The details are as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
Borrowings	688,132,841	692,748,429
Cash and cash equivalents	(67,818,327)	(255,323)
Other bank balances	(10,000,000)	-
Net Debt	610,314,514	692,493,106
 Equity	 2,960,473,508	 2,986,903,529
 Capital and net debt	 3,570,788,022	 3,679,396,635
Gearing ratio	17.09%	18.82%

24. Capital Commitments

Commitments for the acquisition of plant and equipment not provided for in the Financial Statements:

	As of	
	March 31, 2024	March 31, 2023
Contracted capital expenditure	45,952,821	50,955,622

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NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

25. Jointly controlled operations

The Company has participated in various consortium towards supply, construction, maintenance and providing long term technical support with regards to following Cable Systems. The details of the same are as follows and already included in property, plant and equipment and CWIP, refer note 12:

Cable project	March 31, 2024			March 31, 2023		
	Plant and Machinery	Capital Work-in-progress	Share %	Plant and Machinery	Capital Work-in-progress	Share %
AAG-Project	17,710,395	-	8.09%	18,780,682	109,222	7.86%
EASSY Project	1,299,000	-	1.15%	1,414,309	-	1.15%
Unity Project	10,530,051	-	10.00%	10,619,329	768,454	10.00%
EIG Project	30,328,347	896,354	8.66%	28,899,147	3,882,337	8.43%
IMEWE Project	34,238,587	3,819,795	14.31%	34,966,955	6,077,027	14.31%
SMW-4 Project	14,525,369	-	9.95%	13,077,422	3,105,512	9.68%
SMW-6 Cable-Core Project	-	47,900,054	10.00%	-	47,560,241	10.00%
SMW-6 Co-Build Project	-	65,837,675	100.00%	-	64,694,254	100.00%



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NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures

Related party transactions represent transactions entered into by the Company with the parent company, fellow subsidiaries and entities having significant influence over the Company. The transactions and balances with the related parties for the year ended March 31, 2024 and March 31, 2023, respectively, are described below:

Parent Company

Bharti Airtel Limited

Subsidiaries

Bharti International (Singapore) Pte Limited

Bharti Airtel International (Mauritius) Limited

Bharti Airtel Holding (Mauritius) Limited

Airtel Africa Mauritius Limited

Bharti Airtel (Hong Kong) Limited

Network i2i (UK) Limited

Bharti Airtel (USA) Limited

Bharti Airtel (UK) Limited

Bharti Airtel (France) SAS

Airtel Rwanda Limited*

Airtel Tanzania Public Limited Company *

Airtel Tchad S.A.*

Airtel Uganda Limited*

Bharti Airtel Africa B.V.*

Bharti Airtel Chad Holdings B.V.*

Bharti Airtel Congo Holdings B.V.*

Bharti Airtel Developers Forum Limited*

Bharti Airtel Gabon Holdings B.V.*

Bharti Airtel International (Netherlands) B.V.*

Bharti Airtel Kenya B.V.*

Bharti Airtel Madagascar Holdings B.V.*

Bharti Airtel Malawi Holdings B.V.*

Bharti Airtel Mali Holdings B.V.*

Bharti Airtel Niger Holdings B.V.*

Bharti Airtel Nigeria B.V.*

Bharti Airtel RDC Holdings B.V.*

Bharti Airtel Rwanda Holdings Limited*



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures (continued)

Subsidiaries (continued)

Bharti Airtel Services B.V.*
Bharti Airtel Tanzania B.V.*
Bharti Airtel Uganda Holdings B.V.*
Bharti Airtel Zambia Holdings B.V.*
Celtel (Mauritius) Holdings Limited*
Celtel Niger S.A.*
Congo RDC Towers S.A.*
Indian Ocean Telecom Limited*
Mobile Commerce Congo S.A.*
Partnership Investments Sarlu*
SmartCash Payment Service Bank Limited*
Airtel DRC Telesonic Holdings (UK) Limited*
Airtel Kenya Telesonic Holdings (UK) Limited*
Airtel Congo Telesonic Holdings (UK) Limited*
Airtel Gabon Telesonic Holdings (UK) Limited*
Airtel Madagascar Telesonic Holdings (UK) Limited*
Airtel (M) Telesonic Holdings (UK) Limited*
Airtel Money Trust Fund*
Airtel Niger Telesonic Holdings (UK) Limited*
Airtel Nigeria Telesonic Holdings (UK) Limited*
Airtel Rwanda Telesonic Holdings (UK) Limited*
Airtel Seychelles Telesonic Holdings (UK) Limited*
Airtel Tanzania Telesonic Holdings (UK) Limited*
Airtel Tchad Telesonic Holdings (UK) Limited*
Airtel Uganda Telesonic Holdings (UK) Limited*
Airtel Zambia Telesonic Holdings (UK) Limited*
The Registered Trustees of Airtel Money Trust Fund*
The Airtel Africa Employee Benefit Trust*
Airtel (M) Telesonic Limited *
Airtel Kenya Telesonic Limited*
Airtel Nigeria Telesonic Limited*
Airtel Rwanda Telesonic Limited*
Airtel Telesonic Uganda Limited*
Airtel Zambia Telesonic Limited*



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures (continued)

Subsidiaries (continued)

Airtel (Seychelles) Telesonic Limited*
Nxtra Africa Data Holdings Limited*
Nxtra Congo Data Holdings (UK) Limited*
Nxtra DRC Data Holdings (UK) Limited*
Nxtra Gabon Data Holdings (UK) Limited*
Nxtra Kenya Data Holdings (UK) Limited*
Airtel Mobile Commerce Tanzania B.V.*
Nxtra Nigeria Data Holdings (UK) Limited*
Airtel Congo RDC Telesonic S.A.U.*
Nxtra Africa Data (Nigeria) Limited*
Nxtra Africa Data (Kenya) Limited
Airtel Gabon Telesonic S.A
Nxtra Africa Data (Nigeria) FZE
Airtel Africa Telesonic Holdings Limited
Airtel Africa Telesonic Limited
Airtel (Seychelles) Limited*
Airtel Africa Mauritius Limited
Airtel Africa plc
Airtel Africa Services (UK) Limited*
Airtel Africa Telesonic Holdings Limited*
Airtel Africa Telesonic Limited*
Airtel Congo RDC S.A. *
Airtel Congo S.A.*
Airtel Gabon S.A.*
Airtel International LLP*
Airtel Madagascar S.A.*
Airtel Malawi Public Limited Company*
Airtel Mobile Commerce (Kenya) Limited*
Airtel Mobile Commerce Nigeria Limited*
Airtel Mobile Commerce Rwanda Limited*
Airtel Mobile Commerce (Seychelles) B.V.*
Airtel Mobile Commerce (Seychelles) Limited*
Airtel Mobile Commerce (Tanzania) Limited*
Airtel Mobile Commerce B.V.*



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures (continued)

Subsidiaries (continued)

Airtel Mobile Commerce Congo B.V.*
Airtel Mobile Commerce DRC B.V.*
Airtel Mobile Commerce Gabon B.V.*
Airtel Mobile Commerce Holdings B.V.*
Airtel Mobile Commerce Kenya B.V.*
Airtel Mobile Commerce Limited*
Airtel Mobile Commerce Madagascar B.V.*
Airtel Mobile Commerce Madagascar S.A.*
Airtel Mobile Commerce Malawi B.V.*
Airtel Mobile Commerce Niger B.V.*
Airtel Mobile Commerce Nigeria B.V.*
Airtel Mobile Commerce Rwanda B.V.*
Airtel Mobile Commerce Services Limited*
Airtel Mobile Commerce Tchad B.V.*
Airtel Mobile Commerce Tchad S.A.*
Airtel Mobile Commerce Uganda B.V.*
Airtel Mobile Commerce Uganda Limited*
Airtel Mobile Commerce Zambia B.V.*
Airtel Mobile Commerce Zambia Limited*
Airtel Money (RDC) S.A.*
Airtel Money Kenya Limited*
Airtel Money Niger S.A.*
Airtel Money S.A.*
Airtel Money Tanzania Limited*
Airtel Money Transfer Limited*
Airtel Networks Kenya Limited*



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NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

Fellow Subsidiaries

Bharti Airtel Lanka (Private) Limited

Entity having significant influence over parent company

Singapore Telecommunications Limited

Local management company and Company Secretary

IQ EQ Corporate Services Mauritius Ltd.

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



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NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures (continued)

A. The details of amounts due to or due from the related parties as of March 31, 2024 and March 31, 2023 are as follows:

	As of	
	March 31, 2024	March 31, 2023
1 Loan outstanding # @		
Bharti International (Singapore) Pte Limited	93,080,680	140,654,233
Bharti Airtel Lanka (Pvt) Limited	202,124,060	202,124,060
Airtel Africa Mauritius Limited	132,432,745	238,380,503
	427,637,485	581,158,796
2 Accrued interest @		
Bharti International (Singapore) Pte Limited	16,497,429	21,949,605
Bharti Airtel Lanka (Pvt) Limited	34,083,891	17,599,114
Airtel Africa Mauritius Limited	19,519,863	19,649,351
	70,101,183	59,198,070
3 Trade and other receivables / (payables) @		
Bharti Airtel Limited	(18,075,884)	5,739,763
Bharti Airtel (USA) Limited	277,816	202,870
Singapore Telecommunications Limited	(412,931)	(293,148)
Bharti Airtel (HK) Limited	8,155	1,638
Bharti Airtel (UK) Limited	(251,911)	864,220
Network i2i (UK) Limited	(288,228)	(280,894)
Bharti International (Singapore) Pte Limited	10,403,146	4,700,414
Other African Subsidiaries	4,375,405	4,988,067
Bharti Airtel (France) SAS	511,720	232,144
4 Borrowings*		
Bharti Airtel International (Mauritius) Limited	234,139,584	234,139,583
Bharti Airtel (USA) Limited	-	7,741,969
Bharti Airtel (UK) Limited	79,637,306	73,578,737
Bharti Airtel Limited	374,355,951	374,355,951
	688,132,841	689,816,240
5 Interest due*		
Bharti Airtel International (Mauritius) Limited	48,849,678	33,641,245
Bharti Airtel (USA) Limited	-	534,381
Bharti Airtel (UK) Limited	8,911,275	4,088,144
Bharti Airtel Limited	5,882,855	14,548,023
	63,643,808	52,811,793



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures (continued)

B. The details of related party transactions entered into by the Company during the year March 31, 2024 and March 31, 2023 are as follows:

	For the year ended	
	March 31, 2024	March 31, 2023
1 Sale/ rendering of services		
Bharti Airtel Limited	72,671,784	77,351,021
Bharti Airtel (USA) Limited	3,056,160	2,495,341
Bharti International (Singapore) Pte Limited	57,078,684	49,425,130
Other African Subsidiaries	3,674,694	7,579,926
Bharti Airtel (HK) Limited	333,822	382,697
Bharti Airtel (UK) Limited	5,641,403	6,052,075
Bharti Airtel (France) SAS	5,093,461	1,653,971
Singapore Telecommunications Limited	84,721	-
	147,634,729	144,940,161
2 Purchase of assets		
Singapore Telecommunications Limited	9,900	386,379
	9,900	386,379
3 Purchase of goods / Receiving of services		
Bharti Airtel Limited	1,677,603	1,618,034
Singapore Telecommunications Limited	1,502,820	2,070,290
Bharti Airtel (UK) Limited	111,636	46,150
IQ EQ Corporate Services Mauritius Limited	13,819	18,000
Network i2i (UK) Limited	3,994,693	3,470,346
Bharti Airtel (USA) Limited	142,182	139,277
Bharti Airtel (France) SAS	7,605	6,686
Bharti Airtel (Hong Kong) Limited	145,276	98,572
Other African Subsidiaries	226,173	3,047,290
	7,821,807	10,514,645
4 Fund received / Expenses incurred on behalf of the Company		
Bharti Airtel Limited	(103,741)	99,706
	(103,741)	99,706
5 Loans given #		
Bharti Airtel Lanka (Pvt) Limited	-	48,400,000
Bharti International (Singapore) Pte Limited	39,000,000	38,052,013
Airtel Africa Mauritius Limited	15,000	46,557
	39,015,000	86,498,570
6 Repayment of loans given		
Bharti International (Singapore) Pte Limited	86,573,553	92,986,098
Airtel Africa Mauritius Limited	105,962,758	103,248,844
	192,536,311	196,234,942



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

26. Related party disclosures (continued)

	For the year ended	
	March 31, 2024	March 31, 2023
7 Interest income		
Bharti International (Singapore) Pte Limited	7,974,312	7,113,001
Bharti Airtel Lanka (Pvt) Limited	16,484,777	8,042,755
Airtel Africa Mauritius Limited	11,907,754	10,927,012
	36,366,843	26,082,768
8 Investment		
Bharti Airtel International (Mauritius) Limited	372,000	-
Bharti Airtel Holding (Mauritius) Limited	30,000	1,051,791
	402,000	1,051,791
9 Borrowings taken *		
Bharti Airtel International (Mauritius) Limited	-	128
Bharti Airtel (USA) Limited	-	1,000,000
Bharti Airtel (UK) Limited	7,000,000	28,421,951
Bharti Airtel Limited	-	310,000,000
	7,000,000	339,422,079
10 Repayment of borrowings *		
Bharti Airtel International (Mauritius) Limited	-	227,549
Bharti Airtel (UK) Limited	941,430	4,334,777
Bharti Airtel (USA) Limited	7,741,969	479,865
	8,683,399	5,042,192
11 Interest expense		
Bharti Airtel Limited	23,940,744	12,322,106
Bharti Airtel International (Mauritius) Limited	15,208,433	9,363,137
Bharti Airtel (USA) Limited	266,971	261,376
Bharti Airtel (UK) Limited	4,881,700	2,701,438
	44,297,848	24,648,057
12 Corporate guarantee commission		
Bharti Airtel Limited	23,673,883	822,673
	23,673,883	822,673

Loans given to related parties are unsecured, bearing interest rate of 6.48% to 7.99% (previous year of 3.95% to 4.65%) per annum and are given for a short term period on a revolving basis which is repayable on demand. The amounts are expected to be settled in cash.

* The USD borrowings are unsecured carries interest rate from 6.38% to 6.50% (previous year 3.75% to 4.26%) for the year ended and are taken for a short term period on a revolving basis which is repayable on demand. The amounts are expected to be settled in cash.

@ Airtel Africa Mauritius Limited, Bharti Airtel Lanka (Pvt) Limited , Bharti International (Singapore) Pte Limited, Bharti Airtel Holdings Mauritius Limited rely on support of the Parent Company to meet their obligation.



NETWORK i2i LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

27. Leases

Company as a lessee
Amount recognised in profit or loss

Leases under IFRS 16	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses relating to short-term leases	10,005	15,009

Company as a lessor
Amount recognised in profit or loss

Leases under IFRS 16	For year ended March 31, 2024	For year ended March 31, 2023
Rental income	240,000	20,000

28. Fair value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	Level	Carrying Value as of		Fair Value as of	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets					
Fair value through profit or loss					
Investments	Level 2	123,547	124,177	123,547	124,177
Amortised cost					
Loans		497,738,668	640,356,866	497,738,668	640,356,866
Trade receivables		21,686,213	18,394,031	21,686,213	18,394,031
Cash and cash equivalents		67,818,327	255,323	67,818,327	255,323
Other bank balances		10,000,000	-	10,000,000	-
Other financial assets		571,741	681	571,741	681
		597,938,496	659,131,078	597,938,496	659,131,078
Financial Liabilities					
Fair value through profit or loss					
Derivatives	Level 2	-	1,556,625	-	1,556,625
Amortised cost					
Borrowings- floating rate		688,132,841	692,748,429	688,132,841	692,748,429
Trade and other payables		116,681,964	128,692,724	116,681,964	128,692,724
		804,814,805	822,997,778	804,814,805	822,997,778

There were no other transfers between Level 1 and Level 2 fair value measurements.



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTNUED)
(All amounts are in United States Dollar – 'USD')

28. Fair value of financial assets and liabilities (continued)

The following methods / assumptions were used to estimate the fair values:

- i. The carrying value of trade receivables, trade payables, short-term borrowings, floating-rate long-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments / being subject to floating-rates.
- ii. The fair value of other long-term borrowings and non-current financial assets / liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- iii. The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets / liabilities as of March 31, 2023:

Financial assets / liabilities	Inputs used
Derivatives	
- Forward & option contracts	Forward currency exchange rates, interest rates
Investments	Prevailing interest rates in market, future payouts, interest rates

29. Going Concern

As at March 31, 2024, the net worth of the company is USD 2,960,473,508 (March 31, 2023 USD 2,986,903,529) and had net current liabilities of USD 206,846,167 (March 31, 2023: USD 171,640,030).

The Financial Statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the intermediate parent company; Bharti Airtel Limited.

The Directors are of the opinion that this support will be forthcoming over the next twelve months and therefore believe that it is appropriate for the Financial Statements to be prepared on a going concern basis.



NETWORK I2I LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
(All amounts are in United States Dollar – 'USD')

30. Events after reporting date

The management of the Company ('Amalgamated Company') has proposed a merger of its subsidiary Bharti Airtel International (Mauritius) Limited (BAIML) ('Amalgamating Company 1') and Bharti Airtel International (Mauritius) Investments Limited ("subsidiary of BAIMIL") ('Amalgamating Company 2') in the Company. For the purpose of carrying on business more efficiently, the Amalgamating Companies have agreed to merge and amalgamate their business with that of Amalgamated Company, and the Amalgamated Company has agreed to acquire the same in succession to the Amalgamating Companies w.e.f June 5, 2024 vide board resolution dated May 31, 2024. The management of the Company has filed necessary documents with the relevant authority for the approval of merger.

