

Bharti Airtel International (Mauritius) Limited

Audited Financial Statements

March 31, 2021

Bharti Airtel International (Mauritius) Limited
Audited Financial Statements – March 31, 2021

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Bharti Airtel International (Mauritius) Limited
Corporate Information

		Date of appointment
DIRECTORS	: Jantina Catharina Van De Vreede Bashirali Abdulla Currimjee Naushad Ally Sohoboo Devendra Khanna Rajvardhan Singh Bhullar Pravin Surana	April 06, 2010 April 06, 2010 September 06, 2013 September 05, 2013 April 18, 2016 (ceased to be director w.e.f. March 30, 2021) March 25, 2021
ADMINISTRATOR AND SECRETARY	: IQ EQ Corporate Services (Mauritius) Ltd 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
REGISTERED OFFICE (As from April 04, 2019)	: C/o IQ EQ Corporate Services (Mauritius) Ltd. 33 Edith Cavell Street Port Louis, 11324 Republic of Mauritius	
BANKER	: Standard Chartered Bank (Mauritius) Ltd 19, Bank Street, 6 th floor, Standard Chartered Tower, Cybercity, Ebene – 72201 Republic of Mauritius	
AUDITOR	: Deloitte 7th - 8th Floor, Standard Chartered Tower, 19 – 21 Bank Street, Cybercity Ebene Republic of Mauritius	

Bharti Airtel International (Mauritius) Limited
Commentary of the Directors

The directors present their commentary, together with the audited financial statements of Bharti Airtel International (Mauritius) Limited (the 'Company') for the year ended March 31, 2021.

PRINCIPAL ACTIVITY

The Company is principally engaged in investments holding.

DIVIDENDS

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

DIRECTORS

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

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at March 31, 2021, 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 significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ('IFRS') and comply with the Mauritius Companies Act 2001 and for such internal controls director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

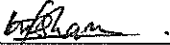
AUDITOR

The Board of directors has recommended the appointment of Deloitte as auditor for the year 2021-22. 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.



**BHARTI AIRTEL INTERNATIONAL (MAURITIUS) LIMITED
CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (D) OF THE COMPANIES ACT 2001**

We certify that, to the best of our knowledge and belief the Company has filed with the Registrar of Companies, all such returns as are required of Bharti Airtel International (Mauritius) Limited under section 166 (d) of the Mauritius Companies Act 2001, for the year ended 31 March 2021.



For IQ EQ Corporate Services (Mauritius) Ltd
SECRETARY

Date: June 30, 2021

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Bharti Airtel International (Mauritius) Limited** (the "Company") set out on pages 6 to 23, which comprise the statement of financial position as at 31 March 2021, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, 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 Category 1 Global Business Licence companies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 Category 1 Global Business Licence companies. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, the Commentary of the Directors and the 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 compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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.

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

Auditor's responsibilities for the audit of the financial statements (continued)

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 Company's shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte

Chartered Accountants

30 June 2021



Vishal Agrawal, FCA

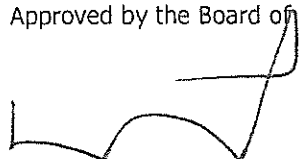
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Bharti Airtel International (Mauritius) Limited
Statement of Profit or Loss and Other Comprehensive Income
(All amounts are in United States Dollars - 'USD)

	Notes	For the year ended	
		March 31, 2021	March 31, 2020
Income			
Income	5	3,688,874	7,708,778
		<u>3,688,874</u>	<u>7,708,778</u>
Expenses			
Other operating expenses	6	19,964	27,468
		<u>19,964</u>	<u>27,468</u>
Profit before tax		3,668,910	7,681,310
Income tax expense	7	(110,067)	(200,364)
Total comprehensive income for the year		<u>3,558,843</u>	<u>7,480,946</u>

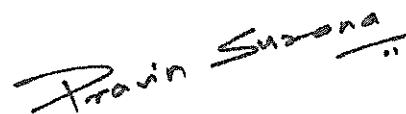
The accompanying notes 1 to 16 form an integral part of these financial statements.

Approved by the Board of directors on June 30, 2021 signed on its behalf by:



Naushad Ally Sohoboo

Director



Pravin Surana

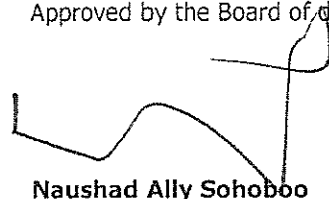
Director

Bharti Airtel International (Mauritius) Limited
Statement of Financial Position
(All amounts are in United States Dollars - 'USD')

	Notes	As of	
		March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Investment in subsidiary	8	40,001	20,001
		<u>40,001</u>	<u>20,001</u>
Current assets			
Cash and cash equivalents	9	1,120	37,117
Loan to related party	10	256,083,036	252,494,163
		<u>256,084,156</u>	<u>252,531,280</u>
Total assets		<u>256,124,157</u>	<u>252,551,281</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,604,990,000	3,604,990,000
Retained earnings		(3,061,570,381)	(3,065,129,224)
Foreign currency translation reserve		(287,347,253)	(287,347,253)
Total equity		<u>256,072,366</u>	<u>252,513,523</u>
Current liabilities			
Income tax payable		45,055	28,558
Other payables	12	6,736	9,200
Total liabilities		<u>51,791</u>	<u>37,758</u>
Total equity and liabilities		<u>256,124,157</u>	<u>252,551,281</u>

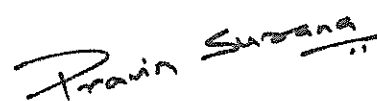
The accompanying notes 1 to 16 form an integral part of these financial statements.

Approved by the Board of directors on June 30, 2021 signed on its behalf by:



Naushad Ally Sohoboo

Director



Pravin Surana

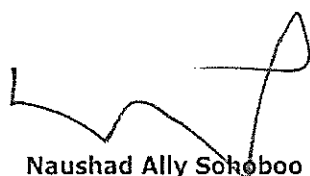
Director

Bharti Airtel International (Mauritius) Limited
Statement of Changes in Equity
(All amounts are in United States Dollars - 'USD')

	Share capital		Retained earnings	Foreign currency translation reserve 'FCTR'	Total equity
	No of shares	Amount			
As of April 01, 2019	3,604,990,000	3,604,990,000	(3,072,610,170)	(287,347,253)	245,032,577
Profit for the year	-	-	7,480,946	-	7,480,946
Total comprehensive income	-	-	7,480,946	-	7,480,946
As of March 31, 2020	3,604,990,000	3,604,990,000	(3,065,129,224)	(287,347,253)	252,513,523
Profit for the year	-	-	3,558,843	-	3,558,843
Total comprehensive income	-	-	3,558,843	-	3,558,843
As of March 31, 2021	3,604,990,000	3,604,990,000	(3,061,570,381)	(287,347,253)	256,072,366

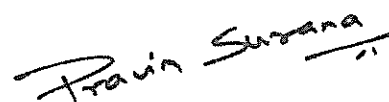
The accompanying notes 1 to 16 form an integral part of these financial statements.

Approved by the Board of directors on June 30, 2021 signed on its behalf by:



Naushad Ally Soboo

Director



Pravin Surana

Director

Bharti Airtel International (Mauritius) Limited
Statement of Cash flows
(All amounts are in United States Dollars - 'USD')

	<u>For the year ended</u>	
	<u>March 31, 2021</u>	<u>March 31, 2020</u>
Cash flows from operating activities		
Profit before tax	3,668,910	7,681,310
Adjustments for:		
Interest income	<u>(3,688,874)</u>	<u>(7,708,778)</u>
Operating cash flows before changes in working capital	(19,964)	(27,468)
Changes in working capital :		
Other payables	<u>(2,466)</u>	<u>1,991</u>
Net cash used to operations before tax	<u>(22,430)</u>	<u>(25,477)</u>
Income tax paid	<u>(93,568)</u>	<u>(238,139)</u>
Net cash flows used in operating activities (a)	<u>(115,998)</u>	<u>(263,616)</u>
Cash flows from investing activities		
Investment in subsidiary (refer note 8)	(20,000)	(10,000)
Repayment of loan by related parties	92,124	305,000
Interest received	<u>7,877</u>	<u>-</u>
Net cash flows generated from investing activities (b)	<u>80,001</u>	<u>295,000</u>
Cash flows from financing activities		
Net cash flows generated from financing activities (c)	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents during the year (a)+(b)+(c)	(35,997)	31,384
Cash and Cash Equivalents as at beginning of the year	<u>37,117</u>	<u>5,733</u>
Cash and cash equivalents as at end of the year (refer note 9)	<u>1,120</u>	<u>37,117</u>

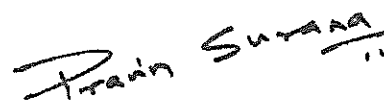
The accompanying notes 1 to 16 form an integral part of these financial statements.

Approved by the Board of directors on June 30, 2021 signed on its behalf by:



Naushad Ally Sohoboo

Director



Pravin Surana

Director

1. CORPORATE INFORMATION

Bharti Airtel International (Mauritius) Limited (the 'Company') is domiciled and incorporated, on April 6, 2010, in Mauritius under the Mauritius Companies Act 2001 as a private company limited by shares and holds a category 1 Global Business Licence. The registered office of the Company is situated at 33 Edith Cavell Street, Port Louis, 11324, Mauritius.

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

The Company is a wholly owned subsidiary of Network 12i Limited, a company domiciled and incorporated in Mauritius under the Companies Act 2001 as a private company limited by shares. Bharti Airtel Limited, a company incorporated in India and listed on the stock exchange in India, is the intermediate parent company.

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies ('GBL'). The directors have considered the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared consolidated financial statements. The financial statements have been prepared under the historical cost convention and in accordance with the International Financial Reporting Standards on a stand-alone basis and are presented in United States Dollars ("USD"), which is the Company's functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note no 3.

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial instruments

A. Recognition, classification and presentation

The financial instruments are recognised in the 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.

B. Measurement – Non-derivative financial instruments

I. Initial measurement

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

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

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

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

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.

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 statement of profit and loss.

III. Subsequent measurement - financial liabilities

i. Financial liabilities measured at amortised cost

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

ii. Effective interest method

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

iii. Derecognition of financial liabilities

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

b. Foreign currency transactions

A. Functional currency

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

B. Transactions and balances

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

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

c. Cash and cash equivalents

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

d. Taxes

Current tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax

assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

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

e. Provisions

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

f. Share capital and issue expenses

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

g. Interest Income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the statement of comprehensive income.

h. Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

i. Related parties

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

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements 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 and judgements 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 or other assumptions 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.

3.1 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 within the next financial year are discussed below:

Impairment reviews

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

Uncertain tax treatments

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

3.2 Critical judgements in applying the Company's accounting policies

Determination of functional currency

The Company has determined its functional currency as USD which is the currency of the primary economic environment in which it operates. The management has considered the factors as prescribed in IAS 21 "The Effects of Changes in Foreign Exchange Rates" for determining the functional currency. The items included in the financial statements are measured using that functional currency.

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

4.1 New and revised IFRSs applied with no material effect on the financial statements

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.

S. No.	Improvements / Amendments to Standards	Effective date- annual periods beginning on or after
1	IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material	January 1, 2020
2	IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material	January 1, 2020
3	IAS 39 - Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 1, 2020
4	IFRS 7 Financial Instruments: Disclosures – Amendments regarding pre-replacement issues in the context of the IBOR reform	January 1, 2020
5	IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 1, 2020

4.2 New and revised Standards 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 classification of liabilities	January 1, 2023
2	IAS 1 Presentation of financial statements-Amendments regarding disclosure of accounting policies	January 1, 2023
3	IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates	January 1, 2023
4	IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations	January 1, 2023
5	IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	January 1, 2022
6	IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021

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4.2 New and revised Standards in issue but not yet effective (Continued)

S. No.	Improvements / Amendments to Standards	Effective date- annual periods beginning on or after
7	IFRS 7 Financial Instruments: Disclosures – Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
8	IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform	January 1, 2021
9	IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	January 1, 2022

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

5. Income

	For the year ended	
	March 31, 2021	March 31, 2020
Interest income on loans to group company (refer Note 13)	3,688,874	7,708,778
	3,688,874	7,708,778

6. Other Operating Expenses

	For the year ended	
	March 31, 2021	March 31, 2020
Legal and professional fees (refer note 13)	2,287	9,625
Management service fees#	10,791	11,161
Bank Charges	2,500	2,591
Audit fees	4,386	4,091
	19,964	27,468

Represents the amount recovered by the holding company from the Company for rendering of manpower services on behalf of the Company (refer note 13).

7. Income Tax

For the year ended March 31, 2021, the Company is subject to income tax in Mauritius on its net income at 15%. However, the Company was entitled to a tax credit equivalent to the higher of the actual foreign tax suffered (Foreign Tax Credit) and 80% of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. With effect from 1 January 2019, the Foreign Tax Credit available to the Company has been abolished by Mauritius Finance (Miscellaneous Provisions) Act 2018 (Finance Act), with introduction of 80% partial exemption regime whereby an income tax exemption of 80% on the following categories of income is applicable, provided that the pre-defined substance requirements issued by the Financial Service Commission (FSC) are met:

- Foreign-source dividend (not allowed as deduction in source country).
- Interest income.
- Profit attributable to a permanent establishment (PE) that a resident company has in a foreign country.

GBL1 license issued on or before 16 October 2017 will remain governed under the existing provisions of the Financial Services Act 2007 until 30 June 2021, after which it will be deemed to be a Global Business Licence (GBL).

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7. Income Tax (Continued)

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

	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	3,668,910	7,681,310
Effect of:		
Tax expense at 15%	550,337	1,152,197
Income tax expense with respect to previous year	-	(26,780)
Foreign tax credit	(440,270)	(925,053)
Income tax expense	110,067	200,364

8. Investment in subsidiary

	As of	
	March 31, 2021	March 31, 2020
Bharti Airtel International (Mauritius) Investment Limited	20,001	10,001
Add: Investment made during the year	20,000	10,000
	40,001	20,001

Name of company	Country of incorporation	Principal activity	Type of shares	Proportion (%) of ownership interest
Bharti Airtel International (Mauritius) Investments Limited	Mauritius	Investment holding	Ordinary shares	100% (March 31, 2020: 100%)

9. Cash and Cash Equivalents

	As of	
	March 31, 2021	March 31, 2020
Cash at bank	1,120	37,117
	1,120	37,117

10. Loan to related party

	As of	
	March 31, 2021	March 31, 2020
Loan given to related party (refer Note 13)	234,546,412	234,638,536
Interest accrued (refer Note 13)	21,536,624	17,855,627
	256,083,036	252,494,163

Bharti Airtel International (Mauritius) Limited
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11. Share Capital

	As of	
	March 31, 2021	March 31, 2020
Issued and fully paid:		
3,604,990,000 Ordinary shares (March 31, 2020: 3,604,990,000 shares)		
of USD 1 each	3,604,990,000	3,604,990,000

a. Terms / rights attached to equity shares

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

b. Details of shareholders

	As of			
	March 31, 2021		March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of USD 1 each fully paid				
Network i2i Limited	3,604,990,000	100%	3,604,990,000	100%

12. Other Payables

	As of	
	March 31, 2021	March 31, 2020
Audit fees	4,166	3,910
Other payables*	2,570	5,290
	6,736	9,200

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

13. Related Party Disclosures

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

List of related parties	Relationship
Network i2i Limited	Parent Company
Bharti Airtel Limited	Intermediate parent entity
Bharti Enterprises (Holding) Private Limited#	Ultimate controlling entity
Bharti Airtel International (Mauritius) Investments Limited	Subsidiary
Bharti International (Singapore) Pte. Ltd	Fellow Subsidiary
IQ EQ Corporate Services (Mauritius) Ltd.	Local management company

It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

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Notes to Financial Statements for the year ended March 31, 2021
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13. Related Party Disclosures (Continued)

Nature of transactions	IQ EQ Corporate	Bharti Airtel	Network i2i	Bharti Airtel
	Services (Mauritius) Ltd	Limited	Limited	International (Mauritius) Investments Limited
	USD	USD	USD	USD
As on March 31, 2021				
Balances Recievable / (Payable)				
Management service fees	-	2,570	-	-
Loan given to Group companies#	-	-	256,083,036	-
For the year ended March 31, 2021				
Transactions				
Management service fees (Refer note 6)	-	10,791	-	-
Legal and professional fees (Refer Note 6)	2,287	-	-	-
Investment made	-	-	-	20,000
Loan (including interest) repaid by Group companies	-	-	100,001	-
Interest income on loans to group company	-	-	3,688,874	-

Nature of transactions	IQ EQ Corporate	Bharti Airtel	Network i2i
	Services (Mauritius) Ltd	Limited	Limited
	USD	USD	USD
As on March 31, 2020			
Balances Recievable / (Payable)			
Management service fees	-	5,290	-
Loan given to Group companies#	-	-	252,494,163
For the year ended March 31, 2020			
Transactions			
Management service fees (Refer note 6)	-	11,161	-
Legal and professional fees (Refer Note 6)	9,625	-	-
Loan (including interest) repaid by Group companies	-	-	305,000
Interest income on loans to group company	-	-	7,708,778

Loans given to related parties are unsecured, bear average interest rate of 1.55% (3 months LIBOR plus 1%) and 2.70% (3 months LIBOR plus 1%) in March 31,2021 and March 31, 2020 respectively 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.

14. Financial Risk Management Objectives and policies

Financial risk factors

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

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

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

a. Credit risk

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

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14. Financial Risk Management Objectives and policies (Continued)

	Note	Gross carrying Amount	Less: Loss allowance	Net carrying Amount
March 31, 2021				
Cash and Cash equivalents	9	1,120	-	1,120
Loan to related party	10	234,546,412	-	234,546,412
Interest Accrued	10	21,536,624	-	21,536,624
		256,084,156	-	256,084,156
March 31, 2020				
Cash and Cash equivalents	9	37,117	-	37,117
Loan to related party	10	234,638,536	-	234,638,536
Interest Accrued	10	17,855,627	-	17,855,627
		252,531,280	-	252,531,280

The financial assets are neither past due nor impaired at reporting dates. The amount due from related parties are assessed to have low credit risk at reporting date as they are due from group companies which have low risk of default and are considered to have strong capacity to meet their obligations in the short term. The bank balance is assessed to have a low credit risk as it is held with a reputable financial institution. No ECL provision has been recognised in respect of this amount as it is not material.

b. Liquidity risk

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

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

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

	Within 1 year	Total
March 31, 2021		
Other payables	6,736	6,736
	Within 1 year	Total
March 31, 2020		
Other payables	9,200	9,200

c. Currency risk

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

14. Financial Risk Management Objectives and policies (Continued)

d. Interest rate risk

The Company's interest rate risk arises mainly from loan given to related parties as follows:

	Change in interest rate (basis points)	Effect on profit / (loss) before tax
March 31, 2021	+20	469,093
Loan to related party	-20	(469,093)
March 31, 2020		
Loan to related party	+20	469,277
	-20	(469,277)

e. Capital management

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

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

	As of	
	March 31, 2021	March 31, 2020
Equity	256,072,366	252,513,523

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

	As of	
	March 31, 2021	March 31, 2020
Financial Assets		
Amortised Cost :		
Cash and cash equivalents	1,120	37,117
Loan to related party	256,083,036	252,494,163
Total	256,084,156	252,531,280
Financial Liabilities		
Amortised Cost :		
Other payables	6,736	9,200
Total	6,736	9,200

The above financial instruments are short-term in nature and their fair value approximate the carrying value.

15. COVID 19

For the year ended March 31, 2021, the Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets and company believes that the carrying amount of these assets will be recovered.

The Company has also re-assessed its financial risk management policies and impact of any change on the related disclosures in the financial statements, on counterparty credit risk, liquidity risk and foreign currency risk and no material impact has been noted.

The Company has updated the foregoing assessment as at March 31, 2021 and there is no material impact on the financial statements for the year ended March 31, 2021.

16. Events after reporting date

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